

**FACTORS ON TURNOVER INTENTIONS IN PRIVATE
SECTOR AT MELAKA**

ANIS ADIBAH BINTI ZAMRY

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

APPROVAL

I/We, hereby declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor's Degree in Technology Management (Technopreneurship)

Signature :
Name of Supervisor : MISS ATIKAH SAADAH BINTI SELAMAT
Date :

Signature :
Name of Panel : DR. HAZMILAH BINTI HASAN
Date :

FACTORS ON TURNOVER INTENTION IN PRIVATE SECTOR AT MELAKA

ANIS ADIBAH BINTI ZAMRY

This Report Submitted In Partial Fulfillment of The Requirements For The Award
Bachelor Degree of Technoprenurship (Btech)
With Honors

Faculty of Technology Management and Technopreneurship
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

JUNE 2019

DECLARATION

"I admit that this report is my own result, except for certain explanations and passages in which each of them is clearly cited with sources."

Signature :

Name : ANIS ADIBAH BINTI ZAMRY

Date :

DEDICATION

“I would like to express my appreciation to my beloved family members who have supported me from a spiritually and financially, supportive supervisor and panel who have guided me throughout the research journey, friends and study mates who have assisted me.”

ACKNOWLEDGEMENT

First, I would like to thank Allah S.W.T for giving me the strength and opportunity to complete this research project. I would never complete this research smoothly without His consent.

I would, therefore, like to take this opportunity to express my sincere appreciation to my supervisor, Miss Atikah Saadah Binti Selamat of the Faculty of Technology Management and Technopreneurship, Universiti Teknikal Malaysia Melaka (UTeM) for her essential direction, supervision, support and encouragement to complete this thesis.

Next, to all my peers, my beloved parents, Hj Zamry Bin Gafar and Hjh Rosni Binti Adom and my dear family, special appreciations for their moral support in completing this degree. Finally, thank you to everyone who has been to this project's critical understanding parts, which my friend and supporters have been to during these hardships.

Last but not least, I would like to express my appreciation to the Technology Management Faculty for giving me the opportunity to complete my studies in Bachelor of Technology Management and Technopreneurship in Technopreneurship to take advantage of and register for Research Method Subject.

ABSTRACT

Workers turnover has become the main issue for most business and management, so this problem still needs a concern as it can affect the performance of the company. However, organization or management cannot escape opening up their workforce to higher levels of work stress to achieve high demand needs and goals for their company in retaining the workers. Thus, the main purpose of this paper is to identify among these factors: attitudes, work environment, and organizational commitment that will affect private-sector turnover intention. This survey will be distributed in a few areas of the district of Melaka Tengah such as Tanjong Kling, Bukit Rambai, Ayer Keroh, Cheng, and Batu Berendam. A total of 310 respondents from different businesses and different industries. The Social Science Statistical Package (SPSS) will be used to perform the study's data analysis. Descriptive statistics, analysis of reliability, analysis of regression and correlation of Pearson.' Analyzes have been conducted and the findings will reveal the hypotheses that have negative or positive effects on turnover intention in the private sector.

Keywords: *Turnover Intention, Attitudes, Work Environment, Organizational Commitment, Private Sector,*

ABSTRAK

Pusing ganti pekerjaan telah menjadi isu utama bagi kebanyakan perniagaan dan pengurusan, maka masalah ini masih perlu diberikan perhatian kerana dapat mempengaruhi prestasi syarikat. Walau bagaimanapun, organisasi atau pengurusan tidak dapat melepaskan tenaga kerja mereka ke tahap tekanan kerja yang lebih tinggi untuk mencapai keperluan dan matlamat yang tinggi bagi syarikat mereka dalam mengekalkan pekerja. Oleh itu, tujuan utama kertas ini adalah untuk mengenal pasti antara faktor-faktor ini: sikap, persekitaran kerja, dan komitmen organisasi yang akan menjejaskan niat pusing ganti sektor swasta. Kajian ini akan diedarkan di beberapa kawasan di daerah Melaka Tengah seperti Tanjong Kling, Bukit Rambai, Ayer Keroh, Cheng, dan Batu Berendam. Seramai 310 responden dari perniagaan yang berbeza dan industri yang berbeza. Pakej Statistik Sains Sosial (SPSS) akan digunakan untuk melaksanakan analisis data kajian. Statistik deskriptif, analisis kebolehpercayaan, analisis regresi dan korelasi Pearson. ' Analisis telah dijalankan dan penemuan akan mendedahkan hipotesis yang mempunyai kesan negatif atau positif terhadap niat perolehan dalam sektor swasta.

Kata Kunci: *Niat Pusing Ganti, Sikap, Persekitaran Kerja, Komitmen Organisasi, Sektor Swasta*

TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
	APPROVAL	i
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	ABSTRAK	vi
	TABLE OF CONTENTS	vii
	LIST OF TABLES	xii
	LIST OF FIGURES	xv
	LIST OF APPENDICES	xvi
CHAPTER 1	INTRODUCTION	1
	1.1 Introduction	1
	1.2 Background of Study	2
	1.3 Problem Statement	3
	1.4 Research Objectives	4
	1.5 Research Questions	5
	1.6 Scope of Study	5
	1.7 Significant of Study	6
	1.8 Limitation of Study	6
	1.9 Summary	7

CHAPTER	TITLE	PAGE
CHAPTER 2	LITERATURE REVIEW	8
	2.1 Introduction	8
	2.2 Turnover Intention	9
	2.2.1 Turnover intention in Malaysia	10
	2.3 Work Environment	15
	2.4 Attitudes	16
	2.5 Organizational Commitment	17
	2.6 Generations	22
	2.6.1 Baby Boomers	24
	2.6.2 Generation X	25
	2.6.3 Generation Y (Millennials)	27
	2.7 Private Sector	28
	2.8 Working Age Population in Malaysia	30
	2.9 Proposed Conceptual Research Framework	31
	2.9.1 Research Hypotheses	32
	2.10 Summary	32
CHAPTER 3	RESEARCH METHODOLOGY	33
	3.1 Introduction	33
	3.2 Research Design	34
	3.2.1 Descriptive Research	35
	3.2.2 Explanatory Research	35
	3.3 Methodological Choices	36
	3.3.1 Quantitative Research	36
	3.4 Sources of Data	37
	3.4.1 Primary Data	37
	3.4.2 Secondary Data	38

CHAPTER	TITTLE	PAGE
3.5	Questionnaire Design	38
3.5.1	Pilot Test	40
3.5.2	Reliability	40
3.5.3	Validity	41
3.6	Research Location	42
3.7	Sampling Design	43
3.7.1	Sampling Technique	43
3.7.2	Sampling Size	44
3.8	Data Analysis	45
3.9	Time Horizon	46
3.10	Summary	47
CHAPTER 4	DATA ANALYSIS AND DISCUSSION	48
4.1	Introduction	48
4.2	Descriptive Analysis	49
4.2.1	Background of the Respondents	50
4.2.2	Age	50
4.2.3	Position in Company	52
4.2.4	Length of Service with The Current Organization	53
4.2.5	Employment with Others Company	55
4.2.6	Educational Background	56
4.3	Mean Score Group Indicator	57
4.3.1	Mean Score of Attitudes	57
4.3.2	Mean Score of Work Environment	58

CHAPTER	TITTLE	PAGE
	4.3.3 Mean Score of Organizational Commitment	59
	4.3.4 Mean Score of Turnover Intention	60
4.4	Result of Validity and Reliability Analysis	61
4.5	Pearson Correlation	63
4.6	Relationship between Independent Variable and Dependent Variable	64
	4.6.1 Attitudes	66
	4.6.2 Work Environment	67
	4.6.3 Organizational Commitment	68
4.7	Inferential Analysis	69
	4.7.1 Multiple Regression Analysis	69
4.8	Hypothesis Testing	73
	4.8.1 Hypothesis for Attitudes	73
	4.8.2 Hypothesis for Work Environment	73
	4.8.3 Hypothesis for Organizational Commitment	74
4.9	Summary	74

CHAPTER	TITTLE	PAGE
CHAPTER 5	CONCLUSION AND RECOMMENDATION	77
5.1	Introduction	75
5.2	Summary of Descriptive Analysis	76
5.3	Discussion of Major Findings	77
5.3.1	Relationship between Attitudes and Turnover Intention in Private Sectors	78
5.3.2	Relationship between Work Environment and Turnover Intention in Private Sectors	82
5.3.3	Relationship between Organizational Commitment and Turnover Intention in Private Sectors	84
5.4	Implication of The Study	85
5.4.1	Managerial & Human Resources Implications	86
5.5	Limitation of Research	88
5.6	Recommendation for Future Research	89
5.7	Summary	91
	REFERENCES	92
	APPENDIX	98

LIST OF TABLES

NO	TABLE	TITLE	PAGE
1	2.1	Turnover Intentions Based on Previous Studies Perspective and Definitions	11
2	2.2	Factors Towards Turnover Intention	18
3	2.3	Conceptual Splitting of Private and Public Sectors	29
4	3.1	7-points Likert Scale of Questionnaires	39
5	3.2	Sample Size for Known Population	44
6	4.1	Statistic of Respondent by Age	50
7	4.2	Position in Company	52
8	4.3	Length of Service with The Current Organization	53
9	4.4	Employment with Others Company	55
10	4.5	Educational Background	56
11	4.6	Mean Score of Attitudes	57
12	4.7	Mean Score of Work Environment	58
13	4.8	Mean Score of Organizational Commitment	59
14	4.9	Mean Score of Turnover Intention	60
15	4.10	Standard for Cronbach's Alpha	61
16	4.11	Reliability Scale of Variables	62
17	4.12	Reliability Scale of Every Variable	62
18	4.13	Pearson Correlation Coefficient	64
19	4.14	Correlation between Attitudes, Work Environment, Organizational Commitment and Turnover Intention	65
20	4.15	Correlations Result for Attitudes	66

CHAPTERS		TITTLE	PAGE
21	4.16	Correlations Result for Work Environment	67
22	4.17	Correlations Result for Work Environment	68
23	4.18	Model Summary of Multiple Regression Analysis	69
24	4.19	Table ANOVA	70
25	4.20	The Coefficient	71
26	4.21	Summary of Research Objectives, Research Questions, Hypothesis and Results	76
27	5.1	Summary of the Result of Hypothesis Testing	80

LIST OF FIGURES

NO	FIGURE	TITLE	PAGE
1	2.1	Framework for Workplace Generations	23
2	2.3	Working Age Population in Malaysia	30
3	2.4	Conceptual Framework (Factors Affects to Turnover Intention)	31
4	3.1	Melaka Industrial Estate Location	42
5	4.1	Pie Chart of Age	51
6	4.2	Pie Chart of Position in Company	52
7	4.3	Pie Chart of Length of Service with The Current Organization	54
8	4.4	Pie Chart of Employment with Others Company	55
9	4.5	Pie Chart of Educational Background	56
10	4.6	Research Framework and Regression Coefficient Summary	75

LIST OF APPENDIXES

NO	APPENDIX	TITLE	PAGE
1	A	Grant Chart PSM 1 & PSM 2	98
2	B	Questionnaire English	99
3	C	Questionnaire Bahasa Melayu	104
4	D	Permission Letter to Collect Data	108

CHAPTER 1

INTRODUCTION

1.1 Introduction

This research goal is to determine the turnover factors that affect private sectors. It shows the role of factors influences the intention of workers in their work in the private sector. Previously, this study explains the factors that affect Melaka, Malaysia's private sector. The study also consists of the research goals and research questions from this chapter, the scope of the study, and finally the meaning of the study.

1.2 Background of Study

Rising of turnover issues among workers become a part of serious issues this day especially in Malaysia that affected by several factors. General factors of these issues caused by the salary (Arocas and Camps, 2008), according to Song (2016) they pointed out the factors of high turnover intention came from stress, job satisfaction, leadership support and more. Song (2016) also noticed because of the contemporary business issues the directors and company CEO had to understand that they required to have loyal workers in the company to overcome the problem of the business expenses in recruiting and sharpen their skills.

Private sector industry indicator that they must increase their profits and reduce their expenses on finding new talent. The demand for high skill and medium skill became critical due to the new generation especially university graduates always searching for the better prospect that causes the operation to be ruined. The company would be nothing without its workers because workers are the ones who very important behind the success of the company to deliver the objectives and goals of the organization. One of the critical challenges the organization required to face the most problem is the employee turnover and must get replaced with the new workers.

Based on the National Transformation Plan Report 2017, skills workers only attained 27.2% In addition, income inequality has reduced, as indicated by the Gini Coefficient. In 2016, Malaysia's Gini Coefficient declined to 0.399 percent, marking a significant decrease from 0.441 percent in the years 2009. This means the new generation turn over intention affected by household income stress. They need to find a new solution for income inequality also to search for a more stable income for the future. This study focusing more on these three factors that affect turnover intention which are Work Environment, Attitudes and Organizational Commitment in the private sector at Melaka.

1.3 Problem Statement

According to (Alias, Rohmanan, Ismail, & Koe, 2018) workers issues of turnover has become major issues to the common company. Meanwhile, (Alias et al., 2018) also said these issues still need particular attention since it can give some effect to the company's organizational performance. Through the various problems the worker itself, the organization and the industry has also contributed to a very high rate of turnover intention. There are several factors that can contribute to this problem, especially salaries, attitudes, and job atmosphere factors. According to (Paper et al., 2016) refers to Randstad World of Work Report (2013/2014), as cited by Malaysian Insiders (2014) to advance Malaysians career in work but the issues to leave the company are not only make a choice to change their job by statistic analyze (55%) for not competitive salary, (35%) lack of attention at the workplace and (21%) lack of trustworthy in senior leaders.

According to (Bencsik et al., 2011) through the generation of every generation such as baby boomers, Generation X, and Generation Y, these three factors which is a work environment, attitudes and organizational commitment that be factors that be the reasons of by generation problems at the workplace. (Bencsik et al., 2011) also added generation Y especially that keep changing the workplace within a year to another year. They not consistent with one company also contribute to this problem. Moreover, the old generations like baby boomers and generation X they more loyal to the company and stay longer in one company that also will be affected to the new generation there no chance for them to get a job. (Luna-Arocas & Camps, 2008) mentioned because of their effects on a primary result variable, turnover, organizational HR systems have endured the increased attention of late. Workers retention has become the organizational HR systems that have accepted the increased late attention for their effects on a significant variable outcome, turnover. In addition, the retention of workers has become the advanced difficulty of many departments of human resources.

According to (Salleh, & Nair, 2014) the huge worker turnover rate is a critical issue due to several understandings from the view of human resource management. Basically, being its monetary importance. The process of recruiting, selecting, and training new workers is necessary when workers leave their organizations. (Nair et al., 2014) also cited that when an important worker leaves, an organizational aspect known as brain drain occurs and jeopardizes all efforts towards attaining organizational objectives. It is divined that organizations that not success to overcome their workers turnover rate are assumed to lose their competitiveness in the future for the company.

1.4 Research Objective

To fulfill my research, this study needs to search the issues or problem that related to the factors of turnover that affect private sectors in Melaka. Below are the objectives of this research which is to:

- 1) To identify the critical factors of the attitudes, work environment and organizational commitment that fit turnover intention in private sectors.
- 2) To determine which factors has greater influence on employee's turnover intention
- 3) To propose suggestion for the awareness of turnover intention among generation in private sectors.

1.5 Research Questions

In importance to succeed the objectives, this thesis of the factors of turnover that affect private sectors will try to answer the following research questions:

- 1) What are the critical factors of the attitudes, work environment and organizational commitment that fit turnover intention in private sectors?
- 2) Which factors has greater influence on employee's turnover intention?
- 3) What is the suggestion for the awareness of turnover intention among generation in private sector?

1.6 Scope of Study

In this study, it will be conducted in private sectors in many industries at Melaka as this research respondent need. For this study will analyze the respondent from many industries of private sectors in Melaka in their workplaces. Melaka also got a lot of problems with the turnover of private sectors especially SME companies. Various perspectives and perceptions of workers and employees.

So, it is can give the influence of the factors employee's turnover in private sectors in Melaka. The population of this study respondents will be the various industry of the business in private sectors in Melaka which will be provided with a questionnaire to the industries. The factors that are covered in this study are referred on the journals and articles that are related to the factors of turnover in private sectors.

1.7 Significant of Study

In track to lead the aim of this study successfully, from the study the factors of turnover in private sectors in Melaka will get the knowledge and finding through research approach to the factors that affect turnover in private sectors in Melaka. Besides that, the research closes the gap in the literature by adding knowledge related to the link between each of factors that affects turnover intention at private sectors in Melaka. Lastly, this study will also show how each significant factor that might be the most affected to the turnover intention in private sectors at Melaka. This study also can help to reduce the rate of high turnover intention among generations such as generations Baby Boomers, generations X and generations Y. Besides that, it also got benefit for both party or more like to win-win situation for workers and company or the organization itself. Especially for the private industry and for workers. It also can help organization to improve their management for their next goals in their business target. So, it's can help an organization of the company to overcome this problem.

1.8 Limitation of Study

Regularly, in doing a research for any scope of study, researcher will have faced with some challenges, problems, lack or limitation to complete and finishes the project. Here the most critical part of limitation that researcher need to look in this study.

❖ Times limits / Period constraint

This research is being conducted or being held in a short time period where it makes the researcher hurry to collect primary and secondary data. The time of the researcher also compacts with other responsibilities as a full-time student. Other than that, the time given to collecting and analyzing data is limit specially to complete the research report.

1.9 Summary

This section summarizes the study outline. The background to the study focused on Malaysia and Melaka's rate turnover information as a simple review of Melaka's private sector turnover intention factors. This study was then followed by a classification of the research issues to be reviewed, the research objective and question, the scope of the study, and the study's significance. This study will be explained, discussed and developed in Chapter Two by the following.