



**Faculty of Cognitive Sciences and Human Development**

**RELATIONSHIP BETWEEN JOB SATISFACTION,  
ORGANIZATIONAL COMMITMENT, AND EMPLOYEE  
MOTIVATION ON TURNOVER INTENTION**

**Elycia Lwus**

**Bachelor of Science with Honours  
(Human Resource Development)  
2020**

Grade: A-

Please tick (✓)

Final Year Project Report

✓

Masters

PhD

**DECLARATION OF ORIGINAL WORK**

This declaration is made on the 12<sup>th</sup> day of August 2020.

**Student's Declaration:**

I ELYCIA LWUS, 60702, FACULTY OF COGNITIVE SCIENCES AND HUMAN DEVELOPMENT hereby declare that the work entitled, RELATIONSHIP BETWEEN JOB SATISFACTION, ORGANIZATIONAL COMMITMENT, AND EMPLOYEE MOTIVATION ON TURNOVER INTENTION is my original work. I have not copied from any other students' work or from any other sources except where due reference or acknowledgement is made explicitly in the text, nor has any part been written for me by another person.

12<sup>th</sup> August 2020

\_\_\_\_\_  
Date submitted



\_\_\_\_\_  
Elycia Lwus (60702)

**Supervisor's Declaration:**

I NIK NORSYAMIMI BINTI MD NOR hereby certifies that the work entitled, RELATIONSHIP BETWEEN JOB SATISFACTION, ORGANIZATIONAL COMMITMENT, AND EMPLOYEE MOTIVATION ON TURNOVER INTENTION was prepared by the above named student, and was submitted to the "FACULTY" as a \* partial/full fulfillment for the conferment of BACHELOR OF SCIENCE WITH HONOURS (HUMAN RESOURCE DEVELOPMENT), and the aforementioned work, to the best of my knowledge, is the said student's work

Received for examination by:

  
(Madam Nik Norsyamimi binti Md Nor)

Date: 12<sup>th</sup> August 2020


I declare this Project/Thesis is classified as (Please tick (√)):


- CONFIDENTIAL** (Contains confidential information under the Official Secret Act 1972) \*
- RESTRICTED** (Contains restricted information as specified by the organization where research was done) \*
- OPEN ACCESS**

### Validation of Project/Thesis

I therefore duly affirmed with free consent and willingness declared that this said Project/Thesis shall be placed officially in the Centre for Academic Information Services with the abide interest and rights as follows:

- This Project/Thesis is the sole legal property of Universiti Malaysia Sarawak (UNIMAS).
- The Centre for Academic Information Services has the lawful right to make copies for the purpose of academic and research only and not for other purpose.
- The Centre for Academic Information Services has the lawful right to digitize the content to for the Local Content Database.
- The Centre for Academic Information Services has the lawful right to make copies of the Project/Thesis for academic exchange between Higher Learning Institute.
- No dispute or any claim shall arise from the student itself neither third party on this Project/Thesis once it becomes the sole property of UNIMAS.
- This Project/Thesis or any material, data and information related to it shall not be distributed, published, or disclosed to any party by the student except with UNIMAS permission.

Student's signature:   
Date: 12<sup>th</sup> August 2020

Supervisor's signature:   
Date: 12<sup>th</sup> August 2020

Current Address: Kampung Kuala Teburi, Tungku, 91100, Lahad Datu, Sabah.

Notes: \* If the Project/Thesis is **CONFIDENTIAL** or **RESTRICTED**, please attach together as annexure a letter from the organization with the period and reasons of confidentiality and restriction.

RELATIONSHIP BETWEEN JOB SATISFACTION, ORGANIZATIONAL  
COMMITMENT, AND EMPLOYEE MOTIVATION ON TURNOVER  
INTENTION

ELYCIA LWUS

This project is submitted  
in partial fulfilment of the requirements for a Bachelor of Science with Honours  
(Human Resource Development)

Faculty of Cognitive Sciences and Human Development  
UNIVERSITI MALAYSIA SARAWAK

(2020)

The project entitled 'Relationship Between Job Satisfaction, Organizational Commitment, and Employee Motivation on Turnover Intention' was prepared by Elycia Lwus and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (Human Resource Development)

Received for examination by:



(Madam Nik Norsyamimi binti Md Nor)

Date:

12<sup>th</sup> August 2020

**Grade**

**A-**

## ACKNOWLEDGEMENT

Firstly, praise to God for His blessings and graces while conducting this project. To be honest, I think that I will not be able to complete this task due to many circumstances. However, in Philippians 4:13 "*I can do all things through Christ who strengthens me*", and this verse makes me believe that "Nothing is Impossible" with God.

Secondly, I would like to show my appreciation to my beloved supervisor Madam Nik Norsyamimi binti Md Nor, who always support me by giving advice and sources to complete this project. Besides, I also would like to thank all the member of the Faculty of Cognitive Sciences and Human Development for helping me out in term of the letter for organization and others.

Besides, I would like to thank my beloved sister Elna binti Lwus. She assists me in term of finding respondents and also my parents and family members Mrs Kunang Pusan (Mom) and Mr Lwus Trangan (Dad) for supporting me in time of morality, monetary, and others.

Nevertheless, I would like to thank all of the participants directly or indirectly including my friends, coursemate, lecturers, and employees in Panika Sdn Bhd and Auliah Trading Sdn Bhd who willing to help me to complete my Bachelor with Honours (Human Resource Development). I appreciated it.

## TABLE OF CONTENTS

ACKNOWLEDGEMENT .....	vi
LIST OF TABLES .....	xi
LIST OF FIGURES .....	xiii
ABSTRACT.....	xiv
ABSTRAK.....	xv
CHAPTER 1: INTRODUCTION .....	1
1.0: Introduction.....	1
1.1: Background of Study .....	1
1.2: Problem Statement.....	5
1.3: Research Objective .....	8
1.3.1: General Objective: .....	8
1.3.2: Specific Objectives: .....	8
1.4: Research Questions.....	8
1.5: Research Hypothesis.....	9
1.6: Conceptual Framework.....	10
1.7: Definition of Terms .....	11
1.8: Significance of The Study.....	13
1.9: Summary.....	15
CHAPTER 2: LITERATURE REVIEW .....	16

2.0: Introduction.....	16
2.1: Related Issues .....	16
2.1.1: Turnover Intention .....	16
2.1.2: Job Satisfaction .....	18
2.1.3: Organizational Commitment.....	19
2.1.4: Employees' Motivation.....	20
2.2: Theories Related to the Study .....	22
2.2.1: Herzberg two factors theory .....	22
2.3: Past Research Findings .....	24
2.3.1: Relationship between Job Satisfaction and Turnover Intention .....	24
2.3.2: Relationship between Organizational Commitment and Turnover Intention .....	26
2.3.3: Relationship Employee's Motivation towards Turnover .....	27
2.4: Summary .....	27
<b>CHAPTER 3: METHODOLOGY .....</b>	<b>28</b>
3.0: Introduction.....	28
3.1: Research Design .....	28
3.2: Population, Sample, and Procedures.....	29
3.3: Research Instrument .....	29
3.4: Validity and Reliability.....	33
3.5: Pilot Study.....	34
3.6: Data Collection Procedure .....	35



3.7: Data Analysis Procedure.....	36
3.7.1: Descriptive Statistics.....	36
3.7.2: Pearson’s Correlation Coefficient, r .....	36
3.7.3: Multiple Linear Regression Analysis .....	37
3.8: Ethics of the Study.....	37
3.9: Summary.....	38
CHAPTER 4: RESEARCH FINDINGS.....	39
4.0: Introduction.....	39
4.1: Descriptive Statistics.....	39
4.1.1: Gender.....	39
4.1.2: Age.....	40
4.1.3: Race .....	41
4.1.4: Level of Education.....	42
4.1.5: Length of services:.....	43
4.1.6: Current Position .....	44
4.1.7: Workplace.....	44
4.2: Normality Test.....	45
4.3: Pearson Correlation Coefficient,r .....	48
4.4: Multiple Regression (Stepwise).....	54
4.5: Summary of the Results.....	57
4.6: Conclusion .....	57

CHAPTER 5: SUMMARY AND RECOMMENDATIONS .....	58
5.0: Introduction.....	58
5.1: Contribution of the Study .....	58
5.2: Recommendations.....	60
5.2.1: Organizations .....	60
5.2.2: Future Researchers.....	61
5.2.3: Human Resource Practitioners.....	62
5.3: Limitation of the Research.....	63
5.4: Conclusion .....	64
REFERENCES .....	65
APPENDICES .....	74

## LIST OF TABLES

Table 1.7.1 Definition of Terms	11-12
Table 3.3.1 Research Instrument from the Current and Previous Study	30-32
Table 3.5.1 Cronbach's Alpha and Internal Consistency	34
Table 3.8.1.1 Interpretation of 'r' Value	36
Table 4.1.1.1 Overall Data for Gender	39
Table 4.1.2.1 Overall Data for Age	40
Table 4.1.3.1 Categories of Race	41
Table 4.1.4.1 Overall Data for Level of Education	42
Table 4.1.5.1 Categories of Length of Services(years)	43
Table 4.1.6.1 Current Position of the Respondents	44
Table 4.1.7.1 Table of Workplace	44
Table 4.1.8.1 Mean and Standard Deviation of the Variables	45
Table 4.1.8.2 Normality Test of the Variables	45
Table 4.2.1.1 Mean and Standard Deviation of Job Satisfaction and Turnover Intention	48
Table 4.2.1.2 Correlation between Job Satisfaction and Turnover Intention	49
Table 4.2.2.1 Mean and Standard Deviation of Organizational Commitment and Turnover Intention	50
Table 4.2.2.2 Correlation between Organizational Commitment and Turnover Intention	50
Table 4.2.3.1 Mean and Standard Deviation of Employee Motivation and Turnover Intention	52
Table 4.2.3.1 Correlation between Employee Motivation and Turnover Intention	52
Table 4.3.1.1 Model Summary of Job Satisfaction, Organizational Commitment, and Turnover Intention	54
Table 4.3.1.2 The ANOVA Test for Independent Variables and Dependent Variable	54

Table 4.3.1.3 Coefficient's among Independent Variables	54
Table 4.3.1.4 Excluded Variables among Independent Variables	55

## LIST OF FIGURES

Figure 1.1.1 The Unemployment Rate in Malaysia	2
Figure 1.5.1 Conceptual Framework	10
Figure 2.2.1.1 Theoretical Framework	20
Figure 3.7.1 Cycle of Data Collection Procedure	31
Figure 4.1.1.1 Percentage of Respondents' Gender	39
Figure 4.1.2.1 Percentage of Respondents' Age	40
Figure 4.1.3.1 Percentage of Respondents' Race	41
Figure 4.1.4.1 Percentage of Respondents' Level of Education	42
Figure 4.1.5.1 Percentage of Respondents' Length of Services	43
Figure 4.1.8.1 The Histogram of Job Satisfaction	46
Figure 4.1.8.2 The Histogram of Organizational Commitment	46
Figure 4.1.8.3 The Histogram of Employee Motivation	47
Figure 4.1.8.4 The Histogram of Turnover Intention	47

## ABSTRACT

High turnover of workers in the retail sector has become a crucial topic which needs to be tackled. The main objective of this study is to measure and identify the main factor (job satisfaction, organizational commitment, and employee motivation) that leads to the turnover intention of retail company in Lahad Datu, Sabah. Quantitative research analysis was used to complete this study, and 48 questionnaires were distributed using online platform towards the respondents. The sampling method used in this study is the Snowball Sampling method and the method used to analyze the data are Descriptive Statistics, Pearson Correlation Coefficients, and Multiple Regression Analysis. The findings of the Pearson Correlation Coefficient suggested that there is a significant and moderate negative relationship between the independent variables (Job Satisfaction, Organizational Commitment, and Employee Motivation) towards dependent variables (Turnover Intention). Besides, the Multiple Regression Analysis shows that job satisfaction is the most dominant factor towards turnover intention.

*Keywords:* Turnover intention, Job satisfaction, Organizational commitment, Employee motivation.

## ABSTRAK

*Peningkatan niat pusing ganti dalam kalangan pekerja rucit di Malaysia telah menjadi masalah yang penting untuk diselesaikan. Objektif utama kajian ini adalah untuk mengukur dan mengenal pasti faktor utama (kepuasan berkerja, komitmen organisasi, dan motivasi pekerja) yang mempengaruhi niat pusing ganti daripada pekerja-pekerja syarikat rucit di Lahad Datu, Sabah iaitu Panika Sdn Bhd dan Auliah Trading Sdn Bhd. Kajian kuantitatif telah digunakan untuk mencapai objektif kajian ini dan 48 soalan kaji selidik telah diserahkan menggunakan “online platform”. Kaedah persampelan yang digunakan dalam kajian ini ialah “Snowball Sampling Method” dan kaedah analisis yang digunakan pula ialah Statistik Deskriptif, Analisis Korelasi Pearson, dan Analisis Regresi Berganda. Analisis daripada Korelasi Pearson telah mencadangkan bahawa terdapat hubungan yang signifikan dan serderhana negatif antara ketiga-tiga pemboleh ubah bebas iaitu kepuasan berkerja, komitmen organisasi, dan motivasi pekerja terhadap pemboleh ubah bergantung iaitu niat pusing ganti. Selain daripada itu, keputusan analisis daripada Analisis Regresi Berganda, ialah kepuasan kerja memiliki faktor yang lebih dominan berbanding variable bebas yang lain.*

*Kata kunci:* Niat pusing ganti, kepuasan bekerja, komitmen organisasi, motivasi pekerja

## **CHAPTER 1: INTRODUCTION**

### **1.0: Introduction**

In this chapter, it will clarify the context of the study, statement of problems, research goals, research questions, research hypothesis, conceptual framework, significant of the study, definition of terms and finally is a summary for the overall of this chapter.

### **1.1: Background of Study**

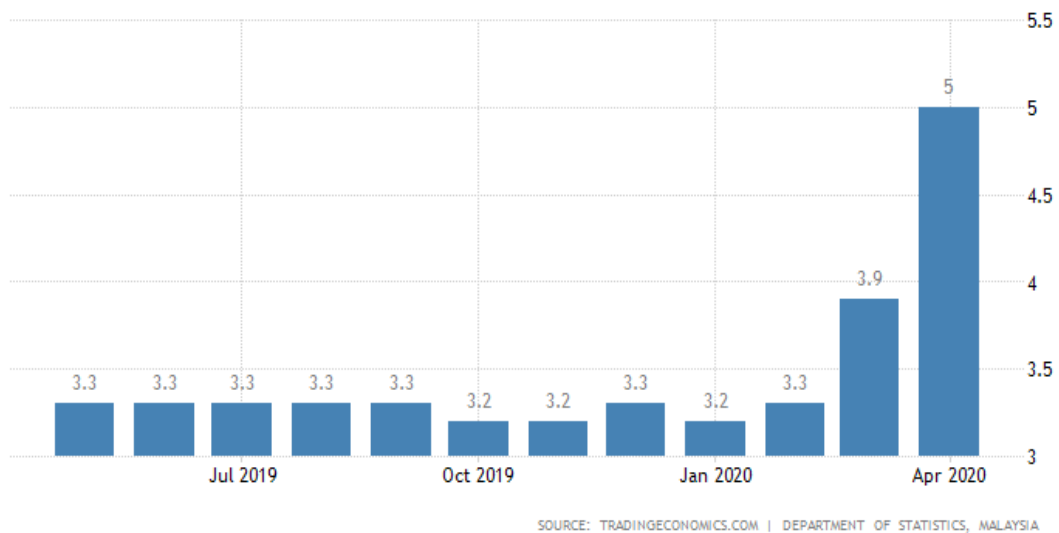
Employee likened a driver of an organization as well as an activator towards the organization's vision and mission. Without human capital, the organization will be facing vital issues to sustain its performance and productivity in this technology-based era. Based on the Malaysian Investment Development Authority (MIDA) stated that the product and services sector in Malaysia expected to grow at 6.8% per annum and contribute 56.5% to the GDP in 2020, and provide 9.3 million jobs (DOSM, 2020). However, this expectation will be affected if there is a decreasing of employees' motivation, job satisfaction and organizational commitment, and it will lead to increase in employee's turnover rate (Chen, 2013). According to Chen (2013), both organizations and individuals are the main contributors to employees' turnover issues. Thus, the turnover intention of workers is the primary and foremost issues for the management team to emphasis on (Ainer, Subramaniam, & Arokiasamy, 2018).

Turnover intention is thought of as leaving or resigning a job (Chen, 2013). It consists of two sub-categories which are voluntary turnover and involuntary turnover. Voluntary turnover is a willingness on the part of employees to leave the company while the employer is the one who terminates the employees for the involuntary turnover (Ainer, Subramaniam, and Arokiasamy, 2018). According to Ainer et al. (2018), turnover is the first and foremost issue that should be highlighted due to the better opportunity in the market. The turnover intention has appeared since early 1991 (Hee and Ann, 2019). Based on the key statistic of Malaysia's



labour force in August 2018, the Department of Statistics (DOSM) stated that the rate of labour force participation in Malaysia has drops from 68.6 % to 68.4 %. A 0.2 % decrease from July to August 2018 (DOSM, 2020). It means that the turnover rate in Malaysia has been increased. Based on Department of Statistics Malaysia (DOSM), the unemployment rate rose to 5.0 per cent as the unemployed grew to 778.8 thousand individuals 48.8 per cent compared with a year before.

**MALAYSIA UNEMPLOYMENT RATE (JULY 2019-APRIL 2020)**



*Figure 1.1.1: The unemployment rate in Malaysia.*

Besides, National Employment Returns Report in 2018 stated that the average turnover rate is 20 % and product and services (retail) is classified as the top 5 of turnover rate by sector. Another study from Human Resource in Asia, Malaysia got second place in involuntary turnover rate, which is 6.0 % and the third-ranking in voluntary turnover at 9.5 % in 2015 among South East Asia countries. The closure of businesses during the Movement Control Order (MCO), which was extended to April 2020, has had an impact on job losses and job applicants could hardly take employment (DOSM, 2020). In other to clarify the

turnover rate, the economic and psychological explanation is essential because there are correlated with each other (Chen, 2013).

Job satisfaction is a pleasing and optimistic psychological state that results from employees' working experiences (Chin, 2018). Sustaining employees' satisfaction and dedication is a crucial factor in decreasing employee turnover. According to research done by Janu et al. (2019) indicated that job satisfaction was significantly and correlated with career motivation. People who satisfied with their job likely spending more time to learn and associate with people who involved in it. It is also playing a focal role in the performance of an organization because job satisfaction frequently determines how well the output meets the expectations.

Next, organizational commitments also a vital factor that is affecting the career motivation of an employee. Organization or withdrawal is expressed in the absenteeism or attrition. Organizational commitment is conceptually a form of attachment to the organization to keep its membership to achieve organizational goals (Ekhsan, 2019). Nasurdin, Ling, and Khan (2018) stated that organizational commitment is the best predictor of employees' motivation. It is because an individual that is having less motivation will have low organizational commitment. Alias, Rohmanan, Ismail, and Koe (2018) found that organizational commitment is a significant variable in the discussion of employee's plan to leave or stay in that particular organization this is due to the higher the involvement of employee in that organization the lesser the intention to leave that organization. Commitment consists of three sub-categories which are affective commitment, normative commitment, and continuance commitment (Meyer and Allen, 1991).

The next independent variable of this research is employee motivation. Motivation is primarily destined to help change behaviour. It is an incentive that allows individuals to align

their job with organizational goals. Maslow, Alderfer, McClelland, Hackman, and Herzberg specified that in organizational behaviour course growth is the primary motivator for the potential of an employee (Shahzadi, 2014). Based on research done by Chintallo & Mahadeo (2013), they indicate that employees' motivation is one of the most important aspects to manage achievement either for the public or private sector. According to a study done by Asim (2013), it said that the impact of employee motivation on employee performance, concluding that if employees are more motivated, their performance and productivity will improve. Thus, if they are motivated the sense of leaving the organization will be diminished. Besides,

In general, product and services sector is a commodity is a tangible object that is advertised for purchase, exposure, or use. In contrast, a service is an intangible object that results from one or more entities' production. However, product and services sector for this study is focusing on retail companies which are Panika Sdn Bhd and Auliah Trading Sdn Bhd. Therefore, the main objective of this study is to inspect the core factor that influencing employee turnover in retail companies. The researcher has chosen to explore more deeply the turnover rate among product and services workers in Lahad Datu, Sabah. The relationship between job satisfaction, employees' motivation and organizational commitment towards turnover intention will be studied.

## 1.2: Problem Statement

Based on National Employment Returns 2017, the average employee's turnover rate in Malaysia is 28.5%. The highest employee turnover rate falls under the information and communication sector, which is 57.0% and followed by arts, entertainment, and recreation 54%. But as time flies National Employment Returns 2018 has recorded that the average employee's turnover rate has been decreased to 20%. The highest employee turnover rate is in the accommodation and food services sector (MOHR, 2018). However, issues of employee turnover should not be taken for granted because it can untangle the dire concerns, for example, the dissatisfaction of an employee, not committed with the organization and increase in turnover rate among employees.

According to Alam and Asim (2019), job satisfaction was found to be correlated with a negative association with turnover intention. They stated that work is the most vital part of an organization as well as satisfaction is the key contributor towards the employee's plan to leave. The negative association specifies that the dissatisfaction in the workplace will increase the turnover intention among the workers. Many kinds of research have studied that job satisfaction such as working environment (Alam, 2019), and job characteristics (Muda, Fook, and Noordin, 2016) as a predictor of intending to turnover (Smith and Shields, 2013). Thus, every employer should not underestimate employee's satisfaction in the workplace. Conversely, most of the organizations put less concern on this issue, and it leads to the raise of turnover intention among employees (Siew, 2015).

Next, research done by Nasurdin et al. (2018) stated that the extreme turnover of employees could jeopardize the performance of an organization. It is the same concept towards the Malaysian economy, started from 1980 product and services sector is a crucial driver for Malaysia's economic growth. Then Malaysia starts to emphasis primary industry to secondary industry to achieve national income (Malaysian Economic Report, 2013). Due to

the high demand for regional competitiveness to attract Foreign Direct Investment (FDI), the government increased the economic benefits to investors by raised the overall quality control measures. However, it creates stress towards the employees because of the workload, role ambiguity, and conflict (Perumal, Sinniah, Kumar, and Haji, 2018). According to Li et al. (2014), work stress will reduce employees' job satisfaction and job satisfaction have a significant negative association with turnover intention (Alam, 2019). Thus, this issue will be a tug of war for an organization to keep growth going and reduce the turnover rate (Mukherjee, 2015).

On the one hand, Workforce Turnover Around the World 2017 mentioned that managing turnover is one of the dire concerns towards the continuing health and success of an organization. Then, it is bringing unexpected disruptions to on-going projects and costly recruiting cycles. Bee, Mak, Jak did the research, and Ching (2014) discovered that turnover is the most significant issue in every organization. Because most of the researchers studied that turnover intention would influence organizational performance. On the contrary, MOHR (2017) stated that not all turnover is bad. They realized that many managers recognize that the retention of employees that have a poor performance in their position can cause degradation in productivity and morale in the workplace. This statement is also supported by Bates and Block (2013) and Earle and Gehlbach (2015). Therefore, this study will clarify the arguments and to narrow the empirical gap of the factors that can affect organizational performance.

Apart from that, Alias, Rohmanan, Ismail, and Koe (2018) declared that there is no primary pressure on work and plan to leave the organization while a cross-sectional survey distributed in north-eastern China. The result stated that there is an essential difference between work pressure and work motivation, and they discovered that higher in work stress

would dissatisfy the workers (Li et al., 2014). A research done by Ainer et al. (2018), stated that there is an indirect association between work pressure and turnover intention.

Further study about worker's motivation and turnover intention will be studied in this research to sustain the declining turnover rate within 2017-2019 because the turnover intention is the most crucial issues that happen in early 1991(Hee and Ann, 2019). Therefore, we should avoid the increment of turnover intention among workforces to sustain the productivity, effectiveness, and efficiency of an organization. Malaysian Standard Industrial Classification stated that overall turnover in Malaysia 20 % and the product and services sector is among the top 5 highest based on that statistical employee's resignation in 2017. Thus, an investigation of turnover intention in the product and service sector, which is the retail company must be done to examine the significant factor that leads to unemployment.

### **1.3: Research Objective**

#### **1.3.1: General Objective:**

To measure and identify the primary factor that leads to turnover intention in a retail company.

#### **1.3.2: Specific Objectives:**

1. To measure the relationship between job satisfaction and turnover intention.
2. To measure the relationship between organizational commitment and turnover intention.
3. To measure the relationship between employees' motivation and turnover intention.
4. To identify the dominant factors among job satisfaction and organizational commitment.

### **1.4: Research Questions**

RQ1: Is there is any relationship between job satisfaction and turnover intention?

RQ2: Is there is any relationship between organizational commitment and turnover intention?

RQ3: Is there any relationship between employees' motivation and turnover intention?

RQ4: Is there any dominant factor affecting turnover intention?

## **1.5: Research Hypothesis**

Ho1: There is no significant relationship between job satisfaction and turnover intention.

Ha1: There is a significant relationship between job satisfaction and turnover intention.

Ho2: There is no significant relationship between organizational commitment and turnover intention.

Ha2: There is a significant relationship between organizational commitment and turnover intention.

Ho3: There is no significant relationship between employees' motivation and turnover intention.

Ha3: There is a significant relationship between employees' motivation and turnover intention.

Ho4: There is no dominant factor between job satisfaction and organizational commitment.

Ha4: There is a dominant factor between job satisfaction and organizational commitment.