The ODI Impact of Leadership Styles, Shared Values and Skills on Employee Satisfaction Elements and Employee Engagement: A Case Study of a Mid-Size Company in Thailand

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Abstract

In spite of all the attention transformational leadership and employee engagement have received, little empirical research has been conducted in Thailand where almost all of the reports on employee engagement come from the consulting field. In a departure from this trend, this action research examines the organizational development intervention (ODI) impact of leadership styles, shared values, and skills on employee satisfaction elements and employee engagement. The focal company is a mid-size family business in the personal and household products sector. It was found that, positive communication and coaching skills significantly influence employee satisfaction elements and employee engagement. It was also found that there is a significant difference between Pre- and Post-ODIs in terms of leadership styles, shared values, skills, and employee engagement.

Key words: ODI, action research, leadership styles, shared values, skills, employee satisfaction elements, employee engagement.

Introduction

This action research aimed to study the ODI impact of leadership styles, shared values and skills on employee satisfaction elements and employee engagement.

The focal organization is a Bangkok-based family business; a leading mid-size SME in the personal and household sector. It will be referred to as ‘ME’.

In Thailand the personal and household sector is considered to be a quasi monopoly in that the top three leading companies hold 95% of the market share, which considerably reduces the bargaining power of buyers. All the more as, because of the intensive capital investment required and exclusivity of the channel coverage, the possibility of seeing new entrants is quite remote. As to the threat of substitute products or services entering the market, it is also quite distant and limited to water and rags; two not-so hygienic substitutes. With 25% of the market share, ME is one of the three leaders in this sector and generates $40 million in income annually. It currently has 660 employees on its payroll.

The first of its kind to be established in Thailand, ME has now been in business for more than 40 years. And much like any other family-run entity in Thailand, no fundamental change has occurred for much of that time as it is widely believed – and indeed has often been the case – that a family organization will not go through any substantial metamorphosis unless it sees itself in ‘deep water’ and under pressure to change its way of doing business if it is to survive.

ME is no different in that respect. It is only when it started to encounter financial difficulty that the decision was made to turn to outside help.

ME is now in a transitional period and has been going through a turnaround restructure since 2006. And for the first time in its history, it has seen its management entrusted to non-family members. All seasoned managers, they have brought in their expertise and implemented a number of changes, most notably with regard to ME organizational structure and business and corporate strategies, all pertinently encapsulated in the following tagline: “Multiple brands by multiple distributors with multiple channels.”

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