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# EXPLORING EMPLOYEE SATISFACTION IN AICE GROUP INDONESIA

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A R T I C L E   I N F O

**Abstract:** AICE Group is a licensed company from Singapore and has 20 years of experience in the ice cream industry. Fundamentally, employees are the most important asset to develop the competitive advantage of a company. Thus, AICE Group needs to retain and motivate its current employees. In this qualitative study, the researchers inquired into the issues and strategies of employee satisfaction in the company by employing a single instrumental case study and applying interviews, observations, and field notes. There are 8 employees from 5 departments who were approached for this study. The findings evinced a mini-model theory that guides AICE in Indonesia to enhance employee satisfaction for the longevity of the firm. The mini-model theory consists of Communicative Leadership, Language Barrier, Supervision, AICE Group Culture, Co-Workers' Relationships, Rational Salaries, Rational Benefit, Job Descriptions, Standard Operating Procedure (SOP), Problem-Solving Orientation, Cultural Diversity, Government Regulation Compliance, and Employee Feedback. Finally, the researcher also suggests quantitative research for further research.

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**Abstrak:** AICE Group adalah perusahaan berlisensi dari Singapura dan memiliki pengalaman 20 tahun di industri es krim. Pada dasarnya, karyawan merupakan aset terpenting untuk mengembangkan keunggulan kompetitif suatu perusahaan. Oleh karena itu, AICE Group perlu mempertahankan dan memotivasi karyawannya saat ini. Dalam studi kualitatif ini, para peneliti menyelidiki masalah dan strategi kepuasan karyawan di perusahaan dengan menggunakan studi kasus instrumental tunggal dan menerapkan wawancara, observasi, dan catatan lapangan. Ada 8 karyawan dari 5 departemen yang didekati untuk penelitian ini. Temuan ini membuktikan teori model mini yang memandu AICE di Indonesia untuk meningkatkan kepuasan karyawan demi kelangsungan perusahaan. Teori model mini terdiri dari *Communicative Leadership, Language Barrier, Supervision, AICE Group Culture, Co-Workers' Relationships, Rational Salaries, Rational Benefits, Job Descriptions, Standard Operating Procedure, Problem-Solving Orientation, Cultural Diversity, Government Regulations Compliance, and Employee Feedback.* Terakhir, peneliti juga menyarankan penelitian kuantitatif untuk penelitian selanjutnya.

## INTRODUCTION

An organization is a goal-oriented social entity that has a well-planned structure that allows the individual or group to obtain results previously not achievable by the individual or group itself (Henki & Zahrida, 2014). In the era of globalization, especially in facing the digitalization of Asian countries, companies must be prepared for going global. This phenomenon causes companies to try increasing competitiveness to maintain their existence especially for multinational companies in Indonesia. Human resource planning plays an important role in human resource management because it translates the objectives of the organization into the number of workers needed by determining the human resource required by the organization to achieve its strategic goals (Samwel, 2018). Therefore, one of the pivotal issues that a company should pay attention to is employee satisfaction. Employee satisfaction can be seen not only when doing work, but also related to other aspects such as interaction with colleagues, superiors, following the rules, and the work environment. *JobStreet* (2017) a job-seeking company, surveyed 17,623 correspondents state about employee satisfaction with their jobs. The survey results show that 73% of employees are dissatisfied with their jobs due to several factors. Based on the interview results, if someone does not feel comfortable, or are not valued, or cannot develop all his or her potential, then automatically the employee is not able to focus on work achievements.

AICE Group is a licensed company from Singapore and has 20 years of experience in the ice cream industry. It established its first ice cream factory which received the highest A-Level certification which indicates that the company has achieved an outstanding result. AICE entered Indonesia in 2015 and within a short time in 2016, and it was awarded the 10 most viral food by IDN Times. AICE is also the only ice cream choice for the 2018 Asian Games. In Indonesia, AICE Group has 2 factories, namely in Cikarang Bekasi since 2015 and in Ngoro Mojokerto which was founded in 2018.

AICE Group strives to fulfil the principle of best compliance. AICE Group as one of the largest ice cream companies in Indonesia upholds its commitment to fulfilment and improvement in the manpower sector by carrying out business activities professionally and complying with applicable legal provisions, as well as striving to fulfil the quality of its products based on Good Manufacturing Practices (GMP) standards in the food industry. The location of AICE Group's Head Office is located at Jalan Selayar II No.10, Telajung, Kecamatan Cikarang Barat, Jawa Barat 17530. AICE Group is an organization consisting of a group of individuals who work together to achieve predetermined goals. For the goals that have been determined, it is necessary to have a harmonious relationship between these people to achieve organizational goals based on their respective duties and expertise. AICE Group has an organizational structure that is dynamic in accordance with the development of the company.

However, there are still many problems faced by AICE Group Indonesia, especially in terms of human resources. For example, employee labor demonstrations that occurred in several subsidiaries back in December 2020 have deteriorated the company's image in Indonesia. The increase in turnover has motivated the Human Resources Department to focus more in improving the recruitment process, retention programs and employee compensation and benefits. Therefore, to realize the vision and mission of the company, it is necessary to increase employee satisfaction at AICE. Based on the explanation of the background of the study above, the researcher would like to analyse employee satisfaction in the company.

**Research Questions**

1.What are the issues in the Human Resources Management (HRM) that affect/ influence employee satisfaction in AICE Group?

2.How can the Human Resources Management (HRM) resolve the issues of human employee satisfaction in AICE Group?

**LITERATURE REVIEW**
**Employee Satisfaction**

Employee satisfaction is a form of someone's feelings about their work, work situations and relationships with coworkers. Thus employee satisfaction is an important aspect that must be possessed by an employee, they can interact with their work environment so that work can be carried out properly and in accordance with company goals. According to Appel-Meulenbroek et al. (2015), certain features and facilities in employee satisfaction are more important than others. These features and facilities are generally closely linked to the conditions that must be met as mentioned by the previous research. Especially aspects such as privacy and office climate features and facilities seem to be of great importance.

**Factors Contributing to Employee Satisfaction**

Robbins et al. (2003) argues that the job satisfaction factors of an employee are influenced by several factors, from several elements of job satisfaction, there is no one absolute reference regarding the factors that affect a person's job satisfaction because basically job satisfaction is subjective. To answer the question of what will be measured in the job satisfaction variable, there are several factors about job satisfaction that are important to discuss. The opinion of Smith (1969) states that there are five factors of job satisfaction as explained as follows: a.) The work itself, b.) Salaries, c.) Promotion opportunities, d.) Supervision, and e.) Co-workers

**The Concept of Manufacturing Firm**

Manufacturing is the production process to produce physical products. Manufacturing is the process of converting raw materials into physical products through a series of activities that require energy, each of which creates changes in the physical or chemical characteristics of the material. In processing raw materials into finished goods, other resources are needed, such as human labor, machines, and supporting equipment. According to Moldavska and Welo (2017), For manufacturing organizations to contribute to sustainable development requires long-term thinking hand in hand with short-term actions. It is widely recognized that a long-term perspective is essential for manufacturing organizations. Manufacturing is a global business that was started during the industrial revolution in the late 19th century to cater for the large scale production of products (Jovane et al., 2008). According to Miltenburg (2008), the competitive strength of a company is based on structural and infrastructural readiness. There are four structural areas that are comprised of capacity, facilities, technology, and sourcing. The infrastructural areas are workforce, quality, production planning, and organisation.

**Leadership Management**

Leadership is considered a topic that is widely discussed in the literature. Leadership is considered as a means by which a person leads others (Soliha & Hersugondo, 2008). Employees play an important role in ensuring the quality of service. When employees are clear about their expectations and requirements, they tend to perform better. Even though the leader is responsible

for the proper task and job allocation, different leadership styles have several approaches to how tasks are allocated. Leaders are claimed to have a positive impact on organizational efficiency by influencing team members (Nawoselng'ollan & Roussel, 2017). In particular, leaders greatly influence followers in the organization. Therefore, it is important to understand the nature of leadership styles such as transactional and transformational to assess their impact in solving different organizational problems. a review of the leadership literature. Currently, many organizations emphasize the formulation of teams and workflows to improve performance efficiency in the organization. It means that situations, contexts, culture, working environment, new laws and regulations, information overload, organizational complexities and psycho-socio developments remarkably impact the leadership concept thereby, making it appropriate to the changing organizational dynamics (Amabile et al., 2004).

## RESEARCH METHODOLOGY

As recommended by Creswell and Poth (2016) and following research protocol by Eisenhardt (1989), this research employed a single instrumental case study and utilized interviews, observations, and field notes for methods triangulation. There are eight employees from five departments that were approached to ascertain source or data triangulation for this study (e.g., Miles & Huberman, 1984). The researchers then applied data themeing and thematic analysis for each of the informant's interview transcript, comparing the emerging latent variables with the observations and field notes (Saldaña, 2021).  Finally, the emerging latent variables from every informant are examined across through pattern analysis (Yin, 2018).

## FINDINGS AND DISCUSSIONS

**Proposition 1 (P1): Communicative Leadership (V1) contributes positively to Employee Satisfaction (V14).**

Communicative Leadership contributes to AICE Group employee satisfaction especially when their leaders mostly support their employees who come across any obstacles during work.  Mutual trust and valuable exchanges in information between leaders and subordinates boost the morale of the overall employees to achieve firm performance (e.g., Johansson et al., 2014; Stringer, 2006).

*"My superiors would communicate with me for an early approval. There is no such case as a sudden approval." -Mrs. Yanti*

**Proposition 2 (P2): Language Barrier (V2) contributes negatively to Employee Satisfaction (V14).**

The language barrier is an issue for the employees of AICE Group who do not speak optimal English or Chinese.  Nevertheless, this issue is still mendable, as the employees hired have the willingness to learn the Chinese language. Emotional intelligence in the teams or perspective taking can alleviate negative emotions due to negative barriers among the employees (Tenzer & Pudelko, 2015), thus hiring employees by AICE focuses on individuals that utilize emotional intelligence.

*"The superior comes from China and there are some who don't have the ability to speak English." -Mrs. Saga.*

**Proposition 3 (P3): Supervision (V3) contributes positively to Employee Satisfaction (V14).**

AICE Group hires reliable supervisors who can manage people and understand their work environment (e.g., Feldman, 1985). Their supervisions can be references in making wise decisions and solving problems through careful considerations due to their insights and knowledge about the working environment.

*In addition, managing a system of work to develop employee abilities can be a big challenge. Learning from our superiors, learning from within yourself. Read books and have experiences from experts. From there we, as supervisors, know how to become department heads to manage our departments and continue to develop employee performance and abilities."-Mr. Anton*

**Proposition 4 (P4): AICE Group Culture (V4) contributes positively to Employee Satisfaction (V14).**

AICE Group's corporate culture plays an important role in creating smooth running in all aspects of the company's operations. Corporate culture is the foundation that contains norms, values, how employees work and habits that lead to the quality of the company's performance (Schein, 2004; Tan et al., 2019). Working fast is one of the cultures that must be adopted by every employee. AICE stands for A+ Quality, Innovation, Cheerful, Share. A+ Quality means committed to providing delicious and high-quality ice cream made from the best ingredients. Innovation means relying on advanced production systems, the latest R&D technology, and a solid team of professionals constantly creating something new to provide innovative and delicious ice cream. Cheerful means giving a personal approach to each of our products, not only the body gets a cooler sensation, but the mood gets pleasant as well. Share means sharing genuine happiness with millions of people across the nation by providing healthier and trendy ice cream flavors.

**Proposition 5 (P5): Co-Workers' Relationship (V5) contributes positively to Employee Satisfaction (V14).**

Not only personal abilities, but support from superiors and good relationships with co-workers also play a major role in the camaraderie of the work atmosphere. Human relations are very important in improving the performance of AICE employees because they can improve communication such as thoughts, feelings and are more able to work together in doing work together (e.g. Saari & Judge, 2004). Furthermore, AICE employees believe that with the existence of an employee relationship, the possibility of a problem will be minimized.

*"I mostly have relationships with employees in the logistics factory. Their response so far is still okay and very helpful, and there are absolutely no issues" -Mr. Tommy*

**Proposition 6 (P6): Rational Salaries (Lack of) (V6) contributes negatively to Employee Satisfaction (V14).**

Unfortunately, AICE Group employees can be said to be dissatisfied with their salaries. This is due to the Covid-19 pandemic that causes the company performance to decline, including providing an increase in annual salaries. Nevertheless, as recommended by Chaudhry et al. (2011), the Human Resources Department of AICE has made efforts to conduct surveys and observations to ensure that the company's Salaries are still in the reasonable category or according to market standards.

**Proposition 7 (P7): Rational Benefits (V7) contributes positively to Employee Satisfaction (V14).**

Employee benefits for AICE Group are all giving the company to employees other than salaries, either in cash or non-cash including insurance (BPJS and private), telephone credit and transport allowances.

*"The benefits are not bad. For transport, department heads have a transport allowance, per month there is also telephone credit, BPJS continues to have private insurance as well. So in terms of benefits, I think that's more than enough. " –Mr. Anton-*

**Proposition 8 (P8): Job Descriptions (Lack of) (V8) contributes negatively to Employee Satisfaction (V14).**

The application of job descriptions in AICE Group needs to be disseminated and compiled comprehensively. Socialization on job descriptions needs to be carried out to all employees, especially for employees who have just joined the company for the first time. Thus, it can be said that the job descriptions are an important part of the HR development system in the AICE Group.

*"There could be job throwing and miscommunication, thus the job descriptions have to be improved, if not causing internal and external relations to be somewhat less harmonious." – Mrs. Yanti-*

**Proposition 9 (P9): Standard Operating Procedure (Lack of) (V9) contributes negatively to Employee Satisfaction (V14).**

The role of Standard Operating Procedures (SOP) in the AICE Group is very crucial, especially to assist the process of development and progress of the company (e.g., Ng et al., 2021). However, the establishment of SOP is still lacking.  After employees understand the SOP, each employee is required to prepare a work plan to make it easier to know what steps are needed to achieve the targets of each department.

*"The difficulty when I first joined the company was that I didn't understand the procedures. So the work system has not been completely completed. Until now, there are many jobs that have not been perfect and the work is still facing a lot of difficulties" - Mrs. Vania-*

**Proposition 10 (P10): Problem-Solving Orientation (V10) contributes to Employee Satisfaction (V14).**

Problem solving also requires the ability of the employees to think logically and systematically when facing problems in AICE. When identifying a problem, its best practice is to not jump to conclusions but think logically and rationally about the source of the problem and what can be implemented. As mentioned by Matthews et al. (2018), this orientation motivates employee engagement and satisfaction.

*"First of all, you have to be patient and handle it with less emotional. Don't get angry like that. Please calm your mind and generate a positive emotion." -Mrs. Cindy-*

**Proposition 11 (P11): Cultural Diversity (V11) contributes to Employee Satisfaction (V14).**

Workplace diversity and inclusion enables AICE Group businesses to build employees who bring different perspectives and talents into the mix, boosting innovation and driving higher company revenues. Learning about other cultures helps employees understand different perspectives in the workplace (e.g., Tenzer & Pudelko, 2015). This helps dispel negative

stereotypes and personal biases about different superiors who are mostly from China. In addition, cultural diversity helps AICE Group recognize and respect "ways of being".
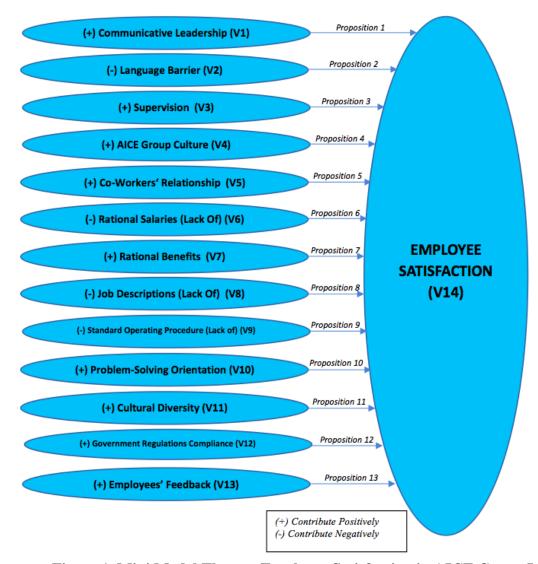


**Figure 1. Mini Model Theory: Employee Satisfaction in AICE Group Indonesia**

**Proposition 12 (P12): Government Regulations Compliance (V12) contributes to Employee Satisfaction (V14)**.
Per Indonesian government regulations, every company must register all its employees without exception for BPJS. BPJS (Badan Penyelenggara Jaminan Sosial) is a State Owned Company of the Republic Of Indonesia aimed at providing universal health care to its citizens. AICE Group has always tried to carry out all the company's obligations to employees. AICE Group's compliance with applicable labor regulations is proven by implementing them at the head office as a role model for other subsidiaries.
    *"They are very concerned in treating employees, especially employees at the Head Office. They carry out all the provisions, especially those regulated by the government. By carrying out what has been regulated by the government, they have shown their good ethics". -Mr. Johan-*

**Proposition 13 (P13): Employees' Feedback  (V13) contributes to Employee Satisfaction (V14).**

AICE Group provides feedback to employees with the main aim that they display certain behaviors in the future related to achieving targets (e.g., Askew & Lodge, 2004). One of the successes of feedback can be seen from the improvements applied in daily work activities.

*"We also conducted a survey of direct employee satisfaction. We routinely carry out the survey in internal Human Resources (HR). This survey covers the whole thing, for example how the services of the finance department, communication between departments. So we from HR conduct this survey to ensure the environment is good for employees" -Mrs. Vania-*

## CONCLUSIONS AND RECOMMENDATIONS

### Research Credibility
Regarding validity, the semi-structured interviews were to see the different points of view from eight employees of AICE Group that obtain accurate information at a high level of truth and bias avoidance. Furthermore, in regards to methods triangulation, the field notes that contain important essential data from observations and incidental events, are used as references and triangulated data for participants' transcripts available.  The researcher also gave the transcripts back to some of the informants, so that they could be reviewed and signed and consented to by the informants.

### Limitations
In carrying out this research, there are some shortcomings in the field. First, the ability of researchers to speak Bahasa Indonesia is limited. Second, informants are from different departments and the research does not consider the duration of employment. Third, the location of this research is in a manufacturing company, so revisitation for some additional interview data is limited.  Fourth, the existence of the Covid-19 virus pandemic made it difficult for further observation on the fields. Fifth, this research is a single case study, and thus the mini-model theory may not be generalizable to other firms or manufacturing industries.

### Implications and Recommendations
To achieve the vision to be the best and the most popular ice cream brand in Asia, employee satisfaction must be the center of attention of management in AICE Group. Given that employees are the most important asset in the AICE Group, companies need to maintain motivation and employee satisfaction. Employees who are satisfied at work will have a positive impact. When employees are motivated to work will satisfy customers, subsequently generating profits for AICE. AICE Group could pay more attention to the induced latent variables from this study such as salaries for employees' welfare and even further conducting benchmarks or periodic surveys related to standardization. Finally, the researchers also suggest quantitative research for further research. This will enrich the findings on enhancing employee satisfaction in Indonesia' ice-cream manufacturing industry.

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