JOB SATISFACTION AND ORGANIZATIONAL JUSTICE AS DETERMINANT OF TURNOVER INTENTION: A STUDY AMONG GLOBAL SUPPORT EXECUTIVES (GSEs) IN HSBC CALL CENTER CYBERJAYA MALAYSIA

A thesis submitted to the Faculty of Business Management in fulfillment of the requirements for the degree of Masters of Science in Management, Universiti Utara Malaysia

By: Banu Nagaindran

© BANU NAGAINDRAN, 2006. All rights reserved.



Fakulti Pengurusan Perniagaan (Faculty of Business Management) Universiti Utara Malaysia

PERAKUAN KERJA KERTAS PROJEK (Certification of Project Paper)

Saya, yang bertandatangan, memperakukan bahawa (I, the undersigned, certify that)

	BANU NAGAINDRAN
calon untuk Ijazah (candidate for the degree of)	MASTER OF SCIENCE (MANAGEMENT)
telah mengemukakan kertas p (has presented his/her projec	
	repaper of the following title,
	AND ORGANIZATIONAL JUSTICE AS DETERMINANT OF
JOB SATISFACTION	

Seperti yang tercatat di muka surat tajuk dan kulit kertas projek (as it appears on the title page and front cover of project paper)

bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan. (that the project paper acceptable in form and content and that a satisfactory knowledge

of the field is covered by the project paper).

Nama Penyelia	:	ASSOC. PROF. DR.	HJ. ABU	BAKAR HAMED
(Name of Supervisor)	-		The state of the s	

Tandatangan : finificant found .

DECLARATION

I certify that the substance of this thesis has not already been submitted for any degree and is not currently being submitted for other degree or qualification.

I certify that any help received in preparing this thesis and all sources used have been acknowledged in this thesis.

Banu Nagaindran 84952

Faculty of Business Management Universiti Utara Malaysia 06010 Sintok Kedah Darul Aman

22nd November 2006

PERMISSION TO USE

In presenting this thesis in partial requirement for a post graduate degree from Universiti Utara Malaysia, I agree that the Library may make freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in their absence by the Dean of Faculty of Business Management, it is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and the Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Requests for permission to copy or make use of material in this thesis, in whole or part should be addressed to:

Dean
Faculty of Business Management
Universiti Utara Malaysia
06010 Sintok
Kedah Darul Aman

ABSTRAK

Keinginan untuk berhenti kerja merupakan satu manifestasi bagi perasaan dalaman seseorang mengenai pekerjaanya. Dalam erti kata lain, ia adalah satu emosi yang berkaitan dengan pekerjaan. la juga boleh diterjemahkan dalam bentuk kelakuan yang akan mempengaruhi secara positif atau negatif prestasi kerja seseorang itu. Dalam kontek ini tahap keinginan untuk berhenti kerja yang dialami oleh pekerja dipengaruhi oleh beberapa faktor dalaman serta luaran. Antara faktor faktor tersebut yang mungkin mempengaruhi keinginan untuk berhenti kerja ialah bentuk kerja itu sendiri, polisi pentadbiran, sistem pengurusan sumber manusia, keadaan tempet kerja, rakan sekerja serta beberapa faktor peribadi terpilih. la juga merupakan satu isu yang amat kompleks kerana perasaan seseorang selalunya timbul hasil dari beberapa faktor penting. Oleh itu, sebarang usaha untuk mengasingkan faktor - faktor tersebut dalam mengkaji keinginan untuk berhenti kerja dikalangan pekerja menyebabkan keputusannya menjadi kurang objektif serta sukar untuk diterima pakai.

Kajian ini dijalankan menkaji tahap keinginan untuk berhenti kerja dikalangan Eksekutif di HSBC Cyberjaya. Oleh itu, ia turut memberi fokus kepada beberapa faktor terpilih yang memberi pengaruh yang positif terhadap topik kajian, iaitu keinginan untuk berhenti kerja. Tugasan ini termasuklah mengkaji dengan lebih teliti hubungan diantara dua pemboleh ubah yang dikenalpasti seperti kepuasan kerja dan keadilan organisasi dan keinginan untuk berhenti kerja yang dialami oleh mereka.

ABSTRACT

Turnover intention is basically the manifestation of one's inner feeling about his or her job. In other words, it is an emotional state linked to one's job, which would effectively be translated behaviors, and in due course positively/negatively affect the overall performance of an employee. In this context, the level of turnover intention experienced by the employee is greatly influenced by various internal and external factors. To mention a few, they might include the nature of the job itself, management practices, human resources systems and policies, work place condition, co-workers/peers and the other personal feelings normally reflects the aggregate effects of many attributing factors. Therefore, attempts to single out any specific influential factor in explaining the level of turnover intention among employees would proof to be less objective and costly.

This study was commenced to examine the level of turnover intention among Global Support Executives of HSBC Call Center, Cyberjaya. That being the case, it was also focusing on few selected variables believed to have a constructive influence on the research question, turnover intention. This task entails a closer look at examining the relationship between two identified variables, ie; job satisfaction and organizational justice and the level of turnover intention experienced by HSBC.

DEDICATION

This dissertation is dedicated to my mother, Chandra Gantha Kalimuthu, who has provided undying love, support and encouragement. She provided me with strength, dreams, courage and determination to move through the final stages of this process. My dream came true due to her love and scarifies.

Special appreciation goes to my fiancée Ganeshwaran Subramaniam who really inspire me. Without his love, patience and sacrifice, this thesis would not have been possible. He gave me encouragement and unconditional love which influenced my success.

This dissertation also would not be possible without the support and love of my brother Kumaren Nagaindran who gave me inspiration to complete this piece of work.

I also dedicate my sincere appreciation to my best friends, Norlinda Harun, Zaiton and Awanis. Your encouragement and unselfish support has motivated me to preserve and be persistent with my studies. Their guidance has helped me extensively during the making of this dissertation. Without their love and support, this dissertation would not have been possible.

ACKNOWLEDGEMENTS

First of all, I would like to thank God whom has given me the strengths and ability to pursue this study from the beginning till finishing it. I also like to express my sincere gratitude to Assoc Prof Dr Abu Bakar Hj Hamed, my supervisor for all his patience, guidance, and professionalism and for the comments and academic support. Without his understanding, consideration and untiring advice, this dissertation would not have been completed successfully.

A special thanks to the management of HSBC for their support and co-operation during this study.

Finally, I would like to express my sincere and utmost appreciation to my other lecturers and UUM staffs whom have inputted me valuable knowledge and know how during my studies for this MSc Management Program, and also not forgetting to all those involved in making this paper a reality.

CONTENTS

<u>Topi</u>	<u>cs</u>	<u>Pages</u>
DEC	LARATION	ii
PER	MISSION TO USE	iii
ABS	TRACT IN BAHASA MALAYSIA	iv
ABS	TRACT IN ENGLISH	v
DED	ICATION	vi
ACK	NOWLEDGEMENT	vii
TAB	LE OF CONTENT	
СНА	PTER ONE: BACKGROUND OF THE STUDY	
1.0	Introduction	1
1.1	Background of the research	1-6
1.2	Problem Statement	6-12
1.3	Objective of the Study12	
1.4	Significance of the Study	13-14
1.5	Scope of the Study	14
1.6	Limitations	14

1.7	HSBC
1.8	Outline of the Study 17-1
1.9	Conclusion 1
СНА	PTER TWO: LITERATURE REVIEW
2.0	Introduction 1
2.1	Turnover Intention
	2.1.1. Conceptual Definitions of the Term 20-2
	2.1.2. Intention to Leave and the Actual Turnover 2
	2.1.3 Intention to Leave and other Variables 24-2
2.2	Predictors of Turnover Intention
	2.2.1. Job Related Factor
	2.2.2. Organizational Related Factor
	2.2.3. Demographic Variables 42-44
2.3	Research Paradigm – Theoretical Framework
2.4	Conclusion

CHA	PTER THREE: RESEARCH METHODOLOGY
3.0	Introduction
3.1	Nature of the Study
3.2	Research Design 50
3.3	Sampling Design 50-52
3.4	Questionnaire Design
3.5	Instruments of the Study
	3.5.1. Job Related Factor – Job Satisfaction 55
	3.5.2. Organizational Related Factor – Organizational Justice 55-56
	3.5.3. Dependent Variable – Turnover Intention 56
3.6	Types of Data
	3.6.1 Primary Data 56
	3.6.2 Secondary Data 57
3.7	Pilot Study 57-58
3.8	Reliability Testing 58-61
3.9	Data Analysis Techniques
	3.9.1. Examine the Normality of Data
	3.9.2. Descriptive Statistics
	3.9.3. Inferential Statistics

3.10	Conclusion
CHAF	PTER FOUR: FINDINGS
4.0	Introduction
4.1	Descriptive Statistics Analysis
	4.1.1. Research Responds
	4.1.2. Demographic Characteristics
	4.1.3. Level of Workplace TI and It's Predictors 79-80
4.2	Inferential Statistics Analysis
	4.2.1. Explaining Variants Using Multiple Regression 80-83
	4.2.2. The Difference in Workplace TI According to Age Levels 84
	4.2.3. The Difference in Workplace TI According to Gender 85
	4.2.4. The Difference in Workplace TI According to Tenure 86-87
4.3	Conclusion
CHAF	PTER FIVE: DISCUSSION AND RECOMMENDATION
5.0	Introduction 89-90
5.1	Respondents Personal Information 90-91
5.2	Level of Turnover Intention and It's Determinant 91-92

5.3	Relationship Between Turnover Intention and Its Determinant 92-94
5.4	The Difference of Age, Gender and Tenure on Turnover Intention
	5.4.1. Age and Turnover Intention
	5.4.2. Gender and Turnover Intention
	5.4.3. Tenure and Turnover Intention98-100
5.5	Recommendations for Future Research 100-101
5.6	Implications
5.7	Conclusion
REFE	RENCE
APPE	INDICES
1.	Letter to Conduct Study at HSBC
2.	Questionnaire
3.	Results from SPSS Test
	a. Normality Test
	b. Descriptive Test
	c. Reliability Test
	d. Inferential Test

LIST OF TABLES

<u>Table</u>	<u>Page</u>
Table 3.1	Sample Distribution 52
Table 3.2	Layout of Questions in the Questionnaire 54
Table 3.3	Reliability Analysis for Overall Measurement 59
Table 3.4	Strength of Relationship 67
Table 3.5	Details on Data Analysis Techniques Used in the Study 68
Table 4.1	Personal Demographic Characteristics 71-72
Table 4.2	Test Results on Mean and Standard Deviation of Variables 79
Table4.3	Multiple Regression Co-efficient for Hypothesis One 82
Table 4.4	t-Test for Hypothesis Two 84
Table 4.5	t-Test for Hypothesis Three 85
Table 4.6	Anova for Hypothesis Four 86
	LIST OF FIGURES
<u>Figure</u>	<u>Page</u>
Figure 2.1	Schematic Diagram for Theoretical Framework 45
Figure 3.1	Formulation Used for Multiple Regression Analysis 65
Figure 4.1	Distribution of Sample By Gender 73
Figure 4.2	Distribution of Sample By Age 74

Figure 4.3	Distribution of Sample By Marital Status 75
Figure 4.4	Distribution of Sample By Education/Qualification
Figure 4.5	Distribution of Sample By Tenure 77
Figure 4.6	Distribution of Sample By Division/Department

ABBREVIATION

TI	Turnover Intention
JS	Job Satisfaction
OJ	Organizational Justice
HSBC	Hong Kong & Shanghai Banking Corporation

CHAPTER ONE

BACKGROUND OF THE STUDY

1.0. Introduction

This chapter presents the background of the research, problem statement, objective of the study, research questions, statement of hypotheses, significance of the study, scope of the study and definition of variables and terms. The sequence of the study starting chapter one to five is also included.

1.1. Background of the Research

A high rate of employee turnover in an organisation means increases recruiting, selection and training costs. Kasner (1997) suggests that each time an employee leaves a job it costs at least 30% of the person's annual salary for a replacement Employee turnover can also mean a disruption in the efficient running of an organisation, decline of productivity and inability of many firms to complete in world markets. When knowledgeable and experienced personnel or employee leave, the organisation must find a replacement and train that person to assume the position of responsibility (Phillips, 1990; Galante, 1995). All organizations, of course, have some employee turnover, which can be positive or negative turnover. If the right people are leaving the organisation- the marginal and sub marginal employees, turnover can be positive. It may create the opportunity to replace an under-performing individual with someone with higher skills or motivation, open up

The contents of the thesis is for internal user only

REFERENCES

- Abelson, M.A. (1993). Turnover cultures. *Research in Personnel and Human Resource Management*, 11: pp339 376.
- Asia Pacific Management News. (1997). Malaysian minister warns on dangers of 'Job Hopping' at RMIT MBA graduation ceremony. January 31, 1997.
- Aryee, S. (1991). Creating a committed workforce: Linking socialization practices to business strategy. *Asia Pacific Human Resource Management, Autumn*, pp 102 122.
- Aryee, S. (1993). A path analytic investigation of the determinants of career withdrawal intentions of engineers: Some HRM issues arising in a professional labor market in Singapore. The International Journal of Human Resources

 Management, 4 (1): pp 213 230.
- Barnard, M.E. and Rodgers, R.A. (1998). What's in the package? Policies to the internal cultivation of human resources and for high performance operations. *Asia Academy of Management* (Hong Kong), 1998.

- Berg. T.R. (1991). The importance of equity perception and job satisfaction in predicting employee intent to stay at television stations. *Group and*Organization Studies, 16 (3): pp 268 284.
- Billings, R., Wemmems, V. (1983). The role of alternatives in process models of withdrawal. Proceedings of the 26th Annual Conference of the Midwestern, Academy of Management, pp 18 – 29.
- Bluedorn, A.C. (1982). A unified model of turnover from organizations. *Human**Relations*, 35 (2): pp 135 153.
- Campbell, D.T. and Campbell, K.M. (1997). Employee turnover in Singapore:

 Some interim findings. Working paper RPS # 97 28. Faculty of Business

 Administration, National University of Singapore.
- Chang, H. (1996). In Singapore, the dreams are getting bigger. *Business Week*, September 23, 1996.
- Chew, R. (1996). Excessive labor turnover: The case of clerical staff in Singapore. *International Journal of Manpower*, 14 (9): pp 32 40.
- Elaine, M. (1997). Job tenure shift for men and women. HR Magazine, 42 (5):20.

- Folger, R and Greenberg, J. (1985). Procedural justice: An interpretative analysis of personnel systems. *Research in Personnel and Human Resources*Management, 3: pp 141 183.
- Gerhart, B. (1990). Voluntary turnover and alternative job opportunities. *Journal Of Applied Psychology*, 75 (5): pp 467 476.
- Ghiselli, E.E. (1974). Some perspectives for industrial psychology. *American**Psychologist*, February: pp 80 87.
- Hulin, C.L. (1968). "Effects of Changes in Job Satisfaction Levels on Employee Turnover". *Journal of Applied Psychology*, Vol.52, No.2, pp 122 126.
- Huselid M.A., and Day N.E. (1991). Organizational Commitment, Job Involment and Turnover: A Substantive and Methodological Analysis. *Journal of Applied Phychology*, 76 (3), pp 380 391.
- Introduction on HSBC's International Group, Globally and also locally; Url: http://www.hsbc.com accessed on the 15th July 2006.
- Information on Quarterly Resignation Report; from Service and Manufacturing in Malaysia by occupations and industries from the Labor Department of Malaysia; Url: http://www.mohr.gov.my

- Kackofsky, E.F. (1984). Turnover and Job Performance: An integrated process model. *Academy of Management Review*, 9, pp 74 83.
- Machalan, R. (1996). Job Hopping or "Industrial Espionage". *Personnel Management*, 2 (14): pp 15 16.
- Miller, J.G. and Wheeler, K.G. (1992). Unraveling the mysteries of gender differences in intentions to leave the organization. *Journal of Organizational Behavior*, 13: pp 465 478.
- Philips, J.D. (1990). The Price Tag on Turnover. *Personnel Journal*, 69 (12), pp 58 61.
- Price, J.L. (1997). The study of turnover. Ames, IA: Iowa State University Press.
- Russ, F.A. and McNeilly, K.M. (1995). Links among Satisfaction, Commitment and Turnover Intention: The moderating effect of experience, gender and performance. *Journal of Business Research*. 34, pp 57 65.
- Saal, F.E. and Knight, P.A. (1998). Industrial Organizational Psychology: Science and Practice. Belmont, Calif.: Brooks/Cole Inc.

- Schwab, D.P. (1991). Contextual Variables in Employee Performance Turnover Relationship. *Academy of Management Journal*, 34 (4), pp 966 975.
- Sekaran, U. (1992). Research Methods for Business: A Skill Building Approach, 2nd Ed., Singapore: John Wiley & Sons Inc. pp.253.
- Shaw, D.J., John, E.D., Jenkins, G.D., Jr. and Nina, G. (1998). An organization level analysis of voluntary and involuntary turnover. *Academy of Management* Journal, 41 (5): pp 511 525.
- Somers, M.J. (1995). Organizational commitment and absenteeism: an examination of direct and interaction effects. *Journal of Organizational Behavior*. 16, pp 49 58.
- Weisberg, J. and Kirschenbaum, A. (1993). Gender and Turnover: A reexamination of the impact of sex on intent and actual job changes. *Human Relations*, 46 (8): pp 487 – 1006.
- Wong, C.S., Chun, H. and Law, K.S. (1996). Casual relationship between attitudal antecedents to turnover. *Academy of Management BEST PAPER PROCEEDINGS* 1995, pp 342 346, Vancouver, British Columbia Canada.