



Faculty of Cognitive Sciences and Human Development

**THE RELATIONSHIP BETWEEN SELECTED FACTORS
INFLUENCE TURNOVER INTENTION WITH
TURNOVER INTENTION DECISION**

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**Bachelor of Science with Honours
(Human Resource Development)
2019**

UNIVERSITI MALAYSIA SAWARAK

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Final Year Project Report

Masters

PhD

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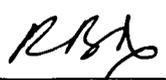
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**THE RELATIONSHIP BETWEEN SELECTED FACTORS INFLUENCE TURNOVER
INTENTION WITH TURNOVER INTENTION DECISION**

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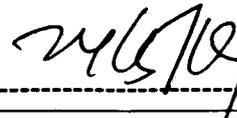
Faculty of Cognitive Sciences and Human Development
UNIVERSITI MALAYSIA SARAWAK
(2019)

The project entitled 'The Relationship between Selected Factors Influence Turnover Intention with Turnover Intention Decision was prepared by Nur Dini binti Omar and submitted to the Faculty of Cognitive Sciences and Human Resource Development in partial fulfillment of the requirement of the requirements for a Bachelor of Science with Honours (Human Resource Development)

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ACKNOWLEDGEMENTS

First and foremost, I would wish to thank God for his blessing throughout the process to complete this research. I felt grateful to be given a good health by Him, as I was managing to complete this research successfully within the given period. I also would like to express my deepest gratitude and thanks to my parents and all family members for their support, understanding, tolerance, sacrifice and patience. Without their constant support and love, this study could not be done on time.

Secondly, I would like to express my special thanks of gratitude to my supervisor Prof. Dr. Haji Rusli Bin Haji Ahmad for his continuous encouragements, advice, comments that greatly improved this research, support and help either direct or indirectly during the process to complete this study.

Thirdly, my truthful appreciation and thanks goes to the authorized personnel and the administer of the department of Corporate Strategy and Communication in Ministry of Finance, Mdm. Noreliana Binti Osman who had granted me the permission and assistance to carry out this study in their respective organization. I also wish to give thanks to all respondents that involved directly and indirectly in this study. For example, government officers, lecturers and friends that help me a lot to carry out this study. Their continuous efforts, support and contribution to this study make it carried out in smoothly way.

Finally, I hope this knowledge sharing would give positive effects and contributions, especially for Human Resource field, human resource practitioners and others in order to clarify the selected factors influence on turnover intention. The internal environment factor such as good productivity from the employees would make the productivity of the organization increased.

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ABSTRACT

This study aimed to investigate the relationship between selected factors influence turnover intention and turnover intention decision among employees that worked at Ministry of Finance, Putrajaya, Malaysia. The selected factors influence turnover intention were work stress, self-efficacy, organizational commitment, job satisfaction and job performance. A total 48 employees who worked at Ministry of Finance were selected using simple random sampling in this study. All the relevant data was collected through distribution of online questionnaire. The data were recorded and analyzed by using the Statistical Package for Social Sciences (SPSS) 22.0 version. The tests involved were reliability test and Pearson Correlation. Findings of the study revealed that significant positive relationship existed between the selected factors influence turnover intention (i.e. work stress) with turnover intention decision. However, there is a significant negative relationship between the selected factor of influence turnover intention (i.e. self-efficacy, organizational commitment, job satisfaction, job performance) with turnover intention decision. As a conclusion, this study was important for the organizational to understand the significant relationships that existed between selected factors influence turnover intention and turnover intention decision. It would help the management of the organizational to improve their strategy management and keep their employees to stay at the organization feel motivated to achieve more goals as it would also increase the performance and quality of the organization.

Key words: Turnover intention, Work stress, Self-efficacy, Organizational commitment, Job satisfaction, Job performance

ABSTRAK

Kajian ini bertujuan untuk mengkaji hubungan antara faktor-faktor terpilih yang mempengaruhi kadar pusing ganti di kalangan pekerja yang bekerja di Kementerian Kewangan, Putrajaya, Malaysia. Faktor yang dipilih mempengaruhi niat pusing ganti perolehan adalah tekanan kerja, keberkesanan diri, komitmen organisasi, kepuasan kerja dan prestasi kerja. Seramai 48 orang pekerja yang bekerja di Kementerian Kewangan dipilih menggunakan "teknik pengambilan rawak mudah" dalam kajian ini. Semua data yang berkaitan dikumpulkan melalui pengedaran soal selidik dalam talian. Data tersebut telah direkodkan dan dianalisis menggunakan Statistical Package for Social Sciences (SPSS) versi 22.0. Ujian yang terlibat adalah ujian kebolehpercayaan dan Korelasi Pearson. Penemuan kajian menunjukkan hubungan positif yang signifikan antara faktor terpilih yang mempengaruhi kadar pusing ganti (iaitu tekanan kerja) dengan keputusan kadar pusing ganti. Walau bagaimanapun, terdapat hubungan negatif yang signifikan antara faktor terpilih yang mempengaruhi kadar pusing ganti (iaitu keberkesanan diri, komitmen organisasi, kepuasan kerja, prestasi kerja) dengan keputusan kadar pusing ganti. Sebagai kesimpulan, kajian ini adalah penting untuk organisasi untuk memahami hubungan penting yang wujud antara faktor terpilih yang mempengaruhi kadar pusing ganti dan keputusan kadar pusing ganti. Kajian ini akan membantu pengurusan organisasi untuk memperbaiki pengurusan strategi mereka dan memastikan pekerja mereka tetap berada di organisasi merasa bermotivasi untuk mencapai lebih banyak matlamat kerana ia juga akan meningkatkan prestasi dan kualiti organisasi.

Kata kunci: Kadar pusing ganti, Tekanan kerja, Kesenambungan diri, Komitmen organisasi, Kepuasan kerja, Prestasi kerja

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The aim of this research is to look over the relationship between the influence of the factor on the intention of turnover and the decision on the intention of turnover. This chapter discusses the background of the study, the problem statement, the research objective, the research question, the importance of the study, the limitation of the study and the terms of definition closely connected with this study. This chapter ends with summary. The reason why chapter one is important is because, this chapter will give a comprehensive perspective about all important aspects that involve in this particular study.

1.1 Background of the study

Ongori (2007) analyzed that employee turnover phrase is widely applied in business matters. Various studies have been performed on this particular field. In this respect, a small number of researches into the sources of employee turnover, effects and advice on various strategies that managers in different organizations can use to ensure the continuity of employees in their organization in order to improve the competitiveness of the company. This research examines the factors influencing the intention of turnover for the employees of the organization.

Aydogdu, S and Asikgil (2011) defined intention to turnover, as one's behavioral attitude to remove from the organization whereas turnover is taken to be the actual separation from the organization. Change intentions can best be described as an idea or feeling to leave the organization. Based on the classic turnover model, these perceptions are based on the organization's understanding of the desirability of leaving and the ease of movement (March & Simon, 1958). As for the specific inquiry, this turnover intention among employee will mix in deep to investigate the factors influence in the organization.

One of the reasons that may impact the skillful and mislaying of capable employees is the problematic phenomena in the organization of the employee persistent turnover intention. This case can have related in the direction of the gradient in the improvement, effectiveness, and quality of existing service (Miller, 2010).

Other than that, a big cost of employing, recruitment, selection, and training of the beginners will surely offer in hiring new workers as to replace the older workers (Abbasi & Hollman, 2008). Therefore, the organization must spend a great deal on its employees in terms of generalization and training, development, support and maintenance. Thus, the proposed action on

how to minimize employee's turnover intention among employees must be provided by the leaders or the employer within the organization.

Everyone has experienced the hard time and every challenge is different from one another. Stress is a normal thing that an individual faced. More or less of the people can do better when they are in stress and some of them cannot manage a thing when having a stress. There are many factors that related to work stress. One of the examples of work stress that occurs is because of the number of employees is less than the task that need to be done. From the research, the number of the nurses who are not comparable with the number of patients, as well as an issue outside of workplace that cannot be overcome.

1.2 Problem statement

Turnover intention become more important issue for every organization in this era. Even some of the organization has not facing a serious issue related to turnover intention. Shin et al (2013) stated that as usually, a big organization or the organization that use lots of number of employees have a turnover intention issue. This research wants to expose and identified the important on turnover intention and the factor influence on turnover intention. There are many factors related to turnover intention such are work stress, self-efficacy, organizational commitment, job satisfaction, and job performance. Some of the research, there are more specific about two or three factors influence on turnover intention.

The reason why I choose this topic for my research is because, turnover intention is a big problem with the organization, in the world of strong competition as the organizations try to reduce their turnover ratio and solve the monetary value, turnover expansion consists of hiring, recruiting, employee selection and training the new employees. It is important because another organization

of different industry also receives an issue on turnover intention. This is a significant topic, because there are limited studies in the government and other private sector than the nursing in Asian. Zaki (2003) indicated that studies on turnover intention were conducted in the western country. Research in non- western countries like Malaysia is, however, limited. Besides that, from past research, there are limited factors that influence on turnover intention and this research show the several factors on turnover intention.

For the theoretical gap, employee turnover is a challenge for small business leaders and leads to major financial losses to retail organizations (Chang, Wang, & Huang, 2013). As studied by Roszak (2015), some small enterprises in the retail industry, resulting in bottom organizational productivity and profitability as negatively get effects of employee turnover from the general business problem. The specific business issue is that some leaders of small retail companies lack strategies to scale down the employee turnover problem. Besides that, a big organization, and small organization such a retail company also faced on turnover intention. This is because, every organization is competing with each other. use the other factor influence on turnover intention including the job performance to try to minimize the gap of this research.

As studied by Ha (2009), the intention of turnover is part of normal business as employees come and go as their living conditions change. Every employer realizes this and in fact, large companies typically have entire departments dedicated to managing human resources to make the transition as painless as possible for management and employees and to minimize the associated costs of hiring and training.

Generally, stress level will lead the intention of the employee to leave or move off from the organization. Based on the previous studies, the findings showed by Chen et al. (2010), the

increased turnover intentions among employees are the result of increased stress. Role ambiguity and role conflict lead to job stress that has a negative impact on job performance, which can be explained through cognitive processes and motivation. Arshadi and Damiri (2013) stated that the influence of cognitive and motivational perspectives on stress affects the performance and career performance of employees. From intellectual perspective, ambiguity of roles and conflict of roles will lower the level of performance due to lack of information and vice versa. Although the level of performance of employees is usually negative for stress performance from a motivational review, it tends to reduce effort- to- performance and performance- to- reward. Feel miserable or stress is an emotion which reduces employee satisfaction and increases in turnover intention Arshadi and Damiri (2013).

For the empirical gap, there is a gap when an individual has the others reason that influence them on turnover. So, as to avoid the gap, I mention the highest factors influence on turnover intention with turnover intention decision. When there are more choices, the answer is more precise. Lai (2012) highlight that the relationship between jon performance and turnover intention did not deliver the substantial result and can't be supported. As the outcome, they trust to carry on further research in this area. Thus, this research would help the past research to deliver the significant result of the relationship between job performance and turnover intention.

As far as the research had able to investigate and explore, there was lacking in term of previous findings on work stress on turnover intention, majority of the manufacturing companies in Sri Lanka are experiencing the high turnover rate of employees and it becomes a critical problem to maintain the competitive advantages. Various factors are affecting to the turnover intention and the work stress is the one of the major determinates which leads to turnover intention among the employees (Safana and Jayasinghe, 2015).

For the practical gap, referred to in January 2010 by the Society for Human Resource Management (SHRM), Employee Job Satisfaction describes the more employees are pleased about their jobs. They are more reliable or additional to faithful, high productivity, high performance and are likely to remain in the organization. While employees who are unhappy with their work are more likely to be absent, perform poorly and with the intention of resigning from the organization.

As stated above on the theoretical, empirical and practical facts, the significance of this research was clearly explained. In addition, Crossman and Bassem Abou-Zaki (2003) reported that many studies were conducted in the West regarding turnover intention. Research in non - western countries like Malaysia is, however, limited. Therefore, in this study of research pinpointed several research questions related to turnover intention that need to be answered such are;

Rq1 What is the relationship between working stress and turnover intention?

Rq2 What is the relationship between self-efficacy toward turnover intention?

Rq3 What is the relationship between the organization commitment on turnover intention?

Rq4 What is the relationship between the job satisfaction and turnover intention?

Rq5 What is the relationship between the job performance on turnover intention?

Rq6 What is the most dominant factors in relationship between selected factors influence turnover intention with turnover intention decision?

1.3 Research Objective

The objectives of this study were split into two categories, both were general objective and specific objective.

1.3.1 General Objective

The research purposed to determine the relationship of the factor influence on turnover intention with turnover intention decision.

1.3.2 Specific Objective

This research has 5 main factors that has been access that potentially be the factor influence on turnover intention of employees in organization.

- 1) To identify the relationship between working stress and turnover intention.
- 2) To identify the relationship between self-efficacy toward turnover intention.
- 3) To identify the relationship between the organization commitment on turnover intention.
- 4) To identify the relationship between job satisfaction on turnover intention.
- 5) To identify the relationship between job performance and turnover intention.
- 6) To identify the most dominant factors in relationship between selected factors influence turnover intention with turnover intention decision.

1.4 Research Hypotheses

This section identifies the relationship types that have been studied in this study. This explanation will serve as the basis for the identification and determination of a suitable study.

Based on previous research Lai (2012); Nauta et. al (2009); and Nicholson (2009). For this study, the following hypotheses were formulated:

Ha1: There is a significant relationship between working stress and turnover intention decision.

Ha2: There is a significant relationship between self-efficacy and turnover intention decision.

Ha3: There is a significant relationship between organization commitment and turnover intention decision.

Ha4: There is a significant relationship between job satisfaction and turnover intention decision.

Ha5: There is a significant relationship between job performance and turnover intention decision.

Ha6: There is a dominant factor explaining relationship in selected factors influence turnover intention with turnover intention.

1.5 Conceptual Framework

Based on the main research objective, specific objectives and hypotheses, research framework was formulated to determine the relationship between independent variable and dependent variable. The conceptual framework is about the relationship between independent variables and interconnected dependent variable based on the understanding of the researcher. In this study, the independent variables consist of factors influence on turnover intention such are work stress, self-efficacy, organizational commitment, job satisfaction and job performance. However, the dependent variable is the turnover intention. These issues of the factors would be discussing more at Chapter 2, Literature review. The research framework was formulated as shown below:

Independent variable

Dependent variable

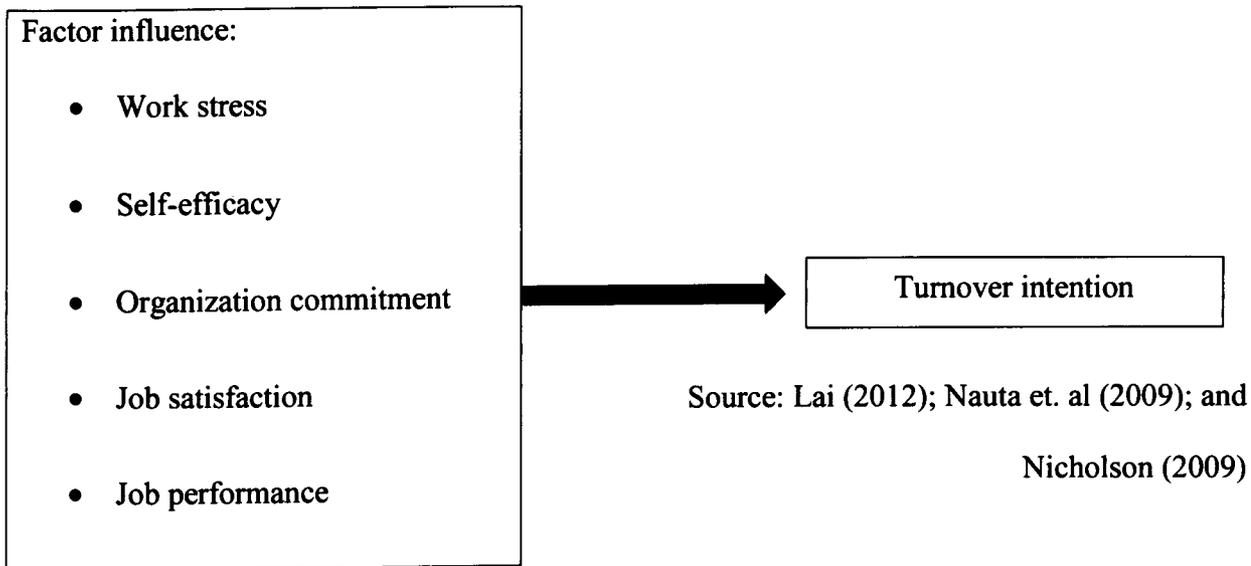


Figure 1. Conceptual Framework.

1.6 Definition of terms

Definition of terms was played important role in this study. Several definitions of terms would discuss in detail such as turnover intention, work stress, organization commitment, job satisfaction and job performance. These definitions of terms would be defined into two types of definitions which where conceptual and operational definition.

1.6.1 Turnover intention

As for conceptual definitions, basically, the intention of turnover is a process that staff intend to leave a business or an organization. It is a measure whether the employee strategy of an organization to resign or the organization's strategies to transfer employees from positions that can be said to be either voluntary or involuntary (Curtis, 2014). As mentioned by Kim and Stoner (2008) the intention of turnover explains how the employee's conscious willingness moves away

from an organization or seeks new alternatives or in another company. Meanwhile, as for operational definition, turnover intention is the intention of quitting a job from the current or previous organization.

1.7.2 Work stress

Robbins (2014) defined job stress is a dynamic condition where an individual is faced with an opportunity, demand, or resources related to what the person wants, and the outcomes are thought significant and uncertain. Besides that, Beehr and Newman (1978) refers work stress due to exposure to stressors at work, where employees may not be able to meet demands, have insufficient supplies or resources, or lack the skills or skills required for the job. Meanwhile, operational definition defined work stress it is happening when an individual feel that their work is more than their ability. Besides, it gives more pressure when the employee needs to submit the tasks at the short due date as it is not relevant to finish early due to other things that need to be done too.

1.6.3 Self-efficacy

Self-efficacy is an individual's opinion about an individual potential to perform the tasks or actions necessary to achieve certain outcomes (Ghufron and Risnawati, 2010). Schyns and Von Collani (2002, p. 227) defines job self-efficacy as "one's belief in one's own ability and competence to perform successfully and effectively in situations and across different tasks in a job". It evaluates self- efficacy in a method that is sufficiently tolerant to compare different types of occupations, but still sufficiently specific to be a good predictor of the working environment. Meanwhile, operational definition defined self-efficacy is an individual that can take on a major part in how one approaches, goals, projects, and challenges.