



The Turnover of High Performance Employees in the Electronics Industry in Thailand

การลาออกจากงานของพนักงานที่มีผลการปฏิบัติงานดี ในอุตสาหกรรมอิเล็กทรอนิกส์ในประเทศไทย

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Abstract

This study aims to investigate factors affecting turnover of high performing employees in the Electronics Industries in Thailand. Even though, some turnover studies were conducted in past decades, but most of studies related to all employees. No studies were able to be identified, which specially examined the turnover of high performers. Research questions were; (a) why do high performers leave organization? (b) what turnover model of high performers look like?

This is a qualitative approach. Telephone interviews were conducted fifty high performers of one electronic company who resigned during 1999-2003. In-dept interviews were conducted ten executives of five electronics companies. Turnover model was developed and modified by the executives. Basic statistical means; percent, frequency, were employed.

The results were found that factors affecting turnover of high performers were external factors, organizational factors, job related factors, and personal factors. Top five

factors affected turnover of high performers were external job opportunities, challenging job, promotion, compensation and benefits, and organizational policies. The executives mostly agreed with factors influenced turnover of high performers. Few items were recommended for "fine tune", not totally changed. Turnover model also was recommended to adjust in small part of the model. It concluded that most findings of this study agreed with literatures.

Keywords: Turnover, High performing employees, Electronics industry

บทคัดย่อ

งานวิจัยนี้มีจุดมุ่งหมายเพื่อศึกษาปัจจัยที่ส่งผลต่อการออกจางาน ของพนักงานที่มีผลงานดีในอุตสาหกรรมอิเล็กทรอนิกส์ในประเทศไทย แม้ว่าในช่วงทศวรรษที่ผ่านมาได้มีการศึกษาถึงการลาออกจางานของพนักงานอยู่บ้าง แต่ก็ไม่พบว่ามีการศึกษาถึงการออกจางานของพนักงานที่มีผลงานดีแต่อย่างใด

คำถามหลักที่ใช้ในการวิจัย (1) ทำไมพนักงานที่มีผลงานดีถึงได้ลาออกจางาน? (2) ตัวแบบของการลาออกจางานของพนักงานที่มีผลงานดีเป็นอย่างไร?

การวิจัยนี้เป็นการวิจัยเชิงคุณภาพ โดยการสัมภาษณ์ทางโทรศัพท์พนักงานซึ่งที่มีผลการปฏิบัติงานดีจำนวน 50 คนของอุตสาหกรรมอิเล็กทรอนิกส์แห่งหนึ่ง ซึ่งได้ลาออกจางานระหว่างปี 1999 ถึง ปี 2003 นอกจากนั้นยังได้ทำการสัมภาษณ์เชิงลึกผู้บริหารระดับสูง 10 คน ของอุตสาหกรรมอิเล็กทรอนิกส์ 5 แห่ง และได้ขอให้ผู้บริหารเหล่านั้นแนะนำ ปรับแต่งตัวแบบการลาออกจางานของพนักงานที่มีผลงานดีดังกล่าว วิธีการทางสถิติขั้นพื้นฐานที่นำมาใช้ คือ ค่าร้อยละ ค่าความถี่ เป็นต้น

ผลลัพธ์จากการศึกษาพบว่า ปัจจัยที่ส่งกระทบต่อการออกจางานของพนักงานที่มีผลงานดีในอุตสาหกรรมอิเล็กทรอนิกส์ในประเทศไทยจำแนกเป็น ปัจจัยภายนอกองค์กร ปัจจัยภายในองค์กร ปัจจัยที่เกี่ยวข้องกับงาน และปัจจัยส่วนบุคคล ซึ่งพบว่า 5 ปัจจัยสูงสุดที่ส่งผลกระทบต่อออกจางานของพนักงานที่มีผลงานดี ได้แก่ งานที่ทำทนาย การเลื่อนตำแหน่ง ค่าจ้างเงินเดือน สวัสดิการ และนโยบายขององค์กร ซึ่งผู้บริหารระดับสูงเห็นด้วยกับปัจจัยส่วนใหญ่ในการออกจางานของพนักงานที่มีผลงานดี และได้มีการปรับแต่งตัวแบบการลาออกจางานบ้างเพียงบางส่วนไม่มีการปรับเปลี่ยนในสาระสำคัญ

ข้อค้นพบของการศึกษานี้มีความสอดคล้องต้องกันกับวรรณกรรมที่ได้ทบทวนในการดำเนินการวิจัยครั้งนี้

คำสำคัญ: การออกจางาน พนักงานที่มีผลงานดี อุตสาหกรรมอิเล็กทรอนิกส์

Introduction

Significance of the Problem

The Thai Electronics Industry has developed into a significant contributor to the economy of Thailand over the last 30 years (Apinanmahakul, 1996). In particular, it is important in its role in generating foreign income through exports, and its role as major employer.

1) Export Value: The industry generates foreign income through exports, which adds to Thailand's foreign reserves. Thailand Exports were 636,067.36 million Baht in 2000; 598,795.48 million Baht in 2001; 582,151.40 million Baht in 2002 and 643,200.89 million Baht in 2003 (Export Promotion Department, 2004). This made the exports of electronic components in the top three of all Thailand exports (Bank of Thailand, 2003).

The Electronics industry has been one of the top five exporters in Thailand for a number of years (Bank of Thailand, 2003). This is a key factor to keep the financial balance of the country.

2) Major Employer: A survey of 604 BOI promoted companies by the Board of Investment (BOI) found that the Electronics Industry employed 323,231 people in 1999 (BOI Annual Report 1999) and the 2002 figures of employment of the industry show over 350,000 people (C&C International Venture, 2002).

Labour demand of the electronics industry increased approximately 17 percent in 2002-

2003, which was higher than all other industries. Various government and private industry reports in the years 2003-2005 indicated that demand for graduates in the technology field continued to high and various shortages were reported or predicted. These employment figures indicated that the electronics industry creates job opportunities, reduce the overall unemployment rate and contribute significant income to the country.

The Electronics Industry produces "high-tech products" and "Export oriented products" (Apinanmahakul, 1996). This industry is characterized by a high rate of change, high technology, and highly trained and highly skilled employees (Goman, 2000). So when these people leave the organization, this may have a significant impact.

In 2003, the Thai economy grew by 6.7 percent, industrial production growth rate was 12.2 percent and the unemployment rate was 2.2 percent (Brooker Group, 2004). In the first quarter in 2004, export value of the electronics industry was 182,220.10 million Baht. The growth rate increased from the previous year by 6.2 percent (BOI, 2004; First Quarter: Production and Investment Report, 2004). Unfortunately, a new trend of the labor issue is that high labor turnover usually occurs when the economy declines. An unpublished report of the Electronics and Computer Employer's Association (ECEA) shows that labor turnover

of its member companies had sharply increased; the percentage of turnover was 7.3 percent in 2000, 7.6 percent in 2001, 8.3 percent in 2002, and 9.6 percent in 2003 (ECEA monthly record, September, 2004). It is, therefore, considered that this issue should be handled effectively so that the impact can be minimized.

It is clear that the negative impact of turnover is a cost aspect. This includes separation cost and replacement and training cost (Cascio, 1991). In the U.S.A., the Saratoga Institute reports that the cost per hire averages approximately US\$ 4,000-6,000, for each employee (Burkholder, 2004). In Thailand, the cost of turnover of the Sony group of Companies averages US\$800 (Wateetip, 1999). In general, the figure that will emerge will give credence to the normally quoted turnover cost of 1.5 to 2.5 times the annual salary level of replaced employees (Ahlrichs, 2000). These are costs of turnover of all employees, not just high performing ones.

The turnover cost of a high performing employee is obviously much higher than the cost of losing an average performer even though the salaries and benefits of the two may be similar (Hendron, 2004).

Almost all employers search for talented employees because they are a high-value-added human capital element. McKinsey (Michaels, 2001), found in the U.S. that talents increased productivity by 40 percent, revenue by 67

percent and profits by 49 percent from their study on the "war for talent" in 1997 (Martel, 2002), so high performers are in high demand from all companies. There are three factors fuelling talent demand in the business world:

- 1) The irreversible shift from the industrial age to the innovation age,
- 2) The intensifying demand for high-calibre managerial talent, and
- 3) The growing propensity for people to switch from one company to another (Michaels, 2001). Even though this study took place in the U.S.A., one would expect it also to apply elsewhere.

Even though labour turnover studies have been conducted in Thailand in the past, most of the studies were about factors relating to total labor turnover (Asamaporn Na Songkhla, 1996; Sirinoot, 1997; Wateetip, 1999; Pengsuk, 1999; Despradipa, 2001), and the relationship between job satisfaction and intention to leave (Suapituck, 1998; Ratanamanee and Ketwong, 1983). There are no studies that this researcher could find on turnover of high performers.

The critical impact of turnover of high performers to organizations and industries are the high costs of replacement, it usually takes more time to recruit high performers and there is a lot of uncertainty about having the same level or a higher level of performance. These losses could affect a company's or industry's competitive advantage (Michaels, 2001).

The objective of this study then is to investigate the turnover of high performing employees in the Electronics Industry in Thailand. An attempt will be made to overcome this dearth of information in this area and to develop a framework or model to try to contribute towards improving this situation. This would make a significant contribution to Thailand's further growth.

Purpose of the Study

The objectives of this study are:

- To review literatures in order to develop a conceptual model of employee turnover,
- To study factors affecting turnover of high performing employees in one electronics company in Thailand,
- To examine and compare the general model of labour turnover with that of high performing employees,
- To investigate retention strategy and develop a conceptual model of this, and
- To identify what retention factors should be used to try to retain high performance employees.

Expected Contribution of this Study

- To provide results of this study to members of the Electronics and Computer Employer Association (ECEA) and other interested parties,
- contribute to academic knowledge and

learning in this important topic in Thailand,

- To provide results of this study to HR practitioners through the Personnel Management Association of Thailand (PMAT), and
- To provide a basic study in this area, to help other HR personnel and HR scholars, to study and develop this topic further.

Literature Review

The purpose of this section is to investigate turnover of high performing employees (HPEs). The attributes of the study are prioritized as: 1) Definition, 2) State of the art of Employee Turnover, 3) Turnover of High Performing Employees, 4) Retention Strategy, and 5) Summary.

Definitions

Definition of Turnover

These are classified into 2 categories:

1. Global Perspective: All kinds of movements in the labour market, either flowing into the market (Hiring) or departing from the market (Termination of employment) are considered as "Turnover". This is not specific in any particular organization. Employees moving from one industry to another industry, or from plant to plant, are also called turnover (Hedberg, 1967). This view has been supported by Abbasi and Hollam, (2000), who see turnover as the rotation of workers in the labor market, between firms, jobs and occupations and between states

of employment and unemployment.

2. Organizational level perspective:

There are two concepts in this perspective. The first concept views all movement in organizations, such as Hiring, Promotion, Inter-department transfer, and departure of employees as labor turnover (Forbes, 1971). This view has been supported by Price and Mueller (1986) who further classified turnover into voluntary and involuntary. Voluntary turnover means turnover is initiated by the employee such as voluntary resignation. Involuntary turnover means turnover is initiated by the employer such as lay-offs, and termination of employment by disciplinary action. The second concept views that Hiring, Transferring and promotion in an organization are not "turnover" (Mobley, 1982). He gives a definition of turnover that it is a voluntary cessation of membership in an organization by an individual who receives monetary compensation for participating in that organization. So it can be interpreted that turnover components comprise: 1) the leaver must be a regular employee; 2) the leaver must receive financial compensation from the organization; Volunteer employees who are not receiving wages/salaries, such as a foundation's employees are not classified within this meaning; 3) The departure must be on a voluntary basis (involuntary departure; lay-offs, termination by disciplinary action are not regarded as turnover).

In summary, turnover is usually regarded as termination of employment conditions of regular employees on a voluntary basis over a specific period of time.

Functional/Dysfunctional Turnover (Dalton and Todor, 1982: in Hom and Griffeth, 1995). *Employee Turnover* functional turnover means a poor

performer leaves an organization and a good performer stays with the organization.

- Dysfunctional turnover means a good performer leaves an organization and a poor performer stays with the organization.

A High Performing Employee means an employee who receives an A or B rating in the annual performance appraisal in the company which uses A, B, C, D and E ratings, or who was rated as "Exceeding Expectations" for the organization using three ratings, Not meeting expectations, Meet expectations and Exceeding expectations.

In a broader meaning, HPEs are employees who have demonstrated superior performance, who have inspired others to achieve superior performance, and who embody the core competencies of the organization. They are role models for success and the organization can neither afford to lose them nor fail to take advantage of their ability to contribute to organizational excellence (Berger and Berger,

2004).

Talent: Talent is the sum of a person's abilities - his or her intrinsic gifts, knowledge, experience, intelligence, judgment, attitude, character and drive. It also includes his or her ability to learn (Michaels, 2001). It is similar to the concept of "competence".

State of the art of the literature on Employee Turnover

Mayo, (1975 reprint of 1933) was the first to study turnover of workers in the mule-spinning department of a textile mill near Philadelphia (Pettman, 1975). In the initial stage of turnover studies most saw turnover as a negative. They believed that employee departures caused problems for a company. It was only later that some scholars and writers started to study and analyse turnover and develop theories about it. Some studies found that some aspects of turnover were not necessarily bad (Mobley, 1982). It depends on who leaves the organization and why. If poor performers leave and better performers can replace them, then this is an opportunity for the organization. If high performers leave, it is often very difficult to replace them with the same level of performers, and this is considered as a lost opportunity (Hom and Griffeth, 1995). So the consequences of employee turnover may have either negative or positive outcomes.

Consequences of Turnover

The consequences of turnover are divided into two parts; consequences for the organization and the consequences for the individual (Hom and Griffeth, 1995).

Consequences for the Organization

- Potential Negative organizational consequences.

These may be economic costs, productivity losses, and declines in morale.

Economic costs

Turnover cost has been raised for discussion among scholars and practitioners for a lengthy period (Blakeslee, Suntrup and Kernaghan, 1985; Cascio, 1991; Hom and Griffeth, 1995). The organizations consider three major cost categories: separation cost, replacement cost, and training cost (Smith and Watkins, 1978, in Cascio, 1987).

Turnover cost is different in terms of position-to-position and country-to-country. For example, the total cost in the first year of replacing a top IT engineer can go as high as four times of his/her salary (Goman, 2000). The cost of replacing a special nurse at a hospital in the USA is 156 percent of that nurse's salary (Ahlrichs, 2000). In Thailand, turnover cost in one study of Electronics companies shows the cost to be approximately US\$800, for

degree-level employees.

From these figures, it can be seen that turnover costs vary considerably. So it is difficult to identify exactly just how much the cost of labor turnover is. Even though turnover cost has been brought to the attention of scholars for a long period, it would appear that relatively few companies have paid serious attention to it. In the U.S.A., only 16 percent of U.S. companies track turnover cost according to one study (Ahlrichs, 2000).

Unfortunately, the researcher was unable to identify comparative evidence for turnover cost of poor performers and high performers.

Various reasons have been given for turnover and various theories or models have been developed in an endeavour to understand and measure turnover.

Unfortunately, in this paper, there is not enough time or space to describe these studies or theories in any depth.

The main studies are as follows:

- Motivation Model (March and Simon, 1958) The key concepts of this model are that perceived desirability of movement and perceived ease of movement are the main determinants of turnover.

In brief, there are five factors which are seen as being correlated with turnover. These are perceived desirability of movement, job satisfaction, size of organization, perceived ease of movement, and job availability.

- Expanded Model (Mobley, Griffeth, Hand and Meglino, 1979)

In the expanded model, the authors identified that the quit intention as the immediate precursor of turnover (Hom and Griffeth 1995). They conceived intentions and turnover as a function of: 1) job satisfaction, 2) expected utility of the present work role, and 3) expected utility of alternative work roles.

- Labor Economic Model (Hulin, Roznowski and Hachiya, 1985)

In brief, this model explained that job opportunities directly influence job satisfaction and directly affect turnover. This argument should be investigated since job satisfaction or dissatisfaction is based on various factors. Job opportunities cannot influence satisfied employees to become dissatisfied because antecedents of job satisfaction/dissatisfaction vary (Spector, 2000). Job opportunities should be considered as a supportive factor of job satisfaction.

- Integrative Model of Turnover Determinants (Hom and Griffeth, 1995)

This model has integrated empirical findings into a turnover model by demonstrating that job satisfaction, organizational commitment, withdrawal cognition and expected utility of withdrawal are key factors leading to turnover.

Organizational Commitment: Scholars of commitment agree that commitment predicts quits more accurately than does satisfaction (Porter,

Steers, Mowday and Boulian, 1974) as resignation implies a rejection of the company, not necessarily of the job which can be assumed elsewhere.

Both job dissatisfaction and lack of organizational commitment can create withdrawal cognition. In such cases, when employees have a withdrawal cognition, i.e., they are dissatisfied, and then job turnover is likely to occur.

- The Market-Driven approach. This was developed by Cappelli (2001) who indicated that the most influential factors of employee turnover have changed from internal factors, such as job satisfaction, compensation, promotion opportunities etc., to external factors. He called these market-driven factors. Therefore employees may leave an organization without any dissatisfaction because they received offers from outside which are irresistible or they see opportunities outside, which their existing organization cannot provide. Such opportunities are likely to be available to talented and high performing employees even when economic conditions are difficult.

In summary, these models may explain turnover of average performing employees but they may not adequately explain turnover of high performing employees in the current environment because high performing employees are in high demand in the labour market (Michaels, 2001). Job opportunities are usually always available for them. As a result, it is now challenging to

investigate the factors which affect turnover, both of any employee, but particularly, of high performing employees to see whether they are the same or different, and also to investigate or develop retention strategies, particularly designed to retain high performing employees.

Findings and Discussion on Factors Affecting Turnover of All Employees

Factors which are seen to have an important impact on employee turnover are:

- Job satisfaction
- Pay and Compensation
- Job Opportunities
- Organizational Policies and Procedures
- Promotion Opportunities
- Supervisory Issues
- Relationships between employee and supervisor
- Met expectations of employees
- Working Environment
- Family Issues

These factors are divided as follows: 1) Job related factors, 2) Organizational factors, 3) Individual factors, and 4) External economy. These key four factors are seen as playing a major role in employee turnover.

The findings of ten authors/theorists who have studied employee turnover indicate that 26 factors affected turnover. Very few factors were found in the individual related factors. The top five scores are found in nine items; these are

job satisfaction (9/10), pay and compensation/benefit (7/10), job opportunity (6/10), policies, procedures, rules (5/10), promotion opportunity (5/10), supervisory issues (5/10), relationship (5/10), meet expectations (4/10), and working environment (4/10). These nine factors are well recognized as factors which affect turnover of employees.

Turnover of High Performing Employees (HPEs)

This study represented a case study of one the turnover of High Performing Employees in one large Thai Electronics company.

The researched was given telephone contact details of HPEs who had left the company during the previous six months and he was able to contact and obtain information from 50 of these former employees about their reasons for leaving. .

From the literature, there appear to be a few differences between why HPEs and other employees might leave their organizations.

Five factors are identified from the literature, as common. They are: 1) pay and compensation, 2) job opportunity, 3) promotion, 4) supervision, and 5) relationships.

Some differences, however, could be identified, and also some focal points for HPEs. Focal and different points for HPEs are: 1) Challenging, Exciting work, 2) recognition, and 3) development. The findings indicate that most

of the basic needs are met for HPEs, such as pay, promotion opportunities, etc. because of their high level of performance. Organizations try to cover these basic, traditional elements. Sometimes, however, management overlook the important motivating factors for HPEs. This usually leads to lower motivation for HPEs and, providing an incentive to leave their organizations. So, job satisfaction for HPEs is a critical requirement. The basic factors, pay, etc, are still obviously important but these motivating factors are essential to retain HPEs. Employee development is a critical motivating factor. Without adequate development programs, HPEs are likely to become dissatisfied and hence, more likely to leave their organizations.

Conceptual Turnover Model of High Performing Employees

Having reviewed the literature of turnover, and particularly relating this to HPEs, key factors can be identified and applied to employee turnover, with particular respect to HPEs. The factors are:

- Challenging/Exciting work.
- Supervision
- Pay and Compensation
- Promotion
- Training and Development
- Relationships
- Job opportunity
- Personal Factors

The study also asked respondents about the type of organisational retention strategies the company should try to use in an endeavour to retain as many as possible of their HPEs.

Both from the literature and from respondents comments the following retention strategies were suggested.

The factors considered most important are:

- Compensation
- Job design
- Job customization
- Social Relationships

These strategies view employee turnover in a different dimension from the old paradigm which always focused on job-related factors such as job satisfaction and commitment. However, this point-of-view is quite limited, since this approach views outside factors (labour market) as key factors influencing employee turnover. A challenging question is "Are job opportunities from outside the organization influencing high performing people to resign?"

Employee Value Proposition (EVP)

An employee value proposition (EVP) is the holistic sum of everything people experience and receive while they are part of a company-everything from the intrinsic satisfaction of the work, to the environment, leadership, colleagues, compensation and more.

An employee value proposition is similar to a customer value proposition. For more than a

century, markets have been consciously crafting customer value proposition. Now, with companies competing hard to win the war for talent, they have to start applying the same kind of marketing thinking to attracting and retaining employees. Companies need strong employee value propositions - a compelling answer to the question, "why would a highly talented person choose to work here?"

Summary - Retention Policies or Strategies

An effective retention strategy must start even prior to hiring and matching work requirements with individual needs. People are different so some factors may be consistent over a number of employees, while others are not. As indicated, we need to determine the major needs of high performing employees. An effective retention strategy can and must be developed and managed.

Importance of Model Evaluation

A model is "a representation of a system that is constructed to study some aspect of that system or the system as a whole" (Cooper and Schindler, 1998, p. 48). Models differ from theories. A theory's role is explanation; whereas a model's role is that of an understood reality. The model used in this paper is an explicative model and it improves our understanding of the key concepts of turnover factors.

Kimbleton (1972) indicated that one of the

advantages of model evaluation is that it can be an aid in conceptualizing an area of interest more clearly. Stogdill (1970) emphasized that models "help understand the set of events" (p. 25). According to Lippitt (1973), a good model has these characteristics: (a) clarifies goals and perspectives of situations, (b) indicates variables compelling changes, (c) provides new opportunities to understand situations, (d) shows the interrelationship of the various conflicting factors, (e) shows different concepts and theories, and (f) indicates capability to evaluate progress, success or failure of a process.

Turnover Model of High Performing Employees in the Electronics Industry in Thailand

External Factors

- Economic situation
- External job opportunities

Job Related Factors

- A challenging job

Organizational Related Factors

- Policies/Procedures
- Promotion
- Compensation & Benefits
- Business uncertainty
- Relationships
- Training & Development
- Reward & Recognition
- Working environment

Geographic Factors

- Doing their own business

- Relocation
- Long distance traveling
- Taking care of family
- Further study

Retention programs indicate that the findings are not much different from the turnover factors. Six programs are recommended as retention strategies, namely: 1) career development, 2) pay for performance, 3) reward & recognition, 4) job review, 5) attractive benefits, and 6) effective communication. Most programs align with the literature, however some are less clear, for example, job review, attractive benefits and effective communication. So evaluation of these programs will be beneficial to this study in order to improve the applicability of the model on the turnover of high performing employees in the Thai Electronics industry.

In addition, the research literature did not identify any data to evaluate a model of high performers' turnover. Therefore, this paper, by use of a qualitative evaluation study that incorporates the perspectives of senior executives in the electronics industry in Thailand, will attempt to explain the practicality of the factors affecting the turnover model of high performing employees in the electronics industry in Thailand. The challenge is whether senior and experienced persons agree with the turnover model which was identified by former high performers and if any recommendations are given to further develop the turnover and

retention models further.

Research Questions

This study aims to build on an exploratory study of turnover of high performing employees in one electronics company in Thailand by in-depth interviews with ten executives of one electronics company in Thailand.

Three research questions are:

1. Do you agree with the findings from paper two? Please provide an explanation.
2. If not, how do you think the proposed turnover recommendations? Please give your recommendation.
3. Do you agree with the proposed retention model? Please express your opinion.

As indicated, participants in the qualitative evaluation are five chief executive officers and five human resources directors from five electronics companies who are members of the Electronics and Computer Association of Thailand since the studied company is a member of the Association so opinions or suggestions of executives who are working in a similar environment are likely to be appropriate. There were a total of 10 participants (two persons from each company). The reasons why two persons from each company were selected are that human resource directors are responsible for exit interviews of the company so they should have some idea about why high performers left their

organizations, and executive officers oversee policy and the overall business perspective, so they are the resource persons who can evaluate the total picture of employee turnover and retention.

Participants were contacted by phone and an individual meeting was arranged to obtain written consent by voluntarily signing an appropriate permission form before the interview was conducted. Participants were then contacted between October 1 and 15, 2005 to arrange interviews. After the interview date was confirmed and consent obtained, the interviews were conducted.

All 10 participants were interviewed in their offices for at least one hour each. Most respondents gave a detailed perspective to the model evaluated. Notes were taken, and the tapes of all interviews were transcribed, coded, and analyzed. The confidentiality and anonymity of the participants' responses and of the company was assured.

Criteria for Selection

Ten executives from five electronics companies were interviewed and asked for their recommendations on the turnover model of high performers in the Thai electronics industry. Participants were recruited according to the following criteria:

ECEA Membership

The selected companies were the top five with lower turnover rates among ECEA's member (30 companies) in 2003. Since those companies were well accepted in the HR community as good examples of managing employees' turnover and retention.

Executives must work in the industry

Executives must be currently working in the electronics industry in Thailand.

HR Directors

Five HR directors are responsible for employee turnover/retention policies.

Interviews

Face-to-face interviews give advantages for such a purpose, according to Sekaran (2000, p. 230) "the main advantage of face-to-face or direct interviews is that the researcher can adapt the questions as necessary, clarify doubts, and ensure that the responses are properly understood, by repeating or rephrasing the questions. The researcher also picks up nonverbal cues from the respondents".

Interview questions were designed to elicit their thorough consideration and points-of-view in evaluating the model based on their professional experience. The following questions were asked: Please share your experience in

this aspect of the research seeks to confirm the characteristics of the turnover model of high performing employees in the electronics industry in Thailand should look like. Whether the proposed characteristics of the turnover and retention models that were recommended by fifty former high performers of one electronics company are confirmed or not? The result of this study will be beneficial to the industry in retaining their high performers. To get interviewees' views in detail, face-to-face interviews with ten managerial personnel of the industry were conducted. The researcher tried to get a view on the concept and the situational factors of turnover and retention of high performers.

Data Collection

Each participant was asked a series of questions prepared to yield individual and demographic information. The record shows that the executives are mostly male; all of them are over 40 years of age, most of them hold masters' degree with an engineering background and most graduated from overseas universities. The range of experiences was from 20 to more than 30 years.

1. Participants were then asked a series of in-depth managing employee turnover and retention in overview, particularly with respect to the turnover intentions of HPEs.

2. Do you agree with the identifying factors

influencing turnover of high performers as shown in the proposed model? Please elaborate.

3. Do you think the proposed turnover model should be modified or not? If yes, how? Please explain.

4. Do you agree with the model's identifying factors as influencing retention of high performers? Please elaborate.

ers? Please elaborate.

5. In your opinion, how do you think this retention model should be modified? If yes, how? Please advise.

6. What are your recommendations about the turnover and retention of high performers in the electronics industry in Thailand?

Findings

Findings are shown in Figure 1.

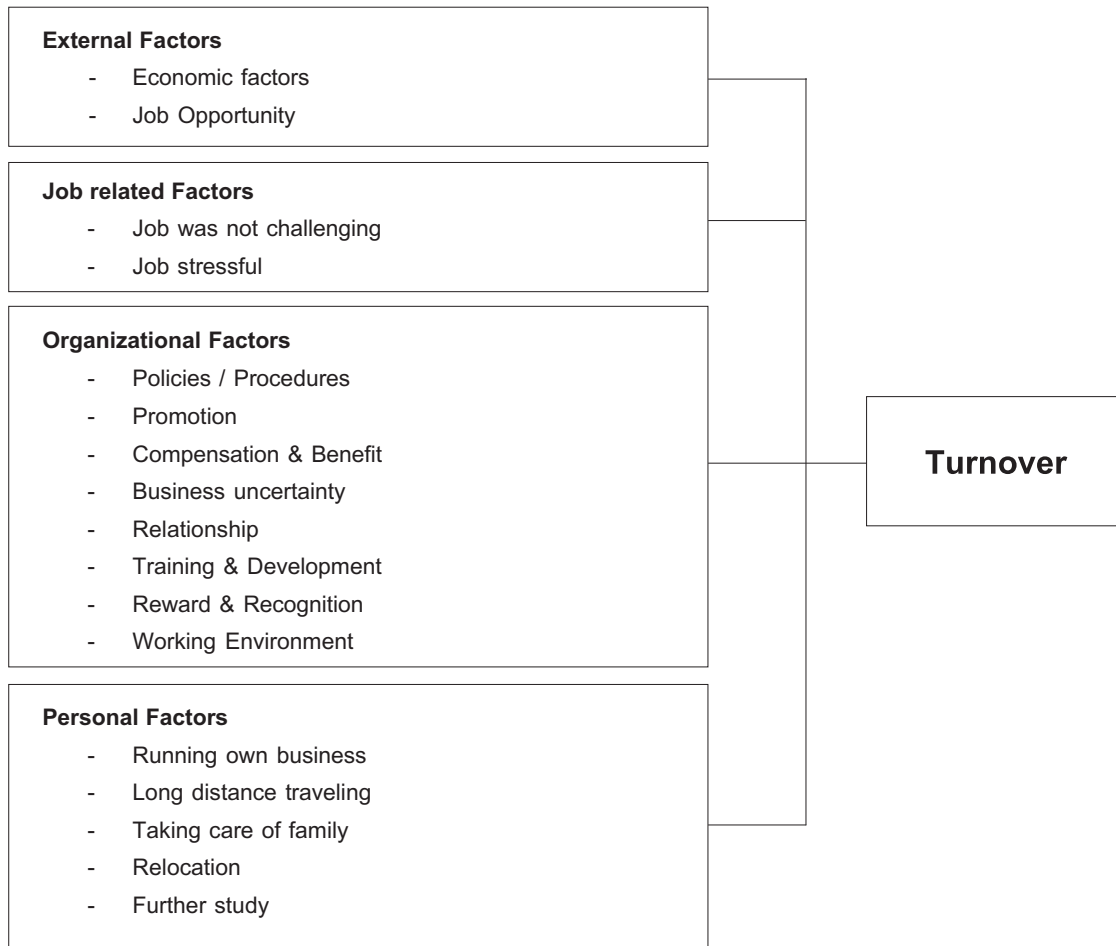


Figure 1 Further Proposed Turnover Model of High Performing Employees in the Electronics industry in Thailand (from interviews with senior executives)

Evaluation of Factors Affecting Turnover of High Performers

It should be noted that only ten interviews of these senior managers were undertaken - five CEOs and five HRM Directors / Managers. So it is difficult to analyze substantial differences between them, however, one difference did emerge. The responding CEOs regarded turnover as a “problem” to be overcome whereas the responding HR executives indicated that they “live” with turnover - it is seen as a “normal” part of their jobs. This does not mean that they are not concerned about it nor does it mean that they do not take action to try to improve it, but they realize that there will still be some turnover even with the most efficient and effective policies and procedures to try to lessen its impact. So there is then this slight difference in emphasis between the two groups of senior managers.

The findings of the in-depth interviews of the 10 respondents are summarized as follows:

External Factors

All executives accepted that external factors most influenced turnover of high performers in their organizations. In the search for talent today, jobs come to people rather than people going to jobs as in the past because all know that good people can help a business to grow and compete in a highly competitive world. There are plenty of means whereby people can

access job opportunities such as newspapers, internet, friends, recruitment agencies and head hunters.

Most responding executives accepted that the economic situation was a supporting factor to encourage employees to change their jobs especially when the economy was booming since that situation creates many job opportunities in the labor market. But for high performers, it matters less as to what the economic situation is, as they are likely to be in high demand at all times.

These statements are in agreement with the literature and support previous findings which determine that external job opportunities most influenced turnover of high performers.

Organizational Related Factors

Most responding executives see organizational factors as most affecting turnover of high performers, because employees work in an organization so the impact caused by that organization is happening at all times. Employees have different expectations from their organizations. Employees' dissatisfaction towards organizational factors easily occurs.

Job Related Factors

All executives agreed with the model with respect to these factors by confirming that a challenging job/ an exciting job was a key factor affecting turnover of high performers.

Job dissatisfaction is an additional factor which all executives agreed was a significant factor influencing turnover of high performers. They advised that job dissatisfaction is caused by several factors such as the nature of the job itself, pay, and promotion.

Most findings on organizational factors were similar to those in the literature and the comments of former high performers. However executives viewed the proposed model in the following factors: 1) business uncertainty can't easily be claimed as a turnover factor, 2) training and development are likely to be a retention factor rather than a turnover factor, and 3) job dissatisfaction was recommended to be added to the model.

Demographic Factors

Most executives accepted that individual factors were one part of the turnover story and accepted that several employees claimed that these had caused their departure so demographic factors were recommended to be included as part of the turnover model of high performers.

They were asked what demographic factors should be put into the turnover model and why? Fifty percent of executives replied that age, education and gender were recommended to include in the turnover factor.

In summary, all executives agreed with the majority of the factors affecting turnover of high performers as described in the proposed model,

but a few factors were doubted such factors as business uncertainty where, they believe that employees know the nature of business very well, so this factor would not be a cause of turnover, except for newly hired employees only where it might have some impact because they could not adjust to get along with the normal business phenomenon. Job dissatisfaction was highlighted by most of the executives as a key factor influencing turnover of high performers. Demographic factors of age, education, and gender were recommended to be included into the turnover model.

Modified Turnover Model of HPEs in the Electronics Industry in Thailand

Executives agreed individually to modify the proposed turnover model of high performers as shown in Figure 2.

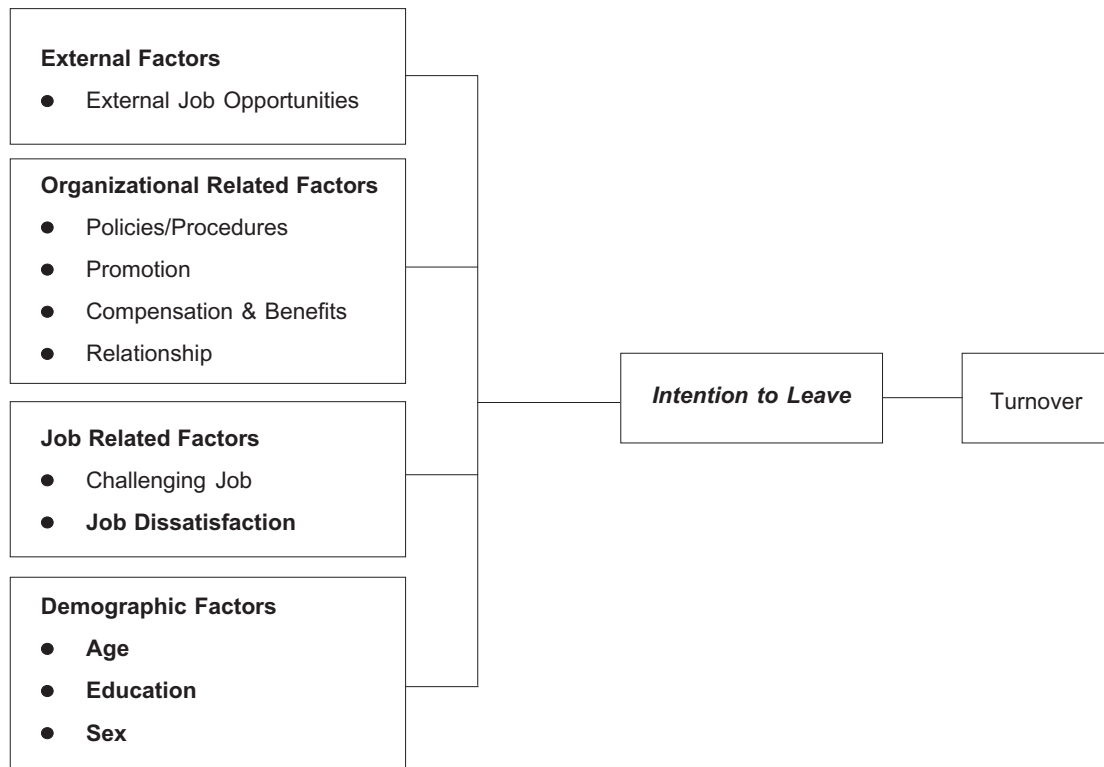


Figure 2 Modified Turnover Model of High Performing Employees in the Electronics Industry in Thailand

This model was developed from the literature review (Hom and Griffeth, 1995; Mobley, 1982; Porter and Steers, 1973) and from the interviews with the 50 HPEs who had left their positions, and, further from the interviews with 10 senior executives.

The modifications align with the literature on turnover. So the researcher has incorporated them in the turnover model of high performing employees.

It has much in common with my current model of turnover.

Conclusions

The final result of the qualitative evaluation was that most responding executives found that the model was appropriate. Most retention factors were accepted in the modified retention model. The majority of participants cited the same factors as influencing turnover and retention

of high performers as those indicated in the original model. Minor changes were recommended; combining compensation and benefits into one term and taking job review out of the proposed model.

The responding executives viewed the proposed model in a systematic approach, they did not view it in a factor-by-factor way. In the turnover model, they accepted most of the proposed factors. However they recommended to add "intention to leave" in a separate box between the four factors (job related factors, organizational related factors, job related factors, demographic factors) and turnover. The executives advised that intention to leave is a determinant factor. Any single factor in particular cannot let turnover develop without the intention to leave of employees. So to make a turnover model lock should be added to the modified model. From the frame of reference, they suggested to add "satisfaction" in the middle box between the four retention factors (career development, compensation and benefits, reward and recognition, and communication) and "stay" by further explaining that these four retention factors lead to "employee" satisfaction that usually results in "stay".

Responding executives view the turnover and retention models as "process oriented", while former high performing employees looked at each single factor to answer the question of how that factor affected turnover of high performers, so

there is a difference of approach of each of the two groups, which might help to explain the difference of perception between them.

The encouraging point is that the executives' viewpoint regarding the turnover and retention models has helped shape the models better and made them more complete and more useful for further study and analysis.

The study in its conclusions this presents a framework for analyzing the major factors/s reason that high performing employees might leave their organizations.

The development and possession of this model senior managers, especially HRM Managers, to develop policies, procedures, and action, designed to try to retain high performing employees in their organization. It should also provide a research base for further research and for further testing of the model developed as a result of this research, to other scholars and researchers concerned with staff/labor turnover.

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