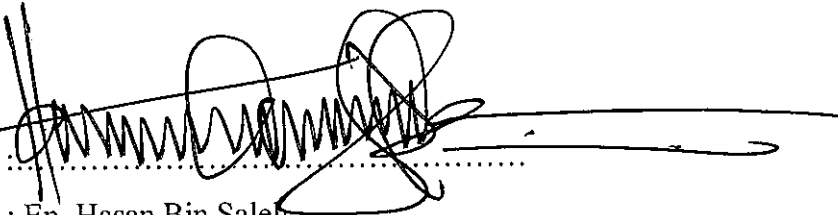
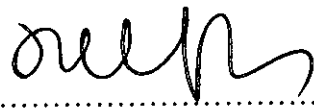


## APPROVAL

I, hereby declare that I have read this project paper. The project paper is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward of Degree Bachelor of Technopreneurship (Hons).

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Date : 14/1/2020

THE EFFECT OF ORGANISATIONAL OF WORK STRESS, EMPLOYEE  
PERFORMANCE, TURNOVER AND ABSENTEEISM IN ELECTRICAL AND  
ELECTRONIC MANUFACTURING SECTOR

SUBMITTED BY:

NUR SYUHADA BINTI SHAHIDAN

THIS REPORT IS SUBMITTED TO  
FACULTY OF TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP  
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FACULTY OF TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP  
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UNIVERSITI TEKNIKAL MALAYSIA MELAKA

DECEMBER 2019

**DECLARATION**

“I hereby declare that the work of this exercise is mine except for the quotations and summarize that have been duly acknowledge”

Signature :  .....

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Date : 14/1/2020 .....

## DEDICATION

I would like to dedicate the appreciation for my beloved parent, Shahidan Bin Saad and Rohaya Binti Abd Latiff who are strongly give moral support and motivation in order to complete this research study. Next, I would like to thank my supervisor En. Hasan Bin Saleh, for the valuable knowledge.

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Next, a special thanks goes to my beloved parents for their love and support throughout my life. Thank you both for giving me strength to reach for the stars and chase my dreams. My siblings, family, and also to all of my friends deserve my wholehearted thanks as well that always support me in whatever I do. Thank you.

## ABSTRACT

Stress has become important part in every sector, stress also can give positive and negative impact to employee and organisation. The purpose of this study is to identify effect of organizational work stress, employee performance, turnover and absenteeism in electronic and electrical manufacturing sector. This study will focus on impact of stress on the employee performance in an organisation through high absenteeism and high turnover. The respondent of this study for the lower level employee of electrical and electronic manufacturing sector. Nowadays, the employee of manufacturing sector is demanding of long working hours that can make employee feels burden with their works that can causes work stress, high turnover and high absenteeism that can give impact to their performance and organisation in the future. The success of any organisation depends on its performance.

Keyword : Work Stress, Employee Performance, Turnover and Absenteeism

## ABSTRAK

Tekanan menjadi bahagian penting dalam setiap sektor, tekanan juga boleh memberi kesan positif dan negatif kepada pekerja dan organisasi. Tujuan kajian ini adalah mengenalpasti kesan tegasan kerja organisasi, prestasi pekerja, (kadar) pusing ganti pekerja dan ketidakhadiran dalam sektor perkilangan elektronik dan elektrik. Kajian ini akan menumpukan kepada kesan tekanan terhadap prestasi pekerja dalam organisasi melalui ketidakhadiran yang tinggi dan (kadar) pusing ganti pekerja yang tinggi. Responden kajian ini untuk pekerja peringkat rendah di sektor perkilangan elektronik dan elektrik. Kini, pekerja sektor perkilangan menuntut masa kerja yang panjang yang boleh membuat pekerja merasa beban dengan kerja mereka yang boleh menyebabkan tekanan kerja, (kadar) pusing ganti pekerja yang tinggi dan ketidakhadiran yang tinggi yang boleh memberi kesan kepada prestasi dan organisasi mereka pada masa akan datang. Kejayaan mana-mana organisasi bergantung pada prestasinya.

Kata Kunci : Tekanan Kerja, Prestasi Pekerja, Perolehan dan Ketidakhadiran

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## CHAPTER 1

### INTRODUCTION

#### 1.1 INTRODUCTION

This chapter describe briefly about the title, background of the study, problem statement, and research objective and research question. Topic of this study about effect of organizational work stress, employee performance, turnover and absenteeism in electronic and electrical manufacturing sector. Nowadays, the stress has become a huge issue in part of every sector. In an organization today, the organization concern about the employees stress. Moreover, stress can give positive and negative impact to employee and an organisation. Sometimes, stress is not always negative, it might likewise draw out the best people at times (Prachi Juneja, 2019). This study focusses to determine the relationship between work stress and effect to organizational. Other than that, this study need to discover the few factors that cause the failure of the employee performance. This study will focus on impact of stress the employee performance in an organisation through high absenteeism and high turnover.

## 1.2 BACKGROUND OF STUDY

The past studies have indicated that work stress significantly affected on the organizational. It is essential to deal with the causes of work stress in the working environment, it is can lead an issue to an organization because of the failure of the employee performance. The work stress also can interfere with productivity and performance that can cause the employee to absenteeism and turnover. Moreover, constant stress can also impact one's physical and emotional health to employee (Reema Shah, 2017). This is very important to highlight as performance in an organizational may even determine the increasing or decreasing of employee performance.

Nowadays, work places in manufacturing sector are very demanding with long working hours and deadlines to meet causes work stress, high absenteeism and high turnover among employees. As mentioned by (Grace, 2018) employee absenteeism can be difficult to address once it is become a habit or accepted behaviour by the employee. Stress is the number one cause of long-term absence (Viola Lloyd, 2011). Thus, it is likewise expressed that stress influences a representative's psychological and physical wellbeing that causes organizational results, for example, turnover.

## 1.3 PROBLEM STATEMENT

This study is about work stress, employee performance, turnover and absenteeism has a profound impact to organizational. The work stress can give positive and negative impact to employee performance and can give effect to organizational. The extraordinary work stress makes a worker feel do not esteemed and offer effect to their performance to decline. This is implies employees cannot be showing good sense and get lazy to work that can cause absenteeism.

In addition, it is expected to look at the relationship between work stress and effect to the organizational additionally to discover the primary factor that cause the disappointment of employee performance. The most important is to know the impact of stress on the employee performance in an organisation through high absenteeism and high turnover. This study is important because if the problem is not resolved it may cause problems to the organisation and employees in the future.

#### **1.4 RESEARCH QUESTION**

This study will attempt to discover the appropriate response of this following question:

- i. What are the relationship between work stress and effect to organizational?
- ii. What are the factor that cause the failure of employee performance?
- iii. What are the impact of stress on the employee performance in an organisation through high absenteeism and high turnover?

#### **1.5 RESEARCH OBJECTIVE**

- i. To determine the relationship between the work stress and effect to organizational
- ii. To investigate the factor that cause the failure of employee performance
- iii. To identify impact of stress on the employee performance in an organisation through high absenteeism and high turnover

## **1.6 SCOPE AND LIMITATION OF STUDY**

The extent of this study is to concentrate on the work stress, employee performance, turnover and absenteeism that effected to organizational in electrical and electronic manufacturing. This study will focus on work stress and employee performance through high absenteeism and high turnover in an organizational. Electrical and electronic are one of important industrial sector in Malaysia. Target focus of this study will be conducted in electrical and electronic manufacturing at Ayer Keroh, Melaka. For this study, surveys will turn into the system to gather the information. The survey will likewise be given to the representative in electrical and electronic manufacturing assembling.

## **1.7 SIGNIFICANCE OF STUDY**

The significance of this study is to determine the relationship between work stress and effect to organizational. Besides, this study also will investigate the factor that cause the failure of employee performance. Other than that, this study will identify impact of stress on the employee performance in an organisation through high absenteeism and high turnover. The result of this study will benefit to the organizational, manufacturers, employees, and the future researchers. This study is important because it will provide fact about the impact of stress on employee performance through high absenteeism and high turnover in electrical and electronic manufacturing sector, including the factor that cause the failure of employee performance, their department and gender.



This study will fill in as the reason for eventual fate of activity by electrical and electronic manufacturer and representatives to oversee stress so as not influence the productivity, performance and organizational. Among the individual who will legitimately and in a roundabout way included are producer, workers, potential representatives and the future research. This study additionally can assist representatives with managing the stress and be utilized as groundwork for potential workers to confront some distressing at working environment and restrict the non-appearance and turnover in an organizational.

## **1.8 SUMMARY**

Conclusion, this section spread all of parts of an introduction part of this study. This part additionally states clearly the background of study, problem statement, objective and the significance of this study all about.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

The motivation driving this part is discuss about a general outline if effect of organizational work stress, employee performance, turnover and absenteeism in electrical and electronic manufacturing sector. Then, to states that the factor that effect of organizational with the theoretical framework of the study. Effect of organizational focusses on four factors which is work stress, employee performance, turnover and absenteeism. This factor importance to organization.

## **2.2 ELECTRICAL AND ELECTRONIC MANUFACTURING**

Manufacturing operations is one of the prime key elements of any business. Regardless of whether producing tasks accomplishes its key potential and adds to the aggressive situation of a business depends completely on how it is overseen (Kasul and Motwani,1995). Producer must be adaptable, versatile, responsive and creative. (Sohal et al,1999). Malaysia is a significant major electronics maker and exporter. The electrical and electronics (E&E) industry is the main part in Malaysia's assembling division, contributing to the nation's assembling yield (26.94 percent) trades (48.7 percent) and employment (32.5 percent). The significant import goals are USA, China and Singapore while the significant import goals are Taiwan, USA and South Korea, (Malaysian Investment Development Authority, 2019).

Malaysia Electronic and Electrical industry has created huge abilities and aptitudes for the assembling of a wide scope of semiconductor devices including photovoltaic cells and modules, high quality consumer electronics, and information and communication technology (ICT) items. Also, the Electronic and Electrical industry in Malaysia can be sorted into four sub-parts which is consumer electronics, electronic components, and industrial electronic and electrical items. (Malaysian Investment Development Authority, 2019)

## **2.3 THE EFFECT OF ORGANIZATIONAL**

### **2.3.1 WORK STRESS**

The idea of stress is constantly joined by a few ideas, for example, performance, motivation and just as the worker prosperity when alluding to an organization. Stressful environment will seriously influence and harm an employee's psychological and physical wellbeing. A few people will oversee or adversely respond. Other than that, stress has a beneficial outcome for workers for all the time when they broaden their point of confinement Harshana, (2018). Stress is related with weakened individual working in the work environment. Negative impact incorporates diminished proficiency, diminished ability to perform hosed activity and decreased enthusiasm for working, expanded unbending nature of thought, an absence of worry for the association and partners, and lost duty. Other than that, stress has related with significant word related results of occupation fulfilment, organisational commitment and employee withdrawal conduct. According to Yan et al, (2014) expanding work stress triggers representative negative behaviour. For all intents and purposes, interpersonal conflict, absenteeism, turnover and extraordinary conduct like counter have gotten progressively across the board in the work environment. Stress in the working environment has become general worry to all organization.

### **2.3.1.1 WORKLOAD**

A few viewpoints working life have been connected to stress. Parts of the work itself can be stressful, to be specific remaining workload Kerry and James, (2002). As indicated by Collins English Dictionary, Complete and Unbridged (2012) outstanding task at hand can be characterized as the measure of work that should be possible, especially in a specified period by an individual and machine. Other than that, workload also called as the work place bullying, or mobbing where the rehashed practices that happen over a period which disturb, offend, socially prohibit or adversely influence crafted by a worker.

Stress is a vague reaction of the body to an interest. In the event that a worker gets a remaining task at hand than they can deal with, they will get stress. Be that as it may, the degree of stress is varying from worker to worker. In the event that the stress is proceeding for a more extended time it will prompt physical, mental and social issues, Selye (2006). Moreover, workload also can lead employee to depression if they cannot settle their work on the period given.

Supported by Mead (2001) workload is the primary wellspring of employees' work related stress. At the point when the creation rate high and work load is there is a negative relationship to the employee's exhibition. At the point when the exhibition low, he/she trend to get stress. Moreover, Gillespie et al. (2001), lack of resources leads to the decrease in staff numbers, and in this manner no longer sufficient staff to play out the work required. This causes more pressure on the few of workers and makes unendurable remaining workload for workers and accordingly thus work related stress increment. When employee have a many work to do at the same time, employee will be more pressure to finished work quickly and on time. It might be, the performance of the worker can be decrease effect of workload.

### **2.3.1.2 MOTIVATION**

According to Md. Nurun Nabi et al (2017), motivation is a mix of factors that work inside every person and requires a blend of approaches. Other than that, motivation can be alluded as mix of thought motive and action. Employee motivation assumes an essential job in the administration field, it is to guarantee job commitment at the working environment, which must be accomplished through motivation. Motivation is tied in with giving employees the correct blend of direction, resources and rewards so the workers are enlivened and quick to work in the manner that association need them to. Ritika Srivasta (2016), said that motivated employee is an advantage which conveys enormous incentive to the association in keeping up and fortifying its business

and income development. Moreover, support by Ritika Srivastava (2016), said that motivation involves and significant procedure. This procedure can be utilized productively for encouraging workers to make positive commitment for accomplishing organizational targets. Workers needs motivation to improve execution.

According to Barber and Bertz (2000), reward the administrators structure makes the association attract, capture, retain and motivate employees with significant level of execution reward the executives framework contains both outward and inherent prizes, where previous incorporates cash related prizes, for instance, pay, reward, etc and for the non-budgetary rewards like acknowledgement, security, title and advancement. Motivation forces employee performance for instance execution and benefit (Grant, 2008). Employee performance is huge for relationship as each worry requires physical, cash related and human resource to accomplish the goals.

### **2.3.2 EMPLOYEE PERFORMANCE**

There is no broad, general theory about worker's exhibition. Employee performance shows the cash related or non-monetary outcome of the employee that has a prompt connection with the performance of the organisation and its success (Anitha J., 2014). According to Pradhan et al, (2017) performance is a multicomponent concept and on the essential level one can recognize the procedure part of performance. Fundamentally, utilizing individuals who have an assortment of abilities is a benefit of firm. It has been seen that employees with high proactivity step up, express their perspectives, counteract future issues in their activity surroundings, improve their methods for performing work and decidedly impact their peers (Anastasios and Prodromos, 2008).

Employee performance can be seen as a movement where an individual can achieve the undertaking allocated to him/her effectively. According to Prachi Juneja

(2015), employee performance is adversely related to their work performance, more the degree of stress it will bring down the performance. Employee that confronting stress focus more on the sentiments and feelings instead of on the current work and thus their work performance endures. Other than that, employees under pressure lose their innovativeness and creativity as a result of their reasoning capacity is limited. Besides, employee performance is reliant on factors, for example, work complication, the abilities and aptitude of the worker in playing out an undertaking, individual attributes of representatives included. Organizations which encourage a transparent correspondence build up a situation in which employees are more averse to be worried, empowering the employees to best use their abilities, and skills and stimulating the employees work performance.

### **2.3.2.1 PROACTIVITY**

According to Martin (2016), proactivity at work includes improving or upgrading organization and operational viability by adjusting a self-beginning frame of mind and following up on it, with the dedication of affecting and accomplishing changes. Proactive individuals are the individuals who completely perceive that, to accomplish individual, operational or organization viability. Other than that, proactive character catches individual normal statement toward advancing helpful changes (Grant and Ashford, 2008) and is an antecedent to individual's innovativeness (Fuller and Marler, 2009).

Employee proactivity has three key properties which is change oriented, self-starting, and future focussed (Parker et al, 2010). Also, proactive employee anticipate future results and take actions to accumulate resources for affecting helpful changes (Gong et al, 2012). According to Parker et al (2010), model of proactive motivation recommended, individual's proactive goal guideline is impacted by "can do" and "motivation to" persuasive states. Proactive character will be all the more firmly

connected with felt obligation regarding change when individuals' abilities match job demands, and individuals need to apply proactivity.

### **2.3.2.2 COMMITMENT**

According to Hunjra (2010), commitment employees who are exceptionally energetic to contribute their time and vitality to the pursuit of organizational goals are progressively recognized to be the essential resource accessible to an association. Additionally, employees who share a commitment to the organizations and their aggregate prosperity are increasingly appropriate to create the social capital that encourages organizational learning. Important of for organization to know the angles that assume significant job or have huge effect in boosting the responsibility of their workers. Employee commitment as just employees' attitude to organization. This meaning of employee commitment is wide as in workers' mentality includes different segment by Zheng, (2010). According to Peace and Mohammed Ali (2014), employee commitment seems to be a vital factor in making organizational progress. Individuals with low degrees of duty will do just enough work by. They do not place their hearts into the work and crucial the association, and they appear to be more worried about close to home accomplishment than with the achievement of the association. Also, employees with high duty to an organization consider themselves to be a vital part of the organization.