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**Factors that drive employee job satisfaction and
its overall influence on the intention to leave in a
startup**

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UNIVERSITY OF VAASA**School of Marketing and Communication****Author:** Thu Vo**Title of the Thesis:** Factors that drive employee's job satisfaction and its overall influence on the intention to leave in a startup.**Degree:** Master of Science in Economics and Business Administration**Programme:** Master's programme in International Business**Supervisor:** Olivier Wurtz**Year:** 2021 **Pages:** 104

ABSTRACT:

Despite employees being reported to be more satisfied in a small workplace, startup companies are still facing many challenges regarding hiring and retaining good employees. Knowing that the employees are becoming more important to the company's competitive advantages especially for those who rely on innovation, understanding employee job satisfaction and their intention to leave is essential. Although the study of the relationship between job satisfaction and turnover intention is not new to the field, there is a shortage of focus on this subject in a small working environment. The research aims to examine the influence factors of job satisfaction from the employee's perspective and its overall effects on their intention to leave in a startup company.

To answer the research questions, the study employed an exploratory approach that utilizes qualitative method to collect primary data via face-to-face interviews. Data was collected from nine interviews from which all the participants are currently working in different startup companies. Because startup companies are very international and multicultural, the participants come from various backgrounds, work in different industries, and hold different positions in their current company. The collected data was then analyzed through content analysis approach.

The results found that factors of job satisfaction such as work condition, interpersonal relationship, supervision, advancement, responsibility, and the work itself have a significant effect on employee satisfaction at work. Among the factors, supervision, work condition, and possibility for growth are those that concern the employees the most when it comes to turnover intention. The study also supports existing literature in which job satisfaction plays a vital role in keeping the employees happy, motivated, and willing to stay longer with the firm. In addition, the result suggests that job satisfaction and intention to leave can be varied from one to another based on an individual's needs and expectations. Therefore, managers in a startup should understand the employees' ability, expectations and utilize the company's advantages in order to customize management strategies and retain their people.

KEYWORDS: human resources management, job satisfaction, labor turnover, intention to leave, startup companies

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1 INTRODUCTION

Entrepreneur venture or also known as Startup has been proved to be critical to the economic well being as they bring new and innovative products to the marketplace. (Rowden, 2002). These small growing firms play a vital role in today's business by efficiently relocating resources, injecting new ideas into the economy and providing many opportunities to the labor market. Making sure that a startup gets started off on a good foot and continues to grow is primary to its success. Organization has begun to recognize and promote human resources as a source of significant and sustainable competitive advantage. Previous studies have shown that what matters in business is not just who you hire, but who you manage to keep (Kennedy and Daim, 2010; Hussien, 2017). Employees are not a commodity that a company can acquire, instead they need to be nurtured and supported. Even though a company can easily hire people, there is no guarantee that the employees are fully committed and how engaged they will be at a certain point (Kennedy et al., 2010). This is because their feeling and attitude towards work can be affected by different factors and events.

Despite employees being reported to be more satisfied in a small workplace (Rowden, 2002), startup companies are still facing many challenges regarding hiring and retaining good employees (Banerjee, 2017). Also, it often takes them a long time to realize the importance of retention unless they experience a trigger. This is partly due to the uncertainty organization climate of the firms, as they learn while growing and are subject to many changes during scaling (Hussien, 2017). The uncertainty of the organizational growth environment and shortage in financial resources has resulted in a level of systematic flexibility regarding internal operations, thus requiring high adaptability and agility from people inside the company.

While this flexibility fosters innovation and allows advantage for optimal resource optimization, it can also result in employees feeling lost, burned out, and demotivated from work (Banerjee, 2017; Hussien, 2017). If there is no intervention and these feelings remain unaddressed, they might result in employees dissatisfaction, becoming less

engaged and finally leaving the employer for a better opportunity, which results in employee turnover. An increase in turnover can signify many reasons, for example lack of commitment by operatives or management, dissatisfaction at work, an undesirable remuneration, little room for growth, mismatch in value or lack of engagement, etc (Bussin, 2018). No matter the reasons, a frequent occurrence of turnover might result in an organization suffering from huge costs relating to recruitment and training, as well as loss of human capital gained by the employee during the work process (Belete, 2018). Besides, turnover also leads to a negative impact on current employees in terms of greater workload, lower productivity, and reducing employee morale as a result of a perception that the organization does not value employees (Bussin, 2018). Although turnover cannot be entirely averted in this fast moving and shaky job environment, where talented people are hunted or easily switch employers in their tenure of work, companies can predict the employee's intention to leave to secure a healthy turnover rate (Belete, 2018; Banerjee, 2017).

1.1 Background of the study

Employee's job satisfaction and turnover intention has drawn the attention of scholars and practitioners for many years as it has been one of the most important topics related to the success of an organization. Empirical evidence from previous research indicated that a high rate of voluntary turnover is very costly and has a negative effect on the company in terms of organization effectiveness and success (Memon, Salleh and Baharom, 2016; Yang, Ma & Hu, 2011). The total cost of employees leaving an organization is accounted for 16 to 21 percent of employee's annual income before tax depend on the position (Yang et al., 2011; Sagie, Birati & Tziner, 2002; Boushey & Glynn, 2012) or 6 to 9 months of employee's salary on average (Merhar, 2020; Evans, Pucik, & Björkman, 2011). Despite the global pandemic in 2020, companies find that they are still struggling with employee turnover as many have had extended job vacancies; hence employees are actively seeking for new jobs or increasing levels of dissatisfaction according to NASDAQ (NASDAQ OMX's News Release Distribution Channel, 2020). This

shows that voluntary turnover remains a global phenomenon and barrier for organizations to achieve their strategic objective regardless of its size.

The cost of voluntary turnover and the extent to which these negative impacts are felt vary by company size (Kotze & Roodt, 2005). However, compared to the large organization, losing good employees can tremendously affect the startup company's competitive advantages, productivity and growth (Bussin, 2018), thus reducing engagement and business relationships with its stakeholders (Memon et al. 2016). Nevertheless, if a high quality employee leaves the organization, a smaller firm might find it more difficult to have a suitable internal candidate or lack of resources to selectively recruit new one on the external market (Wagar & Rondeau, 2006). Furthermore, not all entrepreneurs have the capability and experience in managing human resources, where employees are very diversified in terms of background and culture, thus can work for different purposes other than the purpose of the company unless they are very interested in the work task or values. Also, formal HRM practices are often viewed as a chokehold of corporate killers that can threaten flexibility and innovation (Alzalabani, 2019)

Although there are thousands of researches focused on studying the link between human resource management (HRM) practices and turnover intention, most of it has been conducted in large organizations (Wood, 1999; Wagar et al., 2006). Those conducted in small organizations are more concerned with the impact of human resources systems on company's performance or reasons that potentially affect the employee turnover rate and retention (Wagar et al., 2006). Little attention has been paid to address how small growing firms can enhance employee's job satisfaction and minimise the loss of employees by using this factor to predict turnover intention. The studies on human resources management in larger organizations can be a good learning for entrepreneurs and managers (Barrett & Mayson, 2007), but within the unpredictable and uncertain organizational environment, such studies need to be adapted to fit the business strategies.

Among the studies of many researchers, job satisfaction has been found to be one of the main reasons for employee turnover and is considered as one of the most crucial elements determining the intention to leave (Kotze et al., 2005; Vincent & Charles, 1973). To be more specific, factors of job satisfaction such as hygiene factor (supervision, working-condition, co-workers, pay, etc) (Herzberg, 1964;) and motivator factors such as responsibility, recognition, achievement and advancement (Decker, Harris-Kojetin & Bercovitz, 2009; Jasna & Antoncic, 2011) are found related to the employee's assessment of turnover intention in SME (Starosta, M. 2007) and startup (Kaur & Sharma, 2019). Previous research has proved that higher overall job satisfaction can lower the voluntary turnover rate (Memon et al., 2016). Moreover, satisfied employees are more positively engaged in their jobs and organizations, have better relationships with co-worker and managers, thus are highly active and contribute in extra-role performance (Bakker and Demerouti, 2009; Lu, Allan Cheng, Gursoy & Neale, 2016).

The propensity to stay or leave employers can be affected by different pull and push factors and the prevailing market condition facing them (Kotze et al. 2005) regardless of the company size. Many startups found that they are struggling to define and increase the level of employee's job satisfaction. The difficulty in meeting employees satisfaction at work can be linked to recent changes in the current workforce demand that money is not a crucial part and the desire for purpose and development at work is thriving (Lee, Hom, Eberly & Li 2017; Husien, 2017). The traditional way to analyse attrition like an exit interview or survey doesn't work anymore because one single interview cannot capture a complex situation or cycle of dissatisfaction and disengagement (Vaxevanakis, 2019). Secondly, within the fast changing environment in startups, the factors that trigger intention to leave can occur at any time. Hence, it is hardly recognizable by the management team as the staff members often work in several roles and do not have a specific direct manager. Once the employees are already committed to leaving, they might lack the motivation to give completed analysis. The employees can either choose to hold back if they don't want to disrupt the relationship or erupt with emotionally-charged feedback (Vaxevanakis, 2019). Therefore, for the health of a startup, it is

important to properly understand factors of job satisfaction that lead to turnover intention and recognize the pattern where they started to dissatisfy or disengage. This will help entrepreneur managers to use existing resources and capability to retain good employees. In addition, the author of this research believes that people who choose to work for a startup clearly understand its unstable context and that they work for different purposes than money. Therefore, the entrepreneurs or leaders can definitely use their startups' advantages to utilize resources and motivate their employees to stay.

1.2 Research gap

Turnover intention and job satisfaction is not a new topic in the human resources management field. In fact many researchers have identified antecedents of job satisfaction and its influence on turnover for decades. As mentioned above, although this topic has been addressed for a long time, previous studies mainly focus on large enterprises and there is a shortage of information on human resources practices in entrepreneur ventures or startups (Wagar et al., 2006). In addition, there is little research studying the influence of job satisfaction on turnover intention in startups with qualitative method. Most of the studies to the author's knowledge is either to provide evidence of how training satisfaction influences turnover intention (Memon et al., 2016), or relationship of job embeddedness and satisfaction with turnover in hospitality (Ferreira, Martinez, Lamelas, and Rodrigues, 2017). Others concentrate on the influence of human resources practice on turnover intention (Memon, Salleh, Mirza, Cheah, Ting, Ahmad, & Tariq, 2020) or company's growth (Barrett & Mayson, 2007) or employee retention (Wagar et al., 2006). Also, studies of job satisfaction and turnover intention from employer's perspectives and management views suggest that people are leaving for money, but in fact there are other reasons that are more important than compensation (Kotze et al., 2005). Moreover, as job satisfaction is influenced by personal emotion and psychology according to Feldman and Arnold (1983), it is interesting to investigate people in different circumstances and special contexts that might lead to alternative outcomes and conclusions.

Another gap is that the topic of employee retention within an evolving organization has received less attention or was overlooked. Researchers suggest that it's not meaningful to develop retention models for small firms by extending existing retention models from the large ones (Kemelgor & Meek, 2008). The same idea applies to job satisfaction measurement and employee turnover intention. In fact, there should be a human resource practice model that smaller firms can follow and adapt to their business strategy, thus not completely focusing on the company's performance but also touching on the value proposition of their employees. Though understanding how to hire, pay and motivate workers in an entrepreneur SME is an essential strategy to begin with, it's crucial to recognize what factors affect job satisfaction and employee's turnover intention, and how to prevent the best people from leaving. (Kemelgor et al., 2008).

1.3 Research questions and objectives

The purpose of this research is to enhance knowledge of the factors affecting employee's job satisfaction and turnover intention in a startup company. To achieve this, a research question is formed: "What factors influence employee's job satisfaction in startups and how does it affect their intention to leave?".

In order to solve the research question and support the research process, two objectives are set. The first objective is to explain the concept of job satisfaction and the antecedents related to it by synthesizing knowledge from previous study. This aims to gain a deeper understanding of what factors drive employee's satisfaction towards their job in the startup environment. The second objective is to explore the influence of these antecedents on the employee's intention to leave.

1.4 Delimitation of the study

The research paper will concentrate on examining and evaluating the theoretical frameworks of relevant factors in the context of a startup. The research is limited to the scope of study formed by the aforementioned research questions. Additionally, it

revolves only around job satisfaction and how job satisfaction affects the employee's turnover intention other than the whole employee satisfaction process and retention practice of human resources management. The thesis will not cover the theory of how to retain employees or how to create retention strategies, but on defining the concept of job satisfaction and which factors matter the most to the employees and its relationship to turnover intention. In addition, the thesis focuses on voluntary turnover and leaves out the case of involuntary exits.

1.5 Structure of the study

The thesis is divided into seven parts. Chapter 1 is the introduction part, focusing on presenting the importance of the topic and explaining the purpose of this study. The chapter also includes the main objective, research questions, and delimitation of the study. Following the introduction is the literature review of different theoretical concepts related to the subject and the establishment of a theoretical framework. Chapter 2 and 3 present the key concept of turnover intention and job satisfaction. The fourth chapter focuses on the relationship of the two concepts and presents related studies in the startup environment. Chapter 5 mentions the methodology research design which mainly describes how the research is conducted, which approach, design, method is used and why such choice is made. Findings are included in chapter 6 which present the criteria of empirical data and the information gathered from the conducted interviews to provide background and answer results of the participants. Then chapter 6 will discuss the findings and compare the data in order to find the relationship with the literature and theory. The last chapter contains the conclusion where all the findings and discussions are articulated and practical implication is suggested.

2 Turnover intention

In order to gain deeper insights into the topic, the first part of the literature review focuses on defining turnover intention. The chapter aims to understand the definition and relevant concepts to the employee's intention to leave, hence helping the audience familiar with the topic.

2.1 Employee turnover

Firstly, it is important to distinguish employee turnover and turnover intention. According to Mobley (1982), employee turnover is “the cessation of membership in an organization by an individual who received monetary compensation from the organization” (Phillips and Connell, 2011). Simply put, employee turnover refers to the departure from the company by the employees (Mamun & Hasan, 2017) rather than transfer, internal mobility or accession. This concern is not a new issue and continues to be relevant today when it comes to evaluating organization success and human resources management (Mamun et al., 2017). There are all sorts of reasons why employees leave the organization and sometimes employee turnover can be beneficial for the company (Banerjee, 2017; Mamun et al. 2017; Harris, Tang & Tseng, 2006). It is a complicated process that can come in different types. According to Griffeth and Hom (2001), there are two major types of employee turnover: involuntary and voluntary as shown in Figure 1. Involuntary turnover refers to an organization deciding to discontinue the employee contract with an employee (Lim & Parker, 2020; Griffeth & Hom, 2001). On the other hand, voluntary turnover refers to the act when an employee freely chooses to leave an organization. (Lee, & Mitchell, 1994). Among these two, voluntary quitting is undesirable and often brings negative impacts because employers do not ask for these departures (Griffeth & Hom, 2001).

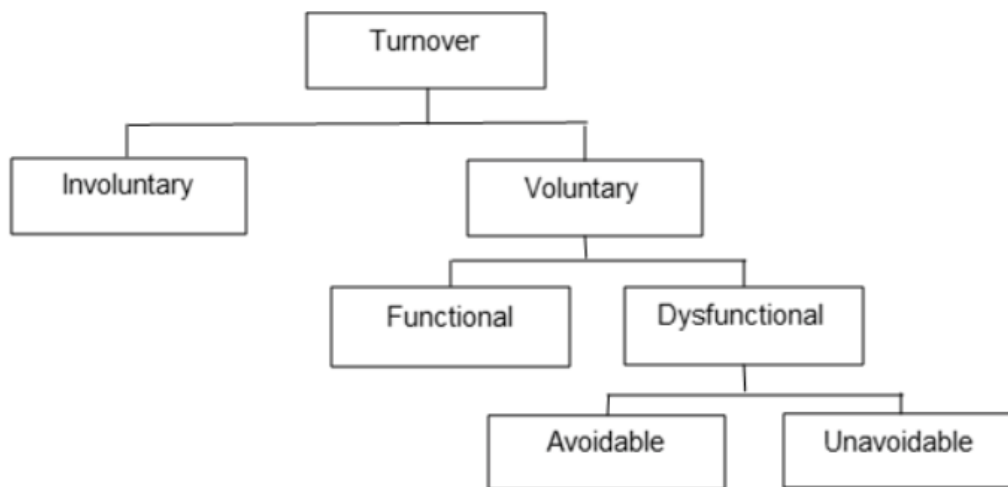


Figure 1: Type of turnover (Griffeth & Hom 2001, 4)

Within voluntary turnover, there are dysfunctional and functional types. Dysfunctional involves the separation of employees who are highly performing or with hard-to-replace skill, while functional turnover happens when low-performing employees decide to quit (Allen & Griffeth, 1999). Separating these two reveals which turnover hurt the company more and how to prevent loss. According to Allen (2008), the distinction between functional and dysfunctional is relative as what makes an employee valuable and difficult to replace will vary by job, industry and other factors. For example, within the fast changing and shaky job environment, it's beneficial to retain highly skilled employees who can bring value, are agile and innovative and engaged to help the company remain competitive.

Employee turnover can be either prevented or inevitable. The turnover is unavoidable if people leave with reason that the company has little control such as their spouse is relocated or leaving due to family issues (Lee & Mitchell, 2001). On the contrary, employees can quit due to dissatisfaction at work, low pay or benefits, little growth progress, etc. These are the factors that can be controlled by the employers. Research showed that more than 70 percent of reasons related to turnover can be controlled by the manager and that they can influence an employee's intention to leave (Branham, 2004)

2.2 Turnover Intention

While turnover involves actual quit of employees, turnover intention refers to the employee showing intent to resign, which might or might not lead to actual departure from the organization (Lim and Parker, 2020). However, it can be a strong predictor to actual turnover. Generally speaking, intention refers to the state of mind that guides an individual's action in a particular behavior (Ajzen, 1991). Because of this, intention therefore becomes the most immediate determinant of actual behaviour. In fact, the desire to leave the organization is conscious and deliberate, thus it is a process developed over time (Vaxevanakis, 2019; Branham, 2004).

According to Mobley (1982), turnover intention is the last stage in a sequence of employee's withdrawal cognition process which includes thinking of quitting the job, intention to search and intention to leave (Kim, Tam, Jeong-Nam & Rhee, 2017). Rather than focus on a single antecedent to turnover, Mobley (1977) demonstrates a comprehensive withdrawal decision process that takes place before an employee leaves the organization (Figure 2). He argued that job dissatisfaction is the main factor leading to the cognitive decisions that result in employees leaving the organization. (Zimmerman, R. & Darnold, 2009). In each cognition, there is an evaluation of circumstances and consequences. For example, after recognizing the desire to quit due to dissatisfaction, the employee then evaluates the cost and various sacrifices that he/she might face such as pay cut or scarcity of alternatives available (Lim et al., 2020). If the cost of leaving is low, the second cognition will take place which is the intention to search. While this may have been a result of the prior stage, this step may also commence due to unavoidable turnover reasons such as health problems or relocation of a family's member. The alternatives are compared with the current job and if a better match is found, the higher level of employee's intention to quit and subsequently leave the organization. However, if the perceived ease of movement is low or alternatives do not match the employee's expectation, they might decide to stay with the current job, balance the satisfaction determinant and participate.

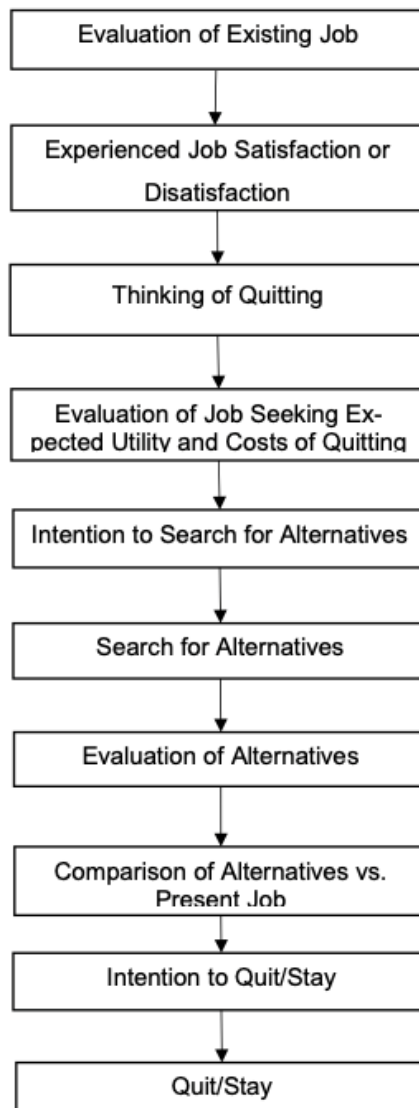


Figure 2: Mobley's Intermediate linkages model (Mobley, 1982)

Similar to Mobley, Branham (2004) argues that the turnover process is not an event but a process of disengagement that can take place in a very long time until the actual leave occurs. Absenteeism, tardiness, negativity or behavior that indicate withdrawal are the first warning sign of disengagement. The increased activity of searching for alternatives from networks and on social media also demonstrated the intention to leave. In addition, many scholars have referred to shock as an add on presence dissatisfaction or image violation that make the employee unilaterally decide to quit (Lim et al., 2020).

According to Branham, after experiencing a shocking or jarring event which can be related to job satisfaction (E.g., achievement, advancement, supervision...), employees might question his or her commitment. (Branham 2004). Lee & Mitchell (1994) once mentioned that the employee makes decisions based on “image theory” which means that they seek for alternatives when certain areas of the current job are deemed incompatible to his/her individual values. Or when they are faced with information or circumstances that change individual behavior (Lee et al., 1994). However this pre-planned action is not executed until a shock is confronted.

March and Simon (1958) argued that employees are confronted with the decision to leave through the interaction with their company. They propose that the employee’s intention to leave depends on the individual's perception of the ease and desirability of movement (Lim et al., 2020). Perceived ease of movement refers to the availability of job alternatives (Lim et al. 2020), while desirability of movement strongly influenced by satisfaction derived from one’s job (Long, Ajagbe, Nor & Suleiman, 2012). March and Simon also suggested that when the employee perceives an ease of movement and the desirability is tempting, they are much more likely to leave the organization. The desirability of movement is mainly linked to the level of individual’s job satisfaction (Lim et al, 2020). If the level of job satisfaction is low, the search for alternative options will increase and vice versa. Nevertheless, March and Simon also stated that the desirability of movement might be interrupted if employees have less external alternatives to choose, thus increasing the likelihood of remaining in the organization or participating (Tosi, 2016).

Although turnover intention does not equate with actual turnover, as mentioned above, many researchers have studied it as a strong predictor of turnover behavior of an individual at the workplace (Memon et al., 2016). In this study the term turnover intentions and turnover will be used interchangeably. For the purpose of consistency, the author uses the term “turnover intentions” to explain an individual’s level of interest

in leaving the organization. For example, if the employee displays a high level of leaving will be considered as a higher level of turnover intentions.

2.3 Why does a startup need to consider turnover intention?

To help the audiences understand the purpose of this study, this subchapter is dedicated to explain the concept of a startup and why it is important for these companies to consider employee turnover. A startup is referred to as a new venture that aims for rapid growth in scale and is not limited in terms of geography boundaries. Blank (2010) defines start-up as “organization formed to search for a repeatable and scalable business model”. Due to its newness and innovation, the company often operated with limited technical and financial resources (Usman & Vanhaberbeke, 2016).

While startup and small business owners are both considered entrepreneurs and similar in size, they are different in many ways. Startups are often founded by one or many entrepreneurs to develop a new product or services in a specific industry. Most of these new ventures proceed through three stages – startup, transition and scaling (Picken, 2017), thus is characterized by a high risk of failure, high complexity and unpredictable uncertainty (Zaech & Baldegger, 2017). Instead of following the traditional expansion model like small and medium size enterprise (SME), startup firms aim for rapid growth in scale using all of the innovation they can muster (Harris, 2016). These young firms' operations mostly result in a flat structure with very low levels of hierarchy and are often led by young entrepreneurs who might lack experience in management but are full of passion. The success of startup firms rely on the abilities of entrepreneurs to recognize business opportunities, explore and influence others to achieve the business purposes. Moreover, because of their energy and business intent, it inspires people to contribute their talent, resources and enthusiasm as well as foster a sense of deep connection and mutual purpose (Gulati, 2019). Being unique, being different, standing out against other businesses is the key concept behind a startup company and they typically build on experience as they grow – adapting and changing with the way the market goes (Harris, 2016). As the startups operate in a complex and fast paced environment, it

requires a high level of innovation and opportunities awareness from the employees as a driving force for competitiveness and growth. This challenges the entrepreneurs in many different ways as stimulating innovation and inspiring people is difficult. (Bagheri, 2017). Not only employees need to be encouraged to quickly adapt to change, but also need to be satisfied and inspired to improve commitments and performance effectiveness.

Employees, especially those who start working in the beginning are the one who understand the company's spirit the most and have comprehensive knowledge that is accumulated over time (Kemelgor et al., 2008). Through time they become an expert in their fields. However, due to the special context, startup firms often face many challenges in retaining key employees. Lack of financial investment in training or retention programs, unclear human resource policies and organizational culture, low engagement or supervisor lack experience in management are common problems (Rowden, 2002; Gialuisi & Coetzer, 2013; Storey, Saridakis, Sen-Gupta, Edwards, and Blackburn, 2010). Other than that, employees often feel burnout from carrying different roles without clear communication or support from their leaders (Gialuisi et al., 2013). Moreover, the start-up spirit often erodes over time as a result of an investor's intervention or leader's own action as they pursue growth. The urge for survival and pressure to scale up change the entrepreneur's mission to focus only on generating cash and stop listening to their employees or customers. (Gulati, 2019). As a result, employees start leaving because of frustration and no growth progress.

Losing a key employee can tremendously affect the company's performance in terms of cost and productivity (Wagar et al., 2006). The cost of turnover is varied but not limited to recruitment costs, temporary worker costs, relocation costs, formal training costs and induction expenses (Kotze et al., 2005). Hidden costs can be related to productivity losses and workflow interruption, loss of organisational knowledge, lower morale due to overwork (Phillips & Connel 2011) and customer's relationship impact (Kotze et al. 2005). All of these costs can directly and indirectly affect the organizations if turnover is excessive especially in the long term (Phillips et al., 2011). Also, the cost of turnover

varies depending on the employee's skill and position. A smaller firm may experience interruption in performance and competitive advantages due to losing key resources for valuable ideas to bundle knowledge, thus resources to incremental innovation (Kemelgor et al., 2008). It is more difficult for smaller firms to fill the vacancy with suitable internal candidates or selectively recruit on the external market with tight budgets (Wagar et al., 2006). Moreover, there is no guarantee that the new employee can fit in with the company's culture or be fully functional in such a short time (Mobley, 1982).

Furthermore, understanding why people leave and measuring turnover rate will help with employee retention. The change of economic environment, social evolution, demographic shift (e.g., aging population, declining birthrate), globalization and entrepreneurship are causing labor shortage, thus requiring specific skills set and competences from the candidate (Allen, 2008). Retention will become more challenging than before. However, if done correctly, firms will be able to survive and grow during economic recoveries when they need to compete more aggressively for market share and talent. Moreover, key talents are those that contribute to current and future organization performance, they understand the company and are capable of leading or cumulative with unique skills during their work. (Bussin, 2018). Therefore, it is important for startups to acknowledge if the employee has intention to leave and pay attention to retain key people.

3 Job satisfaction

The objective of this chapter is to review the previous research and current writings of job satisfaction and its antecedents. In addition, the theory will focus on investigating job satisfaction in the startup environment and what drives employee's satisfaction. The theoretical literature research aims to gain deeper understanding towards the topic in a startup environment and identify what factors matter the most to employees.

3.1 What is job satisfaction?

Even though the concept is widely used in scientific research, there is no general agreement regarding job satisfaction (Aziri, 2011). Shajahan and Shajahan (2004) classified the theories of job satisfaction into content theories and process theories. Content theories focus on identifying an individual's needs, drives, and incentives/goals and their prioritisation to get satisfaction. Research also suggests that a person is motivated or has a tendency to behave in a manner when a certain need and value is satisfied (Altinoz, Cakiroglu and Cop, 2012; Barden, 2018). On the other hand, process theories concentrate on studying how the motivation takes place (Luthans, 2005; Singh & Onahring, 2019). Some well known theories under these two categories are presented here.

Vroom defined job satisfaction as effective orientations of an individual towards work roles which they are currently occupying (Vroom, 1964; Aziri, 2011). In addition, in his expectancy theory, Vroom argued that the employee's motivation to perform well depends on the strength of an expectation that the act will provide an outcome and how such outcome attracts the individual. For example, an employee's motivation toward better performance may be either positively or negatively affected based on the rewards that he/she receives. (Barden, 2018).

Hackman and Oldham, on the other hand, study how an individual perceives his/her role in the organization based on their job's task characteristic. The theory suggests that

employees are highly motivated while working if they experience three psychological states also known as meaningful at work, responsibility and knowledge of results. Through redesigning the job characteristic to attune the overall job with the worker performing it, the employers can positively affect the employee's attitude and the work outcomes. However, as the outcomes of job redesign were influenced by several moderators which vary based on employee's desire for personal or psychological progress, it is important to consider employee's response before deciding on job enrichment. (Luenendonk, 2019; Singh et al., 2019)

Content theory includes Herzberg's two-factor theory developed in 1959. The research argued that employee's job satisfaction is determined by two different factors including motivator (intrinsic factors) and hygiene (extrinsic factors) which is based on human's major types of needs (Furnham, Forde & Ferrari, 1999). However, the theory developed not to oppose job satisfaction and dissatisfaction, instead it defined these two as a discrete dimension affecting separate aspects of job satisfaction (Lee, 2017; Teck-hong & Waheed, 2011). In addition, Spector (1997) defined job satisfaction as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" based on what they hold about their job (May-Chiun & Ramayah, 2011). Other researchers also define it as a personal emotional feeling as a result of an employee's perception of how well their job provided those qualities that they value as important (May-Chiun et al., 2011; Kotze et al., 2005).

Furthermore, researchers who study employee motivation suggest that employees are highly motivated and satisfied when their needs and values are matched at work. One of the most famous models is Maslow's need hierarchy theories and Self-determined theory developed by Edward L. Deci and Richard M. Ryan (Barden, 2018). The theories mostly suggest that employees are motivated by the desire to achieve or maintain various conditions that belong to their needs before moving to another level of need. For instance, when people satisfy their basic needs, they tend to have higher levels of needs such as relationships, improvement of competences or feeling of

accomplishment. While Maslow's theory assumed that everyone behaves the same, Edward and Richard argued that there are different motivators for human behavior and that they do not affect an individual in the same way. (Barden, 2018)

Such theories provide us a general understanding that job satisfaction is a complex and multifaceted concept which can mean different things and affect people in different ways (Aziri, 2011; Barden, 2018). For this thesis, job satisfaction is considered as a positive or negative attitude and emotion towards the job and its environment, based on the perception of an individual's needs and desires.

3.2 Antecedent of job satisfaction

In order to empirically examine the process underlying the notion of job satisfaction and the influence of it on a person, it is important first to state explicitly what is associated with the concept. As mentioned in the previous part, employee's overall job satisfaction is multifaceted with respect to employee's experiences at work and not only a unitary concept. This means that a person may be satisfied with one dimension with the job and dissatisfied with the others (Kalleberg, 1977) and each person has their own individual's expectation. Based on this assumption, it is possible to balance the factors of job satisfaction to reduce the negative attitudes and compromise it to achieve satisfaction as a whole (Hoppock, 1935; Kalleberg, 1977). Many researchers identified job satisfaction as being influenced by a series of factors such as opportunity, pay, promotion, supervision, fringe benefit (Westlund & Hannon, 2008), contingent rewards, working condition, coworkers, nature of work and communication (Altinoz et al. 2012). These all come down to the most famous model of job satisfaction - Two-Factor Theory developed by Herzberg.

The theory explained that an employee's job satisfaction is affected by motivator (intrinsic factors) and hygiene (extrinsic factors). Motivator factor refers to the job content, which is built into the job itself, for example, advancement, responsibility, achievement and recognition. While hygiene factors are extrinsic to the job such as pay, job security, relationship with supervisor, etc and mostly affecting the employees in a

negative attitude (Herzberg, 1964; Lee, 2017). Among the factors of hygiene, when the overall experience falls below the level that an employee considers acceptable, dissatisfaction will arrive (Alshmemri, Shahwan-Akl & Maude, 2017). This is because of the employee's expectation that these factors should be in place when they enter the job.

However, the theory developed not to oppose job satisfaction and dissatisfaction, instead it defined these two as a discrete dimension (Lee, 2017; Teck-hong et al., 2011). What opposes job satisfaction is no job satisfaction and vice versa. In fact, the factors leading to job satisfaction are separate and distinct from those that lead to job dissatisfaction. Even though better hygiene factors can eliminate dissatisfaction, they are not guaranteed to cause satisfaction or impact on employees to achieve superior performance (Herzberg, 1964; Barden, 2018). On the other hand, enhancing motivational factors and meeting the basic needs for the job environment will help an employee engage and develop. Therefore, we can understand that hygiene factors influence an employee's willingness, while motivators affect their ability (Barden, 2018). Thus, they help balance the employee's attitude towards their job.

Previous studies in larger firms generally found that job satisfaction is associated with compensation and rewards, benefit, etc and that money is an important determinant of job satisfaction (Tran, 2016; Vroom, 1964), thus often leading the employees to think about quitting (Branham, 2004). On the other hand, researchers argued that job satisfaction is not all about money, but actually about the meaning of job, opportunity, perceived support from the employer and development (Kotze et al., 2005). Despite operating under uncertain conditions, employee's job satisfaction is usually higher in startups compared to large organizations (Rowden, 2002; Saridakis, Torres & Johnstone, 2012). However, it doesn't mean that there is no dissatisfaction. Employees can still switch to another job if they experience such events that lead to dissatisfaction. Moreover, as job satisfaction is a combination of psychological and environmental circumstances, the determinants may vary in startup firms depending on what

employees need and feel. Therefore, in this research, both hygiene and motivation factors are included in the theoretical framework.

3.2.1 Hygiene factor

Hygiene factor mostly concerned with the employee's expectation regarding the context or environment in which the job takes place (Furnham, Forde & Ferrari, 1999). These factors deal with motivation that are outside of passions and personal self-esteem to engage in activity that results in supporting people to achieve their basic needs such as money, rewards, status or avoid punishment (Herzberg, 1966). According to the theory, hygiene factors do not always lead to employees feeling satisfied with their job, but definitely help to reduce job dissatisfaction. Such factors significantly influence employee motivation and willingness in the workplace, but only for a short amount of time because they tend to represent tangible or basic needs (Lee, 2017; Park and Johnson, 2019). Hygiene factors include compensation, interpersonal relationship, work condition, policy and administration, supervision, and job security.

Compensation

Compensation remains one of the most debating factors when it comes to job satisfaction. According to Altinoz et al. (2012), employees work to satisfy the material, social and psychological needs. While looking for a job or working, they might expect a certain level of monetary compensation and benefit for organizational contribution, and a quantitative measurement for their worth (Tessema, Ready & Embaye, 2013). Research in HRM in growing small firms has found that competitive salaries and appropriate benefit packages attract and motivate employees (Barrett et al., 2007) beside non-monetary factors (Starosta, 2007). If the individual believes that they are not compensated well for the inputs, he/she will be unhappy working for the company. However, there is an argument that pay is not a main factor determining the overall job satisfaction (Branham, 2004) and that employees are working for something deeper than their paycheck (Achor, Reece, Kellerman & Robichaux, 2018). Some employees

might be satisfied with the fringe benefit package on top of compensation or stock options (Tomczyk, Lee & Winslow, 2012), which is mainly a case for small firms. Moreover, as employees who choose to work for startups understand that the company's budget is limited, they might balance intrinsic job qualities, such as close working relationships or possibility of growth against relatively poor pay and conditions (Storey, Saridakis, Sen-Gupta, Edwards & Blackburn, 2010).

Interpersonal relationships

Regarding interpersonal relationships, Altinoz et al. (2012) stated that relationships in the business environment such as social contact with colleagues or effective relationships with seniors will ensure the employee to achieve a sense of job satisfaction. Allowing employees to socialize (e.g., over lunch, during break, team building) helps them develop a sense of mutual trust and teamwork. Moreover, if the company is built with a multinational team, the practice will provide opportunities to learn the differences in culture, empathy, thus eliminating rudeness, inappropriate behavior and offensive comments (Syptak, Marслан & Ulmer, 1999). Respect and support from coworkers and seniors promote psychological safety that allows organization members to show and express themselves in the workplace without negative consequences. Saks (2006) also argued that employees feel more safe, bond and engage to contribute in a work environment which is characterized by openness and supportiveness. Because startups operate with a very small team and informal procedure, team spirit and communication may occur more naturally (Storey et al., 2010). Everyone treats the others as their family and share a deep connection, transparent while working with each other. This is considered as a signature for startup culture. Research has shown that employees are more satisfied with startups because of the face-to-face relationships and a "community" or "familial" environment (Saridakis et al., 2012).

Working conditions

Working conditions involve the physical surrounding of the job such as facilities, work space, ventilation, and safety (Alshmemri et al., 2017). It can also refer in a broader sense like working time such as hours of work, rest period to remuneration, holidays, work load, physical conditions and mental demands in the workplace (Mamun et al., 2017). There are two aspects about working conditions in small growing firms. The advantages are high flexibility, job autonomy (e.g., high level of ability to choose where, when and how to work), independence and less bureaucracy where employees can make decisions and take responsibility (Nyström, 2019). This provides employees more flexibility if they prefer to work from home or have to take care of kids. On the other hand, working conditions in startups are perceived as unstable with long work hours, periods of stress and trade-offs of employee's own physical health (Harlin & Berglund, 2020). Moreover, poor working conditions can take place due to unclearly defined work tasks, financial constraints or a lack of priority for employee training, which might result in work-life imbalance and frustration (Nyström, 2019). According to Bashir, Amir, Jawaad & Hasan (2020), a poor workplace or extended work hours can reduce job satisfaction, cause burnout, stress and low job performance. For example, by not having sufficient work facilities to perform daily tasks. Research shows that employees are more engaged when they believe that their organization is concerned about their well-being by promoting a good working environment (Sak, 2006). Indeed, companies who actively promote a positive working environment and work-life balance are recognized as attractive employers who consider their employees as valuable resources (Kelmegor et al., 2008).

Policy and administration

According to Syptak et al., (1999), an organization's policy can be a great source of frustration for employees if it is unclear, lacking in delegation of authority and is

communicating poorly. Company policies and administration inform employees of the office's rule, internal changes regarding employees and promotion, business expectation and value, as well as HR-related issues such as paid time off and health insurance eligibility (Smyth, 2020). These policies should cover a wide array of needs within the company and a guide for how it operated. Although this factor does not cause job satisfaction, it can decrease employees' dissatisfaction. Because the employees might raise concern about whether everyone is treated fairly or equally based on what is written (Syptak, 1999). In addition, comprehensive and clear policy can ensure that the company and employees are on the same page by creating uniformity across departments, procedure and culture especially when the company increases in size (Smyth, 2020). Thus it is a helpful tool for new ones to know about the organization's culture, procedure and value.

Supervision

Supervision is associated with the competence, leadership skill and fairness of supervisor or supervision (Alshmemri et al., 2017). It is an important determinant to motivate employees as they are the one who provide employees emotional and technical support and guidance in terms of work-related assignments (Dwumah, Gyasi-Boadu & Ayamg, 2015). Firstly, a good supervisor is important to enhance the employee's level of job satisfaction as employees often look up to their supervisor and develop based on instant coaching or feedback (Branham, 2004). Moreover, giving feedback and coaching can make sure that the employees' effort is noticed and stay aligned with organizational and team goals as well as expectation of direct supervisor (Branham, 2004). Secondly, a good supervision can increase employee satisfaction because the employees tend to view the supervisor's orientation towards them as organization's support (Sak, 2006), which in fact can help with burnout. In addition, during the process of coaching, the supervisor and employees can build an open and trusting relationship where both sides can understand and learn from each other. Due to business setting, communications or interactions within startups are more closer and

personalized between owners/managers and employees. This in fact provides opportunities for employees to discuss personal performance, or business owner-managers to communicate their inspiration and vision for firm's growth. (Gialuisi et al., 2013).

However, smaller firms are likely to suffer from lack of capacity to recruit specialists (Wu, Hoque, Bacon, & Bou Llusar, 2015) or owner-managers have less experience in managerial skills to mentoring and carry out effective performance review for their employees (Kotey and Slade, 2005). In fact, employees might not have a specific supervisor who they can go to for advice. In addition, owner-managers or team lead might lack leadership skills to deal with problems and conflicts inside the organizations. Leadership has become increasingly important for businesses because it not only helps leaders to set direction, but also empower the employees to work towards common goals. Research has shown that a leader's behavior towards their subordinate is directly linked to employee's commitment, hence positively reducing job dissatisfaction (Al-Sada, Al-Esmael & Faisal, 2017). Employees feel more satisfied at work if they are supported, thus listened to and encouraged rather than judgemental by the leaders (Al-Sada et al., 2017).

Job security

The desire for economic security has become increasingly salient for many individuals and it is the second basic need that everyone wants to achieve after fulfilling physiological needs. Safety needs are referred not only to physical safety in the work environment but also mentally stable with a secure position and freedom from fear (Vo, 2016). Job security is defined as the assurance in the possibility and probability of an individual to keep his or her job (Lucky, Minai & Rahman, 2013). Jobs that are not backed by an indefinite contract or cannot be guaranteed for a reasonable period of time are considered as uncertain and lack job security. There are certain types of jobs and industries that have been perceived to have high security such as government jobs, educational, healthcare and enforcement jobs. However, jobs in the private sector

especially the entrepreneur firm are widely perceived to offer low job security due to the potential in business failure and lack of experience in venturing (Seng, Mitchell, Marin & Lee, 2015). Many startups fail within their first five years of operation or are notorious for having high turnover rates (Leger, 2019; Nyström, 2019). Other reasons can cause employment insecurity is employee reduction owing to financial savings, merge and acquisition, restructuring, work practices being changed or seeking outsource for better labor cost and higher competitive advantages (Vo, 2016). Research has shown that exposure to low job security can cause dissatisfaction or commitment because the basic needs are not satisfied (Taiwo, 2007). In addition, it can cause stress and pressure to the employee, thus reducing the feeling of belonging to the workplace (Vo, 2016). However, job security is not considered a big issue in small firms from the employees' perspective according to some studies. Employees that choose to work for startups are more willing to take risks and place low value in salary and job security. In particular, they are more considerate with career path, growth and experiences gained while working (De Clercq & Rius, 2007; Sauermann, 2013).

3.2.2 Motivation factor

Motivational or intrinsic factors are those factors that build in the job itself in which they involve people engaging in an activity with a positive attitude and derive satisfaction in general (Herzberg, 1966). In fact, the factor is developed based on an individual's psychological needs, for example a sense of achievement and personal growth (Herzberg, 1964). Employees who are intrinsically motivated are more engaged and perform exceptionally in their job. Such factors are important to have in the workplace because it serves as motivation that can bring in favourable outcomes in the long-term such as organization health, organizational commitment, customer's loyalty and financial success (Herzberg, 1966; Lee, 2017). Moreover, when the individual's psychological needs are satisfied, employees' attitudes increase positively and they are engaging more in their work (Herzberg, 1966). When the employees are engaged, they "employ and express themselves physically, cognitively, and emotionally during role performances" (Kahn, 1990). This happens because they were offered with

psychological meaningfulness and psychological safety at work. They feel more happy, impactful and can devote greater levels of cognitive, emotional, and physical resources. Intrinsic factors include the work itself, responsibility, recognition, achievement and advancements.

The work itself

According to Herzberg (1966), the work itself is related to the actual content of job tasks and assignments which in fact can drive either a positive or a negative effect upon employees (Alshmemri et al., 2017). As mentioned above, people are now looking for more values and psychological meaningfulness in what they do rather than monetary compensation (Achor et al., 2018). They prefer working for firms who have the same value and allow them to act according to their belief. Based on the research of Kahn (1990), psychological meaningfulness can be achieved from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make an impact. Herzberg also suggests that by enriching the job, employers can provide opportunities for individuals with the room and incentive to bring more of themselves into their work or to be more engaged for psychological growth (1996). In addition, this can increase the pleasure while working, creativity, job satisfaction and employee productivity (Saks, 2016; Herzberg, 1966). Literature suggests that the highly flexible of startups foster skill variety because employees can participate in different roles and challenge themselves as well as enhance their competences (Gialuisi et al., 2013).

Responsibility

Responsibility at work refers to the context of the job whether it provides employees ownership of their work and freedom to make decisions (Syptak et al., 1999; Alshmemri, 2017). Employees are more motivated if they are given authority to carry out their tasks

and responsible for the result. This provides them a feeling of pride about their job because the consequences have implications for their uniqueness and competencies (Raza, Akhtar, Husnain & Akhtar, 2015). It also gives the sense of accountability from management that the employee has the ability to provide the best result. This way helps the employees feel valued and motivated in their position knowing that their competences and effort are recognized. In addition, placing more trust and allowing employees to work autonomously can lead to increased productivity and innovation (Branham, 2004). What attracts people to work for small growing companies is that they tend to allow employees to self-manage and work more cross-functionally with a wide variety of responsibilities. They are empowered to think outside the box, to be participative and take action to create an impact (Lee, 2017), thus an opportunity to demonstrate initiative and achieve personal growth and development.

Recognition

Recognition is one of the most important aspect of psychological needs when it comes to individual goals beside personal achievement and development (e.g. pride in quality workmanship or sense of contribution), acceptant (e.g sense of belonging to a certain group) and financial need (Rowden, 2002). While positive recognition can increase the employee's satisfaction towards their job, negative recognition can demotivate them, create a bad working environment and criticize working culture (Alshmemri, 2017). According to Saratoga's survey, employees feel most devalued while working for a company that lack of simple appreciation, too much focus on the numbers instead of people, unfair treatment and inequality regarding recognition and rewards, thus ignorant, and worth less compared to other companies, etc (Branham, 2004). Recognition can be considered as intrinsic rewards under the form of pay or praise to reflect employee's performance, responsibility and acknowledge their worth (Branham 2004; Tran, 2016). When people know that their efforts, abilities and contributions are recognized and appreciated by the organization, they will engage and feel more satisfied at work (Barrett & Mayson, 2007).

Achievement

Achievement refers to the feeling of satisfaction when reaching a specific milestone such as completing a difficult task on time, meeting KPIs, solving a job-related problem, or seeing positive results of one's work (Alshmemri et al., 2017). From the intrinsic view, most individuals want to sincerely do the best in their job either to feel good about their abilities or to award a sense of power and importance among co-workers and the organizations (Herzberg, 1966; Herzberg, 1964, Tran, 2016). A sense of self-achievement and the need for growth is a great psychological motivator for employees to perform exceptionally (Chin, 2021). People who have a high need for achievement are more results-oriented workers and are motivated by their accomplishments rather than financial rewards (Rowden, 2002). They tend to self-regulate in their job, seek for concrete feedback about their work and highly engage to achieve their goals. In addition, they are very creative-innovative in terms of looking for new ways to complete tasks as effectively and efficiently as possible (Chandrawaty & Widodo, 2020). Several studies concluded that achievement motivation affects job satisfaction and engagement at work (Chandrawaty et al., 2020)

Advancement

For many individuals, the benefits of achieving personal goals and psychological benefits are more satisfying than financial rewards. Besides recognition and achievement, personal development and career growth are one of the most important aspects regarding human motivation. When all the levels of need including psychological, safety, belonging, self-esteem are achieved, employees will seek for personal growth through training and development. Organization attributes such as investment in training and coaching, organizational learning, and opportunities for long-term career progression are perceived attractive to employees and more important than a high salary (Nyström, 2021). Also, businesses who prioritize learning and development receive higher job

satisfaction because they provide employee appropriate equipment to work and achieve the growth they need (Herzberg, 1966; Lee, 2017; Rowden, 2002). Too few growth and advancement will lead employees to burnout due to lack of skills to complete specific tasks, decreased satisfaction and commitment or perceived limited possibility of promotion despite hard work (Branham, 2004; Alshmemri, 2017; Padmaja, Koteswari, Dhanalakshmi and Tiwari, 2020).

In conclusion, both hygiene and motivation factors have a significant influence on the employee's satisfaction at work. Depending on the individual's personality and needs, these factors may have a different impact on the way employees think and feel about their current work.

4 Job satisfaction and turnover intention

This chapter is focusing on analyzing the relationship between job satisfaction and turnover intention by reviewing previous studies and its findings. The purpose is to revisit the theory to reinforce the knowledge of the relationship between job satisfaction and its significant impact on employees' turnover intention. Also, this part will look into how satisfaction in general and its antecedents in particular that influence the intention to leave in the context of startups to emphasize the research objective.

There is a strong body of theory and research in human resources management conducted that job satisfaction has a significant relationship with turnover intention in the workplace. Mobley (1977) once stated that turnover intention starts with dissatisfaction among workforces, which puts a pressure on employees to search for substitute works. While job satisfaction has no direct effect on turnover intention, Mobley indeed indicated that dissatisfaction and external job alternatives were contributing factors influencing thoughts of quitting (Ochoa, 2009). March and Simon (1958) also suggest that employees who have higher desirability of movement and ease of movement which is linked to job satisfaction will most likely to leave the organization. Also research agreed that the lack of employee job satisfaction in an organization can lead to the issues of absenteeism, low engagement (Saks, 2006), lack of commitment (Kotze et al., 2005) and an increase in turnover rate (Branham, 2004; Most of the studies conclude that job satisfaction has a negative correlation with the turnover intention. Moreover, it mentioned that the level of job satisfaction is important to maintain the employee's commitment to the firms and prevent them from leaving (Lu et al., 2016; Kotze et al., 2005; Tran, 2016). Improving employee commitment increases the emotional attachment between employee and organization, hence influences their propensity to leave.

Studies in smaller and growing firms suggested that hygiene factors are found to be correlated with turnover intention, while motivation factors are not (Reukauf, 2018). Pay, compensation, work conditions, supervision and personal relationships are

considered important to motivate the employees at work and increase their commitment (Kemelgor et al. 2008). Among that, compensation is considered to play a significant role in retaining and rewarding quality employees (Mamun et al., 2017). Thus it is also a critical factor to the intention to leave as employees often expect that they are fairly paid for what they contribute (Barden, 2018; Vroom, 1964; Singh et al., 2019; Tanner, 2020). Employees also seek to improve their level of income and intend to stay longer with the firms if they obtain a pay increment or bonus annually (Belete, 2018; Mamun et al. 2017). Attractive remuneration packages and consistent wages with the labor market trends are one of the very important factors of satisfaction and retention because it not only fulfills the financial desires but also shows how valued employees are to the organization (Belete, 2018; Starosta, 2007). In addition, employees can get frustrated and leave if they experience inequity treatment such as lack of trust that they are paid fairly, “performance review has no effect on pay increases”, “new hires are paid as much as veterans”, “higher education levels do not transfer into higher pay level” and so on (Branham, 2004). This can lead to the concern of whether there is a specific rule to obtain a higher pay level in the organization. Even though startups’ employees might not place high value in compensation, it is still a critical factor that lead to turnover intention (Kemelgor et al. 2008).

Besides compensation, employees claimed that the real reason they quit was not because of the job but because of the manager (Branham, 2004; Kotze et al., 2005). Employees will start thinking about quitting if there is a tension in the relationship with their manager or experience lack of managerial skills (Gialuisi et al. 2014). One of the reasons is the close working relationship which involves frequent interaction among employees and managers. While this fosters a better working process and communication, it can be a source of dysfunctional relationship conflict as people are different in needs, values, personalities and perceptions. The physical closeness of employees can magnify interpersonal conflict that might result in tension and heightened emotions. In addition, employees may feel uncomfortable discussing what they need, insecure and dissatisfied with the concerned parties. (Gialuisi et al. 2014)

Moreover, the level of job satisfaction and performance was higher in the environment where leaders promote good leadership skills (Starosta, 2017). Poor senior leadership refers to lack of caring, listening, isolation, providing no inspiration, unclear organization vision and structure, and sending mixed messages. Employees not only expect to receive sufficient support and feedback, but also be empowered to satisfy the need for trust and the sense of worth. They need to see that their employers truthfully listen, invest in them, respect and be regarded as a valued asset and not a cost (Branham, 2004). Experiencing this can initiate as a shock that triggers employees thinking about their employment decision and thinking about quitting (Lim et al., 2020; Lee & Michell, 1994).

In addition, the flat and egalitarian work environments are the essence for many employees who choose to work for startups and significantly affect their propensity to leave. Due to the flexibility and autonomy, employees are more satisfied to see the impact their contributions have on the business, as well as foster loyalty, trust and respect among colleagues. Moreover, this can also help to promote a friendly atmosphere that strengthens innovation and creativity. The flexibility also allows employees to try new things and take responsibility which increases their incentive to stay and stop searching for a new job. (Gialuisi et al. 2014).

Another factor that can cause the employee to quit is little possibility for growth (Gialuisi et al. 2014) and recognition (Branham, 2004). Employees who care about their growth and career often have high consideration for quitting if they see that there is no possibility for advancement. Also, they are the one who can provide exceptional performance because of high desirability. It is not simply gaining knowledge but a development of competence to give the employees enough equipment to work. Working in a small firm means a lack of varied career ladders that employees desire due to the flat structures and financial constraint (Gialuisi et al. 2014). Research claimed that employees will likely think about quitting if there is no growth opportunity, no training to advance their skill and knowledge, or clear career goals (Kemelgor, 2008; Gialuisi et al. 2014). Regarding recognition, employees often seek to work in the

organization where they feel valued and leave when the employers focus too much on the number, not people (Branham, 2004; Starosta, 2007). Lack of incentive rewards, no bonus for high performance, and no opportunity for development are considered poor recognition.

While employee turnover is inevitable and difficult to prevent after the employees have made the decision, the employers can acknowledge their intention to leave by using job satisfaction as a predictor. Knowing which factors are important to the employee to target can improve their level of satisfaction and prevent them from leaving. The level of job satisfaction can significantly influence employees' attitude and behavior as they meet their basic and psychological needs. For this thesis, even though the study is conducted in small and growing firms, the factors affecting job satisfaction are assumed to stay the same. The theoretical framework is adapted from Herzberg - Two factor theory including hygiene factors and (including compensation, interpersonal relationship, working condition, supervision, policy and administration, job security) and motivation factors (including the work itself, recognition, advancement, achievement and responsibility). The outcome is whether or not job satisfaction correlated with turnover intention in this special context.

This model will be used as a guideline for conducting interviews in empirical studies. The research will examine how each factor from the model affects employee satisfaction at work and how it affect their intention to leave in general.



Figure 3: Theoretical framework

5 Research methodology

The purpose of this chapter is to give information regarding the methodology chosen for this research. Firstly, research philosophy behind the study is presented as well as the choice concerning research approach and research design. Secondly, the chapter explains how the data was collected and further analyses are also discussed. The collected data and discussion will be presented in the next chapters. This chapter concludes with the quality evaluation to ensure that the results are valid and credible.

5.1 Research philosophy and approach

According to Saunders, Lewis & Thornhill (2007, pp. 124), research philosophy refers to “a system of beliefs and assumptions about the development of knowledge” of an individual in a particular field. These assumptions then support the researcher to understand the research questions and which method should be adopted to interpret the finding. For the purpose of this research and the author interested, the research philosophy is interpretivism. The reason for choosing interpretivism is because it emphasises that humans are different from physical phenomena and should be studied differently. It is also because humans make different meanings, create and experience different social realities when they are from different cultural backgrounds, under different circumstances and times (Saunders et al., 2007). Rather than create a single reality that applies to everyone, Saunders et al. explained interpretivism aims to consider different perspectives from multiple groups of people from an organization to “create new, richer understandings and interpretations of social worlds and contexts” (2007, pp. 148). As the objective of this thesis is to understand employee’s perception on job satisfaction in a specific context, the study is solidly interpretivist. In addition, because it tries to also explore how job satisfaction affects turnover intention, making this study exploratory.

Depending on the purpose of the research whether it is theory testing or theory building, different research approaches can be adopted to fit with the desire. Two most

commonly used methods are deductive and inductive approach. Deductive research approach is used where hypotheses are derived from existing theory and tested. While in the inductive approach, the theory is developed from the collected data after they are observed and analysed (Saunders et al., 2007). As the deduction approach involves gathering the information to explain the relationship between concepts and variables (Saunders et al., 2007), therefore, this approach suitably matches the way this research is carried out. Due to the fact that the research topic is commonly studied in the field, the research is conducted first by reviewing existing literature to get an understanding of the phenomenon and simplified to determine a suitable theoretical framework. The theoretical framework is then used as a guideline to form questions for data collection. This thesis is heavily influenced by content theory of job satisfaction known as two-factor theory developed by Herzberg, with the inclusion of Mobley's model of turnover intention.

5.2 Research purpose and design

Because the thesis tries to explore what factors determine employee's satisfaction at work and how job satisfaction affects the turnover intention, making this study exploratory. Exploratory study allows the researcher to ask open questions in order to gain insight information and discover what is happening (Saunders et al., 2007). As mentioned previously, the relationship between job satisfaction and turnover intention is not a new topic, but turnover intention in startup firms has received little attention and it is worth exploring. Hence, exploratory research purpose is suitable to assess the motives that drive employee's job satisfaction and their intention to leave in this specific context. Based on the purpose of the thesis, a single case study is used for the research strategy. A case study refers to a study about a person, a group of people or a focus on a specific unit, thus aims to generalize over several units. Because the thesis focuses on employee's job satisfaction in entrepreneur firms without comparing between different scenarios or criteria, making it a single case study. A single case study also helps the researcher test old theoretical relationships and explore new ones because it provides an in-depth understanding of the subject. (Gustafsson, 2017).

For this thesis, the research method is qualitative. Qualitative research refers to a technique of collecting information on a text-based format such as interview or data analysis procedure that generates or uses non-numerical data (Saunders et al., 2007). Unlike quantitative research, qualitative is often used to test or interpret a hypothesis and the answer is analysed also from the respondent's point of view and their behavior. Qualitative approach can be beneficial for this study as job satisfaction and intention to leave are intangible, derived from experiences that cannot be measured through numerical data. Moreover, the research questions demand profound understanding of what factors drive the employee's job satisfaction and its influences; conversely their reasoning behind this is important to discover better through oral study. Hence, because it is conducted in a specific context, the reason for turnover intention might be different than job satisfaction. With that being said, a qualitative method is suitable for this study. Also, a mono method qualitative is used as the data is collected only through a face to face interview technique. Indeed, an in-depth personal interview with semi-structured questions are conducted. The questions can be modified and open-ended according to the situation of conversation.

5.3 Data collection and analysis

Two most common methods to approach the collection and analysis of qualitative data is primary and secondary data. Secondary data refers to data that is collected by someone else rather than the primary user such as information collected by government, organizational records or data collected from other research purposes (Saunders et al, 2007). In most cases, secondary data can be used to benchmark theoretical framework because the information can help to solve or explain the research problem. Secondary data is collected through books, articles, or online sources which are guided by the research questions and objectives. On the contrary, primary data is data originally collected by researchers from main sources through interviews, surveys, experiments and so on (Hox & Boeije, 2005). The main advantages of using primary data is that methodology construct, research design and approach can also be tailored to the

research questions to ensure the coherent and helpful to solve the problem (Hox & Boeije, 2005).

The criteria guiding the interviewee selection is set prior to the interview stage. As the research studies the concept of job satisfaction and turnover intention in a startup environment, a single case study is employed with a focus on a specific group of people. Data was collected in a total of nine interviews with employees who are currently working from different startups companies. These startups should have been established for more than 2 years and are in their scaling stage. The participants come from various backgrounds, work in different industries and hold different positions in their current company. Due to the fact that the interview includes sensitive information about their job, and in order to assure that the participants can speak openly, the personal information of interviewees is kept confidential. The table below presents an overview of the participants.

Table 1: Overview of the interviewees

Anonym	Industry	Expertise	Gender	Position
Interviewee 1	Technology	Marketing	Female	Line manager
Interviewee 2	Retail	Marketing and Customer Service	Female	Employee
Interviewee 3	Retail	Marketing	Female	Line manager
Interviewee 4	Retail	Marketing	Female	Employee
Interviewee 5	Technology	Marketing	Male	Line manager
Interviewee 6	Retail	Marketing and Communication	Female	Line manager
Interviewee 7	Retail	Marketing	Female	Employee

Interviewee 8	Retail	Customer Service	Male	Line Manager
Interviewee 9	Retail	Marketing	Female	Employee

Prior to the interview, the participants received the preliminary interview questions as well as information about the research. A small introduction to the thesis including the purpose of this study, how the result will be presented and confidential conditions are described in advance. By doing this, the participants will have time to prepare for the answer. Hence increasing the validity and reliability of the research as the participants know what is expected and what kind of information that the researcher wants to acquire (Saunders et al, 2007). Because the participants are from different cultures, prior knowledge regarding that culture was obtained to avoid bias. Thus creating an environment that allows them to willingly share information. At the beginning of each interview, the thesis purpose and topic were also addressed, and interviewees were encouraged to ask further questions if there were any. The interview was held in English and the duration varied between 30 to 50 minutes. All the interviews were recorded under permission of the participants for the analysis purpose and notes were taken for each interview. The interviews were conducted through video conferencing platforms such as Zoom and Google meet due to the current situation of covid-19.

As mentioned in the previous part, the interviews were conducted with semi-structured questions. This method was chosen because it provides better insight to the key themes and concepts of the research besides the standardized set of questions. Not only it allows clarification of answers, but also helps to explore more in-depth information through follow up questions. Moreover, as the questions are modified and open-ended according to the situation of conversation, the participants are enabled to open up and share their perception. The interview questions consist of three sections including (1) introduction of personal information, (2) motives of job satisfaction and (3) the link between job satisfaction and turnover intention. Section one aims to gain a brief description about their background, current work and their perspective about the

startup context. The second section is designed to explore the critical nature of the study which is the factors that influence their job satisfaction at work. A short guideline was given in advance to the section in order to show how the questions should be considered and answered. Subsequently, 11 factors were presented including hygiene factors (compensation, interpersonal relationship, working condition, policy and administration, supervision and job security) and motivator factors (work itself, responsibility, achievement, recognition, and advancement). Also, the questions were answered on the scale of very important, somewhat important and not important. Because the study aims to explore the influence of these factors on employee's job satisfaction within the startup context, it is critical to question all of the determinants included in the theoretical framework. Lastly, the third section investigates in detail why and how job satisfaction affects their turnover intentions. Hence which factor is considered to have the strongest impact on the employee's intention to leave.

To ensure the understandable and well-coherent of the questions, a pilot testing was conducted. The pilot study helps to test the consistency between the interview questions and the research problems. Thus refining whether or not the questions are well designed to easily answer and acquire the required data (Saunders et al, 2007). One person was invited to answer the interview questions and gave feedback on their understanding of the questions. This also helps the researchers to know how long the interview takes to inform the participant in advance. In addition, the interview questions were checked by the supervisor to ensure the congruence with the problem statement.

The record interviews were partially transcribed with the aim to better summarize the interviewee's perspective. For some questions, quotes were fully transcribed to present the point. Depending on how deep within the analysis the research attempts to review the interviewees' statement about the subject, a certain analysis method is chosen. For this thesis, content analysis is chosen to present the data. In the content analysis method, data is presented in words and themes that help to draw more interpretation of the results, thus supporting further analysis. (Saunders et al, 2007). The collected data

was analyzed in accordance with the theoretical framework starting with the factors that influence employee's job satisfaction, then continuing with the impact on turnover intention. The aim of the discussion part is to explore new knowledge and compare it with existing studies.

5.4 Validity and reliability of the study

Validity refers to the extent to which a concept is accurately measured to what they are intended to measure. In other words, a research is considered valid when it can provide the measurement consistent to what the research aims to. (Saunders et al, 2007). Also, a high validity research qualifies when the evidence and literature support the interpretations of the result. The questionnaire design, questionnaire structure, and accurate pilot testing also impact on the validity (Saunders et al., 2007). Indeed, semi-structured and in-depth interviews can achieve a high level of validity because it asks in-depth questions and explores the indication from different aspects. In order to ensure the validity of this research, a theoretical framework was done to acquire an understanding of the concept and for basing the interview questions. The theoretical framework was formed based on reviewing previous literature from a reliable source. Hence, the topic has been discussed by many authors and relevant sources of theory were taken into consideration. Then prior to the interview, a pilot test was conducted to get feedback for further improvement and the interview questions were also sent to the participants. In the beginning of each interview, the topic was addressed and the interviewees were encouraged to ask questions if needed.

Saunders et al. (2007) also mention that a quality research should be concerned with whether or not there is a causal relationship between two variables. In fact, the relationship of job satisfaction and turnover intention is studied in the theory part. Hence, the findings not only examine the relationship but also explore the reason behind it. How employees value job satisfaction and the main reason why they leave are also discovered. Subsequently, the findings are compared with previous studies to ensure conformity between the theory and results.

Another aspect of validity of the research refers to how well the findings of a study can be expected to apply to other settings or how generalizable the outcomes are (Saunders et al, 2007). For example can it apply to other people, business setting, situation or time. The case study method used in this thesis is able to derive data, thus generalizing data to theory by comparing and contrasting results with previous study. It can also modify or support theoretical propositions. The thesis may not build a new theory, but it aims to explore the phenomenon and get more insight to the research problem. Moreover, the validity of the research relates to the ability of the researcher to acquire participant's knowledge and transfer the meaning effectively as well as connect it to the theory. As the study uses a qualitative method with semi-structured interview, it helps the researcher ask further questions to gain the participant's perspective. Hence, note was also taken to easily circle back and connect the answer to the theme during the analysis stage.

Reliability refers to the consistency of the study finding. The research is considered reliability when the data collection or analysis yield consistent findings each time under the same condition with the same subjects. (Saunders et al, 2007). Which means that if given the same data to different researchers, the results and findings should be consistent regardless of duplication and repetition of the research. There are several threads to reliability known as (1) participant error, (2) participant bias, (3) researcher error, (4) researcher bias (Saunders et al, 2007). Considering these threads can help improve its reliability. To reduce the participant error and participant bias, the interview was scheduled in advance to make sure that the participants are in their free time and don't have any external pressure due to time constraints or in an inconvenient place. Hence, the personal information was agreed to keep confidentiality which reduces the bias and keeps the answer reliability. Regarding researcher error, as English is not the researcher's mother tongue, misunderstanding is prevented by simplifying the question and phrasing it during the interview. In addition, the interviewer also repeated the answer to ensure the accuracy of information. Researcher bias refers to a situation in

which “the comments, tone or nonverbal behaviour of the interviewer creates bias in the way that interviewees respond to the questions being asked” (Saunders et al. 2007, pp. 318). In order to avoid research bias, a neutral tone of voice was kept during the interview. Freedom is given so the interviewee can express their opinion. Thus, a subjective view was not allowed when interpreting a participant's response and the researcher only intervened when the participant needed help.

6 Findings

This chapter aims to provide findings that are derived from nine interviews and to answer the research questions. The chapter comprises three main sections which are structured according to the research questions: general introduction of participants, factors affecting employee's job satisfaction at work in startups and the influence of job satisfaction on the turnover intention. The first section covered interviewee's personal information, background and their working's experience in the current position/company. In the second section, findings from the interviews of hygiene and motivational factors are presented separately. Then comes the impact of job satisfaction on employee's turnover intention in the third part and subsequently concludes with a conclusion of the findings to answer the research question.

6.1 General review

As mentioned in the research methodology, the first section of the questionnaire is intended to find out the employee's background and how long they have worked in a current company. This ensures the author to get a general view of their experiences and support forming relevant questions if needed in the other sections. Of the nine participants, five of them have worked in a current startup company for 1 - 2 years, 4 of them for more than 6 months to less than a year. Therefore, it is reasonable to assume that the participants have had sufficient time to experience the company, its culture and working environment. In addition, three out of nine worked for different startups and four participants worked for large enterprises in the past.

The first section also asked if the employees were aware of the limitations and challenges facing startup companies when they decided to join the firm. For this part, the author has taken into consideration prior knowledge of the participants in understanding the environment surrounding their workplace. All of the participants are aware of the concept of startup firms and its limitations. Hence, they also elaborated on the limitations and differences compared to the past experiences.

“I always wanted to be in the startup because I like the idea of being there at the start and it's more fast-paced and I have more freedom to take initiative and have my work on a daily basis have more impact on the business. I'm also keen on working in a flat structure where I can work on different aspects of the business” - Interviewee 3

“Startups often face financial and resource shortage while operating. Also the manager or owner are young so they might lack of some sufficient skills in managing people” - Interview 5

“I think it is different from the corporate structure. There are different positives and different negatives.” - Interview 6

“I think that startups themselves don't obviously have the resources as bigger companies, so there are lots of limitations. But I also think that there are a lot of positive sides while working for a startup as well. But of course, there are challenges, I'm aware.” - Interview 7

6.2 Factors affecting job satisfaction

This section will summarize the employee's evaluation on how important each factor of job satisfaction is to them. The questions are characterized based on the defined theoretical framework which ask the participants to evaluate the factors using a Likert scale of dimension ranging from very important, somewhat important and not important. Hence, an explanation of the answer is also required. A Likert scale allows the author to measure the respondent's psychological disposition or attitude towards the subject matter. In this case, it is the importance of these factors on the employee's job satisfaction. Based on the interviews, some participants concluded similar factors or some factors are more important for one compared to the others. Despite the similarity, the reasons remain differ in their way of thinking and experiences. The tables below

demonstrates a general view of what antecedents of hygiene and motivational factors are considered as important to the employees.

Table 2: Evaluation of hygiene factor

Hygiene Factors	Very important	Somewhat Important	Not Important
Compensation	n=3	n=6	
Interpersonal relationship	n=8	n=1	
Working condition	n=8	n=1	
Supervision	n=7	n=2	
Policy and administration	n=4	n=1	n=4
Job security	n=5	n=1	n=3

By looking at table 2, interpersonal relationships, working conditions and supervision are considered very important to influence the employee's job satisfaction at work; while compensation is somewhat important for six out of nine participants. Policy and administration and job security received different opinions among the participants.

Table 3: Evaluation of motivation factor

Motivational factors	Very important	Somewhat Important	Not Important
Work itself	n=7	n=2	
Responsibility	n=8	n=1	
Achievement	n=7	n=1	
Recognition	n=5	n=4	
Advancement	n=9		

From table 3, motivational factors including the work itself, responsibility, achievement and advancement are considered very important to the job satisfaction in startups. On the contrary, 4 out of 9 participants see that recognition is somewhat important to satisfy them at work.

6.2.1 Hygiene factor to employee's job satisfaction

Compensation

The first question asked the participant to give their view about compensation and to what extent do they think that it is an important factor to satisfy them at work. Six out of nine participants considered that it is somewhat important to them, hence the reason they accepted the position is because they work for different reasons rather than salary. For example, the meaning of work, working conditions, relationship and potential to grow.

"I would rather be less paid and doing something that makes me feel like I'm growing and have an impact, rather than be highly paid with a job that I don't like. So it is somewhat important, but there is a limitation to how bad you can take it. I'm willing to take less paid, if the work is meaningful and fruitful for me as a person" - Interview 3

"It is not the main factor for my satisfaction when working for a startup because I understand at the beginning it is not easy to get high compensation. For me, the main priority is whether or not the company has a clear vision, or has a potential to grow. Thus the leaders have a clear goal and vision for the company." - Interviewee 5

"I think it is important factor for me, but if it a company provide other things that make me feel fulfill and good, then it doesn't matter how much I receive" - Interviewee 6

“I think everyone wants to be valued in terms of compensation, but for me when you start or plan to work for a startup, you need to be aware that there might be a lot of work evolving and that the salary might not be the best you could get somewhere. But the potential outcomes, the learning experience and you believe in the company, believe in what you are doing, then at the end of the journey, the compensation will be higher.” - Interviewee 8

“For me, I don’t think that compensation is what drives me the most. I want to feel that I make an impact and feel productive.” - Interviewee 9

Moreover, one participant mentioned that the low salary can be compensated if the company provides other benefits that support their work or well-being.

“If the company has some freedom, bonuses like gym membership, transportation card, or support for self-improvement or self-development, then it’s of course balanced the expectation” - Interviewee 4

However, results show that most of the participants described they are underpaid and not receiving appropriate remuneration packages that match their contributions. The reasons are mainly because they have to work in multiple positions and take care of many tasks at the same time which results in overtime work, stress and burnout.

“I think I’m not well compensated right now if compared to my workload, what I’m responsible for and what I’m doing.” - Interviewee 6

On the other hand, the others consider compensation as an important factor to satisfy them at work. It is because the compensation supports them in meeting the basic needs and also feels valued with what they put in. They highlight that depending on the situation, the satisfaction over compensation might vary.

“It is very important to feel that the compensation is enough to give you motivation.” - Interviewee 1

“I think you can never work for a place where you feel as an employee, the work you put in is not financially valued and whether you love the company or not, it doesn't usually matter so much because at the end of the day, you still need money to live.” - Interviewee 7

Working condition

Both interpersonal relationships and work conditions are considered very important to the employees satisfaction at work. Regarding the working conditions, facilities, tools and programs, flexible working hours and employee's benefit are well provided by the companies where the participants work. It shows a positive impact on the employee's satisfaction when the companies have the intention to support their employees' work physically and care about their well-being. In addition, to cope with the current work from home situation, the companies also allow the employees to decide if they want to come to the office, provide equipment for their home office and give them complete autonomy as long as the work is done. Also, it is important for the participants that the companies pay attention to the employee's benefit and promote a positive working environment and work-life balance. For example asking the employees what they are missing at home to work more efficiently.

“I got the laptops, all the tools I need to work efficiently. We have the freedom to work from home, so we are not forced to go back to the office. And if there is something important, I can always discuss it with them.” - Interviewee 4

“I know that my supervisor has tried to make sure that everyone does have what they need.” - Interviewee 7

One participant highlighted that, by providing good working conditions shows that they are valued by the company and that the employee's benefit is on top priority.

"It is important that you feel valued by the company, that they take consideration and look after the employees, hence that everything they do, they have the employee's benefit in mind." - Interviewee 8

Moreover, the participants claim that it is motivated to have a high level of flexibility and freedom to decide where, when and how to work because it improves their creativity and efficiency. It also shows that there is a high level of trust from the management.

"I have a lot of flexibility in my hours, how I spend my time, and I organize my own work. Autonomy is important to satisfy me at work, and also one of the reasons why I don't like working for bigger companies. Because I like to make my own decisions, analysis, and if I don't have that flexibility, I just don't see the motivation for me." - Interviewee 3

"It gives a confirmation that you're doing a good job, and the more you can decide your objectives in the team, the more they show that you're really fit into the position." - Interviewee 4

"It is important for me because it helps me work better, to feel more efficient with work and more creative, hence to solve the problem faster." - Interviewee 5

"It is important to feel uplifting in a workplace, especially when things go bad. It affects the whole mood of the company and everyone. If everyone is off, I will not feel motivated to work." - Interviewee 6

“As long as you work 8 hours a day, 40 hours a week, they don’t care when you get the work done. So that is very nice because they put a lot of trust in you in that sense.” - Interviewee 9

Nevertheless, the participants noticed that due to the financial limitation and uncertainty conditions in the startups, it is difficult to have the required facilities or work-life balance. They are aware of this and understand. Also, one participant pointed out that there is a need for special action from the employer to prevent employees from overload and burnout.

“Even though they said you can take a day off, don’t worry, I feel like I can’t because I will have a hundred things to do tomorrow. I feel there is a double standard when it comes to work-life balance because as a small company, we have a thousand things to do.” - Interviewee 7

“My company provides great flexibility in which I can manage my own work, where and when I want to work as long as I ensure efficient work. However, when it comes to the facilities and office, it’s not easy to acquire what you need because of budget limitations.” – Interviewee 5

Interpersonal relationship

According to the interview results, the participants claim that having a good relationship with co-worker and managers motivates and makes them more satisfied with their job. It helps with productivity, creativity and promotes a healthy workplace. Indeed, a good interpersonal relationship makes them feel more safe and supported to express themselves, bond and engage in the working environment. Especially if the CEO or owner managers engage with the employees, it creates a job satisfaction effect that employees can trust the boss and their vision.

“You are free to say whatever you think and our CEO also encourages us to share our thoughts or ideas. It creates a bonding experience and safe environment for us to work and grow.” - Interviewee 1

“Being in a small company makes us bond faster because we are in a high pressure situation where we have to rely and trust each other. It is important to me because I work in a creative area and with many people, so lack of good relationships tend to kill my creativite.” - Interviewee 3

“In order to reach the goal, to work efficiently and also to have a good well-being.” - Interviewee 4

“The people who I work with is a big thing that influences my satisfaction and makes me happy to go to work everyday. I feel like I got really inspired by my colleagues and that is also something that I love because it also means that I can grow as well.” - Interviewee 6

“I feel that if you cannot get along with your co-worker, you will not be motivated to go to work, you might not work well together, which will affect everything.” - Interviewee 7

“I want to be able to feel like I’m comfortable in my work environment and I can trust the people that I’m working with, that they respect me and that I can be honest with them and vice versa. Also in a startup, there aren't many employees to begin with, therefore it is important that everyone is on the same page.” - Interviewee 9

However, several participants also point out that it is difficult to build closer relationship with the upper management team. Despite being a small company, there is a hierarchy structure that prevents them from effectively working with the owner manager, especially if the employees hold a middle management position. They emphasize that

there is a lack of communication, misunderstanding, and lack of ability to exchange feedback and be listened to.

“I would say I have a good relationship with them when it comes to trust in my abilities and listening to my ideas, which I value a lot. But I don't have a good relationship when it comes to feedback. It is difficult to get management feedback and work feedback. Moreover, although I value a close relationship with the manager and colleague, it does make it difficult to discuss serious issues like pay raises, or to give someone negative feedback because you don't want to offend them.” - Interviewee 3

“Although I feel they are encouraging, they act like they hear you but then they don't really follow through. Like if I say I'm so stressed, this person will say I'm sorry to hear, take your time, but the next day, they might put more work to you anyway.” - Interviewee 7

In addition, they point out that sometimes there is no relationship between them and the management team if they don't work directly with each other. Indeed, this issue affects the first impression regarding the company's culture and working environment.

“Except for my direct manager, I don't have any relationship with the people above. I think the colleagues have a good relationship with each other, but not with the boss. I think either they are afraid of him or he is not someone who will initiate a conversation with you, and just pass by without saying hi” - Interviewee 2

“On the upper level, even in a small company, people at the executive level usually are not that involve with their staff. I sort of understand that they don't have the time to sit there and chat with the employees because they have more important things to do. But I think it is very important for this person to show respect, to be friendly and make sure that everyone knows that this is a good place.” - Interviewee 7

“There is no relationship with upper level management even though it is a startup. On my first day at work, I remember coming to the office and no one from the management team welcomed me. They just look at me and then continue working. It is not ok.” - Interviewee 9

This issue was also brought up again in more detail in the next question when they were asked about the supervision in the startups and how it affects their job satisfaction.

Supervision

Seven out of nine participants state that supervision and the ability to lead of the manager is very important for their satisfaction at work. Firstly, the participants state that they can develop based on the supervisor’s feedback and coaching. Hence, it gives the employees confidence by knowing that they are doing a good job and their efforts or goals are aligned with the company’s objectives. They also claim that they have a good relationship with their direct supervisor and received enough training from this person to execute the daily work. Because of the small company structure, the relationship is more personalized between supervisor and employee, therefore, they feel easier to exchange information. One participant explained that she feels more motivated and valued when her supervisor always shows support to her. Moreover, the participants discussed that they are satisfied with their job if there is constructive feedback, advice and support whenever needed.

“It is important to me that the manager is experienced so I can learn from her. They praise me and give feedback to my work, which motivates me to work more. I talked to my manager every day and she always suggests online courses, books or shows me how to do or use specific platforms and I can always come to her for advice.” - Interviewee 1

“It gives me the confidence to know that I'm doing the right thing or not and confidence to try doing different things.” - Interviewee 4

“I feel supported within the organization like there are people who look after me and want me to do better.” - Interviewee 6

“I like to get confirmation that I'm doing good, or not good. It is also important for me to get a lot of feedback to know exactly how I manage my work.” - Interviewee 9

On the contrary, two participants point out that supervision is not always important to satisfy them at work. They state that too much supervision might kill their productivity and make them uncomfortable. There is a certain level where supervision can take place according to the interviewees and it is essential that they take feedback more seriously.

“Because of two things, it is important that you feel supported and that the supervisor is there if you need help or have questions, and also sort of rely on this person. At the same time, you don't want too much supervision. I don't want someone to micromanage me.” - Interviewee 7

“If too much supervision at work, it could affect my job satisfaction. Because I would like to be independent at work. I don't feel comfortable if people constantly check up on me and or micromanage my work. If the manager has knowledge of what I'm doing, then feedback is very welcoming. However, if they don't understand it, it becomes a burden for me if they try to intervene or give feedback.” - Interviewee 5

However, most of the participants show that they are not satisfied with their manager in the current position and emphasised that the people at executive level do not contribute to build a positive working environment. According to them, the main

reasons are lack of education and experience in management and leading people because the owner manager is usually young. They often lack the ability to train and give the employees constructive feedback.

"I would appreciate it from time to time if I ask for feedback or revision of my work and they take it seriously to supervise me." - Interviewee 8

"I think it is hard for the supervisor to give constructive feedback because they don't want to offend anybody, which I understand. But for me, I would appreciate that and it should be more clear." - Interviewee 9

"I think everyone in the startup is young. Even though they have a young, creative mind, when they have no experience with leading people, they show lack of leadership. When you have leaders in the team with everyone who barely has two years of working experience, it is about to fail." - Interviewee 7

"They don't have the emotional intelligence that any leader should have. And no effort in including the needs of employees in HR practices. I think when the head of marketing is not trying to understand our work and only looks at the number, he just doesn't show appreciation for what we did. I think they lack experience and also it depends on their personality. However, if they decide to step up and take over the leader role, then it is necessary to educate themselves." - Interviewee 4

"I think it comes down to lack of experience. Maybe not have a natural feeling." - Interviewee 6

Moreover, due to the uncertain environment, the startup's operations often focus on sales and performance rather than their people, which creates an environment where business culture is more task oriented. Another issue is that there is an unmatching

expectation of what is presented by the company in social media compared to the reality. This in fact creates a huge shock for the employees on their first impression.

“The thing with startups is that you’re very performance oriented, because you need to survive until you prosper to become a bigger company. I understand that there is a problem to fix, but I think it is difficult sometimes to be told only the negative side of what we are doing and what we need to fix because it makes us feel like we’re not progressing when we are. So it is not that they don’t bring the positive, they just too focus on the negative thing. Which can kill creativity.” - Interviewee 3

Especially the participants in the middle management role, they seem to have a problem when it comes to receiving support from their management team. They feel that even with a small company, there is still a hierarchy level and it is difficult to build a mutual trust with the upper management if they don’t understand the employee’s job. Moreover, they don’t often receive feedback needed for their work and it is difficult for them to know if their goals are in line with the company’s objectives. One participant explained that because everyone is very independent in a small company especially the management team and they survive without feedback, therefore it is hard for them to give one to the others.

“I think everyone is so busy with their own thing that it is difficult for people in the middle to get support because we are very autonomous and this is how all of us want. Even though we are a flat company, we still have hierarchy. I feel like the people at the very bottom have a lot of support from people in the middle. But people in the middle don’t have support from the one on top because they don’t have time or they are only focusing on the performance so you can’t really get an objective answer. And the people on top are completely alone. So I feel like the more you grow, the more you feel alone, and harder to receive tips or feedback. I think my manager never receives feedback, so it is difficult for him to give one. I

also think that they lack experience and that is the case in most of the startups. People have a great idea and they start a company, but they don't have any education towards management. They don't have education towards psychology or people skills. They can be great at their job but they are not necessarily great at the management role. ” - Interviewee 3

Policy and administration

Among nine participants, four of them claim that policy and administration is very important for their satisfaction even in a small company like startups. They emphasized that a comprehensive and clear policy ensures that the company is professional and transparent in how they treat the employees, hence better organization's culture in which everyone is on the same page.

“It gives me some sense of community and professionalism. And if something was about to happen, it will be handled in a good way.” - Interviewee 9

“They don't communicate the company's policy or code of conduct at all and I don't think they are following it either. I think with policy, things are more transparent and I feel like I'm respected and not being taken advantage of.” - Interviewee 7

“It is important to know about insurance, pension, or have the salary raise rules for employees defined. Without this I will be very worried and will consider if the employer take it seriously or not.” - Interviewee 4

Moreover, one participant claimed that clear policy and administration can help the employees to know what is happening in the company regarding employee turnover, promotion or any internal issues that need to be communicated. She explained that due to lack of communication and clear structure of the policy in her company, she didn't

know who come in or leave, and also felt very uncomfortable when she got promoted but no one communicated about it

“It is very important, because without clear communication, it makes the others wonder why this person leaves. Sometimes we don’t know someone is leaving or getting promoted. For example, no one communicated about me getting promoted to a new position, and I had to reach out to the HR to ask if they are going to tell people or is it up to me to tell people. It put me in an uneasy situation because I don’t want to brag, but at the same time I need to coordinate with many people and explaining to them that I need this and it might come up that it is me stepping up on people place if they don’t understand there has been a shift in my position.”

- Interviewee 3

On the contrary, five participants considered this factor is somewhat important to not important to them. They explained that it is common in the startup companies that there is no clear structure for company’s policy and administration such as employee’s handbook, HR policies and codes of conduct. In addition, because the company is small and still in the development phase, everyone knows what they should behave and they can always discuss with each other if there is an issue. However, as the company grows, there is a need to have it defined.

“It is understandable to not have a clear policy when the company starts. But as the company grows, it is important to have it defined. Because it is necessary to know that the company follows the common rules according to the law regarding payroll, insurance, employment contract, pay raise and code of conduct inside the company. It creates a sense of transparency and fairness.” - Interviewee 5

“We have it written but we still need to work more on it because we still check in and get feedback.” - Interviewee 1

“There is no clear company’s policy other than the hours that we have to work, holiday pay, and general rules. We don’t have a specific framework now as to how we work, how we communicate regarding promotion, pay raise and when someone comes in or leaves. There is a lack of structure on this.” - Interviewee 3

“This is something that got better in my company. I think there is still something a bit unclear why we do it this way and we kind of accept that’s the way it is. It has to be improved for sure. But it is not important for me because it doesn’t have an impact or connection to my work yet.” - Interviewee 6

“It is important to have it, but I don’t think anyone has done anything against it so it hasn’t been enforced.” - Interview 8

Job security

The last question regarding job security and how they feel about having their position secure in the startup environment. Five out of nine participants considered job security is very important for them to feel satisfied at work. They claimed that knowing their position is secure can help with the stress level, mental health and motivate them to continue working. Moreover, they emphasized that the company’s vision and long-term plan as well as the manager’s ability to define opportunity for growth also affect their perception towards job security.

“To be able to sleep at night, I want to have a contract that is secure and feel like this is a place where I don’t need to stress about getting fired tomorrow. Also knowing that a startup is stable and you have a good long-term plan, good policy, at the end, it helps.” - Interviewee 7

“I think everyone wants to know that their future is secure in some way. It is also scary to think about the uncertainty of startups, I know there is a huge risk for startups especially depending on the product and process. At my current company

now, I can see that the process is more sustainable, and the management team are doing the best they can, which is different from my previous company. Also they make sure that we know the company is doing things with long-term objectives in mind and that the employees know we will be in the team as long as possible.” - Interviewee 9

“It is also good to know that I’m safe at work because it is healthy and gives you peace of mind.” - Interviewee 8

“It is very important, because if I’m not feeling secure, then I will start to question why I should do this if this is uncertain for me. I think it is a balanced expectation to get security for what I put in. The flip side is that I have more experience after this position.” - Interviewee 6

“No one wants to be unemployed. In your private life, you have your own goals, things you want to do. If I don't feel secure in my job and there is something that blocks me from doing what I want in my private life, I will be very stressed.” - Interviewee 2

“I don’t see my company is in a risky position because I know that we are stable in terms of financial, we have a clear roadmap and developing strategy.” - Interviewee 1

However, four out of nine participants stated that job security does not affect their satisfaction at work and considered it as an unimportant factor. The first aspect has been emphasized is that people who decide to join a startup understand its risk and uncertainty environment, therefore, they know what to expect and value more the experience and knowledge they gain. Secondly, when working for a small company, the participants had opportunities to work in different roles and truly become an expert in

that field. They mentioned that with these experiences, they can easily land a new position if the company fails to survive.

“I know some friends who join startups with a lot of experience and want to help the company grow, then leave. It depends on the personal interest and intention that they want to work in an uncertain environment and they also have that uncertainty risk taking mindset that fits these circumstances.” - Interviewee 7

“I don’t feel that I would lose my job because of the law we have in Sweden. There is also an opportunity in a small company where we can talk if we need to or if something is wrong that needs to be fixed. I’m not worried if there is a risk of bankruptcy because I will do the maximum I can to make it work. If it doesn’t work out, it is not just on me and because I work in multiple positions in this company, I was able to tailor my position and what I can do to. I’m confident that I will find another job. Working in a startup makes me very specialised.” - Interviewee 3

“It is not so important because I know that there is a risk to take when working for a startup. And even if it doesn’t work out, I still gain knowledge and experience to land a new position.” - Interviewee 5

6.2.2 Motivation factor

The work itself

One important antecedent that determines employee’s job satisfaction is work characteristics. According to the interviewees, job characteristics are very important to make them feel satisfied with what they are doing at work. They pointed out that their job should bring values and have a meaningful impact on others. Hence, by working in a small company with high flexibility that provides challenging and meaningful work, they are able to learn new things, experience and grow in their career path. Indeed, it keeps them motivated, creates pleasure while working and makes them happy to go to work.

"It is the job and task that I want to do for my career path. I'm satisfied because my job is important for the company. The fact that we can work in multiple projects helped me learn so many things like new tools, platforms, market trends." - Interviewee 1

"For me, if the job is not meaningful, then I will think why should I do this and I will lose the motivation if I don't see that I can have a meaningful impact. That's why I love my job right now because I'm very close to the audiences, and I can see how my work can touch people in a good way. Hence, it is very challenging work. Personally, I like to get things right and do it well, and be like guys I did that. It's also a personal challenge as well." - Interviewee 6

"It is important because I need to be able to do something that I'm passionate about. So the work should be something that I want to learn more about, also to feel like I gain knowledge and want to challenge myself in. And that I feel I can contribute things and grow." - Interviewee 7

One participant emphasised that the meaningful impact and purpose of her job is very important for her motivation and that she valued this aspect more than compensation.

"I think what we do as a brand is very meaningful. I believe in this project and that is the reason why I stay. I don't stay because of the management, or the pay, I stay because I believe we are different and we can use our purpose to help people. For me, it is the whole essence of the product itself, and I would refuse a job that is higher pay but has no purpose to people. I would rather be less paid and doing something that makes me feel like I'm growing and have an impact," - Interviewee 3

Responsibility

According to the interviewees, having more responsibility at work is very important for their job satisfaction and also motivates them. Giving employees responsibility not only provides them the opportunity to grow, the autonomy to handle the work in their way or freedom to make decisions, but also creates a mutual trust between the two parties. Indeed, the participants stated that taking responsibility also promotes transparency inside the company and creates a culture where honesty is valued and no one is shamed for their mistake.

“On one hand, if I lead a team or project, it kind of motivates me to challenge myself, improve and learn. Also, it gives a sense of trust and respect if you take responsibility for what you do or the mistake you make, thus the transparency.” - Interviewee 4

“Because it means that there is a trust between me and my employer, that I feel trusted and valued.” - Interviewee 6

“Because when I take responsibility for something, I feel more dedicated and motivated to achieve good results.” - Interviewee 5

“To me responsibility is here is my task, it's sort of given to me but I have the freedom to be creative with it and lead it my way. And this is something that my company is doing very well. I was given a lot of freedom to do things my own way, freedom to be creative, take initiative, and to try new things. Also I feel that I create an impact with my job.” - Interviewee 7

“I like to have a broader range of capacity and be able to see and do a lot of different things. Also, I don't see myself as being an ordinary employee, I would like to grow to a higher position in the future.” - Interviewee 2

“I feel more satisfied with this job compared to my previous one because I have more responsibilities and more value to the company.” Interviewee 1

Moreover, two participants emphasised that having responsibility provides them growth in different aspects to their career such as skill and knowledge which compensate for the disadvantages of working for a startup. For example, growth over financial compensation or different challenges to their work that make them come out of their comfort zone.

“Very important. Because it is a compensation for the pay. If my pay is not high, I would like to take on projects and grow on that side. If I cannot grow financially, I want to grow in terms of capability and test new things. Otherwise I will be very bored with my job.” - Interviewee 3

“Very important. Being responsible for not only tasks, processes or projects but also people, it puts me in the position where I see things differently, that I have to think of more variants and variables. It adds another layer to the challenging aspect of the work itself.” Interviewee 8

However, too much responsibility is not always good according to one participant. There should be a balance and consideration from the employer based on the employee's capacity, interest and wish before giving them more work. It also shows that the employers understand their employee's ability and value. Because giving employees tasks that they are not interested in doing or not able to feel that they are valued with their ability can in fact decrease their satisfaction and trigger the intention to look for another place where they can be fulfilled.

“However, I need to consider the responsibility before I take it or the employer should consult with me before giving it. Because too much responsibility is not always good and it should match my feeling, skills, my work capacity at the

moment and my ability. We usually have a conversation with the manager and plan a quarter plan with her. Then she will give some ideas, answer questions and then I propose a detailed plan for the execution.” - Interviewee 1

“Also, my motivation also affected if I see something is happening or there is a commitment from the management team and the company to me, it would minimise the risk of me looking for somewhere else for different challenge or different company that can provide these challenges or see the potential value that I can actually bring, and not only the surface or thing that i can do easily” - Interviewee 8

Achievement

Participants were also asked if achievement and the feeling of reaching a certain object at work is important to affect their job satisfaction or not. Most participants considered that this element is very important for them because they feel emotionally confident that they have done a good job and prove their ability among the others. Hence it gave them a reflection of themselves and the learning they had in the process. They also highlighted that the sense of self-achievement and personal growth keep them motivated and engaged at work to continue working towards a common goal despite the failure that happens on the way.

“Very important for me because personally I need to see the result to feel motivated. And because we have the company OKRs, therefore I feel good to reach one thing that aligns with the company’s objectives and I feel proud of myself. Also the fact that I have the flexibility to implement my thoughts and the creativity, make me more excited to engage at work” - Interviewee 1

“It is common for startups to do things without spending lots of time on researching, we are very impulsive compared to bigger companies. So we try things

and it is ok to fail. By failing, you learn and start something new. The learning curve is very important for a startup. I think being able to test and even if I fail at the end of the day, it is still an achievement for me because I try this, I learn this and it makes me more flexible and experienced.” - Interviewee 3

“It gives me the confidence that I’m growing. Also it gives me strength when I look back at those achievements and reflect on myself.” - Interviewee 4

“Because it feels good to know that you are valued at work by achieving or reaching your objectives.” - Interviewee 5

“Because you feel yourself advancing by reaching a milestone whether it is team or individual.” - Interviewee 6

“I want to see that I’m improving and achieving my goals which are attainable. We have weekly or monthly one-on-one meetings to adjust and check in with my manager.” - Interviewee 9

Recognition

While some participants concerned recognition as a very important factor to motivate their job satisfaction, others defined it as a less essential element to feel satisfied at work. The important aspect is highlighted due to the fact that receiving recognition from the manager or colleague creates a good feeling that the work they put in has an impact on the business as a whole and is valued by everyone. Especially in a small business where the employees often have to take on new roles or tasks, it is important to show gratitude to their efforts even if it is small. The participants mentioned that without recognition and gratitude, they feel demotivated to work and engage in the workplace.

“Because in a small company, we all have to do a lot of work, so it is important to have a manager who is knowledgeable to understand the field that we work on and recognize our efforts” - Interviewee 5

“I think recognition is even more motivating than compensation. Because I feel I lose the team feeling if we are not uplifting each other and recognize each other's work. Even if things are not looking good, still recognizing and motivating each other is really important to keep the feeling” - Interviewee 6

“Very important because even though monetary compensation is important, I feel getting to hear compliments and hear that they think I did a good job is very beneficial and motivational.” - Interviewee 7

“Very important in general. Personally I'm not a person who likes to draw attention to myself, but I feel like if I've done a really good job, it would be nice to hear a thank you or a little shoutout. And the fact that I'm valued in my current company now compared to my previous one because of my native and that I understand the audience the best, gives me a lot of motivation.” - Interviewee 9

However, not all companies understand this aspect, especially in a small startup where the management team is more focused on profit and performance, according to the participants. They recognized that their current or previous company didn't put any effort in recognition even though they are promoting people-first culture. Hence, this brings more harm than good to the business regarding employees' turnover. Also they emphasize that it should be changed to increase employee's satisfaction and a positive working environment.

“This is something that is improving but also something that costs us a lot of employees. Everyone I know who left in the last two years is because they don't feel valued. It is also because the management only focuses on performance, it

makes people feel that their little achievement is not valuable for the company. It has a negative impact on everyone and should be changed. Because everyone in this company accepted lower pay because we believe in the project and we want to try. So if our efforts and the success is not mentioned or celebrated even if it is small, then we will question the payment.” - Interviewee 3

“In my previous job, the people at the executive level seemed not to appreciate our work or frankly not interested in our task. They are not socially compatible. Which gives me an impression that I will not stay with them in the long term or even if it is a wrong impression, it will take a long time for them to make up.” - Interviewee 9

The participants also highlighted that they feel more valued by their colleagues than the manager. It is because the managers often don't understand their work or the industry, and the gratitude speech feels very vague.

“In the current situation, I prefer to receive recognition from my colleagues because it is more real and genuine. Of course, it's also good to receive recognition from my manager but I don't feel I'm valued by my manager.” - Interviewee 6

“I think in any company, if you do a good job, you're valued. In a way, I don't feel my manager cares about my well-being so much but she probably is like I value your work for the company but maybe not you as a person. I feel the way they do it right now is very general, like they are grateful for what i did for the company but I'm starting to question if she actually knows what I did.” - Interviewee 7

“I feel that I'm valued by the manager but not in the way I would like to be knowing that my ability and value can bring more benefit to the company. I think I should be put in the position where I can most contribute.” - Interviewee 8

On the other hand, the other participants claimed that recognition is not always their top priority factor to have in order to satisfy with work. The reason is because of personal characteristics that they don't feel the need to receive compliments and they don't do their job for a reward or compliment. Moreover, they claimed that as long as they know the work is done correctly and they manage everything well, they are satisfied.

"Because in the end I think you just need to trust yourself to know if you're doing right or not. If I'm aware that I'm doing a good job, it is already counted as motivation. Also I don't feel there is a need for me to receive recognition or confirmation." - Interviewee 4

"Not that important for me personally. I'm not someone who enjoys broadcasting what I'm doing or have done. It is nice to see and know that you've done a good job, but I don't do what I did for the record." - Interviewee 8

Nevertheless, the recognition practice in the company should be carried in an appropriate way. Some participants mentioned that the employer should concern the method to deliver recognition whether it is reward or gratitude incentives. It should be carried in a proper way with sincerity, fairness and balance between monetary and speech.

"It is also important to receive rewards at some point as well besides the recognition incentives. I understand that small companies don't have the financial incentive to give monetary rewards often, but when we sell and profit, a gift card to celebrate good performance or company's night out can keep us motivated. And of course it need be fair in term of criteria" - Interviewee 5

"I think it is a good way to give rewards but it has to be carefully controlled and managed." - Interviewee 8

“Also a bit of monetary reward, bonus creates a good motivation for us when we achieve the target, and we don’t have a competitive vibe at all because of this. It is just good incentive for good performance” - Interviewee 9

Advancement

Advancement has been considered as significant for the employee’s job satisfaction at work. All participants pointed out that the ability to advance their position, skill and knowledge within the company is very important to keep them satisfied as well as motivated and engaged. One participant pointed out that her company also provides workshops and supports her to learn new skills which make her feel more satisfied. Another reason was claimed by the participants is that they have the tendency to feel demotivated if they don’t see progress in what they do in life as well as the psychological need to see themselves advancing.

“For me, I don’t want to stay in one place, I would like to do something bigger than that and have the opportunity to grow.” - Interviewee 2

“It is important for me to keep learning and I want to learn new stuff all the time. If I wasn’t learning, I’m done with this place. So for me, as long as I learn, I’m motivated.” - Interviewee 3

“Because If I’m not advancing in some way, I’m like where am I going. It feels directionless at work.” - Interviewee 6

“It is important to see that I’m growing or being able to have the opportunity to advance in the position in some way. I think there is a chance for me to advance in my career by looking at the plan the company has for my market in the future. My company also provides monthly workshop that we can do in any area that we want

to grow in or get better at. They give us a whole day off and support us.” - Interviewee 9

However, there is also a flip side regarding advancing in position while working in a small company according to one participant. Even with high flexibility and ability to create a new role for employees, there is a high risk of losing that advancement because they need to prove that the idea will bring profit to the company. Indeed, if the employer doesn't believe in the employee's idea, it will be more difficult for them to succeed in the role. It is a lack of support, she explained.

“I think there is a growth for me in this company and it matches my career expectation. But I also see that I'm in a position where my job is not secure in the fact that it's an experiment and if I can't prove within a year that what I believe in has a result for the brand, I suppose I will switch a position again because there is no point in pushing in that direction. It is stressful but also ambitious.” - Interviewee 3

6.3 Employees' intention to leave

This section discussed the employee's intention to leave based on their level of job satisfaction as a whole. In addition, it also looked at the specific reason among the above elements that have more influence to the dissatisfaction and trigger their thought of leaving the company.

In general, most of the participants have a good level of satisfaction towards their current position as well as the company. They expressed that they are working in a position that matches their career path, hence there are also plenty of opportunities for them to grow in terms of knowledge and skills. Despite working in a small company with some disadvantages, they feel that the working environment, colleagues, the impact of their work and experiences compensate for their other expectations like compensation,

security and so on. Indeed, these factors keep them motivated and engaged at work and prevent the thought of finding a new place.

“Generally, I feel satisfied with my job because we are working on different projects and it will have a potential impact on the company’s growth. Also I love my colleagues and they make a lot of difference to my job.” - Interviewee 6

“In general, I feel very satisfied with my job right now despite some small minus so I don’t think there is a specific reason for me to find a new job.” - Interviewee 1

“I love the people I work with because I feel that we are a team fighting for something bigger together. I think I stay because what I believe we can become and I want to be a part of it” - Interviewee 3

When asked about what makes them dissatisfied and what triggers their intention to leave, most of the participants mentioned the growth both at the company and individual level, the employer’s ability to scale business and define opportunities, the employer’s leadership skills and commitment towards the employees.

“The only thing I can come up with is if I move to somewhere else. Or if I don’t see the business take off and grow by the end of the year, I will question whether this is a right place for me or not” - Interviewee 1

“The most affected reason for me right now is job security. If I don’t feel secure, I will look for somewhere else. And same for the growth both in career and compensation.” - Interviewee 2

“I think the reason that triggered my leaving intention is the company’s loyalty to me. I’m very loyal to this company and have invested a lot of my time in them. If they would recruit someone to monitor my job that I have been fighting for, that

shows lack of commitment to me. Also lack of honesty which can be explained as if I find out something that is not similar to what they said to us.” - Interviewee 3

“If the company doesn’t grow because the employer doesn't have enough skill to manage the business and the people. Also it is important for me to stay in a company long term if I can see they have clear plan and vision to scale the business” - Interviewee 5

“If I’m about to quit tomorrow, it would be because my trust is broken. Like if I did something and it is twisted. Or if I realise there is nowhere for me to advance. Also if I stop believing in what we are doing because we switch the branding or add irrelevant products, It would be a reason for leaving.” - Interviewee 6

“My reason to leave would be that there is no room for me to grow, no plan from my manager to make the most out of my skills and the plan for me.” – Interviewee 8

In addition, one participant also claimed that a poor working environment such as not receiving respect and good treatment from co-workers and managers can trigger her intention to seek a new job. Moreover, financial compensation and work-life balance are also one of the reasons why they intend to quit.

“The reason that triggered my leaving intention right now is I want to feel that I’m valued in terms of recognition, work-life balance and financial compensation.” - Interviewee 7

“I feel really grateful that I got into a good company at a very good time. However, I think if I’m not feeling good in the working environment. If I feel no one respects me or treats me nicely and has no connection with anyone, I would seek for another environment. Especially my boss. Moreover, if I feel my work isn’t benefiting people

anymore and my work is not creating a good impact, I would not stay.” - Interviewee 9

One participant also claimed that especially if the manager or people at the executive level are not following the rule or disrespect their efforts, it would cause frustration and dissatisfaction as a result.

“I’m not satisfied financially as I wish I were. It is a bottom line when compared to people who work for other small companies where they prioritise people over profit. And this is not something that my company does. It makes me frustrated that they don’t value and border to give everyone in the company a yearly raise which is a basic requirement in Sweden. It is really bad for the people who stay. Even though they don’t have the budget to give a high raise, it is still worth giving employees a raise even a little. And not giving anything to someone is not great knowing that they accept lower pay to work here because they value the company. This shows disrespect to the efforts the employees put in.” – Interviewee 3

Other than that, the external environment also affects their decision to leave in which if there is no opportunity available, they will stay.

“I would not say I’m 100% satisfied, but if this job is all I have now and there is no other option, I will tell myself to be happy with this job. However, if I’m not satisfied, I will definitely look for new opportunities because I think I can do better.” - Interviewee 7

“Other than that, I would not quit if I can’t find anything else even though I’m not satisfied. ” - Interviewee 2

6.4 Summary

Based on the interviewees' evaluation and opinion on the relevant factors to job satisfaction, two main notions are defined to best summarize factors that affect the employee's satisfaction. The first group is considered very important to affect the employee's job satisfaction and essential to have. This group includes working conditions, interpersonal relationships, supervision, the work itself, responsibility, achievement and advancement. These factors contribute to satisfying the physical and emotional needs of the employees. Having these factors implemented at the workplace help the employee to feel more motivated, engaged and also increase their productivity as well as creativity.

Whereas the other factors such as compensation, job security, policy and administration, and recognition is considered as a good element to have for their satisfaction. However, based on the personal interest and characteristics that these factors are not in the priority list of elements to satisfy the employee at work in a startup company. The reason behind this can be explained that people who decide to work for startups compensate these with other things that are most valuable to them such as the experience, knowledge, relationship and working environment.

Regarding the employee intention to leave and job satisfaction, most of the answers show that the level of job satisfaction does imply the employee turnover intention. Without dissatisfaction and external opportunity, the participants will remain in the company and engage. When asked about the main reasons that trigger their leaving intention, the most common answers are the employer's ability to scale business and define opportunities, the employer's leadership skills and commitment towards the employees. In addition, working conditions, compensation and interpersonal relationships are also mentioned.

7 Discussion

The aim of this thesis is to study employee's job satisfaction and what factors trigger the employee to quit in a startup environment. Subsequently, the framework empirically studied through a single case study and collected data presented in the finding section. This chapter discusses the two questions based on the findings to explore new insight while also reflecting on the existing theory. The research questions are presented below:

- What factors influence employee's job satisfaction in startups?
- How does it affect their intention to leave?

7.1 The most important findings about employee's job satisfaction in startup

The findings are in line with the existing literature presented in the previous chapter. Compared to the conceptualized framework adapted from the existing theories, the findings support the theories in which most factors were found to have significant impact on the employee's job satisfaction (see Herzberg, 1964; Herzberg, 1966). Indeed, the most important antecedents that received highly consideration among the participants who work in a startup company are working conditions, interpersonal relationships, supervision, the work itself, responsibility, achievement, and advancement. The other elements like compensation, job security, policy and administration, and recognition are also considered essential to have in order to ensure the employee's overall job satisfaction.

Regarding the hygiene factors, previous literature reviews that it mainly deals with motivation outside of passion and personal self-esteem to engage in activity that results in meeting the basic needs (Herzberg, 1966). This factor significantly influences employee motivation and willingness in the workplace through the environment at work, interaction with colleagues and manager, flexibility, training and feedback, and compensation. The employees feel more safe to express themselves and engage more while working in an environment characterized by openness, supportiveness,

community and respect (Saridakis et al. 2012; Syptak et al. 1999; Saks, 2006). Hence it can enhance their productivity, creativity, and effectiveness (Bashir et al., 2020; Branham, 2004). Indeed, the interviewees mentioned that they feel more safe, encouraged and motivated working in a small company because of the openness and supportiveness from co-workers and managers. In addition, having more flexibility, autonomy, and work-life balance increase worker's attitude and job satisfaction (Branham, 2004). The interviewees emphasized that they feel motivated to have freedom at work and ability to make impactful decisions. Thus, they feel more valued if the employer pays attention to their work and promotes well-being. It also shows that the employers trust their ability to carry the work.

In terms of supervision and relationship with the manager, the finding is found to be consistent with previous literature reviews presented by Branham (2004) and Sak (2006). According to the studies, supervisors or managers can motivate employees at work because they provide support, guidance and empower employees to do the best at their job (Branham, 2004). Hence, the supervisor's orientation towards the employees signifies that they value employees as an important asset to the company and its success (Sak, 2006). Based on the findings, it is important for the employees to receive training and constructive feedback from the manager or owner manager for their work. It helps the employees to stay on track with the company's goal and improve. The findings also strengthen the fact that employees are more dissatisfied with their job due to a bad relationship with the executive manager or owner manager (Branham, 2004). This initiates a shock in their perception toward the employer and the company's culture. From observation during the interview, the participants had a very hard time describing their relationship with the executive manager, especially those in the middle management level. Not all participants have a good relationship or receive sufficient support from their boss due to the fact that the manager in startups often lack of skill and experience in management which is aligned with the studies from Wu, Hoque, Bacon & Bou Llusar (2015); Kotey & Slade (2005); Branham (2004); Kotze et al. (2005); Gialuisi et al. (2014). Hence, due to the special context of startup, managers often focus

on profit to keep the company survive instead of the employees who in fact are the important asset to the company's success. Moreover, if the managers don't have leadership skills, they can easily intensify the conflict, misunderstanding and frustration among the employees. Eight out of nine participants in the study emphasized that their executive team should change the way they manage people and promote people first company culture as they said. Also, they pointed out that despite the small size, the company's structure is still very hierarchical. This in fact can prevent flexibility and innovation for growth. It is undeniable that those who have a good management team are more satisfied with their job. Based on the interview, two participants feel very motivated and empowered at work because their managers are friendly, inspiring and provide good support to their work not only on the personal level but also professional level.

Advancement, responsibility, the work itself and achievement are all found to be in line with the literature review. Previous research showed that employees are now looking for values and psychological meaningfulness in their job (Achor et al., 2018; Saks, 2016; Herzberg, 1966) and put higher consideration for experience and knowledge gained from it (Chin, 2021). In addition, the ability to take responsibility, challenge and experience different roles in startups increase their pleasure while working, creativity, job satisfaction and productivity (Saks, 2016; Herzberg, 1966; Chandrawaty & Widodo, 2020). The participants also emphasized that too little growth and advancement in career and skills will lead to frustration and unmotivation (Branham, 2004; Alshmemri, 2017; Padmaja et al., 2020). Moreover, the participants mentioned that they are willing to receive lower pay for their job as long as they can make an impact, learn new things, and grow in their career path. This strengthens the theory that employees who work for startups understand the challenge and balance intrinsic job qualities, such as close working relationships or possibility of growth against relatively poor pay and conditions (Storey et al., 2010; Achor et al., 2018).

Despite the similarity of the answers, the reasons remain differ in the participant's way of thinking and experiences. This strengthens the existing literature that the

multifaceted concept of satisfaction affects people in different ways (Aziri, 2011; Barden, 2018) based on their personality and interest. For instance, the finding found that job security, policy and administration, and recognition received different evaluations from the participants. Like those who consider policy and administration as important to job satisfaction is in line with the previous literature developed by Syptak (1999) and Smyth (2020), that satisfaction is driven by knowing that the company is operated with transparency, fair and equal based on what is written. Hence, to remain consistent communication inside the company when the company grows or experiences any changes (Smyth, 2020). Whereas, some people might not consider this at all due to the fact that they are working in a small company where everything is on a developed phrase and information can be informally exchanged between the employer and employee. Similarly, the findings showed that receiving recognition incentives such as a grateful note, rewards or shoutout give the employees a sense that they are valued and appreciated by the employer, hence motivating them to engage more at work. This is found to be consistent with the study of Barrett & Mayson (2007). In addition, a negative working environment where the employer shows no respect, appreciation and only focus on profit will decrease job satisfaction. This finding is also concluded in the previous studies of Branham, 2004; Starosta, 2007; Alshmemri, 2017. However, the findings in this research discovered that not everyone prefers recognition for their work. Depending on the personal characteristic, people perceive value recognition differently and have self-awareness for what they are doing. Therefore, they can be satisfied with their performance without having a recognition from the others. Moreover, the incentives should be balanced and well implemented between monetary and non-monetary rewards to keep a healthy satisfaction.

Regarding job security, previous literature reviews claimed that low job security can cause dissatisfaction or low commitment to the employees because they are not meeting their basic needs (Taiwo, 2007); or stress and intense pressure that lower their will to stay (Vo, 2016). On the other hand, studies of De Clercq and Rius (2007); Sauermann (2013) claimed that job security is not extremely important to employees in

a startup because they are aware of the risk and place higher value for experience, growth and knowledge. The findings of this study are quite consistent with the literature review. Indeed, the interviewees who considered job security as an important factor pointed out that a secured position can help with the stress level, allow them to achieve other goals in life, and motivate them to continue working. In addition, the company's vision and long-term plan as well as the manager's ability to define business opportunities determine the perception of employees towards job security. For those who place higher value on experiences and growth, they emphasized that working in a startup provides a unique opportunity to become an expert, hence the experience can help them find a new position easily.

7.2 The most important findings about employee's turnover intention in a startup

The study examined how job satisfaction affects the employee's turnover intention in startups. The literature reviews that turnover intention starts with dissatisfaction among the workforce, which puts a pressure on employees to search for a new job (Mobley, 1977). In addition, he mentioned that job dissatisfaction and external job alternatives are the main contributor to leaving intention. The literature reviews also claimed that the job satisfaction has a negative correlation with the turnover intention and it is important for companies to maintain the level of job satisfaction to increase employee's commitment (Lu et al., 2016; Kotze et al., 2005; Tran, 2016). The findings in this study also support these theories. Indeed, the participants emphasized that they have no intention to search for other jobs because they enjoy working in the current position with a lot of autonomy and great relationships with co-workers. Secondly, they have many chances to grow faster in their career because they can work in different roles in a startup. Hence, the environment is very open and supportive, which allows them to be themselves and shine. Also, they believe in the company's purpose, have matching values and think that they can truly make an impact with it. This study also supports Mobley's process model of turnover intention (1982) in which if the employees perceive

no job alternative available in the market, they will stay and start to engage despite dissatisfaction.

Another aspect found in this study also supports the literature review is shock or image violation to employee's expectation can lead them to thinking about quitting and search for a new job. According to Branham (2004), a shocking or jarring event related to job satisfaction can make the employees question his or her commitment. Lee et al. (1994) stated that the employees seek for alternatives when certain areas of the job are deemed incompatible to his/her individual values. This plays as an "image theory" in the back of their head and only comes forth until a shock is confronted (Lee et al., 1994). The finding found that lack of trust, commitment and disrespect in the working environment are the main reasons trigger the participants' turnover intention. The manager's lack of skills in management and leadership is also another reason for leaving. Missing the ability to identify business opportunities, plan and empower employees can create frustration and concern about the company's ability to grow among the employees. Moreover, not being grateful and valuing the employee's effort can bring more harm than good (see Branham, 2004; Starosta, 2007).

In addition, little possibility for growth both in personal and company level can lead to intention to search for a new job. As a matter of fact, the participants emphasized that the reason they choose to work for a startup is the ability to learn new things, a friendly and open working environment where everyone shares the same values. Therefore, missing one of these things might lead them to question their will to stay. As everyone seeks for advancement and understands that it is difficult to get promotion in a flat company structure, it is important to advance in another aspect such as skills or compensation. Even in a flat working environment, tailor personal role and title will increase the individual propensity to stay. Although compensation is claimed to play a significant role in retaining and rewarding quality employees (Mamun et al., 2017), this study found compensation does not directly affect the turnover intention. Indeed those

who consider growth, experience and interpersonal relationships will place less value on financial compensation.

8 Conclusion

The final chapter summarizes the theoretical contributions and managerial implications of the study. Lastly, limitations of the study are discussed and suggestions for future research presented.

8.1 Theoretical contributions

This study contributes to the field of HRM, particularly to managing job satisfaction and predicting employee's turnover intentions. It contributes deeper insights from the employee's perspective through qualitative research and examines the existing literature in the new working environment namely startups. The findings of the thesis provide support to the existing literatures in which job satisfaction plays a vital role in keeping the employees happy, motivated and willing to stay longer with the firm. Indeed, the findings indicate that though startups face many challenges and limitations, there are many advantages that if utilized well can increase the employees' satisfaction and encourage them to engage. Advantages such as innovation, flexibility and autonomy, energetic environment of young entrepreneurs, common values and ability to advance or diversify in skills are those that can compensate for the disadvantages while working in a startup. Also the employees who choose to work for a startup might place value for job satisfaction differently than those who work in a bigger company. For instance, growth, experience, community, working environment, the work itself, impact and shared values over compensation, risks or promotion.

Regarding reasons contributing to turnover intention, the study yielded similar results to the existing literature. The main reasons for employees to seek a new position in startups is manager, poor working environment, lack of recognition, and advancement. The study discussed that lack of management, leadership skills and ability to identify business opportunities for scaling can cause frustration, stress and burnout among the employees. There is clear evidence observed from the interviewees in which the employees who have good managers are more satisfied with their job than

those who don't. In addition, the need for growth both at individual level and company level is very important for the employees when it comes to intention to leave. If the employees can't see that the company is making progress, they will think of quitting, because it also means that the company doesn't have a plan to survive.

8.2 Managerial contribution

As HR is not a common practice in startups, it is undeniable that knowing how to keep the employees satisfied and prevent employee turnover is critical to the company's success. Understanding influence factors to job satisfaction from the employee's perspective enables entrepreneur managers to obtain intrinsic views to implement effective strategies to increase overall job satisfaction and retain their employees.

The study suggests that managers in startups should develop managing and leadership skills to effectively run the business. Innovation ideas are not enough to keep the business moving if there is no one working on it. Especially in a startup environment where challenges can arise at any time, the leader should be able to respond to those challenges with intelligence, strategy, and expertise. Hence, leadership has become an essential skill to have in many roles today. Leadership can help managers to communicate their vision better, integrate and reconcile the personal goals with organizational goals, solicit support from employees through inspiration and empowerment. In addition, leadership can provide employees with lower levels of anxiety, increase motivation, and bring a sense of belonging. Also pay attention when promoting employees to leadership roles. If they lack of necessary skill sets and training, promoting them leadership roles can be risky and might result in bad consequences.

In addition, the study suggests that job satisfaction can be varied from one to another based on an individual's need and expectation. Therefore, managers in a startup should understand your employees' ability, expectation and utilize the company's advantages in order to customize management strategies. Advantages such as flexibility, meaningful and challenging work, favorable and energetic environment, and personal interaction

are those that can attract and motivate talents nowadays. If the employees have a high need for development and advancement, investing in training, tailoring their role and allowing them to work on different projects can increase job satisfaction. Support and recognition from colleagues and managers are also crucial to motivate employees especially in an uncertain environment. Focusing on the positive side, value employees' effort and promote work-life balance will foster stronger company culture and can increase the willingness to stay.

Similarly, the employees' intention to leave can be triggered by different aspects from their work rather than a common reason. Therefore, understanding the employee's expectation and paying attention to the withdrawing pattern will help identify if there is an intention to leave. Absenteeism, tardiness, negativity or behavior that indicate withdrawal are the first warning sign of turnover intention. The study suggests that development talks by quarter or twice a year allow the employees to discuss their current situation and exchange feedback to management. The discussion acts as a guide to the company to support and satisfy their employees. Moreover, it will prevent employee turnover and provide feedback for managers to develop.

8.3 Limitations and future research

As the research is general, there are certain limitations to the study that need to be considered. Firstly, although definitions to the key concept of the research were provided, there is no guarantee that everyone shares the same perception towards job satisfaction and turnover intention. For example, the employees might have other reasons outside the factors presented in the literature review to satisfy them at work. Secondly, considering the length and time limit of this study, some theories and related topics need to be excluded from the study. In addition, the collected data consist of only nine participants, which makes the study narrow and the remaining gap in supporting and developing constructive theory as the results derive within limited samples. Moreover, due to the current situation of Covid 19 and the shift to remote work,

employee's perception towards job satisfaction might change and influence the result of this study.

However, the limitations provide room for further research. As the employee turnover intention is not only determined by job satisfaction, there are other aspects that can affect the employee's intention to leave such as employee engagement, organization justice (Bussin, 2018; Kim et al. 2017, Belete, 2018) or employee's commitment (Kotze & Roodt, 2005). However, this thesis does not study the relationship of these factors to turnover intention in startups. Therefore further studies can explore the relationship among those mentioned variables to turnover intention. In addition, a focus study on employees who hold middle positions in a startup would make an interesting research to identify the drive to their motivation. Another potential research can study the factors of job satisfaction in remote working and how to prevent an employee's intention to leave.

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Appendix

Appendix. Interview guide for participants

Section 1: Personal information

Can you shortly introduce your background and your work at the moment.

How long have you been working for the current company?

Do you have any prior experience working in a startup?

Are you aware of the limitations and challenges that startup companies often face?

Section 2: Motives of job satisfaction

Measure scale: Very important - somewhat important and not important

Hygiene factor:

- To what extent do you think that compensation is important to influence your satisfaction at work? And why?
- To what extent do you think that relationships with colleagues and managers are important to influence your satisfaction at work? Why?
 - Do you have a good working relationship with colleagues?
 - How do you describe your relationship with your supervisor/manager?
- To what extent do you think that work conditions are important to influence your satisfaction at work? And why?
- To what extent do you think that supervision is important to influence your satisfaction at work? And why?
 - Do the people at the executive level contribute to a positive work culture?
 - Do you receive enough support/training from your manager? If not, why?
 - Do you receive constructive feedback from your manager? If not, why?
- To what extent do you think that policy and administration is important to influence your satisfaction at work? And why?
- To what extent do you think that job security is important to influence your satisfaction at work? And why?

Motivational factor:

- To what extent do you think that the job characteristic is important to influence your satisfaction at work? And why?
- To what extent do you think that having responsibility is important to influence your satisfaction at work? And why?
- To what extent do you think that recognition is important to influence your satisfaction at work? And why?
- Do you think you are valued by your manager?
- How about rewards, would you like to receive monetary-reward for your performance? If not, why?
- To what extent do you think that achievement is important to influence your satisfaction at work? And why?
- To what extent do you think that advancement is important to influence your satisfaction at work? And why?
- Do you feel that you're given an opportunity for career growth at work?

Section 3: Turnover intention

In general, do you feel satisfied with your job at the moment? and why?

Are you thinking about quitting now?

Hypothetically, if you were to quit tomorrow, what would your reason be?

Are there any other reasons rather than job satisfaction that make you want to quit?