The Influence of Job Satisfaction on Employee Turnover Intention in the Manufacturing Industry of Malaysia

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Abstract
The main objective of this research is to study the influence of job satisfaction on employee turnover intention in the manufacturing industry of Malaysia. The research objectives are divided into two which includes to examine the relationship between the factors of job satisfaction and employee turnover intention, which factor of job satisfaction contribute most to employee turnover intention. Basically, this research is an inferential research design, descriptive research design and correlation research design. The respondents are those in the management level that works in the manufacturing industry in. The collected data was analysed by adopting mean scores, Pearson’s r correlation coefficient and multiple regression analysis. The findings showed that there is a negative relationship between career development, supervision and employee turnover intention. The results also indicated that the overall level of job satisfaction is high and career development is the factor that contributes most to employee turnover intention.

Key words: job satisfaction; employee turnover intention; nature of work; career development; supervision; salary

Introduction
According to Willis Towers Watson (2015), a research that done by Global Workforce Study, Talent Management and Rewards Study from global professional services firm, Towers Watson shows that the retention rate has declined. Most of the employees are saying they are likely to leave the company within two years; now 36% compare to 29% in years 2012 (Willis Towers Watson, 2015).

In Malaysia, the employee turnover rate increased from 1.1% to 13.2% in 2014 and increased to 14.3% in 2015 which manufacturing business group was suffered from a high staff turnover (Mystarjob, 2015). A high turnover rate can influence the productivity and increase cost of a company (Butali, Mamuli & Wesang’ula, 2014). According to the Manufacturers Alliance for Productivity and Innovation (MAPI) Foundation, Malaysia’s manufacturing industrial productivity fell at 1.0% annual rate in the year of 2015 after 3.5% growth in the year of 2014 (Material Handling & Logistics, 2015).

Encouraging employees to continue stay in the company for a long period can be named as employee retention and it is a process in which the employees are stimulated to remain with the company for the maximum period of time or till the end of a particular task (Das & Baruah, 2013). Hence, job satisfaction is a key driver of employee retention.

According to Parul and Havisha (2015), job satisfaction is the most studied field of organizational behavior. Most of the companies will measure employee satisfaction annually by using survey in order to reduce employee turnover rate is most important for companies (Parul & Havisha, 2015). Moreover, to retain an ideal staff requires lots of efforts, time and resources of a company and if the resources is lost, it will hinders company success (Parul & Havisha, 2015). As a result, each of a company has to “treat their employees as ends and not means to ends” due to they help the company to add value (Parul & Havisha, 2015).

Research Objectives
i. To examine the relationship between job satisfaction (i.e., nature of work, career development, salary and supervision) and employee turnover intention in the manufacturing industry of Malaysia.

ii. To determine which factor of job satisfaction that contribute most to employee turnover intention in the manufacturing industry of Malaysia.
Literature Review

Job Satisfaction: According to Locke (1976), the most used definition of job satisfaction for the purpose of research is described as a pleasurable or positive emotional state causing from the evaluation of individual’s work or working experiences. A job is more than writing a report, dealing with customers and key in the data. A job involves interacting with employees and superiors, following company policies and rules, assembly performance norms, living with less than ultimate working environments and others (Robbins & Judge, 2012). From the view of Locke (1976), job satisfaction involves employee’s opinion and assessment of the job and opinion is affected by the employee’s exclusive situations such as values, requirements and anticipations. When employees have high levels of job satisfaction during working, a pleasant emotional state (Bartolo & Furlonger, 1999) and optimistic response to the company (Feinstein & Vondresek 2002; Oshagbemi, 2000) can be generated. Fitzenz (1990) acknowledged that there are a lot of factors which will influence whether the employees will retain in an organization. Those factors include salary, supervision, career development and nature of work.

Salary is one of the major concern to both employers and employees. For employees, salary is of obvious importance in terms of satisfying their economic needs (Hassan, 2014). It is essential that they are satisfied with their overall salary as this may influence their attitudes and behaviours. Scholars note that one of the most important variables determining retention is monetary compensation (Motshegwa, 2010). Secondly, employee job satisfaction have positively affected by supervisors’ support and acknowledgement of employees (Yang, Brown & Moon, 2011). The supervisors are representative for the company, if they are supportive and caring, employees recognise the company as the same (Yang, Brown & Moon, 2011). Thirdly, according to Pergamit and Veum (1999), they initiate a positive association among career development and job satisfaction which helps to retain employees. Internal career development of employees is usually the best forecaster of an employee's operative commitment (Pergamit & Veum, 1999). When the company wants to retain professionals, they might need to think through in offering their future employment in the company as a consequence of their greater mobility (Hassan, 2014). Lastly, nature of work can be defined as the actual content of the job or work characteristics no matter whether these characteristics or the content of that work is positive or negative (Benrazavi & Silong, 2013). The effects of a job upon the employees are also reflected as contents of a job whether these effects are categorised as interesting or uninteresting, various or consistent, innovative or degrading, easy or tough, challenging or non-challenging (Benrazavi & Silong, 2013). It was recommended that if the company offers technical professionals the opportunity to involve in challenging and exciting jobs, they will be more involved and gratified in their companies, more dedicated to their companies, and finally, less possible to leave (Igbaria, 1991; Igbaria and Guimaraes, 1992; Igbaria, Meredith & Smith, 1994; Tutuncu and Kozak, 2007).

Employee Turnover Intention: Turnover intention is a person’s behavioural intention to resign. According to Tett and Meyer (1993), the turnover intention refers to the “conscious and deliberate mindfulness of the employees to leave the company”. Vandenberg and Nelson (1999) defined intention to resign as the personal own predictable possibility (subjective) that they are perpetually leaving their company at some point in the near future. The employee turnover intention is measured by Likert scale in questionnaire.

Previous Studies on The Relationship between Job Satisfaction and Employee Turnover Intention

In the research that done by Jhajharia and Gupta (2015), it express employees foster an environment and communication among co-workers and supervision where diverse individuals can work together effectively and that they focus on providing excellent customer service. Employees also come to an agreement to the point that they have received all the training they need to effectively
accomplish their job, the most along with that their appraisal helps them to plan future and they are provided with all the tools and equipment to do their job.

According to Shah and Jumani (2015), there was a strong relationship between job satisfaction and salary with employee turnover intention. However, it was found that career development, nature of work and supervision showed moderate relationship with turnover intention among the teachers. Respondents are more concerned about other factors of job satisfaction with higher yields gradually, rather than being downgraded.

The results show that job satisfaction has positive relationship with employee turnover intention which may refers to high levels of job satisfaction often results in enhanced employee turnover intention (Terera & Ngirande, 2014). The results from this study show that rewards and job satisfaction are main factors in retentive staffs. As a result, it is very important for management to develop a retaining policy that addresses employee compensation and job satisfaction as most important factors.

The statistical results obtained in this study which was done by Mahdi, Zin, Nor, Sakat and Naim, (2012) showed that both practises of job satisfaction (intrinsic and extrinsic satisfaction) have inverse relationship on employees turnover intentions. However it is found that in this research, the intrinsic satisfaction (nature of work) has significantly inverse correlated with employee turnover intention as related to the extrinsic satisfaction (working condition, supervision and co-worker). Since extrinsic satisfaction founded to have less effect with negative relationship on employee turnover intention, which refer the intrinsic value were gratified, the turnover rate among the employees will be low compare if only extrinsic standards that focused by the management to be satisfied.

The results of analysis using a structural equation model showed that job satisfaction with supervisors significantly affected employee turnover intention (Yamazakia & Petchdee, 2015). Based on these findings, the study determined that the specific job satisfaction aspect of supervision inclines to be a direct determining factor of employee turnover intention, the outcomes section, satisifactions with supervision negatively affected intention to quit in company, while the two satisfaction aspects of personal development and human resource policy were insignificantly related to employee turnover intention (Yamazakia & Petchdee, 2015).

There is a significant negative relationship between overall job satisfaction and employee turnover intention (Ali, 2000). Besides this, all aspects of job satisfaction were found to be significantly related with employee turnover intention. The highest correlation with employee turnover intention were of salary, career development, benefits and rewards. The moderate correlation with employee turnover intention were working conditions, co-workers, nature of work and communication.

Hypotheses

Based on the above discussion on the previous studies, four research hypotheses are developed. The hypotheses are as below:

H1a: There is a relationship between nature of work and employee turnover intention in the manufacturing industry of Malaysia.
H2a: There is a relationship between career development and employee turnover intention in the manufacturing industry of Malaysia.
H3a: There is a relationship between supervision and employee turnover intention in the manufacturing industry of Malaysia.
H4a: There is a relationship between salary and employee turnover intention in the manufacturing industry of Malaysia.
Research Framework

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intrinsic Job Satisfaction</strong></td>
<td><strong>Employee Turnover Intention</strong></td>
</tr>
<tr>
<td>- Nature of work</td>
<td></td>
</tr>
<tr>
<td>- Career development</td>
<td></td>
</tr>
<tr>
<td><strong>Extrinsic Job Satisfaction</strong></td>
<td></td>
</tr>
<tr>
<td>- Supervision</td>
<td></td>
</tr>
<tr>
<td>- Salary</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2.1: Conceptual framework

Figure 2.1 shows the conceptual framework of this research. The conceptual framework consists of two sections which are independent and dependent variable. Independent variable includes job satisfaction which divide into intrinsic and extrinsic job satisfaction. The factors of intrinsic job satisfaction are nature of work and career development, while factors of extrinsic job satisfaction are supervision and salary. Moreover, dependent variable is employee turnover intention that used to measure employees’ behavioural intention to resign.

Research Methodology

Research Design

This research adopt inferential statistics to determine whether an expected pattern entitled by the theory and hypotheses is actually found in the observations (Felix, 2015). To decide which hypothesis is adopt, this research might survey the white collars in manufacturing industry in Malaysia. Then, this research also adopt descriptive statistics. Descriptive statistics help to simplify large amounts of data in a sensible way (Jaggi, 2003). Each descriptive statistic reduces lots of data into a simpler summary (Jaggi, 2003). There are two basic methods which are numerical and graphical. Graphical methods are better suited than numerical methods for identifying patterns in the data because numerical approaches are more precise and objective (Jaggi, 2003). In the correlational research technique, the study inspects the relationship between the two variables which are job satisfaction and employee turnover intention of the study group.

Quantitative research is generally use to explain the phenomena by collecting numerical data and analysing the data by using statistics and mathematically methods (Aliaga & Gunderson, 2000). This study aim is to examine the relationship between independent variable (job satisfaction) and dependent variables (employee retention), hence correlation research design is the most suitable for this research. Questionnaire design is a key component in quantitative research design and survey questionnaires should be concise and unambiguous (Hair, Money, Samouel & Page, 2007).

Research Respondents

The sampling technique for this research is decide by the nature and aim of this research which were assess. As this research targets at manufacturing industry among white collars in Malaysia, the non-probability sampling technique was use to gather the data for the research. Convenience samples are occasionally considered as “accidental samples” due to components may be selected in
the sample simply as they just happen to be situated, spatially or administratively, near to where the researcher is conducting the data collection (Saumure & Given, 2008). Williams (2007) recommended that a sample of 50 is sufficient to run the regression analysis. Therefore, the sample size for this research is decide at around 100 samples.

Research Instrument

The questionnaire consists of three section, section A is personal information, section B evaluates the employees’ level of satisfaction in their current position within their own company, while section C contains questions on the respondents’ desire to remain the relationship with their own companies. In terms of the measurement items, all the items adopted from the previous study. The job satisfaction items divide into four which are nature of work, career development, supervision and salary.

Likert-type scales is use in this research which consists of five response alternatives: 1 = Not at all or Strongly agree, 2 = Little extent or Agree, 3 = Moderate extent or Not sure, 4 = Great extent or Disagree, and 5 = Very great extent or Strongly disagree.

Table 1: Classification of questionnaire’s questions

<table>
<thead>
<tr>
<th>Questions</th>
<th>Variables</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q5-Q8</td>
<td>Intrinsic job satisfaction</td>
<td>Watson, Thompmon &amp; Meade (2007)</td>
</tr>
<tr>
<td>Q9-Q12</td>
<td>Nature of work</td>
<td>Watson, Thompmon &amp; Meade (2007)</td>
</tr>
<tr>
<td></td>
<td>Career development</td>
<td>Watson, Thompmon &amp; Meade (2007)</td>
</tr>
<tr>
<td>Q13-Q16</td>
<td>Extrinsic job satisfaction</td>
<td>Ellickson &amp; Logsdon (2001)</td>
</tr>
<tr>
<td>Q17-Q20</td>
<td>Supervision</td>
<td>Watson, Thompmon &amp; Meade (2007)</td>
</tr>
<tr>
<td>Q21-Q24</td>
<td>Salary</td>
<td>Alnaqbi (2011)</td>
</tr>
</tbody>
</table>

Results

As a mean to perform reliability test to the job satisfaction and employee turnover intention, Cronbach’s Alpha was the chosen method by referring to a study conducted previously by (Cronbach & Shavelson, 2004). It was designed to be used with regard to the reliability among items in a test, as well as with regard to the constancy of performance of scores on multiple trials of the same procedure, with a level of trust that was generally defensible (Cronbach & Shavelson, 2004). Table 2 presents the Cronbach’s Alpha reliability test for this research. Based on the results, all of the variables were exceed than 0.7, this indicate high reliability. However, the variable’s value of more than 0.8 will be preferable.

Table 2: Cronbach’s Alpha reliability test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of work</td>
<td>0.714</td>
<td>4</td>
</tr>
<tr>
<td>Career development</td>
<td>0.751</td>
<td>4</td>
</tr>
<tr>
<td>Supervision</td>
<td>0.881</td>
<td>4</td>
</tr>
<tr>
<td>Salary</td>
<td>0.742</td>
<td>4</td>
</tr>
<tr>
<td>Employee turnover intention</td>
<td>0.882</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 3 shows the demographic information of respondents which consist of gender, age, number of years in company and education level. A total 100 of questionnaire were distributed, the return rate was 70 (i.e. 70%), while 30 (i.e. 30%) of the respondents did not respond to the questionnaire or return.

Table 3: Demographic profile of respondents

<table>
<thead>
<tr>
<th>Demographic Categories</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
</table>
The Relationship between the Factors of Job Satisfaction and Employee Turnover Intention

Table 4: Relationship between job satisfaction and employee turnover intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee Turnover Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>r</td>
</tr>
<tr>
<td>Nature of work</td>
<td>-.171</td>
</tr>
<tr>
<td>Career development</td>
<td>-.309**</td>
</tr>
<tr>
<td>Supervision</td>
<td>-.269*</td>
</tr>
<tr>
<td>Salary</td>
<td>.023</td>
</tr>
</tbody>
</table>

Notes: ** Correlation is significant at the 0.01 level (2-tailed), * Correlation is significant at the 0.05 level (2-tailed)

Based on table 4, it found that the relationship between nature of work with employee turnover intention ($r = -0.171$) is not significantly which the hypothesis H1a was rejected. This means, there relationship is no significant between the factor of nature of work for job satisfaction and employee turnover intention due to the correlation coefficient is not significant at either the level of 0.01 or 0.05. The second variable is career development, the result was found to be significant relationship with employee turnover intention ($r = -0.309$) which the hypothesis H2a was accepted. The result implied that there is a negative relationship between the factor of career development for job satisfaction and employee turnover intention. It is because the correlation coefficient is significant at the level of 0.01. The next variable is supervision, which was found significantly with employee turnover intention ($r = -0.269$) which the hypothesis H3a was accepted. The result illustrates that there is a negative relationship between the factors of supervision for job satisfaction and employee turnover intention is because of the correlation coefficient is significant at the level of 0.05. The last variable is salary. The result was found not significantly relationship with employee turnover intention ($r = 0.023$) which the hypothesis H4a was rejected. The result shows that the relationship is no significant between the factor of salary for job satisfaction and employee turnover intention due to the correlation coefficient is not significant at either the level of 0.01 or 0.05.
The Most Contribution Factor of Job Satisfaction to Employee Turnover Intention

Table 5: Regression Stepwise Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.309</td>
<td>.095</td>
<td>.082</td>
<td>1.02227</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td>7.862</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Career development</td>
<td>-.506</td>
<td>-.309</td>
<td>-2.6777</td>
<td>.009</td>
</tr>
</tbody>
</table>

a. Dependent variable: Employee turnover intention
b. Predictors: (Constant), Career development

In order to found out which factor contributes most to employee turnover intention, this study adapt another method which is Regression Stepwise Analysis. Regression Stepwise regression is a modification of the forward selection with the purpose of after each step in which a variable was added, all candidate variables in the model are checked to see if their significance has been reduced below the specified tolerance level (Smith, 2014).

Table 5 shows that the significant number for the overall model which is career development was 0.009. The results implies that the factor that contributes most to employee turnover intention is career development ($\beta = -.309$).

Discussion

The Relationship between the Factors of Job Satisfaction and Employee Turnover Intention

The results showed that there is no significant relationship between nature of work and employee turnover intention. This finding did not support the Herzberg’s motivation-hygiene theory which Herzberg argued that when job satisfaction factors increased, employee job satisfaction increased as well. Hofaidhillaoui and Chhinzer (2014) study support the research findings which believe that satisfaction with work itself did not influence the employee turnover intentions. In contrary, Ryan, Ghazali and Mohsin (2011) supported the finding results, emphasizing that high satisfaction with work itself could provide a better employee-customer relationship and increase business relationship.

The results showed that there is a negative relationship between career development and employee turnover intention. It is found that the study of Boudreau (1998) that decision of employee to resign or stay is influenced by the human resource activity like career development. A study that done by Weng and Xi (2010) also showed that employee turnover intention was negatively related with career development. In the same way, as suggested by Ballout (2009) in his research on bank employees in Lebanon, highly committed and experienced employees seek for the opportunities of career development if these can be achieved successfully. Employers can gain the benefits of highly committed employees if they provide the long-term career development which contributes to career success (Ballout, 2009).

The findings indicated that there is a negative relationship between supervision and employee turnover intention. This finding was also supported by Hatton and Emerson (1998) in Valias and Young (2000) that job satisfaction level was lower for employees who are dissatisfied with their supervisors. Correspondingly, Hatton and Emerson (1998) found that low levels of supervisor support were related with increased turnover. Strong (or weak) supervisor support has been shown to affect
employees in numerous ways, because supervisors act as a mediator of the company in guiding, appraising and supporting their subordinates for having a company of employees with high job satisfaction means better collaboration, low absenteeism, high retention, better employee exertion and less inter-personal conflict, less injustice and extra.

The findings indicated that there is no significant relationship between salary and employee turnover intention. However, this finding does not support the Maslow’s Hierarchy of Need Theory that the basic physiological need which salary must be fulfilled first before moving to other needs. The salary factor has no significant relationship with employee turnover intention which indicates that the managerial level of employees that work at manufacturing industry are more concern on other job satisfaction factors.

**The Most Contribution Factor of Job Satisfaction to Employee Turnover Intention**

The analysis showed that there is a significant impact of the factor of career development of job satisfaction on employee turnover intention. With a high turn-over, inadequate supply of skilled talent and changing requirements, career development has become an important focus in human resource planning (Walker, 1980). As employees cultivate, they become more productive and increase their contribution towards overall organizational effectiveness (Katz, 1982). Careers in companies have undertaken a revolution to meet the demand of rapid changing business environments. Job security has become a non-existent in many companies and many businesses give emphasis to evolving employability of employees as a people management policy (Khan, Rajasekar, & Al-Asfour, 2015). Baruch (2004) found that employers have moved away from providing secure employment for all to providing opportunities for employees’ development. An effective career development program is an important interpreter of how well employees acquire and use knowledge and proficiency at the workplace (Khan, Rajasekar, & Al-Asfour, 2015).

Many researchers have recognized that an effective employee development program helps to retain employees and build their self-esteem (Ababneh, 2013; DelaCruz, 2004). Conger (2002) emphasized that the cost benefit analysis of a career development initiative can better control a program in a company. Sanjeevkumar (2011) recommended that effective career planning for employees involves their participation in setting their own objectives, which ensures their learning and growth. Baruch (2004) suggested types of organizational career management practices liable upon the degree of participation of employees and degree of complexity of these practices. Therefore, companies must design career development programs based on employees’ requirements as well as the competencies and aspirations of the employees.

**Management Implication**

According to the findings, it showed that there is a negative relationship between career development and employee turnover intention. Therefore, it is important for the company to offer opportunities for career development and develop fair career development procedures.

Secondly, the finding has also indicated that there is a negative relationship between supervision and employee turnover intention. This indicated the need for supervisors to provide encouragement and support to employees are important. In addition, suitable training programs to develop good supervisory skills may also be a good investment to the company (Salleh, Niar & Harum, 2012). Such trainings will be supportive in improving the supervisors’ competencies to provide assistance, communicate, guidance, and advise subordinates on numerous facets. Supervisors should also be equipped with human oriented problem solving skills and negotiation skills. When employees are loyal to their supervisors, they will be psychologically attached and thus willing to stay or remain with the supervisors (Salleh, Niar & Harum, 2012).

Even though the factors that mention above are important, company also need to spend a minimal amount of time to study more about human behaviour, communication, and the requirements of employees. Recognizing the crucial factors that may be interrelated to turnover intention allow the companies to proactively identify the key factors of turnover, and develop policies that build positive
qualities, reduce voluntary turnover and manage the turnover procedure and its supplementary costs (Fayyazi & Aslani, 2015).

**Limitation of Study**

There are some limitations that have been discovered in this study. Firstly, the collection of questionnaire in this research only covered in Johor. The results may not represent all managerial levels employees in Malaysia manufacturing industry. Therefore, this may also affect the results insufficient reflecting on the employee’s perception toward job satisfaction and employee turnover intention. Secondly, during the questionnaire distribution process, the researcher was ignored by some respondents that refuse to answer the questionnaire. This is due to employees do not have time to answer the questionnaire due to their high workload.

**Conclusion**

The three research objectives of this research are examine the relationship between the factors of job satisfaction and employee turnover intention, determine which factor of job satisfaction contribute most to employee turnover intention. The method Pearson’s r correlation coefficient was also applied to examine the relationship between the factors of job satisfaction and employee turnover intention. The findings indicated that there is a negative relationship between the factors of career development, supervision of job satisfaction and employee turnover intention. While another two factors which are nature of work and salary showed no significant relationship. The last method is regression analysis which used to determine which factor of job satisfaction contribute most to employee turnover intention. The results showed that factor of career development of job satisfaction contribute most to employee turnover intention.

**References**


