A STUDY OF SALARY AND RUMENERATION IMPACT ON TURNOVER RATE AT ASIA METROPOLITAN UNIVERSITY (AMU)

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ABSTRACT

The volume of literature on the causes of employee turnover continues to grow. Despite, attempts to distinguish between the way to minimize voluntary and involuntary turnover in organizations, though recognized for quite some time, receive little attention from researchers. This study examines the way to minimize the turnover or retaliation of employees at Asia Metropolitan University (AMU), formerly known as Masterskill University College of Health Sciences (MUCH). The study also hypothesized that there are significant differences in the ways to curb turnover. Basically the term turnover and retaliation has a significant value on the basis of how business runs. If any company or institution denies the absence of this two occasion, that must be a lie or a fraudulent. These two really go hand-in-hand with each other as it indirectly portrays the check and balance of the ongoing in the organization, between the employees and the employer. The variables that will be analyzed are on staff salary (*starting salary, present salary, and expected salary*) and staff satisfaction (*present job, present organization, top management, immediate supervisor, colleagues, human resource policies and work environment*). The result of the job satisfaction and turnover intention generally support the hypothesis. In addition, the result of this study could be used to warrant further more empirical based research in the area of jobs and turnover behavior. This study had highlighted 4 main ideas, recruitment, selection and early socialization, pay, performance and supplementary benefits; leadership and supervision and career planning and development.

ABSTRAK

Pengajian sastera mengenai sebab-sebab penukaran kerja semakin meningkat. Walau bagaimanapun, usaha untuk mengecam atau membezakan antara kesukarelaan dan paksaan untuk mencari kerja tidak mendapat perhatian yang sewajarnya. Kajian ini mengkaji cara-cara untuk mengurangkan atau pembalasan pekerja di Universiti Asia Metropolitan (UAM), dahulu di panggil sebagai Kolej Universiti Sains Kesihatan Masterskills. Kajian ini juga menganggap bahawa ia mempunyai perbezaan yang nyata dalam usaha mengurangkan atau mengatasi masalah mencari kerja. Secara keseluruhan istilah penukaran dan pembalasan mempunyai nilai yang signifikan terhadap perniagaan terutama untuk mereka yang hendak mengetahui bagaimana perniagaan berjalan. Bagi mana-mana syarikat yang cuba menafikan kewujudan kedua-dua elemen ini, ia memang merupakan satu pembohongan. Kedua-dua elemen ini memang tidak boleh dipisahkan, ia merupakan satu pengimbangan antara pekerja dan majikan. Pembolehubah yang akan dianalisis adalah gaji kaki tangan (gaji permulaan, gaji sekarang, dan gaji yang dijangkakan) dan kepuasan kakitangan (pekerjaan sekarang, majikan sekarang, pengurusan atasan, penyelia terdekat rakan sekerja, dasar-dasar sumber manusia, dan persekitaran kerja). Keputusan kepuasan kerja dan keinginan bertukar kerja secara umumnya menyokong hipotesis ini. Selain itu, hasil kajian in boleh digunakan untuk memastikan lebih banyak lagi penyelidik dalam bidang pekerjaan dan penukaran kerja dapat dihasilkan. Penyelidikan ini telah menitikberatkan empat (4) idea utama iaitu pengembilan, pemilihan dan sosialisasi awal; pembayaran, prestasi dan kebaikan sampingan; kepimpinan dan pengawasan; dan perancangan kerjaya dan pembangunan.

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SIGNATURE

TABLE OF CONTENTS

List of Tables

List of Figures

CHAPTER ONE

INTRODUCTION

1.0 Introduction

In any organization key indicator of effective human resource management is employee turnover rate and customer satisfaction. This report will attempt to analyze reasons for people decide to quit from being employed with certain organization and joining others and will provide methods to ensure that this turnover rate is minimum or zero. Normal method of calculating Turnover rate is defined by number of people leaving the organization within a specified timeframe divided the average number of employees within that timeframe. Turnover is further defined into two categories which are voluntary and involuntary. Voluntary is for employees who are leaving their organization based on their own accord while involuntary refer to employees who being dismissed from the organization. Scope of this study will focus only on reducing voluntary turnover.

At ASIA Metropolitan University (AMU), there are five (5) faculties and two (2) schools of studies. There are faculty of business and law, faculty of biomedicine and health, faculty of therapeutic sciences, faculty of pharmacy, faculty of medical sciences, school of nursing, and school of foundation studies. For each school might have different division. This is according to the subject or course that provides to our students. There are around 1,200 academic staffs that already include part-timers, lecturers, moderators and examiners.

1.1 Background of Study

ASIA Metropolitan University (AMU) was established with the noble mission of becoming the premier University in providing holistic education in Nursing and Allied Health in the national and international health care industry. The aims of the University are to contribute toward the nursing profession and to meet the health needs of community and the nation. AMU are newly introducing their business, law, hospitality and tourism programmes beginning 2012, they have produced more than ten thousand (10,000) alumni in nursing and allied health sciences under AMU over the span of their existence. It prepares graduates to function effectively in multifaceted roles in a variety of settings to promote the health and well being of the people. It strives to build an inquisitive mind, motivate academic excellence as well as foster a life-long learning and training.

Incorporated in 1997, Masterskill Education Group Berhad (MEGB) is a leading operator in Nursing and Allied Health education in Malaysia, principally engaged in the provision of higher education and training. MEGB encompasses two associate institutions, i.e. Masterskill University College of Health Sciences (MUCH) that officially attained university college status in 2008, and Masterskill College of Nursing and Health that was registered with the Ministry of Higher Education (MOHE) in 2004. As the premier provider of holistic education in Nursing and Allied Health in the country, AMU aims to meet the health needs of the world and prepare students to function effectively in multifaceted roles in a variety of setting to promote the health and well-being of every individual and strive to build an inquisitive mind, motivate academic excellence as well as foster lifelong learning in all students.

AMU is the biggest nursing university in Malaysia, established with the noble mission of becoming the premier university in providing holistic education in Nursing in Malaysia and international health care industry. The aims of the university are to contribute towards the nursing profession and to meet the health needs in Malaysia. It prepares graduates to function effectively in multifaceted roles to promote the health and well being of the people.

Plan in the pipeline also include a new international standard campus that can accommodate 20,000 students, cementing AMU place as the undisputed leader in the region. The new campus will feature state-of-the-art laboratories, student residential areas, and a sports and recreational complex to provide both local and international students with complete learning experience.

All academic programmes offered by AMU, its branch campus at Bandar Seri Alam, Johor Bahru and Metro Colleges at Ipoh, Kota Bahru, Kota Kinabalu and Kuching are fully or provisionally accredited by the Malaysian Qualifications Agency (*MQA*) and the Ministry of Higher Education Malaysia. The approval and accreditation are based on the recommendation made by the professional bodies under the Ministry of Health Malaysia (*including Malaysian Nursing Board (MSB), Malaysian Pharmacy Board (MPB), and Malaysian Medical Council (MMC) for the respective health sciences programmes*). In creating opportunities for Malaysian, AMU believes in internationalizing their programmes and curricula not only for the recognition of Malaysians working abroad but also to benefits foreign students wanting to study in Malaysia.

AMU believes in organizational learning and the Kaizen principle of continuous improvement and their way forward is paved by their own willingness to learn to from the past and to acquire a new and different set of knowledge and skills to keep abreast of the dynamic changes in technology and the micro and macro environment of the institution. As a private higher education institution, AMU strongly uphold the importance of research and development, where AMU is not merely applying and disseminating existing knowledge and skills but a contribution to the extension of such knowledge and skills. AMU are gradually evolving from a teaching institution to a research-oriented teaching institution where scholarship and intellectual capacity are increasingly recognized and valued as the impetus for individual and organizational growth.

AMU provides an educational pathway from foundation studies and diploma programmes for the post-secondary school certificate holders as well as bachelor's degree, master's degree and doctorate degree programmes. AMU prides themselves in their ability to assemble an august group of academic leaders and staff who understand the fundamentals of student's engagement in learning irrespective of their field of study. AMU always imperative to ensure that the graduates are competent and job-ready beyond possessing the requisite graduate attributes for the job market and for further studies.

1.2 Problem Statement

Currently, ASIA Metropolitan University (AMU) facing the turnover rate of staff. From 2009 to 2011 is highly increased. For this research is focusing on the staff's salary and remuneration which relate to the turnover rate of this organization. Now's day, some of lectures not satisfy with their salary and remuneration in the college. This is because they think that college provides the salary which lower than market rate and their competitor. For this research is to find out the relationship between the salary and remuneration and the turnover rate of an organization.

Turnover rate is considering the severely problem to a particular country because it is absolutely bringing negative effects in progressing development. Employees may see compensation as a return in an exchange between their employer and themselves, as entitlement for being an employee of the company, or as a reward for a job well done (*Milkovich and Newman, 2008*).

Apart from that, employee turnover rate can be defined as the number of permanent employees leaving the company within the reported period versus the number of actual active permanent employees on the last day of the previous reported period (*physical headcount*). Planned redundancies are reported and explained separately if relevant for employee turnover rate (*Laurus and Nobilis, 2008*).

Employees often desire to get a liberally and fair salary and remuneration package for their own expectation because it will directly influence to employees job satisfaction. Mean while, this factor will lead to employee's turnover rate if they thought they didn't deserve expectation return. Therefore, salary and remuneration is the deep knowledge that should implant to all employees because it will definitely assist them to retain their workers.

The rate of turnover varies from company to company. The highest level of turnover normally found in private sectors than public sectors. The highest rates are found where unemployment rate is lower and where it is easy for people to get alternative employment (*Rankin N., 2006*). Employee turnover may be also costly as it requires different cost to take account such as administrative costs of recruitment, cost of covering during the period in which there is a vacancy, training cost for the new employee, etc (*Philip J.D, 1990*).

Employee turnover can be extremely devastating for any company. It makes the employers difficult to maintain a steady and successful operation. Management should have their own rating on employee turnover and measurement how this affects the organizations performance. Many academic scholars pointed out turnover as the correlation between job satisfaction and decreased organizational commitment (*Hutchinson and Purcell, 2003*).

Cooper and Locke (2000) note that there is only a weak correlation between salary and remuneration. According to *Argyle (1972)* as quoted by *Rhodes and Steers (1990)* however, "*....when work is satisfying, people will show up to enjoy it*", therefore indicating a stronger relationship between these two variables. In essence, if a correlation does exist between these two variables, employer would be able to devise focused strategies around the various aspects of salary and remuneration in an effort to reduce the staff turnover levels.

Furthermore, increment of salary and remuneration of college can be considered as one of the issues will push up the turnover rate. There are 10 questions in a questionnaires and distribute to those lecturers and tutors as academic purpose. The answer and data will be show at the next section which is data analysis. Besides, for this research will come out the recommendation which try to lower down the turnover rate.

1.3 Research Questions

The focus of the study is on the factors of salary and remuneration that influenced the turnover rate at Asia Metropolitan University (AMU).

The present study will focus on addressing the following research question:-

1. Is there a relationship between the dimensions of staff turnover rate?

2. Is there is a statistically significant relationship between salary and remuneration with staff turnover rate?

3. What are the demographic profile and causes of staff turnover rate?

4. Are there differences in staff turnover rate based on biographical variables such as age, years of service, and yearly salary?

5. Are there differences in staff turnover rate on turnover intention variables such as satisfaction on present job, satisfaction on supervisor, and satisfaction on top management?

1.4 Research Objectives

The basic objective of this study is to determine whether staff's salary or remuneration impact to staff turnover. While, benefits and remuneration of the college be changing at the same time. For this research would like focus and to find out the relationship between salary or remuneration and turnover rate.

In this research, the questionnaire and the survey will be ask for AMU staffs comment in order to find out whether the relationship of salary or remuneration are significant impact on turnover of the college.

The specific research objectives are:

1. To identify the dimensions of staff turnover rate.

2. To identify the statistically significant relationship between salary and remuneration with staff turnover rate.

3. To determine the demographic profile and causes of staff turnover rate.

4. To determine the differences in staff turnover rate based on biographical variables such as age, years of service, and yearly salary.

5. To determine the differences in staff turnover rate on turnover intention variables such as satisfaction on present job, satisfaction on supervisor, and satisfaction on top management.

1.5 Significant of Study

This study also hopes that can contribute to numerous benefits in terms of theoretical, management as well as academic perspectives.

a. *Theoretical perspective*:-

In terms of theoretical, this study would help other individual to prove the theory and also support the future study, generates good ideas and also provides better understanding.

b. *Management perspective*:-

This study could support the management to improve the employee salary and remuneration in the future as well as to reduce the staff turnover rate.

c. *Academic perspective*:-

This study will benefit other student to understand the relationship between salary and remuneration with staff turnover rate better and could be a reference or guideline for other

student who is interested to study the relationship between salary and remuneration with staff turnover rate at Asia Metropolitan University (AMU).

1.6 Scope and Limitation of the Study

The study employed a primary survey among a sample and conducted a case study of staff turnover rate. The primary survey was conducted among 50 AMU staff from academic side and from management side. The research methodologies that will be also applied for this study has been chosen are descriptive study and inferential statistic in order to analyze the data. The data will be in quantitative and qualitative aspect. The study will describe on the existing research design, population, data collection technique, operationalization of the variable, and the appropriate statistical techniques used to analyze the data collected. Data will be collected through questionnaire and other sources to identify the problems and on how to reduce the staff turnover rate at AMU.

At the same time there were limitations discovered during the study such as lack of information and not up-to-date details. As for that, finding of this research cannot be generalized to the staff turnover rate factors in AMU due to time constraints to carry out the entire study. A more extensive study is necessary to have a more definite conclusion to be made and also, researcher only had been given a very short timing to complete this study. On the same time, data collection also may not be complete by respondents as some questionnaire distributed are not returned and some with incomplete data. Cooperation of the respondents also is very important in answering the questionnaires with sincerity truthfulness due to the accuracy of the answers are very important to justify the results.

1.7 Organization of the Project Paper

The study is organized into five (5) chapters. The first (1st) chapter provided the background of the study and its objectives. The main objectives are to examine the factor of the staff turnover rate that been effected by salary and remuneration. At the same time, Chapter one (1) also define the research questions, problem statement, and significances of the study as well as limitations of the study. The second (2nd) focused on the review of the existing literature related to the variables considered in this study. It reviewed the relevant literature on the issues related to staff turnover rate characteristics and the relationship between salary and remuneration toward staff turnover rate, also the research frame work.

The third (3rd) chapter discussed the research methodology, includes of research design, hypothesis, variables measurement, data collection and procedures, sampling method and also techniques of data analysis. The forth (4th) chapter is related to the findings of the study. The profiles of respondents, descriptive analysis and the result of the hypothesis will be presented. End of the chapter, the result is presented.

Lastly, the fifth (5th) chapter recapitulated the findings, discussions and the implications of the findings of this study. Limitations and suggestions are also discussed in this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.0 Turnover Rate

Turnover is the permanent withdrawal of an employee from the employing organization. (*Jennifer, Gareth, 2008*)

According to *Jennifer and Gareth (2008)*, the turnover rate has a relationship between the job satisfactions. For those employees who are dissatisfied with their job, they might think that leave an organization and move to another organization whoever can satisfy to them. However, in our real life, some employees who dissatisfy to their job, they decide to stay with the organization in this case, we also can realize there are some employees are very loyal to their organization.

Based on *Bill Mobley (2009)*, job satisfaction triggers the whole turnover process. Mobley's model indicates that if there is job dissatisfaction happen in an organization, it will cause an employee to begin thinking about resignation. However, for those employees will compare the benefits of searching a new job versus the costs of quitting.

All of these costs could include any corporate benefits such as bonus, employee provident fund (SOCSO), loss of pension and medical benefits. However, some employees also compare the salary also. If the salary from other organization is higher than the organization they work now, they will decide to resign the job as well. The person or employees will evaluates and compare those benefits, remuneration and salary then develops whether to remain stay or quit the organization. If there are intention to quit eventually might lead to turnover behavior. At the same time, the turnover rate might be creating as well.

Turnover analysis can help the human resource to know how many people will leave the organization. Organization must estimate the employees may leave the organization by retirement, death, illness or disability, resignation, retrenchment or termination. The organization also must know about the reason of the turnover of the employees so that they can improve their treatment against the employees.

Advantages for using turnover analysis method are avoiding turnover rate increase. The organization may lose some valuable employees in the organization. However, this method may bring disadvantages to the organization too. Turnover analysis takes time in process. Human resource department may waste their time in doing the analysis if the firm is big and with many employees. (*Raymond, 2009*)

However, in another way, if the organization turnover rate is very high, it might affect the operation of an organization. For prevent this entire situation happen, the forecasting demand of human resource is playing an important role. From that, we know how much of employees we need and try to retain the staff and employees as well in order to prevent "*no employee*" work for organization. We need to understand the forecasting demand and supply of human resource for prevent shut down situation to an organization.

According to a Society for Human Resource Management survey (2010), the top-three reasons why employees search for new positions are because they:

- Want better compensation and benefits (*53 percent (%)*).
- Are dissatisfied with their potential career development (*35 percent (%)*).
- Are ready for new experiences (*32 percent (%)*).

From this result, we can know that most of the employees want better compensation and benefits which already occupy 53 percent (%). Surveys reveal that more than 40 percent (%) of people who leave their jobs do so because they don't believe their companies value their contributions. (*Shehan, Tom, 2005*)

Developed and developing country had undergone a change under a roof solely named after globalization and hence allowing countries to increase economic growth and reduce poverty rates. Small and medium-sized enterprises (SMEs) represent over 95 percent (%) of business establishments in most countries including Malaysia. Malaysia is evolving from production driven economy towards the knowledge based economy, changing tasks, and downsizing. The global economic swing nowadays is terribly affecting business locally or multi-nationality, construction-based companies for example suffer greatly.

Turnover has been defined as "the degree of individual movement across the membership boundary of a social system" (*Price, 1977*). Turnover intention is one's behavioral intention to quit. According to *Bigliardi, Petroni and Ivo Dormio (2005)* intention to leave refers to individuals perceived likelihood that they will be staying or leaving the employer organization. Employee turnover or voluntary terminations of members from organization is a phenomenon of immense interest to employers and organizational scholars alike.

Managers have long been interested in turnover because of the personnel costs incurred when employees quit, such as those for recruiting and training new replacements (*Casscio 1991*). The structure of this study focuses more on voluntary turnover where workers resign without being noticed an issue letter. While the term "*retaliation*" could mean the act of revenge towards the company as such leaking confidential documents and even selling company's information that benefits others. This has becoming a major problem amongst most of the companies, especially in low paying jobs where the rate of turnover and retaliation may be seemingly high.

Many factors that relate the rate of turnover and retaliation back to the employee-employer. These factors which entirely taken from the point of view of employees are mostly coming from their job content itself which include high demand, social support at work, physical environment of workplace, physical exertion and job dissatisfaction (*Karasek, 1979; Schnall and Landbergis, 1994; Kristensen, 1995, 1996; Graham, 1999; Aizzat et al. , 2003; Pattie, 2006*).

Retaining workers in an organization is a big challenge for the management levels. In this situation, if the organization fails to fulfill the workers' needs and the workers are not satisfied with their job, turnover will happen (*Shultz and Schultz, 1994*). By reducing employee turnover rates and retaliation, companies can gain advantages like profitability, productivity and competitive advantages that can remain the longevity of the organization.

2.1 Forecasting the Demand for Human Resource

According to *Mathis and Jackson (2008)*, demand for human resource can be forecast by considering specific opening that are likely to occur. Demand for the labor in the organization can be calculated for entire organization and for individual units in the organization. Normally forecasting demand for human resource are creates when the employees going to leave the positions due to some reason, such as promotions, transfers, and terminations.

Forecasting demand normally start from the top position to the lowest position in the organization, because from there, no promotions to a higher level are possible. For forecasting the demand, there are internal forecasting and external forecasting. Some method of internal forecasting will be discussing as below:

2.1.1 Zero-base Forecasting

According to *Wayne Mondy (2010)*, the zero-base forecasting method used the organization's current level of employment as the starting point for determining future staffing needs. Zero-based method helps to analysis and to determine whether the firm can justify filling the vacant positions in the organization. The position is not automatically filled, if the employees are retired, are fired, or leave the firm. Zero-base forecasting approach is used to analysis human resource needs in the organization. While, normally the vacant positions does not filled will new employees, but the works are spread to the others employees. Management may also involve outsourcing or others approach as an alternative to hiring.

Zero-base forecasting approach brings advantages by consume lesser time by the Human Resource department. Human resource department may save time because they no need to recruit new employees to fill into the vacant position, while they just need to delegate the jobs to the others employees. Besides, the company can also save money if they do not recruit new employees.

However, zero-base forecasting approach does bring disadvantages to the company. It may increase the jobs of others employee and they may feel fatigue and increase the tiredness. Fatigue may cause accident in the organization and also low performance of the employees. Besides, by using this, it can increase the cost of outsource. In addition, they are not clear about the functions of the company; it may increase the conflict between the management and the third party.

2.1.2 Bottom-up Approach

According to **Wayne Mondy (2010)**, bottom-up approach is a method in which each successive level in the organization, starting with the lowest, forecasts its requirements, ultimately providing an aggregate forecast of employees needed. Bottom-up approach is beginning from the lowest level work units in the organization to the highest level of work in the organization.

The advantage by using bottom-up approach is the interactive aspect of managerial estimating. It is because this method helps to force every manager to justify their anticipated staffing needs. Besides, the information is more reliable and useful for every employee because everyone has participates in the bottom-up approach. They can get the information in more reliable way.

However, bottom-up approach brings negative effect to the company also. It is complexity by using this bottom-up approach. It is very hard to make decision by the employers. Sometime, suggestion by different manager may bring conflict between managers. While, bottom-up approach also time consuming because it used a lot of time if the organization is big and with a lot of human resource.

2.1.3 Trend Projection Approach

Trend projection approach is also called as time-series analysis. It makes predictions by projecting past and present information into future. There are two types of simplest method for trend projection approach, there are: extrapolation method and indexation method. Extrapolation method is a method which involved extending past rate of change into future. While, the indexation method is a method of estimate future employment needs by matching employment grown with an index, such as ratio of production employees to sale (*Docstoc, 2010*).

Trend projection approach had brings advantages to the company. Human resource manger can estimate the number of workers that needed in the future of the years. This technique is based on the assumption that the future will be a continuation of the past. Time series analysis is relatively simple and provided historical data are available, can be performed quickly and inexpensively (*Raymond, 2009*).

However, it does bring disadvantages to the company. Extrapolation method and indexation method are crude approximations in short run because they assume that causes of demand remain constant which is seldom the case. It will make the decision inaccurate in long-range human resource projection.

2.2 Recruitment, Selection and Early Socialization

As we know, recruitment process is very important to an organization and candidate. This is because it will affect the turnover rate of the company. During recruitment process, employer or human resource department need to clarify what is the salary and benefit of the staff. So, candidate not confuse about it.

Besides, interviewer also can tell candidate what is the organization culture and operation part of the company. Candidate might know whether they are suit for the job or not. They also know that what are requirement on the job. If the matching process can be success, it means both party are under win-win situation. Employers can get those employees that they want and the staffs are satisfied with their salary and benefits.

Otherwise, it will create some problem to the organization and employees. For example, it might create the turnover rate to the organization if the interviewer gets candidates that are not suit the job. In another way, it also creates de-motivation to an organization. Sometimes, all of these will affect the others staff in their performance. If worst, it might create accident for the staffs.

Wanous (1973) argues that organizational entry process is one of matching the individual and organization. This match is based on: individual aptitudes and abilities relative to job requirement; and individual values, preferences, and expectations relative to organizational norms, policies, practices, rewards, and conditions. This matching is a significant process since both employees and employers are constantly changing.

The traditional approach to this matching process is based on the organization's assessment of the individual relative to organizational and job requirements. Standardized test, work samples, interviews, weighted application blanks, biographical inventories, are among the tradition employee selection technique which, when validate, may be useful selection techniques (*Arvey, 1979*). However many employers have abandoned systematic employee selection which is one of the pioneer remedy to minimize turnover. If the matching process is to be effective, both the individual and the organization must be actively involved (*Wanous, 1973; Porter, Lawler and Hackman, 1975*).

By conducting realistic job preview (RJP) is one way an organization can enhance realism. This approach can give candidates and newcomers accurate and complete information that resulted in better matching, increased satisfaction and commitment, and lower turnover. Companies can transmit realistic information through booklets, films, video tape, realistic work samples, interviewers, supervisors, other recent hires, and a combination of these approaches.

Given the fact that both individuals and organizations change; given the current state of our ability to measure and effectively match individuals and organizations; and given the fact that early turnover may be positive or negative, it would be naive to assume that recruitment, selection, and early socialization are the answer to effective turnover management. However, there should be little argument that these processes are important for effective turnover management and are underdeveloped in many organizations. By the way, there are many companies or organization have a probationary period as a matter of policy or contractual agreement. Yet, the probationary period frequently is not effectively used.

2.3 Pay, Performance and Supplementary Benefits

If pay is a reward valued for what it will buy and/or for what it signifies (*eg: recognition, attainment, status, etc*) and if individual performance is measureable and employee-controllable, then making a strong link between pay increases and performance may be a useful motivational strategy (*Lawler, 1973,1981; Mobley, 1974*).

To put it simple, if workers know they must perform to achieve a good salary increases they will be motivated to work harder. By putting this as one of the company policy may decrease employees from flocking away. If workers don't perform up to the company expectations, hold them accountable by giving them no raise, no bonus, or no promotion. Due to no potential opportunity for advancements or promotions nowadays, this is the prime reason why many mid-level executives leave the company. Given with constant level of economic downturn and recent levels of inflation, many individual will be dissatisfied with the absolute amount of their pay increases. However pay can still have a positive influence if the relative amount of pay increase is related to performance. A relevant managerial question concerns who is dissatisfied with their pay-the good or the poor performers?

Many managers argue for across- the- board increases. This effect of this undifferentiated reward policy is to reward incompetence and penalize competence. The poor performer is signaled that performance is not relevant to pay. Although dissatisfied with the amount of the increase, the poor performer is reassured that (s) he got the same as everyone else. In contrast, the good performer also is signaled that performance is not relevant to pay. Also dissatisfied with the amount of the increase, the good performer may be further dissatisfied that his or her good performance was rewarded in the same way as the poor performer.

The good performer's response may be to low performance or, if alternative jobs are available, to quit. In short, employers should not be too lenient on passing out rewards evenly to all employees in an effort to include everyone as this de-motivates the instrumentally motivated person. Workers will watch closely to see what the consequences are of everyone's actions and when they realize something is contradicting with their ethics of working principle, then the feeling of retaliate could emerge. But the argument is not that pay is the only important reward, but the pay is the most tangible organizationally-controlled reward and thus is a potent signal. Failure to give greater rewards to good rather than poor performers may contribute to turnover among those individuals an organization would least likely to lose. This is not to minimize the problems with validly measuring performance (***Borman, 1979; Landy and Farr, 1980***).

By the way, a competitive supplementary or fringe benefit package may contribute to attracting and retaining employees. This increasing percentage of total payroll costs devoted to such benefits dictates that they be well-managed. The competitiveness of an organization's benefits can be accessed through benefit surveys in a manner similar to salary surveys. However, it is important to recognize that it is the employee's perception of the competitiveness of benefits that controls the influence on turnover. If benefits are competitive, the organization should communicate this fact. Such plan has not been widely adopted perhaps due to concern about possible administrative costs, they continue to be worthy of consideration.

For instance, by creating extra packages such as offering extra holiday time for outstanding performers, developing perks or prizes for individuals who can perform the best in a functional area for a certain period of time, or by just offering to pay part or all of country or health club membership dues for the outstanding performer of the year can actually create a clean competition among employees to work harder. As such, a highly competitive benefit plan may serve to discourage turnover among habitual poor performers. To the extent of that, this is the case; the organization may find it useful to consider diverting a portion of the total benefit cost to benefits or rewards that are good performer-contingent. The effect would be both to reward good performance and to discourage turnover among good performers.

For what we can see here, the benefits here can be refers to two types. One is monetary terms. Another one is non-monetary terms. For monetary term always involve in the money. The rest are considering as non-monetary terms such as flexible working hours and etc. For Malaysia government tries to apply minimum wages policy to retain expert in Malaysia. I think this policy can help to reduce the turnover rate as well. If everyone know their salary, they might not easy to resign their job since there are no differences between the companies and companies.

2.3.1 Minimum Wage Policy

The Malaysian Trade Unions Congress (MTUC) represents 500, 000 workers, is seeking a minimum wage of RM900 and RM300 cost of living allowance (Cola) for the private sector. Employment Act has been set minimum conditions on annual leave, sick leave, public holidays, working hours and a few other terms and conditions. However, the Act is silent on the issue of wages. MTUC claims that the Employment Act (1955) should be stated a minimum wage of RM900 because absence of a specific provision on wages has led to exploitation of worker.

Government has rejected MTUC's demand for minimum wage legislation by stating that demand and supply of work forces will determine the minimum wage rates and employers who fail to pay a minimum wage rate will not be able to attract workers to meet their requirement. Millions of legal or illegal workers will flood to work in Malaysia with the minimum wage rates. However, by implementing a minimum wage, government will be able to attract more Malaysian workers to work in their own country and reduce dependency on foreign labor.

The recent record 35 percent (%) salary increase and a 100 percent (%) increase in the Cola for public sector employees taken by the Government. Government also paid out RM150 Cola for public sector employees from January 2006. However, majority of the employers in the private sector refused to consider any form of relief. Since then cost of daily needs, especially food has increased by more than 30 percent (%). Government can only impose limit on controlled items. MTUC believes that Government must have carried out a study on the cost of living and its implications on wage earners before its decision to pay a cost of living allowance of RM300 to public sector employees. There is exclude more than 8 million workers in the private sector.

MTUC General Council proposed RM900 minimum monthly wage was based on the cost of living and the essential needs of a single person. Minimum wages is important element of the trade union movement's approach towards improving the quality of life of its workers and their families. It is also a way of protecting those workers who are often subjected to exploitation. Thus, Government intervention is necessary in order to maintain the living standards of low paid workers. The MTUC's demand of the minimum wage may have some acceptable reasons. Analysts have been pointed out an individual would have to earn at least RM1,200 to RM 1,500 to live in urban areas such as Kuala Lumpur, where rentals, food prices and transport cost are higher than other places. Besides, those low paid private-sector workers have suffered because their wages cannot cover the higher cost of living.

For the current situation, Malaysia government decides to use this policy to protect those workers who take unfair pay and benefits. Malaysia also like some other counties depends on foreign workers. However, all these foreign workers are lower education level. Some of them even do not know how to read and write. So, some employers capture this opportunity and give very low salary to them and ask those workers work overtime. This is very unfair to them. Besides, they also do not know what their right is and power even Malaysia government come out many laws and regulations such as *Workmen Compensation Act (1952)*.

Some of employees just can cover their living expense. If they work more then only can earn extra than living cost. Now, trade unionists are becoming unexpectedly. Some workers also do not know our Malaysia has some organization or government department to assist then get better benefits. They are disappointed with our government and they think is a natural when they work at here and get low salary.

This is the reason that the government come out those policy to protect them and enable workers to live free from the fear of poverty. Otherwise, it will create some society problem as well such as robbing case. When robbing case happen, it does not mean that the workers willing do it but because no money to cover their living cost and expense. If the cases continuous happen, it can harm the society and break the peaceful environment. The government also realizes it. However, our government also faces the ethical dilemma issue here. This is because when government set minimum wages to protect workers, the business owners will cut cost. In another way, we can say that the employers will fire some workers. So, all of these person will lose their job. Indirectly, it will push up the unemployment rate; however, the unemployment rate now is around 4 percent (%) which consider normal.

In business owner's view, they always aim for profit and do not provide more salary. So, the government facing challenge now. In order to pursue this idea, our governments need to negotiate with employers. Furthermore, government and business owners need to come out "*the best pay*" system. This is the only way can motivate employees work well and reduce society problem.

In another way, MTUC implement a minimum wage of RM 900 and RM300 Cola are benefits for both Malaysian worker and country. Malaysia workers will be able to support their cost of living by the minimum wage and Cola whereas Government will be able to fulfill industries need for manpower, reduce dependency on foreign labor, minimize poverty, improve purchasing power, strengthen and increase manufacturing, and facilitate positive economic growth. MTUC requested the minimum wage legislation is a way of protecting vulnerable workers for being exploitation.

2.3.2 Employee's Social Security Act (1969)

From the newspaper The Star, we know that there are 300 firms not provide Social Security to their employee. This is because there are more than 300 employers doing not register with the Malaysia Social security Organization. This is one of the important issues for those employees who don't have their SOCSO. It means the employee cannot enjoy and protect by SOCSO also for this year 2010 (*SOCSO, 2010*).

Some of the employers are neglecting to provide it to the employees. However, some of them are preventing the employee getting it. This is unethical issue for our employers to our employees. Beside, government is playing important role on this case. *Che Hamida (2010)* says that there are total RM 166,000 in compounds had been issued against errant employers this year as part of the "*Ops Kesan*" programme. This program is very important for those employers and employees. This is because government is trying to make the public awareness about those SOCSO important in their working life.

Mr Che Hamid also mentions that since June 2010, the average rate for the employers registering with SOCSO monthly had increased by 83 percent (%). From this case, some of the programme can be consider quite successful and effectiveness. For their record, there are 245 employers keep on registering with them for every month by average. This is a good result since they are applying the programme. From the newspaper, readers can know that the numbers of register of employers are increasing to 450 since June. All this is happen on the state Johor Baru only. However, the government will concern about this issue but not only for Johor Baru.

From Social Security Organization (SOCSO), there are more than 5,000 of the 724,290 employers fail to register and to contribute SOCSO to their employees. All of these data is in last year which is 2009. The reasons that find out by Social Security Organization (SOCSO) is most of the companies were small and medium-sized enterprises and a high worker turnover. Some of the employees resign their job before the employers register with them. So, the employers also like take the opportunity and fail tom provide SOCSO to employees.

Actually, SOCSO will cover the worker's medical claims. This is one of the benefits for employers that provide to employees. However, some of the employer will be fined for failing to contribute to SOCSO. Some of the company just stops their operation since they are losses profit in their business. At the same time, they also fail to provide the SOCSO to employees. That is results about 5000 bosses fail to register for their employees to Social Security Organization (SOCSO). Another one more reason also is very common that happen in the new firms. Some of the new company, they are not financial stable. So, all of these employers try to find another way to save their cost. They fail to register with Social Security Organization (SOCSO), if the employees do not concern about it.

As a result, there are total of 4,173 employers were found to have failed to make contributions and 2,810 were compounded. Social Security Organization (SOCSO) also filed 305 employers to court. Social Security Organization (SOCSO) is very particular about this issue. The authorities discovered that 14.5% of the 20,509 employers checked had not made contributions to SOCSO. This is a big issue and problem face by Social Security Organization (SOCSO) and employees now.

2.4 Motivation

2.4.1 Myth of Motivation

Different people might give different definition of motivation. According to *Stephen P. Robbins and Timothy A. Judge (2009)*, they define motivation as processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. The motivation will give the power or energy for workers performs well. However, the motivation needs some other elements or components to support it. Many people think that motivation is about the money and the money is one of the elements only in motivation. This is a myth for motivation.

Motivation likes abstract and intangible. However, we can observe it and feel about it also. This is because it will influence the company performance like productivity or quality of services and product.

2.4.2 Impact of Work De-motivation

As the above discuss as previously, motivation will affect the company performance. If all the employees are under de-motivation, they will not perform well even they have the ability in the work. This is because they will feel like dislike the job and as a theory X people who not receive any job by voluntary. They will not put much effort in their job also. Some of them will follow the equity theory in their work as well. This is because they perceived that the salary what they received, they only perform on the job like this only. They will think why they want to work more.

They will think all of these benefit is gone through to the boss but not themselves. They feel like very unfair to them. If the situation happens, de-motivation will happen around the working place. The staff might affect others as well. Besides that, they may come out conflict to fight with each others. This might be affecting the company performance as well. Motivation is very important for each organization. It can help the company to improve in overall performance. In organization, top management is very important in playing role of providing motivation (*Stephen, Timothy, 2009*).

2.5 Leadership and Supervision

2.5.1 Leadership and Supervision Impact to Turnover Rate

The immediate supervisor can be an important source and facilitator of employee reward and value attainment and can play an important role in turnover management. The supervisor controls a significant reward-praise (*Latham and Wexly, 1980*). Given the time–demands on many supervisors, inadequate attention is given to the basic, yet important supervisory task of praising employee performance. When we analyzed this back then, supervisors tend to criticize more than praising employee and their performance. An established principle of reinforcement theory is that the source of reinforcement and the situation surrounding positive reinforcement-in this case, the supervisors giving praise- builds positive attachment to the source and situation.

Training supervisors in the effective use of praise and positive reinforcement is worth exploring from both work-motivation and turnover perspectives. Supervisor can establish a positives personal relationship with employees; demonstrates consideration for the employee; and creates a supportive environment, the employee may become less likely to quit because of personal attachment to the supervisor.

Another way the supervisors can contribute to effective turnover management is to be a facilitator of employee task attainment, can give a quick and real insight of the condition of the employee. By creating conditions where achievement is possible, by providing feedback and recognition, and by removing obstructions to performance, the supervisor contributes to both task accomplishment and reward. In addition, the supervisor must establish contingencies for the rewards he controls. The failure to do so may contribute to turnover and retaliation among the potentially better performers.

The supervisors can also play an important role in the early socialization of new employees (*Graen, 1976*). The supervisor is a primary source of role information, role expectations, feedback, and social support for the new employees. Important supervisory activities with respect to new employees include aiding the new employee by: reducing the ambiguity of the new situation; teaching the formal and informal cues, norms, and communications networks; clarifying and negotiating goal and reward expectations; and shaping new employee behavior by reinforcing successively closer approximations to desired role behavior. Supervisory training and development activities devoted to effectively managing the role-learning and assimilation of new employees is worthy of exploration in many organization.

Supervisors play an important role in employee training and career development. Through open discussion with employees regarding their training needs and career aspirations, and working to create appropriate training and development opportunities, the supervisors can facilitate the internal development of employees and enhance their future-orientated attachment to the organization. With that, the organization must provide support for supervisors with policies, practices, procedures and training which permits attainment of the objectives discussed.

In Malaysia, some of the trade unions are seen as being weak, divided and reduced to confrontational politics instead of serving the wider interest of its members and society. In "*Ayadurai*" (**Leong 1991: 96**), partly attributes the weakness of the labor movement to "*the incompetence of the labor leader*" **Jomo (1994: 141)** and this critical of both MTUC and Congress of Unions of Employees that facing in the Public and Civil Services (CUEPACS) for the failed to lunch effective action against government measures that seriously weakened labor's position.

The major weaknesses of MTUC are lack of the absence of a sound research centre run by professionals, the inability to settle differences and even smug optimism (**Fernandez, 1997**). The main problem of this is the leader did not put the union movement in a positive light among members and the regulatory authorities.

2.5.2 Delivery of Quality Services

In the future of trade union is also dependent on the delivery of quality service to all members who is belonging to the same union. The union must set a high standard of delivery in keeping with the performance indicators and now increasingly the prevalent in business organizations. In the contemporary information and communication technology (ICT), service recipients expect not just quick service but also need the quality of service due to the members' complaint have to be looked into efficiently.

For example, the way to lose members is by union employees mishandling union members' problems or through poor communication skills. Besides, the regular training and development is an important part of their career development within the union. Furthermore, the best way for delivery of quality services is seeking the feedback from the members and it would be useful.

2.5.3 The Future of Malaysia Trade Union

In this 21st century, technology play an important part in our live even through in trade union. The future of getting information about the union or activities can just login the relevant website to adopt it such as the transmit information on wages, benefits, work disputes and boycotts, as well as to coordinate efforts in collective action both locally and around the world. The benefit of e-union include as below:

- Easier and faster communication with members, informing the public on its activities.

- Seeking feedback on its activities, issues such as information on workshops and seminars information.

- On education and training activities, international links and providing an avenue to do research on union, members and others.

2.6 Career Planning and Development

The **Mobley, et al. (1979)** model of turnover argues that turnover is related to present satisfaction and to future expectations and evaluation of jobs and roles within and outside the organization. Employees who values learning or refining skills and ability, and who seek to improve their job performance, organizationally-supported training and development can contribute to job satisfaction. Further, some economists argue that organization-specific training can serve to decrease mobility by building organizational-specific, but externally non-transferable knowledge and skills (**Becker, 1964**).

Although employees may seem happy with their present job, they may leave as they do not anticipate satisfying future roles. In addition, valued employees may prone to quit as changes evolve in their career path, personal aspirations and values, and family life. We characterize the recruitment and selection process extends beyond initial selection and can be considered ongoing throughout an employee's career (*Schein, 1978*).

It is important to recognize that a viable career planning and development process which includes continuing joint employee and organizational assessment of probabilities of success along various career paths will in some instances stimulate turnover. It is also vital to recognize that a currently satisfactory match between individual and position need not be disrupted in the name of development or upward mobility. Some individuals may decide that further upward mobility is not desirable.

To the extent that the individual is competent in the present role and that the career development of a significant number of other employees is not being blocked, this may be a perfectly acceptable organizational outcome. While encouraging turnover is one good response to these changes, retraining is another. To the extent that the labor market is tight for individuals needed to staff the changing or new businesses, it may be cost-effective for the organization to retrain valued employees who would otherwise be displaced.

For employees who have acquired a great deal of organizational knowledge and demonstrated competence, retraining in areas needing new people may be effective. For example, retraining refining engineers in computer software or retraining marketing personnel in accountancy may be cost effective. The emphasized of individual values, expectations, and perception of internal development opportunities that may guide their turnover decision or their act of retaliation. Although the organization may have a rational career-development path outlined for the individual, if the individual does not perceive and positively evaluating this path, turnover may be outcome.

Further, a positively-evaluated career path at one point may not be evaluated so later. There is no alternative to a continuing and two-way dialogue between the organization and the individual if the career planning and development process is to be effective. For the future trend, each employees need to diversify their skill. One person might need to perform two different functions. This is the expectation from our employer due to save cost and makes the process more efficient and effectiveness. This also is a reason that why employer always sends their employees go for training since they believe this is another way to improve staff's performance and make the process more efficient and effectiveness.

2.7 Potential Reason for Employees to Resign

There are myriad of reasons why an employee decides to end his employment with an organization. Sometimes there will combination of factors which trigger the decision. The push and full factors also play an important role when an employee contemplating resigning from the organization. A single most prominent reason singled out from any exit interview will be that the employee receives a better offer in term of salary from another organization. Employees will always compare the amount of salary with their peer internally or in other organization.

So when the opportunity exists for them to receive better offer they will without hesitation will grab the offer. Opportunity for career advancement is another factor that may force employee to seek employment elsewhere. Employees who have been in organization for long period but being sidelined for promotion will definitely seeking opportunity to move to different organization. In the extreme an employee will seek to move out even though the offer from he received is lower than what is getting from his current pay.

Work environment is another factor that may force employee to resign. Un-conducive work environment which stifle creativity, unfriendly colleagues and demanding superiors will add up and force the employee to find another job. The other reason that may cause employee to seek opportunities elsewhere is lack of transparencies in the performance management. Employees would always love to have increments as per their colleague. If after two consecutive appraisal period there is no substantial increment compared to their colleague he will assume that the performance management is not favoring him or her.

2.7.1 Cost to the Companies Due to High Turnover

There are direct and indirect costs associated with high employees' turnover rate. The obvious direct cost will be recruitment and selection cost. At current market rate advertisement through print media is expensive and the responses from the advertisement leave much to be desired. Advertising vacancy through electronic media i.e. internet also quite costly and sometimes does not reach to the target audience. For those direct costs, if there is wrong selection for candidate to the company, it will create a problem to the organization and the candidate also. So, the organization need to concern about it. Otherwise, it will waste the time and money for the organization. Sometime, it will affect the performance of the organization.

Training new employees would also incur cost to an organization. Ad hoc recruitment and selection process would result in candidates whose are lacking the necessary skills and abilities to perform the work. These employees must be properly trained before they are able to perform their assigned tasks effectively and efficiently. Indirect cost include cost of overtime incurred by other employee in order to perform tasks of the. The morale of the rest employees in the organization would also be affected in the turnover rate is high.

The organization would also face problem to attract potential candidates to be part of the organization if the employee turnover is high. This would create a bad impression to potential candidate that the organization fails to look after their employees. Public might lost confidence to the company also. At the same time, the company might loss some intelligence workers or staff as well to work for them. This is because the new staff or workers will feel like the contribution will not be appreciated by their company. Beside, the market will provide high salary and remuneration to them. This might be able to attract those employees join with their competitors.

In order to avoid all these happen, the company needs to think twice when they do the selection of candidate. Besides that, when economy more improves, employers or organizations will face the turnover problem due to their competitor or market will provide higher salary and better benefits or remunerations. Furthermore, employees or staffs will think that they might have better opportunity to seek forward to get better benefits as well.

This is a normal phenomenon that happen in the market when economy is improves. In fact, 83 percent (%) of employees surveyed by the Society for Human Resource Management said they are dissatisfied with their current positions and are seeking new employment (*Shehan, Tom, 2005*). At the same time, the turnover might bring some effects to an organization as well. First, when the employees or staffs who already worked very long time to an organization; they might take the valuable institutional knowledge or intellectual assets with them together. In another way, we also can say that the organization lost some important valuable institutional knowledge or intellectual assets.

When organization hires a new employee, the organization needs to retrain all these new staffs. It might take several time and process for them. Besides, all of these training are very costly to an organization. In fact, we can see that there is a negative effect here. Second, the turnover rate always forces the owner or organization concern about it. The owner or organization also need to concern about the staffing issues as well. The business owners or organization need to take the responsibility for recruiting, interviewing, training and etc. And this is at a great cost--typically the equivalent of 30 percent (%) to 150 percent (%) of the salary for the position (*Shehan, Tom, 2005*).

Many employers are misconceptions that the staff resign is replacing the price of newspaper or Website advertisements. However, there are involving both direct and indirect costs which we mention before. For example, the employers need to hire a search firm or a head hunter in order to get a right candidate to work for their organization, however, it can be consider as an indirect cost here. This is because when a position remains vacant, other employees usually take on additional responsibilities.

Sometimes, the company or organization need to pay some extra pay to those employees as well since they are work more such as overtime or work double job or hold more than one position. This also can consider the organization cannot work efficiency and effective as well since the organization need to pay extra. Besides, it might affect the staff performance as well when they need to perform more than one task and work. In another way, those staffs that hold more than one position or holding more than one job might be able to concentrate as well. In the worst situation, the staff will lose the life balance and face the huge pressure. When the staffs that face a great pressure, they might think that they cannot handle so much and decide to resign as well. Then, the company's or organization's operation might face the problem (*Shehan, Tom, 2005*).

2.8 Research Framework

Independent Variables

- **Staff Salary**:-
  - ➢ Starting Salary.
  - ➢ Present Salary.
  - ➢ Expected Salary.
- **Staff Satisfaction**:-
  - ➢ Present Job.
  - ➢ Present Organization.
  - ➢ Top Management.
  - ➢ Immediate Supervisor.
  - ➢ Colleagues.
  - ➢ H.R Policies.
  - ➢ Work Environment

Dependent Variables
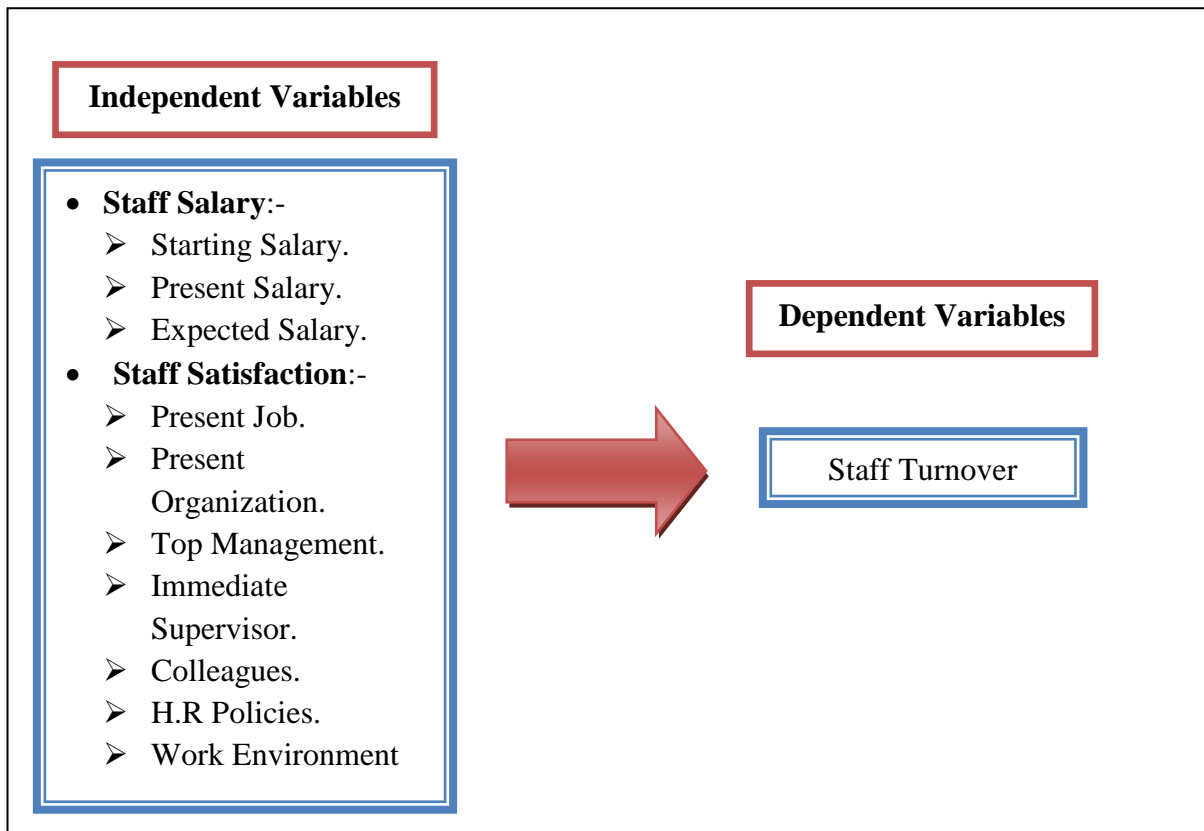
Staff Turnover

Figure 1: Research Framework for Staff Turnover

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Theoretical Framework

Currently, ASIA Metropolitan University (AMU) is concerned with the turnover rate. They would like to know what the reasons that create this issue are. Besides, AMU also believes this will affect our college performance since they loss the manpower. Sometimes, the experience lecturers or tutors resign also. For AMU always concern about quality education, so, lecturers and tutors are playing an important role. Furthermore, if the turnover rate keeps on increasing, it might de-motivate the existing staffs as well. It also might change the attitude of the staffs as well. If under worst situation, it might put the organization in dangerous situation.

The staffs will lose confidence to an organization. Some staffs might not loyal to the organization if the salary and remuneration as an issues. The staffs might think about the fairness and equity on their salary and remuneration (*Jennifer, Gareth, 2008*).

In the light of the literature review the following theoretical framework was adopted for the study:-

Staff Turnover = -f (Salary, Employee Satisfaction)
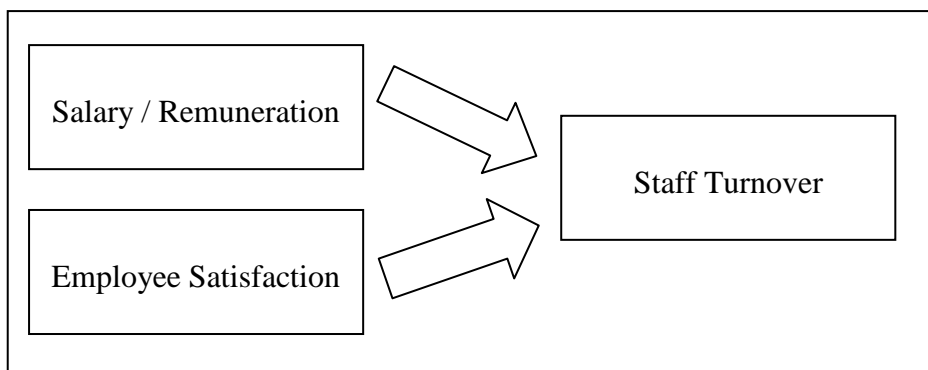
Figure 2: Causes of Staff Turnover

The salary and remuneration have been treated as one variable because the remuneration is a more general term and includes salary as well as perquisites. However, salary is a more common term and easily understood by everyone. Therefore, the term salary is used as a substitute for the terms remuneration as well as staff compensation. The turnover has been defined in Appendix A. The subject of this study is Functional Staff Turnover as per taxonomy of *Dalton et al (1982)*.

3.1 Research Method

This is a quantitative research method employed to ascertain the influence of the independent variable's on the dependent variables. This will allow the researcher to identify the influence of the factors (*independent variable*) on the dependent variable and allow for interpretation. Based on the theoretical framework and hypotheses as stated above the relevant dependent and independent variables were conceptualized as in the sections below.

3.2 Dependent and Independent Variables

Dependent variable refers as a mathematical variable whose value is determined by that of one or more other variables in a function. The dependent variable in this research is staff turnover of ASIA Metropolitan University (AMU). Once staffs have resigned, it is difficult to bring them under study. Therefore, the staff turnover has been measured by the intentions to resign. This is done under the assumption that if a person has intentions to resign, he may resign immediately if the expectations about his salary are met by another organization. Therefore, it is better to interview the present employees because once an employee resigns, it may be difficult to trace. If the staff turnover is high, in another way, it also can be refers as AMU loss their human resource assets.

The university is very particular and concern about the reason for staff resignation. Before they resign, AMU will have interview meeting to those staff. In the meeting, the human resource manager will ask about a reason for resign. This can be motivation to the staff and employee as they are concerning about the issue. In another way, university also has a union. Every year, AMU will come out another new increment or adjustment. All of these will be listed in contract agreement.

Independent variable can be refers as a variable that is presumed to cause a change in the dependent variable. Independent variables for this research are:

1. *Staff's salary and remuneration.*
2. *Employee Satisfaction*.

For this research is focusing on to find out whether there are significant to the turnover rate of an organization. Besides, there are others independent variable be ask to AMU staff as well.

3.3 Measurement of Variables

The way dependent and independent variables are measured is as per the table below:

Variable Type	Description	Measured By
DV	Staff Turnover	Intention to resign
IV (1)	Staff Salary	Starting Salary
		Present Salary
		Expected Salary
	Change Tendency	No. of Organizations Worked
IV (2)	Staff Satisfaction	Satisfaction with Present Job
		Satisfaction with Present Organization
		Satisfaction with Top Management
		Satisfaction with Immediate Supervisor
		Satisfaction with Colleagues
		Satisfaction with H.R Policies
		Satisfaction with Work Environment
	Change Tendency	No. of Organizations Worked

Table 1: Types of variables to measure

The change tendency should be acting like a moderating variable. The more number of organizations a person works, easier it becomes for him to change. The hesitation to change is no more.

3.4 Research Design

The questionnaires will be use for this section. The questionnaires be attach as appendix. Those answer or data will be show to the next section. Those questions will be asked which relate to this research purpose. There are few types of research like quantitative, qualitative, descriptive, historical and co-relational etc.

The research design for this study follows quantitative research method. This type of research studies is dealing with collecting data and testing hypotheses or answering questions concerning the current status of the subject of studies. So, it might need to come out null hypotheses and alternative hypotheses. From the point of view of research, the hypothesis has been framed as below.

Hypothesis Statement:

H_0: Staff Turnover in AMU is not related to staff salary or satisfaction.

H_1: There is a negative relationship between Salary and Staff Turnover in AMU.

H_2: There is a negative relationship between Employee Satisfaction and Staff Turnover in AMU.

H_3: The employee satisfaction is a moderator for the basic relationship between Staff Salary and Staff Turnover.

While, it is normal to assume that the higher salary should reduce staff turnover, it remains to be seen whether same is the case in AMU. Similarly, a higher satisfaction among employees should contribute to a reduced staff turnover.

3.5 Sampling Method

Random sampling is one of the popular sampling methods. In this research, random sampling can be representing more accuracy. There are 50 respondents to answer those questions. All of these respondents are the staffs in ASIA Metropolitan University (AMU) who is related to this research. These 50 respondents which represent the faculties and schools at AMU are also included. All of them are the academic staffs or teaching staffs.

3.6 Questionnaire

There are some questions will be ask for ASIA Metropolitan University (AMU) staff in order to get those data who relate to this research. All of these questions be asked only for academic purpose and consider as private and confidential. All of these questionnaires will be use in this study. Besides, the data or result for this study is represented by all of these respondents as well.

3.7 Limitation of the Study

For this research, the data will have some error on it. This is because less respondents to answer the questionnaire. The total for academic staffs is around 700 people (*Main Campus*). However, the amount of the staff are not be fixed since there are some part-timers only be teach when they have class. Beside, that lecturer's emotion will be affect when they answer of it. This is because they might worry the top management concern who is the person answer of it.

CHAPTER 4

DATA ANALYSIS

The data analysis will comprise of profiles of thirty (50) respondents, reliability, means, and standard deviation representation and multiple regression. The descriptive analysis represents the profiles of respondents. The other element such as reliability and multiple regressions are under inferential statistic which based on SPSS 16.0.

4.0 Profile of Respondents

The gender profile of respondents is as showed below:
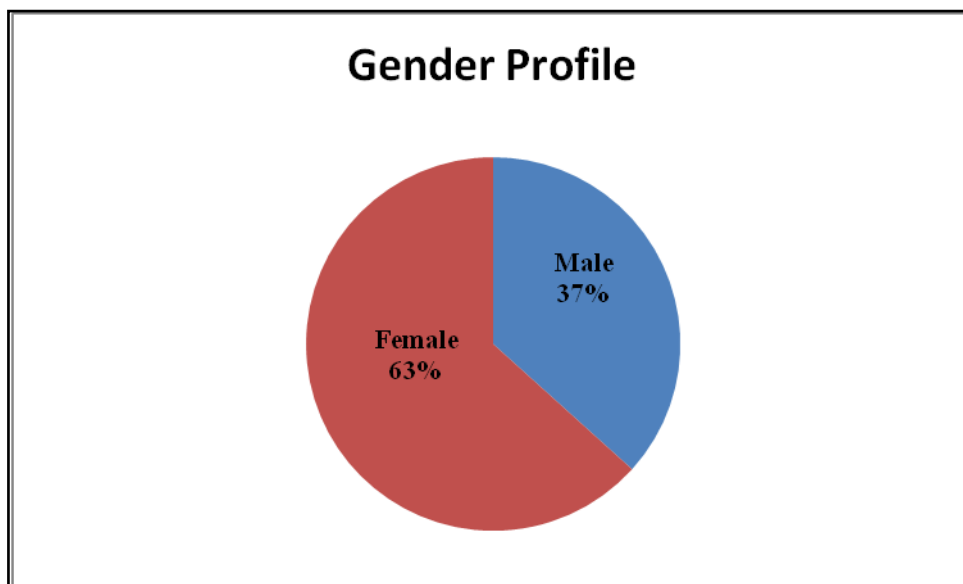
Figure 4.0.1:- Gender Profile

From the diagram above, there are 37% male and 63% of female who answered this questionnaire.
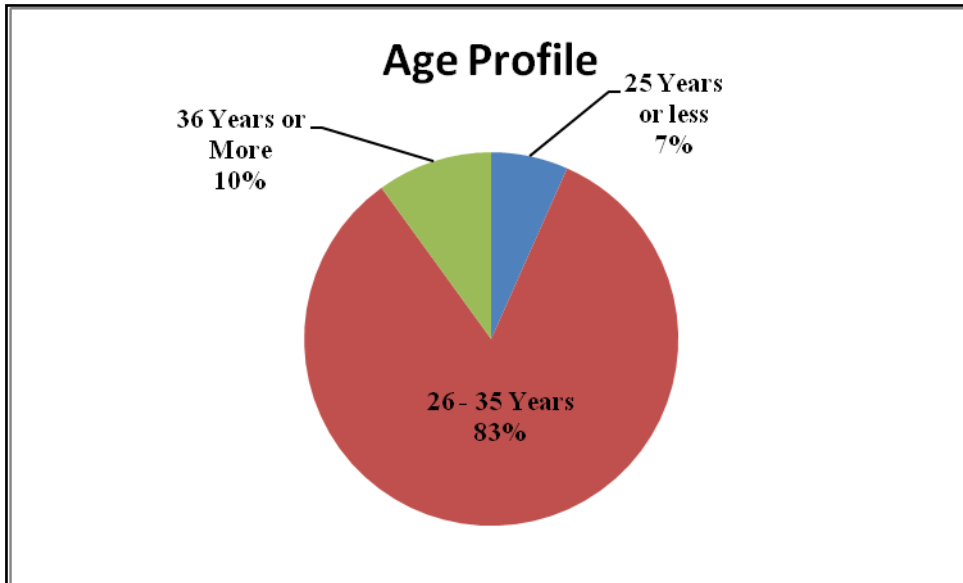
Figure 4.0.2:- Age Profile of the Respondents

As can been seen in the figure 4.0.2 above, about 83% of staff is 26 to 35 years old, that respond to the questionnaire. And if we added with 25 year or less, it can be seen that 90% of the respondents are from 35 years or less old.
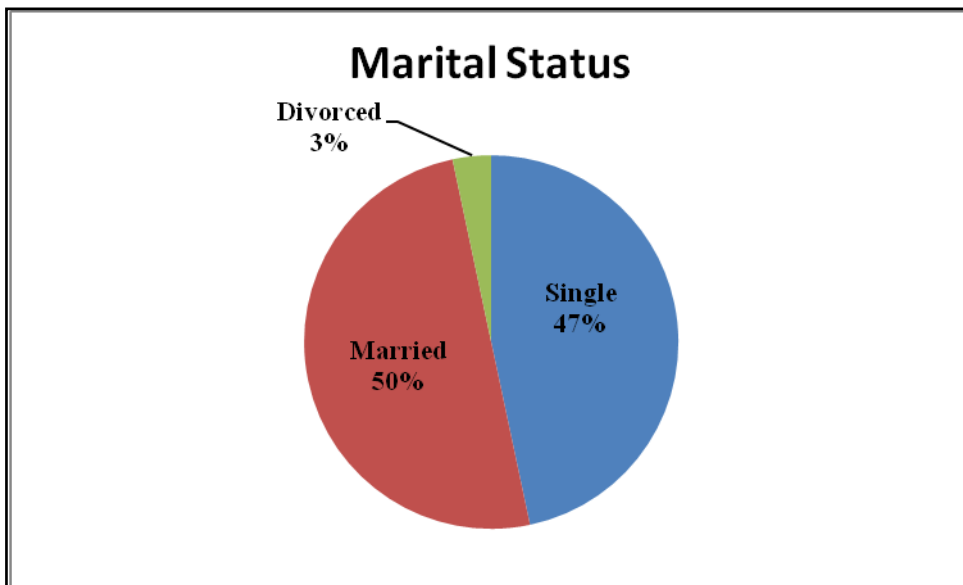
Figure 4.0.3:- Marital Status of Respondent

From figure 4.0.3 above, it can deduced that 50% of the respondents were married or divorced, meaning that they could carrying the responsibility of the dependents. The

remaining 50% were single or unmarried having no responsibility of dependents. For them more salary could be just a matter of career growth and not part of basic need.
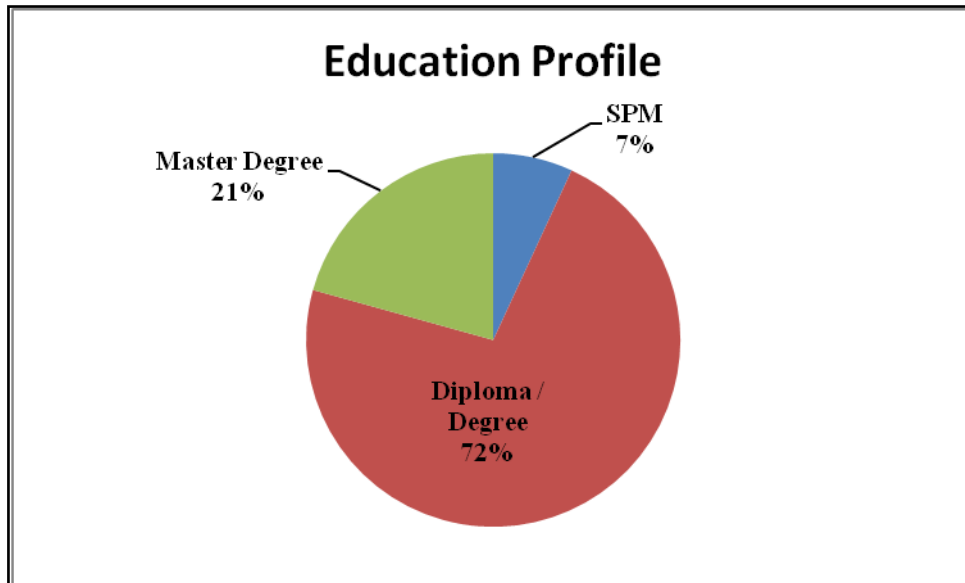
Figure 4.0.4:- Education Profile

Most of the respondent's education qualifications are diploma or degree holders. There are 21 respondents holding diploma or degree and represent 72%. In another way, there are only 21% of respondents who holding Master Degree. The higher qualification occupied less percentage in the result.
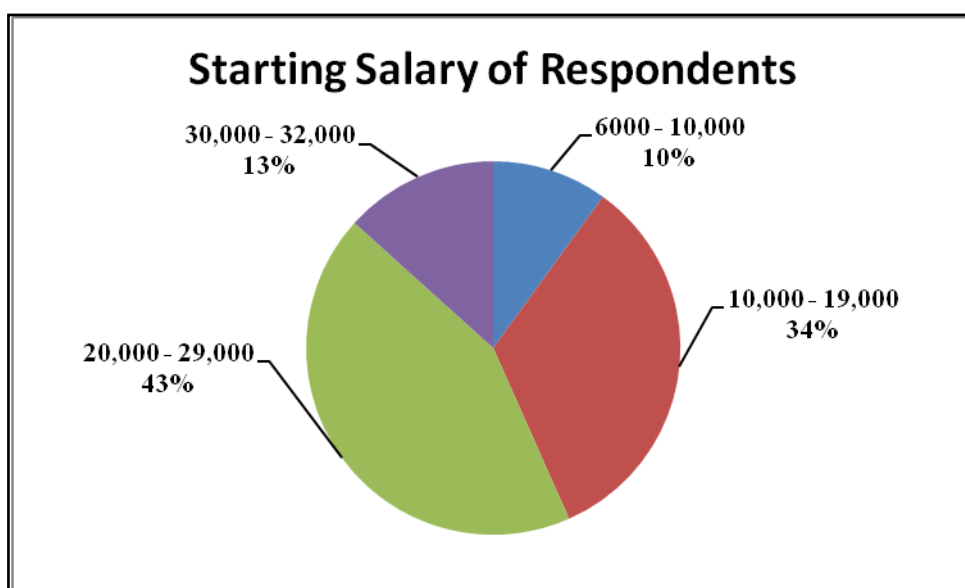
Figure 4.0.5:- Starting Salary of Respondents

Most of the staff starting salaries were less than RM 20,000 or RM 1,600 per month. The average job change by respondents was 2, meaning the current was the second job change. After change of jobs, the salary of staff is increasing and we can see that the number of staff in the same salary ranges 44% to 10%. The numbers of staff in the salary range RM 20,000 to RM 29,000 has increased from 43% to 70%. The implication is that if the staffs are to be retained, the salary has to be increased.
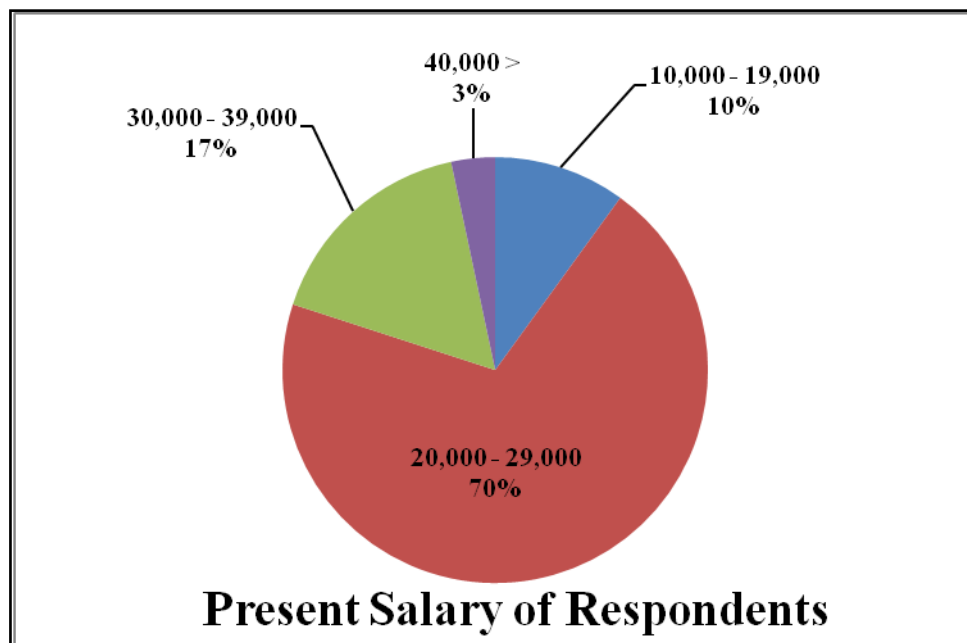
Figure 4.0.6:- Present Salary of Respondents

The annual present salaries that hold by most of respondents are RM 20,000 – 29,000 which represent 70% of the whole result. In opposite, there are only 20% of respondents holding RM 30,000 or above.
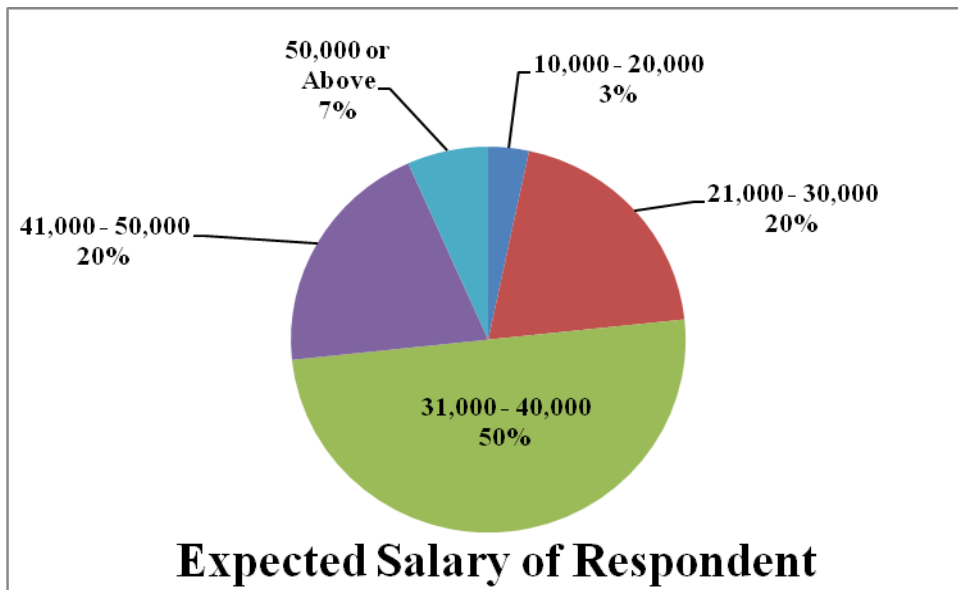
Figure 4.0.7:- Expected Salary of Respondents

We can see that AMU staffs are expecting more salary. The number of staffs expecting a salary of RM 50,000 or above is 7%, whereas in present salary have none who is in the range of the salary. Others number of staff expecting a salary of RM 41,000 to 50,000 is 20%, where it increased from the present that only 3% of staff that in this range of salary. Highly respondents expect they salary to increase from RM 30,000 to RM 40,000, where it shows 50% increased from present staff salary that only 17%. In short, staff at AMU expects higher salary from before.

Besides that, AMU is the second organization that 13 respondents work for. It might represent the 50% of the whole result. There are 4 staffs' works at AMU as third organizations which represent the 20% of the whole result.

4.1 Satisfaction of Employees

Most of the respondents tick "*neutral*" on satisfaction of supervisor and present job which represent the means as "*3.50*" and "*2.80*" respectively. In other words, they accept their supervisor and present job condition. For satisfaction of human resource policy, respondents are not so satisfied it. The mean of satisfaction of human resources policy is "*2.17*", which consider as slightly dissatisfied from the staffs.

However, they not satisfied enough with their organization which is AMU. This is because the mean is "*2.57*", whichever more than 2 (*dissatisfaction*). The means of satisfaction of colleagues are "*3.67*". In other words, it means that respondents are satisfied with their colleagues due to the means exceed 3. But, for means satisfaction of top management shows "*2.13*", which means that the respondents are not satisfied enough with the people from the top management on their duties to maintain the organization. The more detail of all these can refer to appendix D; - "*Average and Dispersion – Satisfaction Variables*".

4.2 Reliability

In the reliability statistics shows the Cronbach alpha value – which is 0.660. "*Item-Total Statistics*" shows the relationship between individual items with total statistics. It score a high inter linkages between various item in Section B of questionnaire, which means that all questions are trying to measure the same construct.

Reliability Statistics

Cronbach's Alpha	N of Items
.660	14

Table 2: Cronbach's Alpha

4.3 Hypothesis Testing

The data analysis confirms the alternatives hypothesis. For the sake of analysis, we repeat the hypothesis below: -

H_0: Staff Turnover in AMU is not related to staff salary or satisfaction.

H_1: There is a negative relationship between Salary and Staff Turnover in AMU.

H_2: There is a negative relationship between Employee Satisfaction and Staff Turnover in AMU.

H_3: The employee satisfaction is a moderator for the basic relationship between Staff Salary and Staff Turnover.

The null hypothesis is that "*Staff Turnover*" cannot be explained by "*Staff Salary*" or by "*Staff Satisfaction*". But we can see in the Table 2 below that staff turnover is correlated to satisfaction scores and salary. The results are as predicted.

H_1 – Staff Turnover and Staff Salary

The Staff Turnover is negatively correlated with Staff Salary.

Staff Turnover = Negative f (Staff Salary)

Theoretically, the staff turnover should be positively correlated with expected salary. Because higher the expected salary and more the gap with present salary, the intention to resign or change could increase. But the Pearson Correlation coefficient is negative. We can see also that it is non-significant at 95% confidence level (*Sig < 0.05*). Theoretically speaking, the correlation with present / past salary should be negative. Higher the salary would mean less likelihood of people changing. We can see the correlation coefficients are negative. But we also notice that correlation coefficient in case of starting salary (*Pearson R = -0.032*) is

significant in case of starting salary (*Sig = 0.868 < 0.05*) but correlation coefficient in case of present salary (*Pearson R = -0.058* is not significant (*Sig = 0.763*), which means that we can talk about confidence level of 80% only and not at 95% level. There only explanation is presence of inter-correlation among independent variables.

		R (DV, IV)	R (IV, IV)	R (IV, IV)
Intentions Resign	Pearson R	1		
	Sig. (2-tailed)			
Expected Salary	Pearson R	0.468	0.600(**)	
	Sig. (2-tailed)	0.009	0.000	
Present Salary	Pearson R	-0.058	0.295(**)	
	Sig. (2-tailed)	0.763	0.113	
Starting Salary	Pearson R	-0.032 (*)	1	
	Sig. (2-tailed)	0.868		
Number of Organization Worked	Pearson R	0.016	0.363	
	Sig. (2-tailed)	0.935	0.049	
Satisfaction of Present Job	Pearson R	0.339		0.516
	Sig. (2-tailed)	0.067		0.004
Satisfaction of Supervisor	Pearson R	0.279		0.344
	Sig. (2-tailed)	0.135		0.062
Satisfaction of Colleagues	Pearson R	-0.044		-0.064
	Sig. (2-tailed)	0.817		0.737
Satisfaction of Top Management	Pearson R	0.159		0.340
	Sig. (2-tailed)	0.403		0.066
Satisfaction of Human Resource Policies	Pearson R	-0.259		1
	Sig. (2-tailed)	0.166		
Satisfaction of Organization	Pearson R	0.349		0.554 (**)
	Sig. (2-tailed)	0.059		0.002
Satisfaction of Work Environment	Pearson R	0.024		0.222
	Sig. (2-tailed)	0.898		0.238

Table 3: - Correlations

This means the *R (IV, IV)* measured from the point of view of the most significantly correlation variable (*in this case Starting Salary*). The correlation is very high with other salary variables and significant (*0.600 with expected salary and 0.295 with present salary with 100% confidence level*). It means that the salary variables are highly correlated and therefore should be treated as single variable. All the effects have merged in starting salary which is significantly and negatively correlated with staff turnover. This proves the hypothesis H_1. To gain further insight a regression model was run. The results have been tabulated in Appendix E.

In the regression output, R is correlation coefficient (*0.676*) and the adjusted R^2 (*R Square*) shows that the model with the inclusion of variables (*Number of Organization Worked, Yearly Starting Job Salary, Yearly Expected Salary, and Yearly Present Job Salary*) collectively explains for 37% of the variance in intension to resign (*dependent variable*). R^2 ranges from value 0 to 1. It shows that there is a linear relationship between the dependent and independent variables.

The values of the coefficients are as per theory. The coefficient of expected salary is +0.913, showing a positive relationship. The coefficient of number of jobs changed is negative *(-0.314)*. It means the less job changes makes a person less change oriented or the likelihood of his or her changing jobs will decreased. If the coefficient is positive, means more job changes makes a person more change oriented or changing jobs will increased. This was visualized as moderating variables but it does not seem much significance as is evident by the correlation coefficient (*0.123*) and the significance values. As expected, the coefficients of present salary (*-0.541*) and past salary (*-0.104*) are negative.

Since the F statistic is low and insignificant, meaning presence of residual effects, we also look at the hypothesis that staff turnover is related to employee satisfaction.

H₂ – Staff Turnover and Staff Satisfaction

The Staff Turnover is negatively correlated with Staff Satisfaction.

Staff Turnover = Negative f (Staff Salary)

Theoretically, the higher the satisfaction of the employee with his present job, organization, colleagues, superiors, etc, more is likelihood of his or her staying within the organization. Higher intention to resign or leave emerges from the dissatisfaction of the employee from his or her surrounding and job.

First, we look at the correlation coefficients. We find that the staff turnover is negatively correlated between satisfactions and Human Resource (HR) Policies, and the coefficient *(-0.259)* is significant *(Sig = 0.016 < 0.05)*. In this case, we find that the relationship is negative with all other satisfaction scores but is not significant. This means the R (IV, IV) measured from point of view of the most significantly correlated variable (in this case Satisfaction with HR Policies). None of the correlations with other satisfaction variables are significant as shown in Table 2 on Correlations. The correlation which nearly significant *(Sig = 0.059 > 0.05)* is Satisfaction with Organization *(0.349)*. It may mean that if there is dissatisfaction with the HR Policies, one cannot rule out dissatisfaction with the organization.

To confirm the Hypothesis H₂ further, a regression was run. In the second Regression output, R is the correlation coefficient *(0.711)* and the adjusted R2 *(R Square)* shows that the model with the inclusion of variables *(Satisfaction of Human Resource Policies, Satisfaction of Supervisor, Satisfaction of Colleagues, Satisfaction of Organization, Satisfaction of Present Job, Satisfaction of Top Management, and Satisfaction of Work Environment)* collectively explains for 34.8% of the variance in intension to resign (dependant variable). It shows that there is a linear relationship between the dependent and independent variables and since the

value of coefficient is more that in case of salary, we can conclude that the satisfaction is more important factor of staff turnover compared to the salary. Finally, among the measures of satisfaction, it is the satisfaction with the HR Policies which is most significant. The satisfaction with supervisor, colleagues, top management, present job, and work environment are not so significant. The regression coefficients of predictors are as below:

Satisfaction with Job	0.246
Satisfaction with Supervisor	0.095
Satisfaction with Colleagues	-0.184
Satisfaction with Top Management	0.111
Satisfaction with Work Environment	-0.010
Satisfaction with HR Policies	-0.584

As these entire coefficients have the correct signs as per theory. Going by F statistics, we notice that it is significant at 92.6% confidence level which is just a little less than 95% confidence level, we can conclude that alternative hypothesis H_1 is proved.

H3 – Staff Turnover and Staff Salary and Satisfaction

The Staff Turnover is negatively correlated with Staff Salary and Satisfaction.

Staff Turnover = Negative f (Staff Salary, Staff Satisfaction)

In the third (3rd) Regression output, R is the correlation coefficient (0.874) and adjusted R_2 (R Square) shows that the model with the inclusion of variables (*Number of Organization Worked, Yearly Salary Starting Job, Satisfaction of Top Management, Satisfaction of Present Job, Satisfaction of Organization, Satisfaction of Supervisor, Satisfaction of Human Resource*

Policies, Satisfaction of Colleagues, Satisfaction of Work Environment, Yearly Expecting Salary, and Yearly Salary Present Job), collectively explains for 62% of the variance in intension to resign (*dependent variables*). It shows that there is a linear relationship between the dependent and independent variables.

We notice that the equation does not improve compared to the second equation. While values of 0.874 is higher than 0.711, it is not significant higher. The collective capability to explain variances in intention to resign or Staff Turnover comes up from 34.8% to 62%. If we notice, it is not very different from the comparative collective capability in the case of salary as predictor (37%). The regression coefficients become weaker as in the tables below:-

Independent Variables	Coefficient	Coefficient	Coefficient
Expected Salary	0.913		0.758
Present Salary	-0.541		-.0397
Starting Salary	-0.104		-0.052
No of Organization Work	-0.314		-0.366
Satisfaction with Present Job		0.246	0.173
Satisfaction with Supervisor		0.095	0.104
Satisfaction with Colleagues		-0.184	-0.335
Satisfaction with Management		0.111	0.133
Satisfaction with HR Policies		-0.584	-0.480
Satisfaction with Organization		0.626	0.408
Satisfaction with Work Environment		-0.010	0.015

Table 4:- Regression Coefficients

CHAPTER 5

CONCLUSION

5.0 Recommendations

In conclusion, salary might have impact on the staff turnover, however, for this study, the hypothesis result show that satisfaction of employees might have more impact, which satisfaction of human resource policies. As a result, many employees quite dissatisfied with the human resource department policy rather than organization.

Everyone knows that human resource department is very important for an organization for retaining the employees and reduce staff turnover. However, for this study, the human resource policies are dissatisfied by most of the respondents. For human resource department might need to revise policies in order to retain employees.

A particular academic and administrative staff may seek a meaningful experience in their next position. Another may become mobile as a result of a better offer, and not as a result of dissatisfaction with his or her current position. In the rapid growth of higher education sector, the ability to retain the academic and administrative staff is becoming a challenging problem for all higher education and staff retention is dependent upon job satisfaction. Some employees have left because of an institution's failure to manage job satisfaction.

It is important for higher education to know what motivates employees to stay in their positions, as replacing them is not only difficult but also expensive in unrecoverable costs. The literature indicates that job satisfaction is a prerequisite to an educator's long tenure and performance, and overall institutional effective (***Woods, 1976***). For these reasons it seems wise to identify factors that affect job satisfaction of employees within an educational institution, and positively use these results as part of an ongoing management program.

Organizations which are employee oriented culture are more likely to successfully retain its employees. All general issues that may have an impact on the employees will have an input from employee before being implemented. Employee involvement in decision making process can be achieved by having a joint consultative committee with equal representative from both employer and employees. Employees would love the sense of ownership created when they are involve in decision making process. This will strengthen the bond of the employee to the organization. All employees should be made to believe that they have a say on how the organization is managed. This is not only creates the sense of ownership but also help in building the trust of employee toward the organization.

The organization should develop an overall strategic compensation package that include not only the basic salary but also other benefits such as bonus and other plan that address employee welfare and benefits. Standard package that include health insurance, dental, retirement benefits such as enhanced employer EPF contribution is becoming a norm now. The organization that is offering this package will definitely able to retain their employees.

Salary survey from the same industry should also be regularly conducted in order to gauge the organizations standing compared to other organization. This survey than could be used as benchmark to revamp the organization own salary scale. Some organizations are not very forthcoming when divulging details of their salary scale, others source of salary survey is from organizations such Management and Sciences University (MSU) and Saito College.

Other non monetary rewards are also important in ensuring the loyalty of employees to an organization. Award recognizance for excellent service, family day, and sporting activities will enhance relationship between employees which in turn create a wonderful and conducive working environment. By having this excellent working environment, an employee would not easily sway to move to different organizations.

Employee turnover is serious problem that need to be addressed or being attention. An organization with high turnover rate signifies a weakness of the management in managing the human resources. The cost associated with turnover include recruitment cost, training cost, overtime cost, and intangible cost to company such as difficulty in recruiting good employee and society perception of the organization. Employees who remain with the organization would also be discouraged from giving their best in performing their daily tasks.

An organization has to look at their overall compensation package and design attractive package that will attract new employee and retain the existing employees. Opportunity for employee's development should also be seen being implemented instead of being part of HR strategy. This is being done by allocating enough resource for employee learning and development. An organization should also be more employees orientated by getting employees involvement in making decision that has an impact to the employees. Non-monetary reward should also be regularly given to the deserving employees. Activities of sporting and recreational in nature should be held on regular basis.

By implementing these measures in order to reduce employee turnover, an organization does not have to pay the highest wages in industry in order to have the lowest employee turnover rate.

Appendix A: - Important Definition from Literature

Table A.1: - Types of Turnover

Employee's Evaluation of Company	No Initiation of Voluntary Quit	Employee Remains	Employee is Terminated
	Initiation if Voluntary Quit	Employee Quits Dysfunctional Turnover	Employee Quits Functional Turnover
Impact on Organization		Positive	Negative

Source: - *Taxonomy of Functional Turnover (Adapted from D. Dalton, W. Todor, and D. Krackhardt, "Turnover Overstated: The Functional Taxonomy", Academy of Management Review 7 (1982): 118.)*

Table A.2: - Conditions and Agents for Employees Stability

General Categories	Specific Dimension	Dimension Description
I. Events or Conditions		
1. Work	Work Itself	Includes intrinsic interest, variety, opportunity for learning, difficulty, amount, chances for success, control over work flow, etc.
2. Rewards	Pay Promotion Recognition	Amount, fairness or equity, basis for pay, etc. Opportunities for, basis of, fairness of, etc. Praise, criticism, credit for work done, etc.
3. Context of Work	Working Conditions	Hours, rest pauses, equipment, quality of the workplace, temperature, ventilation, location of plant, etc.
	Benefits	Pensions, medical and life insurance plans, annual leaves, vacations, etc.
II. Agents		
1. Self	Self	Values, skills and abilities, etc.
2. Others (In-company)	Supervision	Supervisory style and influence, technical adequacy, administrative skills, etc.
	Co-workers	Competence, friendliness, helpfulness, technical competence and etc.
3. Other (Outside Company)	Customers	Technical competence, friendliness, etc.
	Family Members	Supportive, knowledge of job, demands for time, etc.
	Others	Depending upon position, students, parents, voters.

Source: - (*Adapted from McCromick E.J & Ilgen, D. (1985). "Industrial and Organizational Psychology (8th ed.). New Jersey: Prentice Hall*)

Appendix B: - AMU Corporate Structure
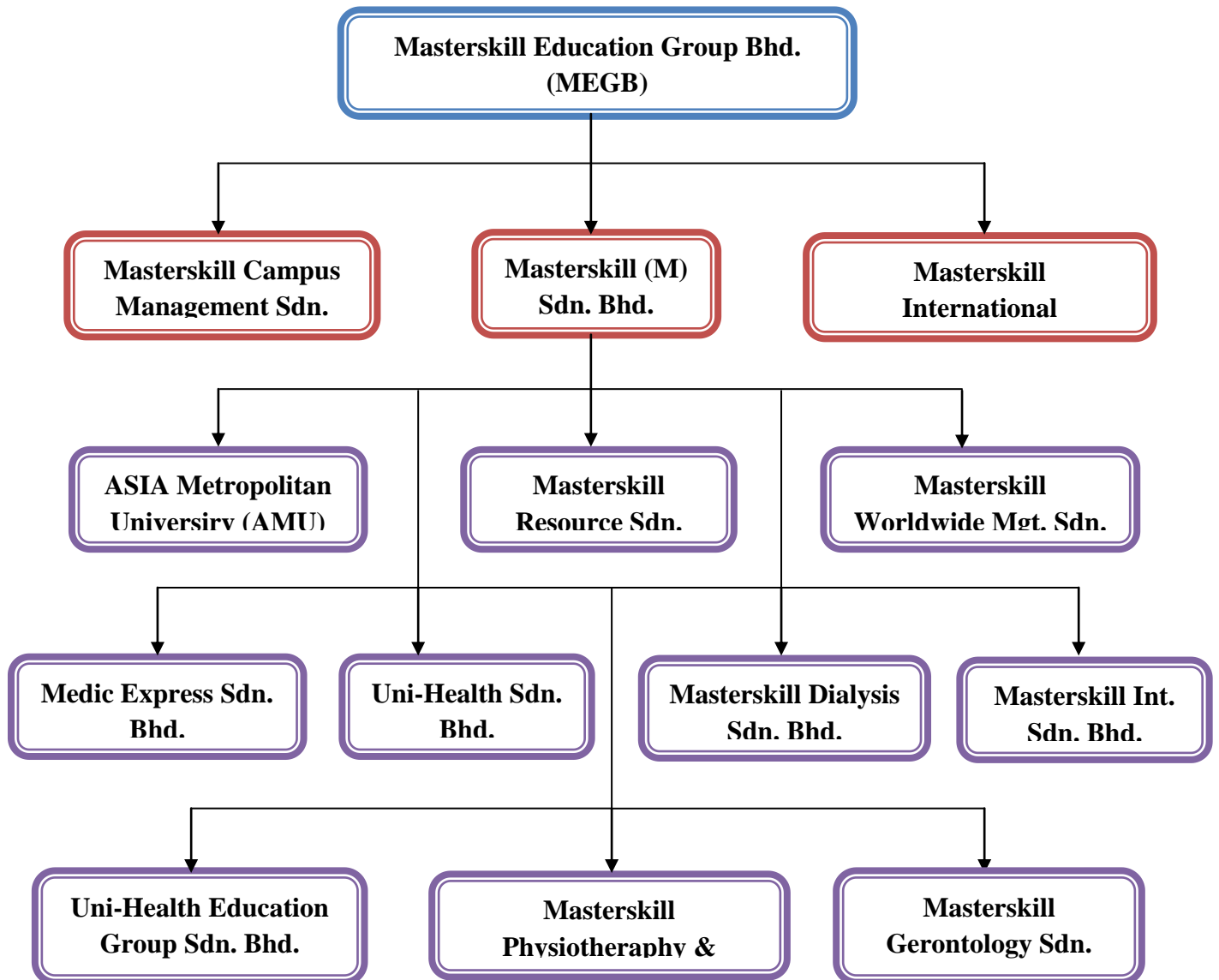
Appendix C: - Questionnaire

UNIVERSITI UTARA MALAYSIA

KUALA LUMPUR

BPMN6073

RESEARCH METHODOLOGY

The staff's salary and remuneration impact to staff turnover rate of an organization

Dear potential participants,

I am a postgraduate currently pursuing Bachelor of Master of Science (Management) student from UNIVERSITI UTARA MALAYSIA (UUM), KUALA LUMPUR CAMPUS.

The purpose of this questionnaire is to identify the staff's salary and remuneration impact to turnover rate of an organization.

Please take a few minutes to answer all the questions for my research project. Your participation will be strictly kept private and confidential for academic purpose. I thank you for your kind participation.

~ Thank you for your cooperation ~

Section A: Respondent Profile

Please answer all the questions below:

Personal Information:-

Q1) Gender:

　　[   ] Male　　　　[   ] Female

Q2) Age (*rounded years*): _____.

Q3) Martial Status (s/m/d/u):

　　[   ] Single　　[   ] Married　　[   ] Divorced　　[   ] Unmarried

Q4) Qualifications:

　　[   ] SPM　　[   ] STPM　　[   ] Diploma　　[   ] Degree　　[   ] Master

　　[   ] PhD/DBA

Q5) Number of organization worked for including the present one: _____.

Q6) Yearly salary in the first job (RM): _____.

Q7) Yearly salary in the last job (RM): _____.

Section B: Turnover Intention

Questions	Rate Ration For Survey				
	1 – Strongly Dissatisfied	2 – Dissatisfied	3 - Neutral	4 - Satisfied	5 – Strongly Satisfied
Q8) How satisfied are you with present job?	1	2	3	4	5
Q9) What is your rating toward your supervisor?	1	2	3	4	5
Q10) What is your rating toward your colleagues?	1	2	3	4	5
Q11) What is your rating toward your top management?	1	2	3	4	5
Q12) What is your rating toward vision and objectives of the organization?	1	2	3	4	5
Q13) What is your rating toward the human resource policies?	1	2	3	4	5
Q14) What is your rating toward this organization?	1	2	3	4	5
Q15) What is your rating about your motivation level?	1	2	3	4	5
Q16) What is your rating about overall work environment?	1	2	3	4	5
Q17) The work environment provides all the required comfort and ease to perform job.	1	2	3	4	5
Q18) The company provides benefits and compensation that is equal to required job.	1	2	3	4	5
Q19) The amount of workload in current job is reasonable and sound.	1	2	3	4	5

Q20) Yearly salary you are expecting in your next job (RM): _____.

Q21) Do you have intentions for leaving current organization?

[   ] Yes   [   ] No

Appendix D: - Frequency Tables

Gender Profile

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	11	36.7	36.7	36.7
	Female	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

Marital Status

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	14	46.7	46.7	46.7
	Married	15	50.0	50.0	96.7
	Divorced	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Education Qualification

Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SPM	2	6.7	6.7	6.7
	Diploma	5	16.7	16.7	23.3
	Degree	17	56.7	56.7	80.0
	Masters	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

Number of Organization Worked

Number Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	20.0	20.0	20.0
	2	13	43.3	43.3	63.3
	3	5	16.7	16.7	80.0
	4	4	13.3	13.3	93.3
	5	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

Yearly Salary in Starting Job and Present Job

First Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5,000 - 9,000	3	10.0	10.0	10.0
	10,000 - 19,000	10	33.3	33.3	43.3
	20,000 - 29,000	13	43.3	43.3	86.7
	30,000 - 39,000	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Present Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10,000 - 19,000	3	10.0	10.0	10.0
	20,000 - 29,000	21	70.0	70.0	80.0
	30,000 - 39,000	5	16.7	16.7	96.7
	40,000 - 49,000	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Expected Yearly Salary Compared to Present Salary

Present Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10,000 - 19,000	3	10.0	10.0	10.0
	20,000 - 29,000	21	70.0	70.0	80.0
	30,000 - 39,000	5	16.7	16.7	96.7
	40,000 - 49,000	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Expected Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10,000 - 19,000	1	3.3	3.3	3.3
	20,000 - 29,000	3	10.0	10.0	13.3
	30,000 - 39,000	16	53.3	53.3	66.7
	40,000 - 49,000	7	23.3	23.3	90.0
	50,000 - 59,000	2	6.7	6.7	96.7
	60,000 - 69,000	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Satisfaction of Supervisor

Satisfactio of Supervisor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dissatisfied	5	16.7	16.7	16.7
	Neutral	10	33.3	33.3	50.0
	Satisfied	10	33.3	33.3	83.3
	Strongly Satisfied	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

Satisfaction of Present Job

Satisfaction of Job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Dissatified	2	6.7	6.7	6.7
	Dissatified	10	33.3	33.3	40.0
	Neutral	11	36.7	36.7	76.7
	Satisfied	6	20.0	20.0	96.7
	Strongly Satisfied	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Satisfaction of Colleagues

Satisfaction of Colleagues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dissatisfied	5	16.7	16.7	16.7
	Neutral	7	23.3	23.3	40.0
	Satisfied	11	36.7	36.7	76.7
	Strongly Satisfied	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

Satisfaction with Top Management

Satisfaction of Top Management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Dissatisfied	4	13.3	13.3	13.3
	Dissatisfied	18	60.0	60.0	73.3
	Neutral	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

Satisfaction with Vision and Objectives

Satisfaction of Objective

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Dissatisfied	1	3.3	3.3	3.3
	Dissatisfied	9	30.0	30.0	33.3
	Neutral	16	53.3	53.3	86.7
	Satisfied	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Satisfaction with Human Resource Policies

Satisfaction of Human Resource Policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Dissatisfied	4	13.3	13.3	13.3
	Dissatified	18	60.0	60.0	73.3
	Neutral	7	23.3	23.3	96.7
	Satisfied	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Satisfaction with Work Environment

Satisfaction of Work Environment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Dissatisfied	1	3.3	3.3	3.3
	Dissatisfied	6	20.0	20.0	23.3
	Neutral	17	56.7	56.7	80.0
	Satisfied	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

Motivational Level

Satisfaction Of Motivation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Dissatisfied	1	3.3	3.3	3.3
	Dissatisfied	13	43.3	43.3	46.7
	Neutral	11	36.7	36.7	83.3
	Satisfied	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

Intention to Resign

Intention Leave

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	28	93.3	93.3	93.3
	No	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

Average and Range – Profile Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	30	25	42	29.53	4.100
Number Organization	30	1	5	2.43	1.165
First Salary	30	1	4	2.60	.855
Present Salary	30	1	4	2.13	.629
Expected Salary	30	1	6	3.30	.988
Valid N (listwise)	30				

Average and Dispersion – Satisfaction Variables

Descriptive Statistics

	Mean	Std. Deviation
Satisfaction of Job	2.80	.961
Satisfactio of Supervisor	3.50	.974
Satisfaction of Colleagues	3.67	1.028
Satisfaction of Top Management	2.13	.629
Satisfaction of Human Resource Policies	2.17	.699
Satisfaction of Organization	2.57	.728
Satisfaction of Work Environment	2.93	.740

Appendix E: - Regression Results

Regression Results: Staff Turnover = f (Staff Salary)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.676[a]	.457	.370	.201

a. Predictors: (Constant), Number Organization, Present Salary, First Salary, Expected Salary

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.852	4	.213	5.250	.003[a]
	Residual	1.014	25	.041		
	Total	1.867	29			

a. Predictors: (Constant), Number Organization, Present Salary, First Salary, Expected Salary

b. Dependent Variable: Intention Leave

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.005	.212		4.746	.000
	Expected Salary	.234	.051	.913	4.563	.000
	First Salary	-.031	.058	-.104	-.531	.600
	Present Salary	-.218	.079	-.541	-2.774	.010
	Number Organization	-.068	.044	-.314	-1.566	.130

a. Dependent Variable: Intention Leave

Regression Results: Staff Turnover = *f* (Employee Satisfaction)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711[a]	.505	.348	.205

a. Predictors: (Constant), Satisfaction of Work Environment, Satisfaction of Job,
Satisfaction of Human Resource Policies , Satisfaction of Top Management,
Satisfaction of Colleagues, Satisfactio of Supervisor, Satisfaction of Organization

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.943	7	.135	3.210	.017[a]
	Residual	.923	22	.042		
	Total	1.867	29			

a. Predictors: (Constant), Satisfaction of Work Environment, Satisfaction of Job, Satisfaction of
Human Resource Policies , Satisfaction of Top Management, Satisfaction of Colleagues,
Satisfactio of Supervisor, Satisfaction of Organization

b. Dependent Variable: Intention Leave

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.778	.276		2.821	.010
	Satisfaction of Job	.065	.048	.246	1.367	.185
	Satisfactio of Supervisor	.025	.051	.095	.484	.633
	Satisfaction of Colleagues	-.045	.042	-.184	-1.080	.292
	Satisfaction of Top Management	.045	.073	.111	.614	.545
	Satisfaction of Human Resource Policies	-.212	.070	-.584	-3.026	.006
	Satisfaction of Organization	.218	.072	.626	3.025	.006
	Satisfaction of Work Environment	-.003	.060	-.010	-.057	.955

a. Dependent Variable: Intention Leave

Regression Results: Staff Turnover = *f* (Staff Salary, Employee Satisfaction)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.874[a]	.764	.620	.156

a. Predictors: (Constant), Satisfaction of Work Environment, Satisfaction of Job, Satisfaction of Human Resource Policies , First Salary, Expected Salary, Satisfaction of Top Management, Satisfaction of Colleagues, Satisfaction of Supervisor, Number Organization, Satisfaction of Organization, Present Salary

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.426	11	.130	5.295	.001[a]
	Residual	.441	18	.024		
	Total	1.867	29			

a. Predictors: (Constant), Satisfaction of Work Environment, Satisfaction of Job, Satisfaction of Human Resource Policies , First Salary, Expected Salary, Satisfaction of Top Management, Satisfaction of Colleagues, Satisfaction of Supervisor, Number Organization, Satisfaction of Organization, Present Salary

b. Dependent Variable: Intention Leave

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.965	.318		3.031	.007
	Expected Salary	.195	.048	.758	4.093	.001
	First Salary	-.015	.060	-.052	-.258	.799
	Present Salary	-.160	.082	-.397	-1.961	.066
	Number Organization	-.080	.040	-.366	-2.008	.060
	Satisfaction of Job	.046	.039	.173	1.181	.253
	Satisfactio of Supervisor	.027	.045	.104	.599	.557
	Satisfaction of Colleagues	-.083	.034	-.335	-2.451	.025
	Satisfaction of Top Management	.054	.066	.133	.818	.424
	Satisfaction of Human Resource Policies	-.174	.057	-.480	-3.038	.007
	Satisfaction of Organization	.142	.062	.408	2.305	.033
	Satisfaction of Work Environment	.005	.058	.015	.086	.933

a. Dependent Variable: Intention Leave

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