INTENTION TO LEAVE MANUFACTURING ORGANISATION: A STUDY OF HONDA MALAYSIA

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(813834)

2016

Thesis submitted to the Centre for Graduate Studies, College of Business Universiti Utara Malaysia, in partial fulfilment of requirements for the degree of Master of Human Resource Management
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ABSTRACT

This study attempts to present a picture of associates’ decision to resign from Honda Malaysia. The primary purpose of this study is to analyse turnover opportunities, career advancement and leadership, and to investigate reasons influencing the intention to leave a company or organisation. Therefore, this research focuses on variables that affect workers’ intention to leave sectors of the manufacturing industry in Malaysia, with a focus on Honda. The study population is comprised of the Honda Malaysia workforce. Data were collected from 247 respondents comprising assistant managers, senior executives, executives, and clerical staff. SmartPLS was used in order to determine whether the hypotheses were accepted. The results support two of the hypotheses of this study. We found that both leadership as well as turnover opportunities had significant (positive) effect on the decision to leave Honda Malaysia. The results also concluded that the prospect of career advancement does not support or influence associates’ intention to leave the organisation. Their decision is instead based on the output as received from the respondents of the survey. It is hoped that the outcome of this study can be used as a guide for Honda Malaysia to retain their workforce.

Keywords: turnover opportunities, career advancement, leadership, intention to leave
ABSTRAK

Kajian ini bertujuan untuk membincangkan faktor kebarangkalian yang mempengaruhi pekerja untuk berhenti dari syarikat Honda Malaysia. Tujuan utama kajian ini adalah untuk mengkaji niat dan sebab untuk berhenti, peluang kenaikan kerjaya dan kepimpinan dan peluang di luar serta sebab-sebab yang berkaitan terhadap niat pekerja untuk meninggalkan syarikat Honda Malaysia. Skop kajian ini termasuklah mengkaji semua isu yang melibatkan kecenderungan pekerja terhadap pemberhentian kerja di dalam sesebuah syarikat. Oleh itu, kajian ini hanya memberi tumpuan kepada faktor-faktor yang paling mempengaruhi, seperti niat untuk meletak jawatan, kenaikan pangkat, gaya kepimpinan, dan pembolehubah yang memberi kesan kepada niat pekerja untuk berhenti dari industri pembuatan di Malaysia.

Populasi kajian hanya memberi fokus kepada pekerja Honda Malaysia. Oleh itu, data telah dikumpul daripada 247 responden terdiri daripada penolong pengurus, eksekutif kanan, eksekutif, dan kakitangan perkeranian. SmartPLS telah digunakan sebagai perisian untuk menentukan sama ada hipotesis itu di terima atau di tolak. Hasil kajian ini menyokong dua hipotesis kajian dan telah di dapat bahawa hanya dua pembolehubah iaitu gaya kepimpinan ketua dan peluang perkerjaan lain mempunyai (positif) hubungan yang signifikan terhadap niat untuk meninggalkan Honda Malaysia. Keputusan kajian ini juga membuat kesimpulan bahawa peluang kenaikan kerjaya tidak mempengaruhi niat perkerja untuk meninggalkan organisasi yang berasaskan output yang diterima daripada responden koji selidik yang diedarkan. Semoga hasil kajian ini boleh digunapakai sebagai panduan dan rujukan bagi Honda Malaysia untuk menambah baik sistem dan dasar syarikat. Dengan ini, secara tidak lansung membolehkan Honda Malaysia menjadi tempat impian bekerja semua pekerja sedia ada dan bakal pekerja di masa hadapan. Di samping itu juga, kajian ini turut memberi manfaat dan rujukan kepada organisasi dan industri berkaitan.

Kata kunci: peluang untuk berhenti, peluang kenaikan kerjaya, kepimpinan, niat untuk meninggalkan
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<td>AVE</td>
<td>Average Variance Extracted</td>
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<td>CR</td>
<td>Composite Reliability</td>
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<td>PLS</td>
<td>Partial Least Squares</td>
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<td>$Q^2$</td>
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<td>SEM</td>
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<td>SPSS</td>
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<td>subhanahu wa ta’ala</td>
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INTRODUCTION

1.1 Background of the Study

For most organisations, losing associates, especially those who are functional, is painful. Negative effects besides financial costs are interruption in quality, productivity, and adverse effect on organisational performance (Galletta, Portoghese, and Battistelli, 2011; Miller, 2010). Thus, it is crucial for an organisation to prevent or minimise their associates leaving. This requires that the organisation identify the reasons that people leave, as well as identify the ‘intention to leave’ feeling among associates. Improving knowledge concerning both factors helps employers attract and retain staff, which, in turn, enables them to avoid potential problems related to turnover.

In the manufacturing industry, six components need to be in place to ensure successful and timely production. These are known as the 6Ms of production: machine, method, material, manpower, measurement, and mother nature (environment). Since manpower is paramount in a business organisation, associates are considered as the greatest asset of an organisation. In the era of global competition, many factories use automation to make products, but humans are still needed to operate machines, to make sure machines run smoothly, and to create production planning and schedules. Organisations require associates to ensure that the vision, mission, and objectives are practicable and achieved. Most organisations give importance to human resources in realising the success of their businesses (Johanim et al., 2012). Business organisations may have variable resources, such as
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