DETERMINING THE FACTORS CONTRIBUTING TO INCREASED TURNOVER INTENTION AMONG HIGH-TECH MARKETERS OF AUTOMOTIVE INDUSTRY IN MALACCA

MOHAMAD FAZEHI BIN MOHAMAD YUNUS

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

"Saya / Kami akui bahawa telah membaca karya ini dan pada pandangan saya / kami karya ini adalah memadai dari segi skop dan kualiti untuk tujuan penganugerahan Ijazah Sarjana Muda Pengurusan Teknologi (Inovasi Teknologi)."

Tandatangan   : ....

Nama Penyelia   : ....

Tarikh   : ....

Tandatangan   : ....

Nama Penilai   : ....

Tarikh   : ....

*Potong yang tidak berkenaan

DETERMINING THE FACTORS CONTRIBUTING TO INCREASED
TURNOVER INTENTION AMONG HIGH-TECH MARKETERS OF
AUTOMOTIVE INDUSTRY IN MALACCA

MOHAMAD FAZEHI BIN MOHAMAD YUNUS

Report submitted in fulfilment of the requirement for the degree of Bachelor of
Technology Management (Technology Innovation)

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2015

" I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree. "

Signature   : ....

Name   : ....

Date   : ....

DEDICATION

I would like to dedicate the success of this project report especially to both of my parents, Mohamad Yunus Bin Zainudin and Maznah Binti Mohamad. The sacrifices that they had made for me to further studies would not be enough by just submitting the report, but it is beyond that. Thus, I am honoured to have them as my parents. Secondly, dedication to all my siblings which have help me a lot in term of spirit and finance support. Last but not least, to my lecturer whom also my supervisor for this Final Year Project, Puan Edna Binti Buyong and my also fellow friends.

ACKNOWLEDGEMENT

Alhamdulillah. Thanks to Allah the almighty, whom with His willing giving me an opportunity to complete this research paper entitled "Determining The factors Contributing To Increased Turnover Intention Among High-Tech Marketers of Automotive Industry in Malacca" to fulfil the compulsory requirements of Universiti Teknikal Malaysia Melaka (UTeM) and the Faculty of Technology Management and Technopreneurship (FPTT). I would love to thank, a deep honours, to my parents, siblings and family members, lecturers and my fellow classmates and friends for helping me working on this research project.

Special thanks and grateful for my supervisor, Puan Edna Binti Buyong who had guided me for the task starting from semester 7 until semester 8 for the session of 2014/2015. The precious experienced that she had in Human Resources Managemet, enhance me to conduct a research based on HRM scope. Furthermore, for my panel, Puan Raja Huda Binti Raja Sehar who also had been a good evaluator during presentation of the project report. Also sincere appreciation and thanks to Dr. Chew Boon Cheong and Dr. Ismi Rajiani for sharing their experience and knowledge in the Research Methodology subject that really helped me through the writng of this research.

Lastly, deepest thanks and appreciation to my family members, their endless support, encouragement and full support during the report completion from the beginning till the end.

Thank you very much.

ABSTRACT

Rapid growth in technology development influence the demands and supply. Growth in technology also creating a vacancies of High-Tech Marketers. Traditionally studied stated that marketers is very important to generate profits. Productivity is very important for an industry or organization. There are several factors on which productivity mostly depends upon. Employee turnover is one of them which is considered to be one of the challenging issues among High-Tech marketers of automotive industry in Malacca .This research project which aimed to determine the factors of dissatisfaction with the scope of work, work-life imbalance, poor relationship with supervisor and unattractive rewards package towards which will be the most significant that contribute to increased turnover intention. Respective respondents of 100 were selected among High-Tech marketers of automotive industry in Malacca. A case study was carried out through a sets of questionnaires to explore turnover in greater detail which will examine the main sources of employee turnover, it's effects and recommend some strategies on how an organization can retain employees and reduce employee turnover. The data gathered were analyzed using descriptive analysis, scale of measurement and inferential analysis. The finding sees that there is significant relationship between dissatisfaction with the scope of work and work-life imbalance (IV) and increased turnover intention (DV). However, there are two factors that insignificant which are poor relationship with supervisor and unattractive rewards package that has no impact with increased turnover intention in this study. Regression result shows that work-life imbalance is the most factors towards increased turnover intention among High-Tech Marketers of automotive industry in Malacca.

ABSTRAK

Pertumbuhan pesat dalam pembangunan teknologi mempengaruhi permintaan dan bekalan. Pertumbuhan dalam teknologi juga mewujudkan pekerjaan Pemasar Berteknologi Tinggi. Kajian menyatakan bahawa pemasar adalah sangat penting untuk menjana keuntungan. Produktiviti adalah sangat penting bagi industri atau organisasi. Terdapat beberapa faktor yang mempengaruhi produktiviti. Pemberhentian kerja adalah salah satu daripadanya yang dianggap sebagai salah satu isu yang mencabar dalam industri pemasaran automotif di Melaka . Kajian yang bertujuan untuk menentukan faktor-faktor seperti ketidakpuashatian dengan skop kerja, ketidakseimbangan kerja-hidup, hubungan yang tidak baik dengan penyelia dan pakej ganjaran yang tidak menarik ke arah yang mana akan menjadi yang paling menyumbang kepada peningkatan pemberhentian kerja. 100 responden telah dipilih dari kalangan pemasar Berteknologi Tinggi industri automotif di Melaka. Satu kajian kes telah dijalankan melalui set soal selidik untuk meneroka pemberhantian dengan lebih terperinci yang akan mengkaji sumber utama pemberhentian pekerja, kesan dan mencadangkan beberapa strategi bagaimana organisasi dapat mengekalkan pekerja dan mengurangkan kadar pemberhentian pekerja. Data yang dikumpul dianalisis dengan menggunakan analisis deskriptif, skala pengukuran dan analisis inferensi. Dapatan kajian melihat bahawa terdapat hubungan yang signifikan di antara ketidakpuashatian dengan skop kerja dan ketidakseimbangan kerja-hidup (IV) dan peningkatan niat pemberhentian pekerja (DV). Walau bagaimanapun, terdapat dua faktor yang tidak signifikan iaitu hubungan yang tidak baik dengan penyelia dan pakej ganjaran yang tidak menarik yang tidak memberi kesan dengan peningkatan niat pemberhentian kerja dalam kajian ini. Hasil regresi menunjukkan bahawa ketidakseimbangan kerja-hidup adalah faktor yang paling ketara ke arah niat pemberhentian kerja dalam kalangan pemasar teknologi tinggi dalam industri automotif di Melaka.

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

Universiti Teknikal Malaysia Melaka

LIST OF APPENDICES

CHAPTER 1

INTRODUCTION

1.1   Introduction

With the effect of globalization in the world, it has been touted that every organization will have to manage their employee turnover methodically. Employee turnover in organizations has received substantial attention from both academics and managers. Much of this attention has been focused on understanding its causes. To meet the necessities of offering a safe environment, good pay and benefits in an economic way is very difficult and cumbersome to an organization.

Every organization wished to have high productivity, fewer turnovers and to be profitable. Managing turnover successfully is a must to achieve the above goals. Studies have also been carried out regionally and globally to explore and to study the relationship between various variables with employee turnover. Implicit in this approach is the assumption that turnover is driven by certain identifiable characteristics of workers, tasks, firms, and markets, and that, by developing policies to address these characteristics, managers might reduce the occurrence of turnover in their respective organizations.

In Malaysia, it is very important to manage turnover for both government and non-government sectors. In government sectors, although some fringe benefits are given to the employees regularly do not satisfy them sufficiently. Meanwhile in private sectors, though salary and benefits are high but security job is less. Due to

these reasons turnover rate in private sectors are higher than public sectors. Despite the lack of developmental guidance by employers, Malaysian employees remain one of the most ambitious in the region at 70%, similar to Singapore. Meanwhile, counterparts elsewhere were slightly less ambitious, such as Australia (57%), China (61%), New Zealand (63%) and India (64%).

Jasmin (2014) stated that it is important to note that employee recognition is not only limited to verbal affirmations or monetary incentives. Employers need to balance the different motivations as not all employees want public praise, higher salaries and bonuses. Some employees may prefer having flexible work options or the opportunity to lead a new project.

Rapid growth of high technology in various industry such as automotive, electronic appliances, services and products are driven by the innovative culture that applied in most organization nowadays. This situation led to a large job opportunity in Hi-Tech marketing as it is essential for the inventors to promote their products in the market share. Therefore, researcher took the approach in this study by focusing on the factors contribute to high rate of turnover intention among Hi-Tech marketers in Malacca.

1.2   Problem Statement

Randstad World of Work Report 2013/2014 revealed that 70% of employees plans to leave their job. Malaysians are not just switching jobs to boost their careers but the decision to leave also hinged on "uncompetitive salary" (55%), "lack of recognition at the workplace" (35%) and "lack of trust in senior leaders" (21%), revealed the 2013/2014 Randstad World of Work Report. Further, the global recruitment firm noted in its report that employees tended to stay on in their present company if they have a "strong understanding of how their roles contribute to achieving organisational goals (30%) and a strong feeling of being valued and recognised (16%)". Conversely, communicating effectively about employee progress

and development is crucial to positive workforce engagement, especially given Malaysia's tight labour market and heated war for talent. By providing positive recognition and consistent feedback to employees, business leaders are more likely to motivate and retain top talent (Jasmin, 2014). It noted that 70% of employers acknowledged that staff turnover was a prevailing problem for businesses operating in Malaysia. The statistics provided indicate that statistic provided that turnover in Malaysia is considered as high. The scenario of employee turnover among Hi-Tech marketer in Malaysia not just the fact they leave have crucial implications for future retention rates among current staff, but also effect the ability of an organization to attract talented people for job vacancies.

1.3   Research Questions

Research question play an important role in a research study. Research questions that are 'just right', note Clough and Nubrown (2002:34), are those that are 'just right for investigation at this time, by this researcher in this setting. Hence, researcher had represent a questions that relate with the research topic. The questions are as follows:

1.3.1   What are the factors that contribute to employee turnover among Hi-Tech marketers?

1.3.2   What are the extent of voluntary and involuntary turnover in influencing employee cessation?

1.3.3   What are the retention strategies employed by the management to minimize turnover among Hi-Tech marketers?

1.4   Research Objectives

According to Saunders et al. (2012), research objectives express 'how' you intend to structure the research process to answer your question. Researcher

indicated the objective of this study base on the research questions. Further, the objective should relate with the questions as it influence the results at the end of this research. The objectives are as follows:

1.4.1   To identify the factors that contribute employee turnover among Hi-Tech marketers.

1.4.2   To determine the extent of voluntary and involuntary turnover in influencing employees cessation.

1.4.3   To determine retention strategies in minimizing employee turnover among Hi-Tech marketers.

1.5   Scope of the study

In this research, researcher focuses identifying the factors of employee turnover and increased turnover intention among High-Tech marketers. Researcher focus the study in the Hi-Tech hybrid car marketing industry. One of the reasons is the current market of Hi-Tech cars that rapidly growth in this globalization world. In addition, this study will conducts in Malacca, which the area for researcher in collecting primary data would be at the showroom of the car manufacturer such as Toyota and Honda which mostly located in strategic business centre in Malacca. This is follows as most of Hi-Tech marketers of the car manufacturer easily located in the office.

1.6   Limitation

Throughout this study, researcher had organized several limitations that can become a challenges in the focuses area. Firstly, researcher cannot conduct the study throughout Malaysia. This is due to geographical and location factors that confine researcher to cover whole Malaysia. Hence, researcher decides to only cover the

issues in Malacca which would allow the processes of getting the data more facilitate.

Other than that, researcher also found that the constraints for this study can only be carried out for the hi-tech marketing industry in hybrid car. This is due, employee turnover occurs in any job sector regardless of the government or private sector as well as to close the relationship with researcher course. Therefore, by focusing at one industry would help researcher to narrow down the causes of employee turnover among Hi-Tech marketers in Hi-Tech hybrid car industry.

1.7   Importance of the study

Productivity is very important issue for an industry or organization. There are several factors on which productivity of an organization mostly depends upon. Employee's turnover is one of them which is considered to be one of the challenging issues in business nowadays. In relation, the importance of the study is revealing the factors that contributes to employee turnover. Conversely, it is also importance that this study would establishing the links between turnover factors with the increased turnover rate among High-Tech marketers in Hi-Tech hybrid car industry. Moreover, this study seeks to help and guide for those who are looking for jobs in marketing sector, especially fresh graduates.

1.8   Summary

Briefly for Chapter 1, it is a congest explanation about the development of the framework for the research. In this chapter consists of seven elements which are introduction, problem statement, research questions, research objective, scope of the study, limitation for study, and as well as significance of this study. Furthermore, researcher hopes that this research would be able to capture the broadest possible view of turnover and retention, which would allow relevant practices for both profit and public organization in addressing this issues.

CHAPTER 2

LITERATURE REVIEW

2.1   Introduction

In this chapter, the researcher will explain in detail about the research literature related to the research topic. To facilitate the important contents rigged, researchers started writing with the intent of employee turnover. This is followed by an overview of the culture of the hi-tech marketing, high levels of employee turnover, the types of employee turnover, employee turnover factors and their impact on the organization. Additionally, this chapter will also examine explicitly independent variables of dissatisfaction with the scope of work, work-life imbalance and poor relationship with the supervisor and its relation with dependent variables, increased turnover rate among Hi-Tech marketers. In addition, the theoretical framework for this study were also reviewed to spur the research parallel its objectives.

2.2   Definition of Employee Turnover

Employee turnover is defined as the entrance of new employees into the organization and the departure of existing employees from the organization (Harkins, 1998). This definition insists turnover is the replacement of senior worker and being replaced with new intake. Another study propose turnover rate as how many recruitments were hired to replace resigned employees (Mobley et al., 1979). Researcher supports that turnover would only occur if the replacement is successfully hired. According to Mondy (2010), turnover points out voluntary cessation of membership of an organization by an employee of that organization. Conversely, employee turnover is the rotation of workers around the labour market, between different companies, occupations and jobs, and also between states of employment and unemployment (Nel et al., 2001). In an organizational context, turnover can be defined as the termination of an employee's intraorganizational career trajectory, which is composed of a sequences of job changes from job entry to exit (NSDC, 2010). Researcher uphold that sometimes employee turnover benefits organization positively. This might happen when a poor performer is being replaced by a more skilled employee and when a retired employee replaced by a younger one.

2.3   Overview of Study

Technology is referring to the theoretical and practical knowledge, skills and artefacts that can be used to develop products and services as well as their production and delivery systems. Technology can be embodied in people, materials, cognitive and physical processes, plant, equipment and tools (Burgelman et al., 2009). This follow the categorized of technology which consists of hard technology and soft technology. Hard technology is technology that embodied in machinery and equipment, while soft technology is the know-how the application of the knowledge.