

Leadership Roles on Employee Retaining Practice in Nongovernment Organizations (NGOs): The Case of Thailand

Chanchai Bunchapattanasakda

Assistant Professor
School of Management
Shinawatra University
Bangkok, Thailand.

Supachok Wiriyaosol

Associate Professor
School of Management
Shinawatra University
Bangkok, Thailand.

Matchakarn Ya-anan

PhD. Student
Shinawatra University
Bangkok, Thailand.

Abstract

Most nongovernment organizations (NGOs) in Thailand focus their job responsible on community services such as human rights, education for less opportunity people, healthcare, and rescue services. In the country, almost all organizations are also not-for-profit organizations where many of them do not pay wage for their employees; some may pay but very little amount. General information from media presents that majority of employees (both full-time and volunteers) who work in the NGOs claim they do not really working for money, but they work for other objectives. This study aims to investigate how leadership roles are related to employees retaining practice in nongovernment organizations in Thailand. Four Thai NGOs were taken in this study. In-depth interview was employed to collect data from managers who worked at managerial functions in the NGOs. The results found managers' leadership skills played important roles in the NGOs employees' retention in addition to other job satisfaction factors in most organizations. All managers in the sample NGOs determined high value of their employees. The managers stated that they would find the best way to retain their employees to work long-term in the organizations. In practices, the managers would first collected information related to factors impacted on the employees' satisfactory in working. If they found the problem, they would work together with the employees to help them resolve it. Some organizations found their working philosophy (sacrifice and contribution) helped them be able to screen people who wanted to join working with the organizations. The employees who like to work with the organizations would agree and accept the philosophies (charity jobs) before joining to work in the organizations. Finally, the results found leadership played more importance roles than other factors such as relationships among employees, devotion to voluntary works, work condition, internal communications, compensation, and hygiene factors in order to retain employees to work with the NGOs.

Key words: employees, leadership, nongovernment organizations, not-for-profit, retaining, Thailand, vision

Introduction

Most nongovernment organizations (NGOs) in Thailand focus their responsible on community services such as human rights, education for less opportunity people, healthcare, and rescue services. General information from media presents that majority of employees (both full-time and volunteers) who work in the NGOs claim they do not really working for money, but they work for other objectives. Leadership is an important tool in managing human resource in every organization with nongovernment organizations (NGOs) is no exception. The steady rise of nongovernmental organizations has captivated the imagination of some policymakers and activists. The employees often join and stay with NGOs because they believe in the ideals and inspiration of the leaderships. In Thailand, there are more and more NGOs being established. The organizations played significant roles in providing voluntary services to the Thai society in addition to the services from the governments.

Four well-known NGOs including the Paveena-Hongsakul Foundation (human rights), the Duangprateep Foundation (education), the Potektueng Foundation (rescue), and the Chaipattana Foundation (community development) were selected for this study. The organizations work and provide charitable services in the areas of social and community development, specific interests in literacy, education, health care, human rights, environment, advocacy, animal welfare, rescue service and etc. The study aims to investigate leadership roles and management's visions toward the retention program in order to retain employees working in their organizations.

Literature Review

Nongovernment Organizations (NGOs)

Kaldor (2005), Schiller (2005), and Gray et al. (2006) stated nongovernment organizations (NGOs) and civil society organizations have been established in significant numbers worldwide in the past decades. While play more importance roles in social services, the NGOs are becoming more practical, flexible, and less strict. The organizations are trying to develop better working environments to gain credibility among policy makers aiming to improve their reputation in the society. Recent surveys by Phillips (2005), Burchell and Cook (2006) find NGOs are emerging as a key participant in the dialogue process and as an importance channel for communication within the CSR areas.

Andriof et al., (2002), and Goodstein and Wicks (2007) point out that NGOs have gradually strengthened their influence and this societal evolution has substantially changed the external environment in business. Civil society now expects business to take its responsibilities on an increasing number of issues seriously. Companies can no longer operate independently from their environment. Stakeholder theory strongly urges an ethical approach, based on respect and consideration of a firm's constituencies. Ruggie (2004) presents that NGOs engage corporations and business associations to identify and disseminate corporate best practices. They aim to promote social and environmental actions, provide technical assistance to corporations, promote and design corporate social responsibility (CSR) standards as well as management and reporting processes, and participate in CSR monitoring and auditing. These new forms of collaboration between business and NGOs reflect broader changes in the overall governance environment, while contributing to the reconstitution of the global public domain where firms carry out their activity.

Leadership

The figure from Kennedy School of Government illustrated that in 1980; approximately 8 percent of the graduates from masters in public policy program took jobs in the NGO sector (Kennedy School of Government, 1998). By 2004, the number of those graduates work in the NGOs lifted up to over 31 percent (Kennedy School of Government, 2004). In Canada alone in the year 2007, there are more than 72,000 registered charities delivering services locally, provincially and nationally. These organizations provide over 350,000 full time jobs as well as over 220,000 part time jobs. Total annual salaries exceed \$13 billion dollars. This is a large and growing sector (Hardy.2007). NGOs are better managed than they used to be, and one aspect of that improved management is having a growing and more secure revenue source. Frooman (1999) found leadership plays significant roles in the success of the NGOs. Schermerhorn (2001) presented leadership is the process of encouraging others to work hard to accomplish important tasks which related to the changes in technology, intense global competition. Thus, workforce diversity of the new workplace leadership is essential to management. Leaders' roles are to plan, set the direction, objectives, organize things, brings resources together to turn plans into action. Leaders also build the commitment and enthusiasm needed for staffs to apply their talents to help accomplish plans. Finally, they control and ensure things go to the right track and reach their goals.

Ebrahim (2003) and Hardy (2007) found that leadership in NGOs is different from leadership in the for-profit sector where the NGOs have a social purpose such as environmental groups, human rights organizations, organizations that fight against poverty and underdevelopment or provide medical assistance in emergencies. Their clients (beneficiaries) are different from the people who contribute time and resources; as such they are also called non-membership organizations. The NGOs is similar to business organizations in one thing that they could be grow or die. Many NGOs began to look at the real world as they have to survive. They try to learn business management practice from the for-profit sector. House and Dessler (1974) presented the organizations focus more on job satisfaction and leader acceptance where leader behavior must be perceived as immediately satisfying or as leading to future satisfaction.

Retention Issues

Even though NGOs are non-profit organizations which are supported by donation money from various sources, but the organizations could be also to grow or to die. There are like every organization that their performance relies heavily on employees and management. Lately, the organizations are struggling with turnover and retention with NGOs is not exception. The Institute of Management and Administration (2008) found that many organizations that are struggling with employee retention. The IMA have plans in place to counter the problem. The solutions fall into four categories including market compatibles compensation, employees' satisfaction, creating succession plans, and ensuring new hires are fit for the organization.

Brundage and Koziel,(2010) presented that by stating in the firm a culture that people are the top priority could lead to employee retention success. This must come from the top of the leadership hierarchy and flow down through the organization. Building a cohesive staffing system should be based on a common foundation, such as a competency model, that applies to all levels within the firm. For example, a competency model helps managers to counsel poor performers because it displays the behaviors and actions that team members should be demonstrating. One in which each function, such as recruitment, training and performance management, is integrated with the others. This will demonstrate a commitment to the people power of the organization and will regularly promote retention efforts. When retention becomes a priority, that mindset flows through the firm and staffing programs will naturally gravitate toward maximizing employee satisfaction and retaining the best and brightest talent. There are many possible ways to creatively link reward and performance in the new workplace. To take full advantage of the possibilities, however, managers should (1) respect diversity and individual differences, (2) clearly understand what people want from work, and (3) allocate rewards to satisfy the interests of both individuals and the organization (Schermerhorn, 2001).

Method

This study was qualitative design. The population was leaders (department managers) who were currently working in Thailand's NGOs at managerial levels including organization's policy makers, executives, and department managers. Department managers from four largest charitable NGOs were taken into account as samples. An in-debt interview was used to collect data from 40 leaders (10 leaders from each organization) who were working in the organizations which all of them located in Bangkok during March to May, 2011 using snow ball sampling approach.

Objectives and scope of the 1st organization (NGO)

1. Help victims of fire, floods, hurricanes and other disasters.
2. Establish public hospital for the treatment of disease and illness.
3. Establish schools and academies.
4. Help managing the care and burial of the deceased.
5. Promotion and maintenance activities of religious art, literature and science.
6. Perform general charity.

Objectives and scope of the 2nd organization (NGO)

To assist children and women when their rights are being violated and to create a society that promotes health and happiness of Thai children.

Objectives and scope of the 3rd organization (NGO)

1. To provide educational opportunities for children and youth in poor communities. This includes training and professional skills development.
2. To encourage children to develop their health, physically and spiritually and to cultivate moral righteousness. To live for the benefit of society and national government
3. To assist and support education with a focus on understanding the development of poor communities and the environment.
4. To disseminate knowledge and technical expertise about education and training of children and youth. This includes publishing educational materials about the environment, human relations, and the development of poor communities.
5. To cooperate with other charitable organizations in the improvement of slum communities.
6. To promote and encourage strong community organizations

Objectives and scope of the 4th organization (NGO)

1. To support the implementation of Royally-initiated and other development projects.
2. To promote the development of social and economic welfare activities to improve the quality of life of the people and to enable them to become self-reliant.
3. To carry out plans or projects that is beneficial to the people and the country as a whole.
4. To co-operate with the government sector and other charity organizations for public benefit or to take actions that reinforce support of public welfare.

Findings

The information obtained from the in-dept interviews of the respondents was analyzed using content analysis and was presented in each category. The results revealed all managers in NGOs see valued in employees. Regarding to the retaining practice, the leaders are aggressively searching for the best way to retain their employees since they know the organizations can be survived because of the employees. The managers, from time to time, collected data from their employees using for recognition of factors that would make their employees satisfied with their jobs. In the mean time, they would continue to work on the solution for the problem factors that make their employees are not satisfied with the jobs. As leaders, the managers would keep close relationship with the employees and use the open-door policy to create a very convenience communication channel between employees and themselves. The results also presented that organization's philosophy is crucial for the organizations in order to recruit the right employees who commit to work with the organizations in a long period of time. One organization which provides services in the area of women and children's rights has the philosophy in regard to recruit new employees that the job applicants must be women and love to deal with children. And leader must be good at dealing with all aspects of communication, interpersonal relations and motivation.

However, leaders in the second organization see employee retention successfulness depending on work condition, devotion to volunteers, and relationship with colleagues, and hygiene factors (of the jobs). The leaders from this organization illustrated that leadership has less influence on employee retention program's successfulness. Leaders in the third organization agreed that retention of employees was embedded as part of their moral system. They continue to create new training programs or activity plans aiming to convince their employees to love their jobs and working places. The organization established these plans in their human resource practice; they also evaluated and adjust the plans. Only leaders in the forth organization who expressed their opinions that the retaining program is created with according to the purpose of the organization. The leaders stated that many people are applying to work with the organization even though the employees would work for voluntary jobs without any pay. The leaders from the last organization believed that employees who apply to work for them mainly because of the name of the organization. The employees are willing to work voluntary in the organization because they like the type of jobs that would provide benefits directly to the standard living of people and the Thai society as a whole.

Conclusion

It could be concluded that leaders (as represented by department managers) of Thailand's NGOs see the importance of employees retention programs. The leaders perceived high value of their employees since there financial compensation package could not be used as motivation factor to retain employees in this kind of not-for-profit organizations. The study found that money is not the most importance factors leaders in Thai NGOs used as a tool to retain their employees. It also found that working experience in management level of leaders affected on the practice in retaining employees to working for the organizations. First, the leaders keep close relationship with employees aiming to receive the feedback and acknowledge problems emerged from employees, working process, or their own management. To be success in retaining employees, most leaders would begin their practice from recruitment stage when they select only the applicants who declare that they are willing to work as a volunteer or semi-volunteer and willing to work for the benefits of the society. Third, we found that most often used tool to make employees satisfy with their jobs is a job rotation program. The program is accounted as rewarding for employees in most nongovernment organizations participated in the study. Finally, the results stated organizations' benefits including vacation, sick leave, and medical insurance are accounted as major motivation factors in retaining employees to work in the NGOs.

Implication

Since most Thailand NGO are not-for-profit (charitable) organization, their setting are different from a for-profit organization.

The differences come from types of jobs, work condition, compensation system, employees' qualifications, and etc. Leaders in the NGOs should practice their leadership skills accordingly to the purposes of their organizations. Since most of employees who work in Thailand's NGOs have less or no wage provided by the organizations, leadership skills are more importance to lead the employees to their success which finally to the success of the whole organizations. Also, the retaining program is essential for the organizations in order to keep them be able to run the business. Thus, leadership is a major tool would be used by the managers in the NGOs to help retaining their employees to work longer time in their organizations.

Employees differ in many ways including their capabilities, attitudes, personal goals and personalities. Therefore, leaders should be able to read, analyze, and cope with those employees' behavior they face in their routine work. They leaders should find effective way to deal with individual worker which may vary from one to another to keep them feel satisfied with their jobs. With the differences in organizational' s goals between a for-profit and a non-for-profit organization where a for-profit one focuses on profits, thus, the organization also provides good services to their employees which vary from working condition to a good compensation package. The NGOs, however, have different goals where they focus more on CSR activities. The organizations have less opportunity to provide the best services to their employees as equal to the for-profit ones. Therefore, the factor such as leadership style could be a major tool to encourage employees to work more efficiency and effectively and to retain them to work longer time.

References

- Andriof, J., S. Waddock, B. Husted, and S. Sutherland Rahman. (2002) , *Unfolding Stakeholder Thinking* Greenleaf Publishing, Sheffield.
- Angus-Leppan, T., Louise, M., and Benn, S. (2009). *Journal of Business Ethics* Volume: 93, Issue: 2, Pages: 189-213.
- Bruce, H. (2007), Canadian Institute of management, *Journal of Canadian Manager*, Spring 2007.
- Brundage Heidi, and Mark Koziel: (2010), Retaining top talent still a requirement for firms: focus on people now to keep turnover costs down when the economy improves, *Journal of Accountancy*,
- Burchell, J. and Cook, J. (2006), Assessing the impact of stakeholder dialogue: changing Relationships between NGOs and companies, *Journal of Public Affairs*, 6:3/4, 210–227.
- Ebrahim, Alnoor: (2003). *NGOs and Organizational Change: Discourse, Reporting and Learning*. U.K.: Cambridge University Press.
- Frooman,J. (1999), Stakeholder Influence Strategies, *The Academy of Management Review* 24(2), 191- 205.
- Goodstein, J. and A. Wicks:.(2007), Corporate and Stakeholder Responsibility Making Business Ethics a Two-Way Conversation : *Business Ethics Quarterly* 17, 375–398.
- House R.J. and Desslers,G.,1974, *The Path-Goal Theory of Leadership*: Some Post Hoc and A Priori Test.
- Kaldor, M. 2005, *La sociedad civil global*, Una respuesta a la Guerra , Barcelona: Tusquets Editores.
- Phillips, R. 2005, Australian NGOs: current experiences of corporate citizenship, *Journal of Corporate Citizenship*, 17, 21–25.
- R.Schermerhorn, J. (2006). *Management (6th ed)* : Printed in The United State of America Kennedy School of Government. 1998,.Placement Report: 1998. Unpublished report. Harvard University, *Kennedy School of Government, Career Services*.
- Rosabeth, M. K. (1997). *Power Failure in Management Circuits Harvard Business Review* Vol.47 (July-August 1997):65-75.
- Schiller, B. 2005, *Business-NGO Partnerships*, London: Ethical Corporation.
- Sogge, D., Biekart, K., and Saxby, J. (1996). *Compassion & Calculation: The Business of Private Foreign Aid*. Pluto: London.
- Sridhar M.K. and Manasa Nagabhushanam, (2008). NGOs in India- Uniqueness and Critical Success Factors, Results of an FGD *The Journal of Business Perspective* l Vol. 12 l No. 2 l April–June 2008 Social Myth?, *Human Relations* 45(2).
- Whetten and Cameron, (1991). *Developing management skills*, 2ded ,New York: HarperColline.