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FACTORS AFFECTING INTENTION TO LEAVE  
AMONG MILLENNIAL EMPLOYEES  
AT YAMAHA ELECTRONICS MANUFACTURING (M) SDN. BHD.



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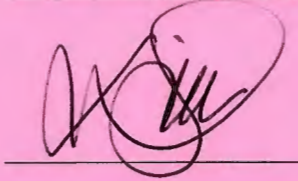
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## Abstract

The purpose of this study was to determine the relationship between job satisfaction, pay satisfaction and work environment towards intention to leave among the millennial employees of Yamaha Electronics Manufacturing (M) Sdn Bhd which is a manufacturing organization in Ipoh, Perak. Three independent variables representing were namely job satisfaction, pay satisfaction and work environment have been selected for this study while intention to leave which is the dependent variable. The millennial employees from Yamaha Electronics Manufacturing (M) Sdn Bhd which is a manufacturing organization in Ipoh, Perak have been selected as a target population. A total of 230 questionnaires were distributed randomly to the millennial employees of Yamaha Electronics Manufacturing (M) Sdn Bhd from age range of 24 – 35 years old and only 220 sets were returned and usable. Correlation and Multiple Regression test were used to analyse the data. Research findings revealed that job satisfaction were significant with intention to leave ( $\beta=-0.343$ ,  $t=-5.298$ ,  $p=0.000$ ) was found to have the greatest influence; while pay satisfaction and work environment was not significant with intention to leave.

**Keywords:** Job Satisfaction, Pay Satisfaction, Work Environment, Intention to leave, Millennial Employees.

## Abstrak

Tujuan kajian ini adalah untuk menentukan hubungan antara kepuasan kerja, kepuasan gaji dan persekitaran kerja dengan keinginan berhenti kerja oleh pekerja millennial Yamaha Electronics Manufacturing (M) Sdn Bhd yang merupakan sebuah organisasi pembuatan di Ipoh, Perak. Tiga pemboleh ubah bebas adalah kepuasan kerja, kepuasan gaji dan persekitaran kerja manakala pemboleh ubah bergantung adalah keinginan berhenti kerja. Pekerja milenium dari Yamaha Electronics Manufacturing (M) Sdn Bhd yang merupakan sebuah organisasi pembuatan di Ipoh, Perak telah dipilih sebagai sasaran responden. Sebanyak 230 borang soal selidik telah diedarkan secara rawak kepada pekerja millennial Yamaha Electronics Manufacturing (M) Sdn Bhd dari umur 24 hingga 35 tahun dan hanya 220 set telah dikembalikan dan boleh digunakan. Ujian Korelasi dan Pelbagai Regresi digunakan untuk menganalisis data. Hasil kajian menunjukkan bahawa kepuasan kerja adalah signifikan dengan keinginan berhenti kerja ( $\beta = -0.343$ ,  $t = -5.298$ ,  $p = 0.000$ ) didapati mempunyai pengaruh yang paling besar; manakala membayar kepuasan gaji dan persekitaran kerja tidak signifikan dengan keinginan berhenti kerja.

pengetahuan tentang subjek ini terutamanya dalam landskap pekerjaan di Malaysia.

**Kata kunci :** Kepuasan Kerja, Kepuasan Gaji, Persekitaran Kerja, Keinginan berhenti kerja, Pekerja Milenium.

## **Dedication**

To my beloved parent  
Muhashamsani bin Abdul Ghani  
RoZIAh binti Din @Mior Ibrahim

To my dearest siblings  
Nurul Farahin binti Muhashamsani  
Muhammad Danial bin Muhashamsani



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To my future husband @ fiancé  
Wan Mohd Khairul Hazwan bin Danial

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## **Chapter 1**

### **Introduction**

#### **1.0 Introduction**

This chapter will first review the background of the study, problem statement, research questions, research objectives, scope of the study, significance of the study and organization of the thesis.

#### **1.1 Background of the Study**

Today's workforce includes Baby Boomers, Generation X, and the Millennial Generation. Every generation is uniquely shaped by its own location in history, with different economic, sociological and demographic trends and experiences. Each generation, therefore, brings something different to the workplace, with their own distinct set of values, views of authority, orientation to the world, loyalty, expectations of their leadership, and ideal work environment (Spiro, 2006). The definition of 'Generation' determine a group of people who share the same life stage and living in the same economic, social and political times and shaped by the identical social course events (D. Ryan, 1992). The age factor is the self-evident of the generation's differences as it includes a group of people sharing a same age range and therefore social course events. It is what differentiate older generations and younger generations. Baby Boomers were born between 1946 and 1963, Generation X was born between 1964 and 1981, and The millennial were born between 1982 and early 2000 (Md. Aminul Islam, Teh Wee Cheong, Dayang Hasliza Muhd Yusuf, Hazry Desa, Cheong, Teh Wee, 2011). The millennial born after 1982 and 2000 known as Generation Y & Generation Z are the largest work force composition in the labour force which represent 80 percent and

mostly and carry out the task of operations (Fry, 2015). Thus, many employers finds the millennial as the make it or the break it for the organizational success and continuity. They are also regard as the most significant contributors to the economy as they are largest and the fastest growing workforce emerging into the labour market and would soon replacing the Baby Boomers who would soon retire in growing numbers (Main, 2013). The millennial who are born between 1981 and 2000 are heavily influence by social and economic conditions and in addition the means of technology are used extensively to the uncertain times during which they have been growing up (Md. Aminul Islam, Teh Wee Cheong, Dayang Hasliza Muhd Yusuf, Hazry Desa, Cheong, Teh Wee, 2011).

The millennial lives in globalise age whereby competition and opportunities are endless and with the access of technology and technology literacy, finding new jobs and opportunities are effortless for these millennial. These would explain why many employers are finding it hard to retaining and recruiting these young, talented, high performers and potential leaders to stay. They are also widely known as the notorious job hoppers (Main, 2013). Therefore, many efforts have been done to promote better work condition and job satisfaction that are crucial to attract the millennial such as flexible working hours and etc. Not only it changes the Human Resource practices and business perspectives but also widen the knowledge of understanding these young subordinate's behaviours at work.

In this study, the researcher will explore the traits of the generations and what shapes the millennial that would lead them behaving at work place that would relates to turnover factors. The millennial traits are an interest of some researchers determined to understand the factors that influenced the millennial behaviour at work to the great extent. One of the many talks of the millennial in the early research indicates that the

millennial are as different from Generation X as Generation X are from the Boomers (D. Ryan, 1992). For instance, as opposed to the Generation X who were always told “Just Say No”, the millennial are being told “Just Do It” (Glass, 2007) which would explain many of these young subordinates acted according to their intuition or rather impulsively in deciding their education, opinions and career path. (Ichniowski, Kochan, Levine, Olson, & Strauss, 1996) described that the millennial will be more numerous, more affluent, better educated and more ethnically diverse than any previous generation, and evidence is bearing this out (Main, 2013).

The millennial demands the work and life balance, expecting immediate satisfaction from their work and technology dependency (Maimunah, 2011). The technology are the vital instruments that existed within these young generations and without a doubt used extensively in their daily life. This new young generation has grown up with technology, computers, mobiles phones and the Internet facilities (Md. Aminul Islam, Teh Wee Cheong, Dayang Hasliza Muhd Yusuf, Hazry Desa, Cheong, Teh Wee, 2011). They are also the most technology-fluent, multitasking, and adaptable and team oriented group of workers in history (Main, 2013). In this age, we have seen the consumerism have flourished and dominated the market with borderless online purchasing and marketing and dominated by these the millennial. They who also invented social media platforms, playing video games and posting self-created videos online which three-quarters of the millennial have created profile of social networking site, compared to half of Generation X, and 30 percent of Boomers (Postlewaite, 2011). The characteristics mentioned above are also why they are sought after by the employers in today’s job market. Because of some qualities imprinted to them for instant the need for ongoing learning, open to new challenges, desire for immediate responsibilities and recognition (Spiro, 2006) and the very reasons why employers need

them as an energy booster in the organization. They are also independent, confident, diverse, collaborative yet selfish (Md. Aminul Islam, Teh Wee Cheong, Dayang Hasliza Muhd Yusuf, Hazry Desa, Cheong, Teh Wee, 2011).

They are the transformational generation for they have grown into different world surrounded by modern technologies and consumerism differentiates from their parents and the previous generations before them. They have grown up in the e-commerce age, seen greater technological advances than ever before, and are more comfortable with change and globalization than any previous generation (Main, 2013). Known for being confidentially optimistic, educated, collaborative ability, open-minders and eager to drive being no doubt about it they are the hottest commodities on the job market. Thus, they are generally desire and arriving into the labour market with higher expectations than previous generations before them. In the case, which many managers failed to understand their characteristics and ended up losing them faster than recruiting them.

The millennial's values are driven by a sense of entitlement of rewards and satisfaction although their actual performance levels that are unrealistic and disconnected between reward and performance (Main, 2013). Consequently, increase expectations job entitlements and rewards can be problematic in the workplace as it leads to conflict, abusive behaviour, job frustration and low job satisfaction levels (Laird, Harvey, & Lancaster, 2015). This sense of entitlement is an important characteristic that causes the millennial employees to perceive a mismatch between their expectations and rewards in their workplace. Therefore, discrepancy between the expectations of the individual and reward organizations that generate conflict or tension resulted to the cause of employee turnover. The millennial employees have greater expectations than the older generations, and are also more likely to leave jobs when their expectations are not met (Corporate Leadership Council, 2005; Twenge, 2006; Wong et al., 2008; Howe

and Vos, 2010). The employee remains with the job as long as the organisation and employee remain mutually attracted.

Therefore, it is a managerial opportunities and challenges to take advantage of this issue and promote cohesiveness, cooperation and innovation between age diversity. The millennial will most likely to prove, if capitalized on, to be one of the greatest assets of companies today, however it requires new human resources initiatives and changing the present human resource activities and planning is necessary in order to integrate the new generation with their new requirements and new features as active and productive members of the organisation (Bencsik, Juhasz, & Machova, 2000).

In this study, the researcher would study the relationship between job satisfaction, pay satisfaction and working condition and intention to leave among the millennial in manufacturing sector.

## **1.2 Problem Statement**

In the context of human resource management, manufacturing sector have undeniably creating jobs opportunities and multiplying talents over the last decades. With the help of notable changes such as globalisation and technological changes, suddenly the country is in need of specialised workers in engineering, chemistry and technical talents and etc. Manufacturing industry offers various types of jobs encompassing the lowest level position of unskilled workers such as production operators up to professional and management positions such as engineers and managers. In labour-intensive production, job as production operators, skilled-workers, and technicians are so important and become the majority of total workforce. Hence, a continuous existence of workforce in manufacturing sectors either lowest level positions of operators, skilled-workers,

professional nor management is significant to ensure the successful continuity in manufacturing industries (Abdul Ghani, 2015).

Manufacturing sector provides enormous job opportunities to the people. In fact, out of 1,619,473 job vacancies reported to the Labour Department in year 2012, 598,890 job opportunities or 37 percent was from manufacturing sector. Source obtained from Treasury of Malaysia showed an increasing trend of total employment according to industries and manufacturing industries thus far have the top highest ranking of employment in all industries in Malaysia. In addition, source from Ministry of Human Resource ([www.mohr.gov.my](http://www.mohr.gov.my)) also revealed that in 2016 the working population has reached to 14, 202 000 employment and manufacturing industries has employed 2,401 200 or 16 percent out of the employment rates also as the second highest employment after service industries. This shows that the demand for manufacturing workers is enormous and employers are constantly competing to acquire talents which especially requires technical skills and electronic expertise that are not common in the labour market, thus, talented or high performers or star workers will always be in short supply (Maimunah, 2011).

In the midst of difficulties to hire skilled, competent, or even un-skilled workers most companies begin to raise pay and offer more attractive benefits with the intention to pinch experienced staffs of other companies. At the same time this unhealthy practice has increased turnover among manufacturing companies. The issue of employees' turnover is frequently being discussed especially in the context of manufacturing sector in Malaysia as it's been seen as the 'engine of growth' in terms of gross domestic product (GDP) contribution, total exports and employment (Dogan E, Wong K. N. , 2010).

The millennial and job hop initiatives has been a topic of discussion not only among the human resource leaders of today: there has been numerous studies on 'The millennial' globally but not many in Malaysia. This has been creating frustration for employers in retaining and recruiting talented and high performance workers. This situation is dangerously alarming to any organizations who wishes to retain talent and maintain the business operations and competitiveness. This event does not escape any sectors in Malaysia but creating a dangerous phenomenon in the labour market.

According to (The Malay Mail Online, 2015) companies lose more than RM6 billion each year in lost productivity from unscheduled employee absence, according to a survey by the Malaysian Employers Federation (MEF). The survey indicated that reasons for the absenteeism include clinic visits, sick leave, prolonged illness, lateness and absence without leave. In addition, a recent article stated that the millennial shunning blue-collars jobs. It says that millennial see employment in production lines, constructing sites and plantations as low-grade jobs to be avoided in contrast that it is the blue-collars jobs that offers more job opportunities in the labour market such as manufacturing sector. They are enormous vacancies waiting to be filled in the manufacturing sector but faced a lot of constraints in recruiting and retaining them. This would lost expenses as technical skills and engineering expertise are rarely obtain for certain manufacturing processes (Kong & Hoh, 2017).

Thus, the phenomenon has not escaped Yamaha Electronics Manufacturing Sdn. Bhd. and no exception to high turnover of the millennial employees. Yamaha Electronics Manufacturing (M) Sdn. Bhd. (YEM), a subsidiary of Yamaha Corporation Japan (YCJ) was established in 1991. YEM business activities are categorized under electrical

and electronics manufacturing sector and located in Ipoh, Perak. Later YEM has grown and becomes a core manufacturing plant in producing audio video products for Yamaha Group such as amplifiers, receivers, DVD players, hi-fi systems, digital sound projector, blue-ray players, home theatre systems, professional audio systems (analogue and digital mixers) as well as sound networks. Besides, YEM also becomes a global service part centre for AV products and provides technical expertise to other subsidiaries under AV division of Yamaha Corporation Japan (Y CJ).

From 2013 until 2017 YEM has recorded a stable revenue around RM700 million each year. Total workforce at the end of December 2017 was 1,315. Staff in YEM include Malaysians, expatriates from Japan, foreign workers from Indonesia, Nepal as well as from Vietnam. The issue of employee turnover has not escaped YEM as it also experiencing the similar constraints of employee's turnover for the last 5 years in settings. YEM turnover as reported at the end of December 2017 stated that 41.38 percent employees resigned in 2017, 42.52 percent in 2016, 41.02 percent in 2015, 37.22 percent in 2014 and 32.44 percent in 2013. This data not only showed a fluctuated pattern in turnover activity in 5 consecutive years but also signifies a waste in management costs whereby the cost for recruitment, hiring and training for a new employee is approximate at RM500 per employee. Injuriously, YEM had loss RM275, 000 for recruitment, hiring, and training costs for year 2017 alone.

Table 1:1 YEM Resignation data from 2013 until 2017

<b>Year</b>	<b>Resigned Employee</b>	<b>Total Employees</b>	<b>Percentage (%)</b>
2017	550	1315	41.83
2016	611	1437	42.52
2015	626	1526	41.02
2014	536	1440	37.22
2013	424	1307	32.44

In 2015, a research have been conducted in YEM by the fellow researcher that focused on pay satisfaction and leadership styles towards intention to leave among local employees. The result was pay satisfaction and leadership styles (transactional and transformational) does have significant relationship with intention to leave. In the previous researcher's recommendations, the researchers urged to study of changing different variables which was not covered in his research. The previous researcher also indicates that there is an alarming growing pattern of turnovers among young generation. They are individualistic and materialistic form and tend to pursue more personal growth and recognition tied to financial rewards and if they do not received the expected financial rewards, they have the inclination to leave the organization (Abdul Ghani, 2015).

Therefore, this research is a continuous study and effort in discovering the significant variables which will affect the intention to leave among younger employees the millennial in YEM. It is quite disconcerting conditions whereby the younger talents are not interested in working in YEM and would lead to unfavourable circumstance or condition that reduces the chances of success or effectiveness and productivity especially in manufacturing business such as YEM.

In spite of implementation of Minimum Wages Order in 2016 and new implementation of salary scheme and attendance allowances being introduced in early 2016, it did not succeed to reduce the turnover rates to achieve the expected target. It also showed that the turnover rates among younger generation of employees are still at large. The number of resigned employees have been divided by three age group of Baby Boomers, Generation X and The millennial itself and showed that in 2016 the biggest resignation age group was 24 – 35 years old or 97.27 percent from total resignation.

Table 1:2 YEM Resignation data by age

Age Range	2013	2014	2015	2016	2017
24 – 35 years old	419	532	624	610	535
35 – 52 years old	4	3	2	1	13
52 – 65 years old	1	1	0	0	2
Total	424	536	626	611	550

(Source : Yamaha Electronics Manufacturing (M) Sdn Bhd Annual Report 2016)

This figures are very alarming as they also indicated that 93.63 percent was in fact direct employees which are directly involving with products installation and production operators and there was also situations whereby some of the production lines was forced to stop due to absenteeism problem and lack of manpower. This are undeniably something that is very detrimental to the company productivity and profit as products are unable to be produce and delivered as per required.

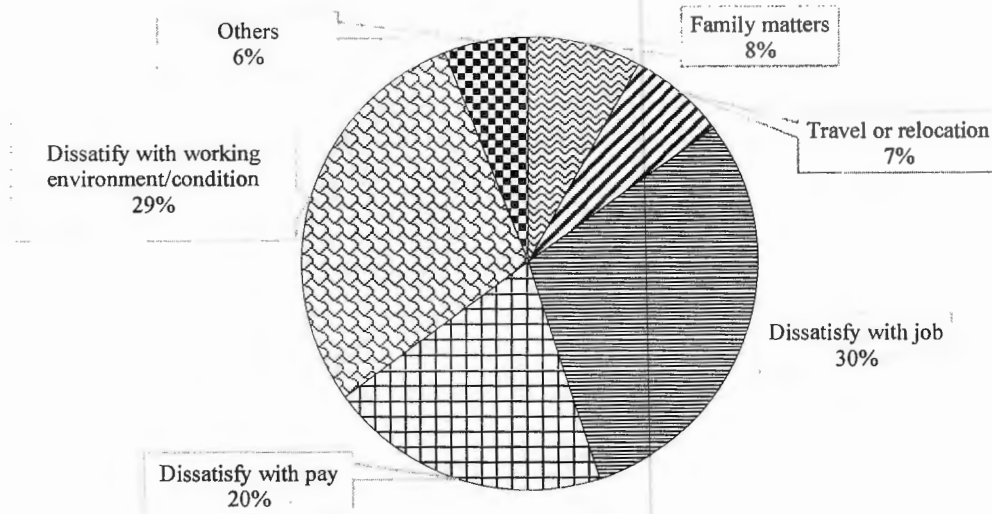
Figure 1:1 YEM Resignation by position in 2016



(Source : Yamaha Electronics Manufacturing (M) Sdn Bhd Annual Report 2016)

The exit interview conducted also have indicates that younger employees are heavily influenced by job satisfaction, pay satisfaction and the working environment. Hence, we can presume that the precious researcher recommendations were reassuring that there is variables that need to be study thoroughly in this research.

## YEM Exit Interview Results (2013 -2017)



(Source : Yamaha Electronics Manufacturing (M) Sdn Bhd Annual Report 2016)

Furthermore, YEM turnover rates are very alarming and damaging in term of costs, time, and efforts. This also means that YEM would lost the competitive advantage in term of job productivity and longevity as more younger employers are not interested to work in YEM. Because of this issue, the researcher wants to foresee the factors influencing the intention to leave among the millennial employee in the setting of YEM. Therefore, this study aims also to investigate and explore current younger employees' perception in YEM so that an appropriate action and measures can be taken to mitigate the problems.

### 1.3 Research Questions

Based on the problem highlighted and discussed above, the research questions will be addressed in this study:

- 1.3.1 Is there a relationship between job satisfaction and intention to leave?
- 1.3.2 Is there a relationship between pay satisfaction and intention to leave?

1.3.3 Is there a relationship between working environment and intention to leave?

#### **1.4 Research Objectives**

The objectives of this research are:

1.3.1 To determine the relationship between job satisfaction and intention to leave.

1.3.2 To determine the relationship between pay satisfaction and intention to leave.

1.3.3 To determine the relationship between working environment and intention to leave.

#### **1.5 Scope of the Study**

This study will be focusing on the millennial employee who age from 24 – 35 years old who are currently working in Yamaha Electronics Manufacturing (M) Sdn. Bhd. which comprises various level of positions such as production operators, material handlers, QA Inspectors, clerks, technicians, supervisors, executives, engineers, as well as managerial level (starts from assistant manager until head of department).

The focus of this study is to examine job satisfaction, pay satisfaction and working environment in relation to the millennial employee's intention to leave. A survey instrument of questionnaire will be used to collect data. Questionnaire for job satisfaction, pay satisfaction and intention to leave was extracted from Minnesota Satisfaction – Short Form: Vocational Psychological Research, University of Minnesota (Weiss, 1977) While, for intention to leave the questionnaire was adopted from Jeskel Van Boxtel (2011).

## **1.6 Significance of the Study**

Workforce availability are indispensable for a labour intensive manufacturer such as YEM. Their existence are vital in sustaining productivity and youthfulness. Hence, fulfilling these young employee's satisfaction as well as maintaining good industrial relations hopefully can retain these young employees in organization and begin to the procession of the succession planning in YEM.

In addition, the result of this research could aid Human Resource Department to identify which factors need to be improved. It is important for employers to continue looking for ways to increase the level of satisfaction among the millennial in order to retain them for a long time. Employers are not able to detain employees to leave the organizations, but if they can offer a better package to the millennial employees, there are high chances that they might able to keep them longer.

Hence, through this research the researcher will be analysing the various factors that could have significant or influences on employee's job satisfaction, pay satisfaction and working environment towards intention to leave thus recommending the appropriate measurements to retain Yamaha Electronics Manufacturing (M) Sdn. Bhd younger workforce.

## **1.7 Organization of the Thesis**

This study comprises of five major chapters that will be deliberated widely. The first chapter covers the whole intention of doing this study such as problem statement research questions, research objectives, significance as well as scope and limitations of the this study. Subsequently, Chapter 2 highlights the review of related literatures, discussion of previous literature for variables studied, and literature associated in supporting conceptual framework for this study. Meanwhile Chapter 3 underlines the

methods and procedures that are applied in this research for collecting and analysing the data. Then, Chapter 4 will discuss the matter of data analysing and defining research findings of study. Lastly, the final chapter will illustrate the discussions, findings limitations, conclusions, and recommendations for further research in this subject area.



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## Chapter 2

### Literature Review

#### 2.0 Introduction

For any company to do business in this heterogeneous society and new market stream is hard and yet even harder to continue its life span to remain in the market today and yet continue to be productive and making profitable outcomes. Of course to achieve that, organizations would rely mostly on the ability, knowledge and skills of their talents. Therefore, organizations are constantly searching and competing for talent, and for those organization that are capable to attract, retain and motivating employees are most likely to achieve and sustain the competitive advantage. An organization might have the sturdiest market positioning, latest advance technology and solid financial ground but however without having a stable workforce performing their jobs and responsibilities it is impossible to accomplish its objectives and roles (Mobley, 1982; Taylor, 2002).

(Maimunah, 2011) stated that the most testing tasks for Human Resource practitioners are to ensure the organization have the right number of staff with the right skills and at the right time and the understaffing due to turnovers phenomenon is detrimental to the business operation (Jha, 2016) and most troubling issues for businesses (C. Ryan, Ghazali, & Mohsin, 2011). Among the reasons for such high labour turnover are the boredom associated with highly routinized labour (Ritzer, 1996), poor pay and working environment (Poulston, 2008) that leads to high cost disruption to work flow, costs of advertising, recruitment and training costs (C. Ryan et al., 2011).

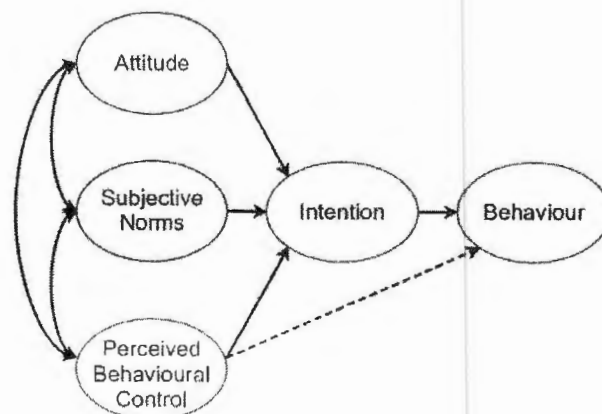
This was also added by Weisberg (1994) stated that labour turnover is an inevitable phenomenon in an organization's life cycle that involves redundant monetary and non-

monetary costs, particularly when efficient and experienced workers, with substantial amounts of investments in their human capital (schooling, experience, skills, etc.), leave voluntarily. Because of this, managements are preoccupied with a constant search to identify signals of potential labour turnover. Therefore, it concluded that turnovers are uninviting and detrimental for business operation success and very expensive. Turnovers phenomenon aids by the factor of globalization, regardless of location, nature of business and size of the organization, turnovers becomes a global issue and occurs in all level of employment and sectors.

## 2.1 Turnovers and Intention to Leave

In understanding the concept determination of intention, the initial theory was introduced by Ajzen's Theory of Planned Behaviour which focusing on intentions as the key link between attitudes and planned behaviour. It showed three separated but interacting determinants of one's intention to exhibit a specific behaviour. Intention in other meaning are a person's readiness to perform a given behaviour. Nonetheless, this model only predicts behaviour under an individual control, not behaviour due to circumstances beyond one's control for example specific time or even place it could occur (Kreitner, R. & Kinicki, A., 2010)

Figure 2.1 : The Theory of Planned Behaviour



The first is the attitude toward the behaviour and it refers to the degree to which a person has a favourable evaluation or unfavourable evaluation or appraisal of the behaviour in question. The second predictor is a social factor termed subjective norm, it refers to the perceived social pressure to perform or not to perform the behaviour. The third antecedent of intention is the degree of perceived behaviour control, which refers to the perceived ease or difficulty of performing the behaviour and it is assumed to reflect to past experience as well as anticipated obstruction and obstacles (Kreitner, R. & Kinicki, A., 2010).

Therefore, the model of planned behaviour suggested that someone's intention to engage in a given behaviour is a strong predictor of that behaviour. In other meaning, job application's intention to quit a job or voluntary turnover can be predicted even before they were hired. Hence, intentions to quit significantly predicted turnover (Barrick & Zimmerman, 2005). Hence the Azjen's model are reliable for managerial implications and interventions. Managers can thus influence behavioural change by doing or saying things that may affect the three determinants of employee's intentions to exhibit a specific behaviour, attitude towards the behaviour, subjective norms and perceived behavioural norms (Kreitner, R. & Kinicki, A., 2010).

Generally, there are three types of workplace behaviours directly or indirectly influence organizational effectiveness. Such behaviours are the performance behaviour, citizenship behaviour, and withdrawal behaviour (Griffin, 1999). (Thomas & Robbins, 1979) in their book *Organizational Behaviour* elaborated performance behaviour is the combination of effectiveness and efficiency of employee doing core job tasks, while, organizational citizenship behaviour is employee's behaviour that is discretionary and not directly or explicitly recognized by the formal reward system and that taken together promotes the effective functioning of the organization. Withdrawal behaviour, on the

other hand, is the set of actions that employees takes to separate themselves from the organization.

Turnover is one of the symptoms of withdrawal behaviour. The scholars describe withdrawal behaviour is an action taken by an employee to isolate themselves from the organization, for instance, start with coming late to work or intentionally avoiding meetings to absenteeism and turnover (March and Simon, 1958). Meanwhile, turnover is classify as voluntary or involuntary, and categorized as functional or dysfunction of workforce. Voluntary turnover, initiated by the employee due to various factors such as getting new job, whereas, involuntary turnover initiated by the employer due to poor performance or redundancy (Abdul Ghani, 2015). Also mentioned by Mello (2011) explains employees who quit the organization on their own accord is classified as voluntary turnover, whereas, employees who quit at the organization's request is classified as involuntary turnover. Least of all, Lambert (2001) also indicates that voluntary turnover is an outcome of employee instigating to end their relationship with their employer. Similarly, Wells and Peachey (2010) defined voluntary turnover is a process in which an employee makes decision whether to remain or quit the organization.

On the other hand, involuntary turnover is the scenario whereby the organization itself overrides the employee's decision to remain or quit the organization (McPherson, 1976). Functional turnover or involuntary turnover does not detrimental to the organization. Employee who their job terminated by the employer likely to be the unskilled temporary workers and those who are poor performers, thus, the organization does not suffer the loss of talents (Wallace and Gaylor, 2012). Their employment termination does not prevent work from been done effectively. Indeed, the organization

can gain advantage by substituting them with better performers and enhancing the quality of the affected jobs, resulting in functional turnover (Dalton, 1979).

On the other hand, voluntary turnover is labelled as dysfunctional turnover. Dysfunctional turnover contradicts with functional turnover, whereby top performers leave and causing the remaining employees to pick up the slack (Wallace and Gaylor, 2012). Employee turnover is an inevitable phenomenon emerged in any organization's business phase and it will implicate financial as well as non-financial costs. Whether it is servicing nor can manufacturing sector, the global consequences and effects of turnover be felt by all.

### **2.1.1 Definition of Turnover and Intention to leave**

Mobley (1982) describes employee turnover as the termination of relationship with organization by an individual whom been paid from the organization. George and Jones (1999) labelled turnover as a permanent withdrawal of a worker from the organization they work for. Likewise (Jha, 2016) explains employee turnover is an action taken by an employee to quit on his or her own accord. Meanwhile (Price, 1977) defined intention to leave as "the degree of individual movement across the membership boundary of a social system". Another degree of intention to leave faced by employees is the fear and thoughts of actually quitting one's job. Therefore, actually any thoughts on these issues are considered 'a signal of quitting' (Hazell, 2010).

### **2.1.2 Past study related to Turnover and Intention to leave**

Ryan et al., (2011) conducted a research to examine determinants of an intention to quit a job held by non-managerial staff in Malaysia fast food industry and it also associates with the factor of job stress and peer groups. Whereby, during a quantitative analysis was done and resulted that 20 percent frequently think about leaving their job while

only 20 percent others are fully committed to their employment. A worker's intention to leave is considered as a signal of quitting (Weisberg, 1994). High intent to leave were found to be influenced by friends, job stress and being burn out due to job overload. The study exposed an implications related to intention to leave being one of them are friends influencers. The findings also discovered conveniences of working environment for instant a closer places of worships example mosques for majority Muslims employees are also significant in this study.

In earlier research conducted by Weisberg in 1994 in Tel-Aziz, Israel attempted to point towards a significant positive relationship between a worker's degree of burnout and teacher's intention to leave. From the research, intention to leave was found to be significant correlated to burnout. Findings from the research indicates that those teachers who have extensively interaction with demanding subpopulations, excessive work, inadequate salaries, disciplinary problems, lack of student interest, overcrowded classrooms, job requirement to give too many tests, difficulty in advancement, lack of support team and equipment, unwanted transfers to other schools, conflicts in job perception and public criticism of teachers and their work are more vulnerable to high degree of burnouts and job withdrawal behaviours (Lazaro, 1984).

Intention to leave are the result of thoughts and feelings to change the current job to other organizations were the result from dissatisfaction and perceived of social support from their current employer (Abdul Ghani, 2015). Similarly, Rousseau (1995) stated that employee's expectation of their organization or the psychological contract between employer-employee and what is expected from them in return are decrementing. Behery et al. (2014) conducted a research to understand the implications of psychological contract on employee's intention to leave and their relationship with employee commitment and satisfaction in United Arab Emirates (UAE) in the

multicultural workforce. Data collected among various type of organization encompasses government, semi-government and private organizations covering all levels across industries. The study revealed that psychological contract are indeed significant role in developing strong employer – employee relationship and reducing employee’s intention to leave.

Ruyter (2007) examined the influence type of contracts or contract characteristics on frequency of absenteeism and intention to leave in selected call centre. The study revealed that when the type of contracts has a more economic focus and is perceived as concrete and stable, frequency of absenteeism is higher than when the contract is more encompassing and changeable. Where else, employees with permanent contract have a lower intention to leave compare to employees with a temporary contract. In addition, it stated that work-related attitudes because this attitudes have the strongest relationship with the frequency of absenteeism and intention to leave.

### **2.1.3 Turnovers and Intention to leave related to the millennial**

The generation of workforce today are currently subsist are divided by four including Traditionalists, Baby Boomers, Generation X and lastly Generation Y. Baby Boomers (born between 1946 and 1964) begin to leave workforce, the remaining employees for the foreseeable future will be comprised of Generation X (born from 1965 to 1980) and Generation Y (born from 1981 to 2000) employees (Brown, Thomas, & Bosselman, 2015).

Each group represent their own unique set of values, view of authority, orientation to the world, loyalty, leadership styles and favourable work environment that are influence by their location and history (Spiro, 2006). It is quite important to identify various

attributes these generations have in common, as well as how they differ (Brown et al., 2015).

The Traditionalist are born in the pre-1946 during World War II. In those hardship period, they are associate with hardship conditions, value consistency, and discipline and obey the laws. They are satisfied from knowing the job are done according to what it is and usually stayed in the their first company for their entire life (Spiro, 2006). However, they are no longer play a role in the institute of employment because they have retired and replaces with Baby Boomers.

The Baby Boomers are the workers born after the 1946 until 1964 (Brown et al., 2015). Born and grew with prosperity and safety their have develop their opinions during sixties and seventies, believing of growth, expansion and changes. In term of job satisfaction, they believe long working hours in the way to show their loyalty to the company and take in more responsibilities. They created job procedure and would be the best to follow it. The phrases write what you do and do what you write have been the best to described the Baby Boomers which who usually obey the laws and process continuity. They mostly would be known as an inventor of ideas and thinkers and dominating as top positioners in the organization.

Soon would be followed are the Generation X who are born in between 1965 until 1980 (Brown et al., 2015). Born in the middle of two largely generation before and after them. Their characteristic to those who favours work and life balance and work to maintain it. They too after been shaped by the predecessor before them Traditionalists and Baby Boomers who value rules and cultural continuity in social standing have been somewhat overlook.

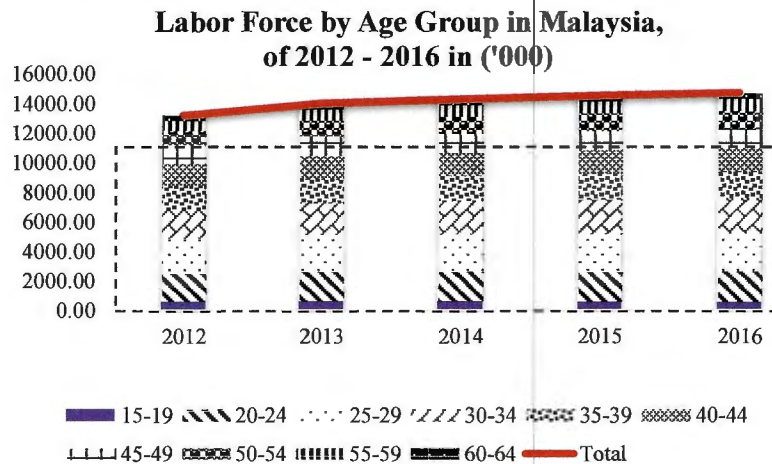
The millennial who was born after the 1981 until 2000 which age between 36 - 17 years old today (Brown et al., 2015). However so, many recent have stated that The millennial are considered unique for their different expectations and ways of doing things compared with the generation before them which lead to next arising issue whereby cause by generation gap between generations in the between Generation Y and their managers who are usually older than them. They are the largest new job entrants to the workforce market replacing Baby Boomers who are going into retirement but a part from that, they are found to be job hop (Md. Aminul Islam, Teh Wee Cheong, Dayang Hasliza Muhd Yusuf, Hazry Desa, Cheong, Teh Table 0:1Wee, 2011).

Table 2.1 : Workforce composition and age range

<b>Workforce Composition</b>	<b>Year Born</b>	<b>Age Range</b>
Traditionalist	Pre 1946	71 years old & Above
Baby Boomers	1946 - 1961	70 – 56 years old
Generation X	1962 - 1977	55 – 40 years old
Generation Y	1978 - 1993	39 – 24 years old

According to Department of Statistic Malaysia, labour force population according to the age group between 20 – 25 years old, 25 – 29 years old, 30 – 34 years old, and 35 – 39 years old has increased over the years until 2012 until 2016. For instant, employee for age range 25 – 29 years old showed a continuous increase from 2,435,000 employees in 2012 to 2,708,000 employees in 2016.

Figure 2.2 Labour force by age group in Malaysia of 2012 – 2016 in ('000)



Compared to other generations, members of Generation Y or known as the millennial are the hardest to retain in the workplace for two main reasons. The first reason are values of their personal life and willingness to leave their current job if the change are more beneficial to them. Secondly, the factor of age gap in the working environment are also playing the part of leaving the organization (Brown et al., 2015). The likeness of these also are found to be related with the literature age which are found to play some role in predicting an intention to leave a job (Gursoy et al, 2008) for example argue that age is a factor because different generations (Baby Boomers and Generation X) have different expectations and generational norms that are carried into the work place (C. Ryan et al., 2011).

In a research by Brown, Thomas, & Bosselman (2015) examined Generation Y hospitality employees what causes them leaving the hospital industry, what cause them to return if they had left and the positive and negative career related traits of the hospital industry. The research confirmed that Generation Y employees desires an exciting and challenging careers that provide a sense of significant and enthusiasm. The findings of the research also identified that the most common responses for hospitality graduates

that left the hospitality industry are because of the long hours and compensation. This research also aligned with other research by (Md. Aminul Islam, Teh Wee Cheong, Dayang Hasliza Muhd Yusuf, Hazry Desa, Cheong, Teh Wee, 2011) which revealed that Generation Y cares importantly of monetary factors in determining jobs and other employee benefits such as flexible working hours, good brand, opportunities for sabbaticals and international travel.

## **2.2 Job Satisfaction**

The study of workplace attitude are those the assessing people's feelings towards their jobs, referred to as job satisfaction. People in organization tends to forms an attitude about various different reasons. They are likely to viewpoint about their salary, promotion possibilities, employer, benefits, and what happening in their received for their work and environment. However the most principal attitudes are job satisfaction and organizational commitment (Griffin, R. W., & Moorhead, G., 2008).

One can be relatively satisfied with one aspect of his/her job and dissatisfied with one or more other aspects (Kreitner, R. & Kinicki, A., 2010). Job satisfaction reflects the extent to which people find gratification or fulfilment in their work. Personal factors such as an individual's needs and aspirations determine this attitude and job satisfaction along with group and organizational factors such as relationship with co-workers and supervisors and working environment, work policies and compensation (Smith, P., Kendall, L. M. & Hullin, C., 1969).

### **2.2.1 Definition of Job Satisfaction**

Locke (1969) viewed that job satisfaction is determined by the correspondence between what is perceived to exist in the work environment by way of outcomes (rewards) and what one wants from that environment. Subsequently, Kreitner, R. & Kinicki, A in 2010

defines job satisfaction essentially reflects the extent to which an individual likes his or her job. Also, Greenberg (2011) defined job satisfaction are the positive or negative attitudes held by individuals toward their job. Similarly, job satisfaction is an effective or emotional response toward various facet of one's job (Kreitner, R. & Kinicki, A., 2010).

### **2.2.2 Past study of Job Satisfaction**

In one research, the researcher have shown that genetic factors played a role in job satisfaction. In other meaning, some people inherited same tendencies to be either satisfied or dissatisfied with all aspects of their lives, including their jobs. The researcher have shown that identical twins with same genetic inheritance expressed more similar levels of job satisfaction than the fraternal twins or unrelated person even if their jobs are relatively different (Arvey, R. D., Bouchard, T. J. & Segal, Jr. N. L., 1989).

In a way, due to the facts that genetic factors influence certain aspects of personality that linked to job satisfaction (Greenberg, 2011). Such aspects of personality include the Big Five Personality and the general tendency to experience positive and negative affectivity have been found to be linked to job satisfaction and both are heritable from the result of genetic factors (Mateo, Roberto Hernández, Jaca, & Blazsek, 2013). Therefore, genetic factors may influence job satisfaction indirectly through their impact on key aspects of personality.

To further argue of the genetic factors linked to job satisfaction, a research of job satisfaction across generation groups uncovered the following trends; Traditionalists, Baby Boomers, Generation X and Generation Y were most satisfied with their employers and least satisfied with compensations; Baby Boomers had lower

satisfaction with employers, the jobs they perform, and compensation that Traditionalists had higher job satisfaction than the other groups across all aspects of satisfaction (Kreitner, R. & Kinicki, A., 2010).

This could relate to a research covered (Daud, 2016) aimed to explore the level of job satisfaction and also tried to determine the relationship between the individual and work-related factors on the satisfaction level of the new generation employees. The findings revealed there are factors that significantly contribute to job satisfaction for instance, organization size which is important to Generation Y see as a better career advancement and opportunities for growth.

### **2.2.3 Job Satisfaction relates to Intention to Leave**

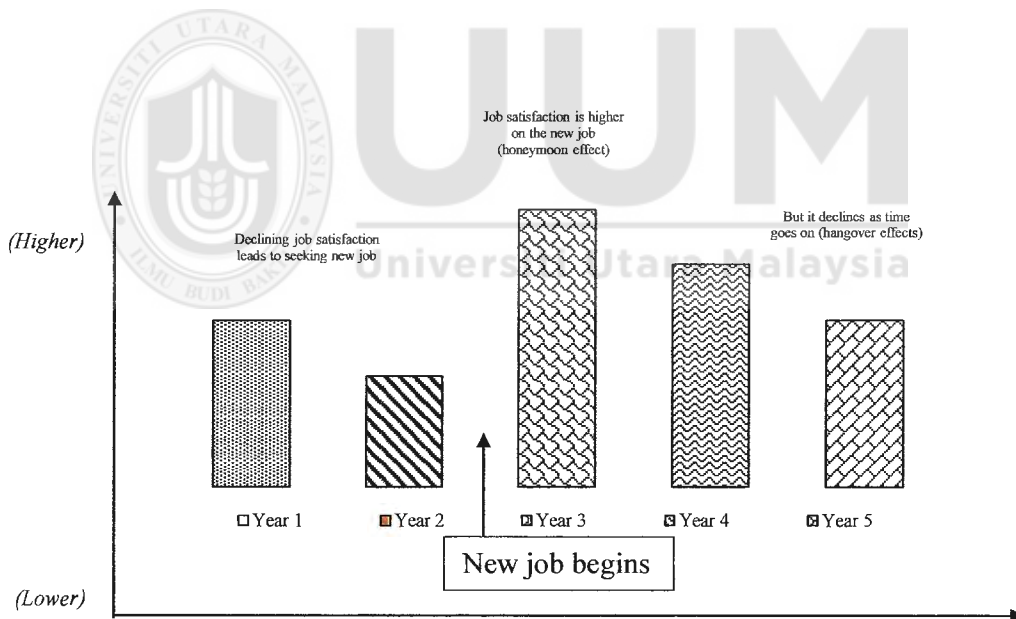
A satisfied employee tends to be absent less often, to make positive contributions and to stay with the organization (Grant & Thesis, 2000). Therefore in comparison to those dissatisfied employee may be absent more often, may experience work stress, and disrupts co-workers and continuously looking for other job opportunities. People who dissatisfied with their job might go out of their way to minimize the extent to which they are involved with them. This process is called withdrawal behaviour.

Withdrawal behaviour are actions such as continues absenteeism or voluntary resignation that enable employee to walk out or break free from adverse working environment (Greenberg, 2011). When the employees quits their jobs, the costs for impairment are significantly high and damaging. The cost for replacement and the disruption of work has always been an endless concern for all many years among many organizations the moment when employees decided or intent to leave (Hellman, 1997). Most damaging aspects are in term of work productivity, recruitment, training for

replacement. Thus far, some employee who are dissatisfied with their job are inclined to resign, at this point they seek a new position to seek better job satisfaction.

Psychologically people tend to be more satisfied for their job and leaving the old one due to reason of the honeymoon effect. The model was introduced by (Boswell, W. R., Boudreau, J. W. & Tichy, J., 2005) discussed that people's level of job satisfaction tend to shift somewhat over time. As people become dissatisfied with their jobs, they tend to take new ones. Immediately thereafter, satisfaction increases dramatically (the honeymoon effects), but soon thereafter, it declines (the hangover effects).

Figure 2.3 : “The Honeymoon-Hangover Effect” (Source taken from Boswell, W. R., Boudreau, J. W. & Tichy, J., 2005).



Therefore, to promote clarity or sought to explain the contributing factors that encourages turnovers or intention to leave among employees, many researchers and several studies conducted in many areas calculating different antecedents factors are carried out. In the earliest studies in United States determined that intention to leave as

the best predictor of actual turnover (Kraut, 1975; Mobley, W. H., Horner, S. O., & Hollingsworth, A. T., 1978 and Price, J. L. & Mueller, C. W., 1981).

A comprehensive measures of job satisfaction can be indeed predict employee turnover which related to high job satisfaction with low employee turnover (Lambert, Hogan and Barton, 2001). There is a significant positive relationship between turnover intentions and job staisfaction which many researches have proven so and the “intention” which underline the actual reason why employees are leaving the organizations. Supported by earlier research (Witt, L. A. & Hellman, C. M. , 1991) stated that job satisfaction was in fact the most often quoted antecedents for intention to leave among employees.

### 2.3 Pay Satisfaction

(Judge & Martocchio, 1995) defined pay or compensation represents both of intrinsic and extrinsic rewards employees gain for the job have done. Intrinsic reward reflects employees' inner mind-set that result from performing their jobs, whereas, extrinsic comprises both monetary and non-monetary peak. While Milkovich (2011) stated that there are different views on the compensation terms derived from the various aspect of cultures, for instance, in English, compensation means something that counterbalances, offsets, or makes up for something else, whereas, in China, the word *dai yu* is used to represents compensation. *Dai yu* refers how an employee is being treated such as wages, benefits, training opportunities, and so on.

Milkovich (2011) also stated that the term “Compensation” in Japanese is *kyuyo*, which mean “giving something.” Traditionally, *kyu* is an honorific used to indicate that the person doing the giving is someone of the high rank, for instance, feudal lord, the emperor or the samurai leader. Today, business consultants in Japan had replaced it with the word *hou-syu*, which means “reward” and no more relations with the concepts

of superiors. Various allowances that commonly a part of Japanese compensation system are translated as *teate*, which means “taking care of something”. *Teate* is regarded as compensation that takes care of employees’ financial needs, furthermore, this concept is consistent with the family, housing and commuting allowances that still used in many Japanese companies.

Milkovich (2011) again, categorized the forms of pay as total compensation returns such as cash compensation and benefits, and relational returns such as learning opportunities, status and job security. To summarize all these views, compensation or pay can be referred as all forms of monetary earnings, facilities, welfares employees enjoy as part of an employee-employer relationship.

Pay satisfaction, on the other hand, refers to the equilibrium between the perception of employees on salary they should deserved and the actual salary they received (Milkovich, 2011). In addition to that, (Heneman Iii & Schwab, 1985) stated that, pay satisfaction in organization existed along four relatively independent dimensions that comprises of pay levels, benefits, raises and pay structure. Pay level refers to the individual’s current direct wage or salary compensation. Benefits refers to indirect pay to the individual in the form of payment for time not worked, insurance, pensions, income maintenance and miscellaneous services. Raises refer to the individual’s changes in pay level. Pay structure refers to the hierarchical relationship created among pay rate for different jobs within the organization. These four independent dimensions are applicable to change over time according to separate policies and practices. For example, raises may be determined by assessments of performance (merit ratings) or as a function of experience (seniority) while the pay structure may be determined through job evaluation. Thus, what ‘is received’ in total compensation varies across the four dimensions are independently relative (Jawahar, I. M. & Stone, T. H., 2011).

### **2.3.1 Definition of Pay Satisfaction**

William et al (2006) referred pay to all forms of compensation, such as direct, cash payment (e.g. salary); indirect, noncash payment (e.g. benefits) and amount of increment and the process by which the compensation system are administered. Mondy & Noe (2005) defined compensation as the cumulative financial and non-financial rewards payable to employees in return for their services. Similarly, compensation is a forms of rewards to employees in exchange for their contribution to the goals of their organization (Teklab, 2005).

Milkovich (2011) stated that pay satisfaction is determined by the correspondence between what is perceived to exist in the work environment by way of outcomes (rewards) and what one wants from that one feels one should receive and how environment. Pay satisfaction as a discrepancy between how much pay much one feels is actually received. In turn, both 'should receive' and 'is received' components are hypothesized to be influenced by personal experience and environment i.e. job characteristics variables (Nadler, Jenkins, Cammann, & Lawler, 1975).

Pay Satisfaction is defined as the amount of negative or positive perceptions that people have toward their pay that include pay level, pay raise, pay benefits and pay administration or structure. Pay satisfaction is a multidimensional construct employee's perception and satisfaction are associated of different forms of justice perceptions and reacted to four components of compensations: pay level, pay raises, benefits and structured and administrations (Jawahar, I. M. & Stone, T. H., 2011).

Pay level refers to the individual's current direct compensation in terms of wages and salary. Raises refers to change in pay level. Benefits reflect indirect pay to the individual in the form of health, retirement and payment for time not worked, and other

non-financial returns. Pay structure and administration refers to the hierarchical and procedures by which the pay system is administered (Heneman, G. H. & Schwab, D. P., 1985).

### **2.3.2 Past study of Pay Satisfaction**

Pay satisfaction, was considered as unidimensional construct. Some earlier researchers established an ad hoc methods for measuring pay satisfaction, on the other hand, other researchers relied on more homogenous tools for specifically targeting pay level satisfaction such as the pay satisfaction sub-scales of the Minnesota Satisfaction Questionnaire and the Job Descriptive Index (Lievens et al., 2007).

There were two theories of the causes of pay level satisfaction that steered researches for almost 50 years ago: equity theory (Adams, 1965) and discrepancy theory (Lawler, 1971 and Lawler, 1981). Based on the work of Heneman H. G. (1985); Lawler (1971); and Miceli and Lane (1991) that combines both theories of the causes of pay level satisfaction, Williams et al. (2006), was then developed a pay satisfaction model which include primary determinants (i.e., the difference between deserved and actual pay), antecedents (i.e., perceived inputs and outcomes of others), correlates (i.e., justice constructs), and consequences (i.e., absenteeism and turnover) of pay level satisfaction. They use this model to guide their meta-analysis and to frame and unify the findings. This pay satisfaction level model agrees in several points. First, it suggest that the perceived amount of pay that should be received and the perceived amount of pay received are the primary determinants of pay satisfaction. Second, when these two determinants are equivalent then employee is deemed to be satisfied with their pay. Third, its postulates that when the perceived amount of pay deserved is greater than the actual amount received then employees experience pay dissatisfaction.

In 2005, research by Tekleab studied between pay levels or pay raises that matter to organization fairness and turnover. It resulted as means of distributive justice and procedural justice influenced the result of pay satisfaction dimension, pay level and pay raise and ultimately impacted turnover. The research also showed that the means of procedural justice was a stronger predictor of pay raise satisfaction while distributive justice mediated the relationship between pay and both pay level satisfaction and pay raise satisfaction. In proven aligned with an earlier research on fairness addressed the fairness of the distribution of monetary outcomes that would significantly affects people's attitude (Adams, 1965).

### **2.3.3 Pay Satisfaction relates to Intention to Leave**

As mentioned by Adam (1963) in his equity theory, the distribution of monetary rewards can introduce inequity issues that undermine the potential positive impacts of pay and lead to negative outcomes with potentially resulted to turnover issues. Pay satisfaction and attitudes towards benefits have appeared as common variables for use in organizational studies (Carragher et al., 2004; Gerhart and Rynes, 2003; Scarpello and Carragher, 2008; Williams et al., 2008). They reveal significant relationships between pay satisfaction with workplace behaviours consequences, for instance, absenteeism, intention to leaves, perceived organizational attractiveness for job seekers, organizational citizenship behaviours, and job performance (Carragher et al., 2006; Gaiduk et al., 2009).

In this perspective, compensation is also found to have a significant relationship to employee's intention to leave. When an employee has intention to leave, an employee always ponders the tangible benefits (i.e. compensation) from the existing organization that he or she has to sacrifice (Bergiel et al., 2009). This view also supported by

Vanderberghe (2008) that compensation satisfaction is a key element in retention plans because it helps strengthening the link with the organization.

Carrahar (2011) had conducted study on turnover prediction using attitudes towards benefits, pay, and pay satisfaction among employees and entrepreneurs in Estonia, Latvia, and Lithuania. One of the major problems faced by the organizations in the Baltics was vast employee turnover (Gaiduk et al., 2009). For instance, since 1990 it was recorded more than 400,000 Lithuanians have migrated and the departing of these qualified workers for higher paying jobs in Western Europe has caused labour costs increased faster than GDP growth (Gaiduk et al., 2009). In this study, researcher hypothesized that attitudes towards benefits, pay, pay satisfaction, gender, and age shall have significant relationship with intention to leave among entrepreneurs and employees in these three countries. Researcher further hypothesized that both equity and expectancy variables shall be useful predictors of turnovers for employees and entrepreneurs. As a result, attitudes towards benefits were found generally significant predictor of turnover for employees as well as entrepreneurs over a four-year time period. On the other hand, pay satisfaction was typically significant predictor of turnover for employees, however, for entrepreneurs were not.

Mohd Yusuf (2011) conducted research to study the relationship between human resources practices and employee intention to leave among executive in one of the oil and gas companies. There were the seven human resource practices act as variables have been analysed namely staffing, performance appraisal, performance rewards, pay satisfaction, employee relations, internal communication system, and intention to leave. As a consequence, pay satisfaction as well as employee relations are the uppermost matters that employees unhappy with the present HRM practices.

## 2.4 Working Environment

The knowledge-intensive nature of work and the continuously developing possibilities provided by information and communication technology create new ways of working (Palvalin, M. & Vuolle, M., 2016). New working practices and work environments present the potential to improve both the productivity and the wellbeing of knowledge workers, and more widely, the performance of organizations and the wider society (Palvalin, M. & Vuolle, M., 2016). Thus, many organizations make efforts to achieve the best work environment that will allow their members to operate at their most productive level and remain satisfied in many years to come and Gardner, 1995; Oldham and Brass (1979) stated that the physical workplace environment affects the worker satisfaction, productivity and well-being. Therefore, understanding how different office workers perceive their work environment helps in creating better places for work (Rasila, 2012).

The physical workplace can become another part of the toolkit for change (Bradley & Osborne, 2013). The relationship between the interiors, lay-out and architecture of a building and the social structure and relationships of its inhabitants shapes organization culture. This includes ample and mobile seating and work surfaces, teaming areas, project rooms and other devices that support group work and personalisation and individual expression (Earle, 2003). Further, the type of work carried out also influences how the workplace should be designed (Rasila, 2012).

As majority of people spend most of their time indoors, there is continuous and dynamic interaction between occupants and their surroundings that produce physiological and psychological effects of the person (Kamaruzzaman et al, 2010). Consequently, enhancing the quality of the indoor environment has been of concern in recent years

especially buildings occupants are looking for comfort ability to be productive in their workplace (Mallawaarachchi, 2015). In this sense, green building has emerged as a new building philosophy, encouraging the use of more environmental friendly materials with implementations of techniques to save resources and especially improvement of indoor environmental quality among others (Lacouture, C., Safair, J., Florez, L., 2008).

The way the workers talk about their working environment is important as it may give some hints about their attitudes towards the working environments and the way they respond to changes in the workplace (Hasle, P., Bojesen, A., Jensen, P. L. & Bammig, P., 2012). For instant (Rasila, 2012) using office talk to understand the way office employees rationalize their working environment helps in creating and managing the workplace environments and in communicating workplace related issues in a suitable manner to individuals with different ways of rationalizing their environment.

Furthermore, providing more flexibility and autonomy and allow workers to decide when, where and how their work gets done (Palvalin, M. & Vuolle, M., 2016). The flexibility offered by information and communication technology has influenced changes in the physical environment where activity-based offices and becoming standard (Palvalin, M. & Vuolle, M., 2016).

#### **2.4.1 Definition of Working Environment**

The work condition or environment does not only consists of the physical building and the different spaces and solutions it provide, the concept or work environment answers to the workplace needs and preferences of office employees, also the location, services and the virtual environment (Rothe et al, 2010). On the other hand, Bradley and (Bradley & Osborne, 2013) defines working environment as new organizational culture and working practices which help achieve adaptation to new business environments. In

addition, Hasle, P., Bojesen, A., Jensen, P. L. & Bamming, P., (2012) defines the concept working environments as occupational health and safety, including the psychosocial factors at work. While (Bradley & Osborne, 2013) refers working environment is a tools for organizational culture change and stimulate or support transformations in employee behaviour.

#### **2.4.2 Past study of Working Environment**

The earliest psychological effects of the work environment by (Maslow, A. H. & Mintz, N. L., 1956) determined that the quality of different working environments has a significant effect on how employee perceive others and therefore would also influence our attitudes, feelings and behaviours within that space. This is aligned with (Palvalin, M. & Vuolle, M., 2016) stated that work environment changes, work practices initiatives and the organizational contexts may have implications for example on employee motivation or from the real estate and facility management perspectives to office space requirements and workplace services.

The aspects of training, co-workers support, future prospects and organizational understanding are primary concern of work environment prosperity (Duignan, R. & Yoshida, K., 2007). Supportive work environments were important factors of new employee to successfully adjust to new environments during the transition period or on job learning. In addition, co-workers, personal support as an example of mentoring, group-working and after-work socializing, is a particularly integral component of the work environment and cannot be overstated (Duignan, R. & Yoshida, K., 2007).

(Mateo et al., 2013) constructed a research to study the relationship between accuracy and conscientiousness among people working in tidy/messy work environment. A laboratory experiment was conducted, where participants performed a simple task in a

highly controlled environment was sorted into two different treatments, a tidy and environment. The result showed that conscientious people commit more errors in a messy environment than in a tidy environment. Therefore, one of the most significant findings to emerge from this research was that messy environment could be detrimental to the accuracy of conscientious people. Moreover, the research also promoted excellence in work environment tidiness, because conscientious employees will work with greater accuracy, while less conscientious will not be affected. Therefore, organization should be committed to defining policies about high standards of tidiness in the workplace environment. In addition of the findings, the researcher stated that the level of conscientiousness of employee and their accuracy are also influenced by the type of work environment in which they operated- that is, external distraction causes by noise and visual stimuli. This is aligned with Bradley and Osborne (1999) research too which indicated acoustic issues as a crucial part of a successful working environment.

In 2012, Rasila began a research to study how contact centre employee rationalize the perceived problems of an open plan contract centre work environment in Finland and they were independent units with little interaction with each other. All contact centres were in open plan offices in multi-storey buildings. The sites were in older buildings initially built for other purposes and they were technologically outdated and thus not optimal for the contact centre actions to be carried out in the buildings. There were 14 interviews carried out mostly female, just four being male. They were asked in regards to the length of their career, personalities and attitudes towards their working environment. Thus, such problems have raised, these include noise, the lack of privacy, distraction, the presence of others, increase workload, decreased teamwork, and problems in social relationship. The research outcomes came out with four different

orientations towards and how the employees rationalize their working environment. They were object orientation, system orientation, people orientation and territory orientation. For this reason, the researcher have suggested that understanding how individuals rationalize their working environments and problem in it would help the workplace managers in finding better ways to understand the employee reactions and communicate with the workers more effectively. Indeed, one way to support the employees in this challenging context is to create working environments that support their work as well as possible (Holman, 2003; McQuire and McLaren, 2009).

In 2012, Rothe et al started a research with aim to identify the differences and similarities in work environment preferences of office users of different age. The research was done based on survey of more than 1,100 office employees in Finland. The survey included questions concerning user preferences in terms of location, buildings, and workspaces and services. The respondents were divided into five clusters based on their year of birth and their responses were compared based on regression analysis. The study showed that there were differences in the work environment preferences of users of different age. Significant differences were found concerning personal services, commuting, collaboration, restaurant services and adjustability of indoor climate. The study also identified areas in which preferences between younger and older generation employees are not differ remarkably such as privacy and virtual environment. Thus the research showed that in different employees require different environment in order to perform well, depending on personal factors and the task they have been assigned for. However, the work environment have to both fulfil the user's needs and allow the users to make more decision themselves in terms of deciding on where and how to work, and how they use the provided environment.

In 2015, Mallawaarachchi et al conducted a research to determine the relationship and effects of build environment on occupants' productivity in green-certified office buildings in Sri Lanka. The questionnaire survey was conducted among randomly selected occupants in three selected green-rated office buildings in Sri Lanka. The research findings confirmed the relationship between build environment and occupants' productivity in green-certified office buildings. The researchers also found out that build environments consists of many factors such as thermal quality, visual quality, ventilation, acoustic quality, spatial quality, appurtenance of workplace, building maintenance, office layout, office type and social engagement does significantly affected occupant's productivity.

In 2016, Palvalin, M. & Vuolle, M. conducted a five years research projects on knowledge work redesign, including new work environment and work environment changes. The research projects were carried out in Finland during 2011-2015 and included four organizations. All companies operated in the facility management sector and are interested in knowledge work redesign as a tool for improving their operations, but also as a perspective for developing new services for their customers. The companies had implemented a major workplace initiative including the office layout, tools and practices. Their aim was to understand and analyse the potential to improve knowledge work productivity through new work environments and work practices. In total, 18 knowledge workers in various roles are interviewed to discover their views about productivity potential and performance impacts by measuring the chosen performance indicators before and after changes. It resulted by working in a different working environment and work practices by effectively using space for team established or policies that support better working environment does have significant impact on employees views and productivity. The result also showed promising work

productivity by providing employees with creative spaces for self-generating-ideas platform or policies. Last but not least, the research also found that different work practices which focusing more on results and by promoting flexibility on working hours demonstrates better insight into the individual's views on the impacts and improvement potential of the work environment and practices.

### **2.4.3 Working Environment relates to Intention to Leave**

Highly competitive seller's market has threatens organizations to look to the work environment as a means of attracting and retaining the top talents they need and exploring how the physical environment can be aligned to help shape a company's organization culture and facilitate the communication, teamwork and creativity that are necessary to sustain a culture of continual innovation (Earle, 2003). In addition, the impending wave of retirements that threatens to devastate the Federal employment ranks has caused employers to look to the work environment as a means of attracting and retaining top talent they need (Earle, 2003).

In an independent research study commissioned by the American Society of Interior Designers (ASID) in 2003, 663 adults were given carte blanche to list the factors that influence their decisions to accept or leave jobs. While 62 percent of respondents cited compensation as number one factor, benefits and the physical workplace essentially tied for second place, being cited by 22 percent and 21 percent of respondents respectively. The physical workplace also ranked in the top three when examining what factors contribute to job satisfaction. Employees who were pleased with their physical workplace were 31 percent more likely to be satisfied with their jobs than those who were not. The research also revealed that 41 percent employees agreed that physical workplace does affect their decision to accept a position. In addition to that, 51 percent

employees agreed that physical workplace would affect their decision to leave a position.

(Ishihara, Ishibashi, Takahashi, & Nakashima, 2014) study aimed to investigate intention to leave in relation to organizational factors and work environments among newly graduated nurses. The study also suggested that newly graduated nurses have early intention to leave the workplace due to over-stressed work environment for instant frequent night shifts, increased demand for quality performance and workload and unsupportive supervisors.

Generation Y that demands the most from their work environment and is also much more inclined to leave an organization if they are dissatisfied (Earle, 2003). Working environment have a serious individual impact on employee's mental health with the outcomes of burnout, depression and job strain consequences for intention to leave the organization (Ishihara et al., 2014).

Similarly, Rothe et al (2010) stated work environment designs are personalize to the individual needs and preferences of the users. He explained that one solution does not fit all and that different people require different environments in order to perform well, depending on personal factors and the task they are performing. The research also revealed that age plays an important role: the older generations are used to working in their private rooms and do not blissfully welcome change and new workforce prefers working in teams and take highly developed IT-solutions for granted.

This is aligned with (Bradley & Osborne, 2013) stated that in order for organization to gain advantages, organizations must adapt to new ways of working which bring lasting economic benefits, new design solutions for spatial, organizational and technological applications must be supported by new ways of winning heart and minds of the new

generation employees. (Bradley & Osborne, 2013) also highlighted the importance on the personal computer as the key component of the workplace; it was unanimously given a far higher priority than any other component in their study. Millennial are the generation that has been using the computer from the cradle, this generation has a far higher expectation of workplace technology than its predecessors.

Therefore, employer should provide a workplace that combines the space, IT and supporting services into a fully integrated environment. For instant, flexible work practices and processes allowing employee to work anytime, anywhere emphasizes on the need for complementary corporate infrastructure which supports innovative interaction, collaborative behaviour, transferring knowledge and providing anchorage within flexible work style.



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## Chapter 3

### Research Methodology

#### 3.0 Introduction

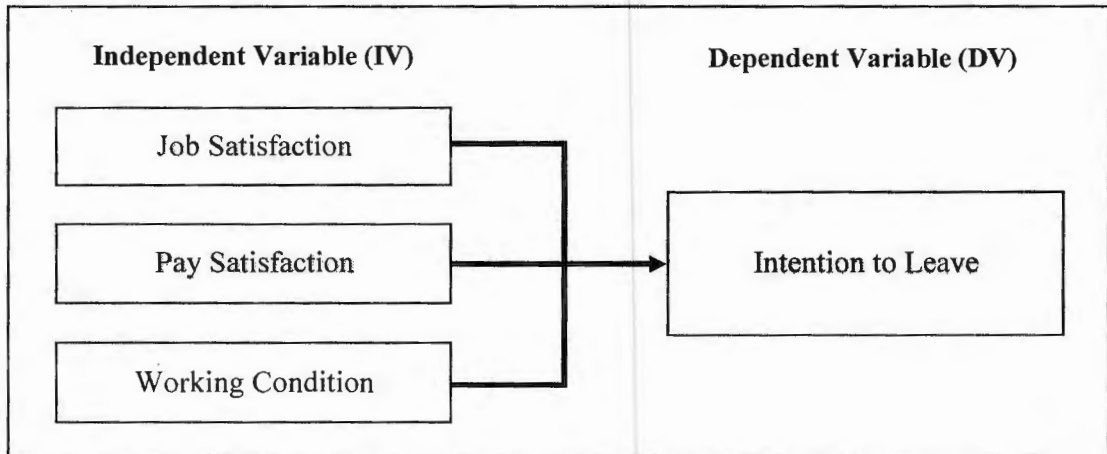
This chapter explains the methodological aspects used in present research. The research design, population and sampling design are described. This chapter also described on the instrument used in this research including the process to test the validity and reliability of the data. The major parts of this chapter are research framework, operational definitions, data collecting technique, and technique of data analysis.

#### 3.1 Research Framework

Research framework is a collection of interrelated concepts and shows the relations between the independent variables and the dependent variables. Dependent variable, also known as outcome variable can be predicted and explained. Independent variables, also known as predictors or explanatory variables, explain variation in the dependent variable.

In this study, independent variables are Job Satisfaction, Pay Satisfaction and Working Condition. The dependent variable is Intention to Leave. This framework has served as a basis for conducting present research. Below is the proposed framework to show the relationship of the variables.

Diagram 3.1: Research Framework



## 3.2 Operational Definition

### 3.2.1 Job Satisfaction

Job satisfaction essentially reflects the extent to which an individual likes his or her job (Kreitner, R. & Kinicki, A., 2010). The positive feeling an employee feels about a job, resulting from an evaluation of its characteristics (Robbins and Judge, 2015).

### 3.2.2 Pay Satisfaction

Pay satisfaction refers to the equilibrium between the perception of employees on salary they should deserved and the actual salary they received (Milkovich, 2011).

### 3.2.3 Working environment

The work condition or environment does not only consist of the physical building and the different spaces and solutions it provides, the concept or work environment answers to the workplace needs and preferences of office employees, also the location, services and the virtual environment (Rothe et al, 2010).

#### **3.2.4 Intention to Leave**

A worker's intention to leave is considered as a signal of quitting (Weisberg, 1994).

### **3.3 Research Design**

This research is a descriptive study using quantitative approach. Sekaran (2003) defined descriptive study as a research study describing the variable in a situation of interest to the researcher. Burns & Grove (1993) described quantitative research as a formal systematic process which tests the relationship among variables.

A research design is a blueprint used as a standard guideline for collecting, measuring, and analysing data in order to find answers for the research questions, then comprehend how certain problems that befall in organization can be resolved (Sekaran and Bouge, 2013). Present study is to investigate the relationship between job satisfaction, pay satisfaction and working environment and intention to leave in Yamaha Electronics Manufacturing (M) Sdn. Bhd. a multinational Japanese company based in Ipoh since 1991.

### **3.4 Data Collecting Technique**

This research, data are obtained from primary source. Primary sources refer to the original information gathered directly by the researcher for the specific purpose of the study (Cooper & Schindler, 2011). Firstly, information was gathered from human resource department pertaining age information for all employees. Secondly, the researcher gathered information of all selected group

Questionnaires have been distributed to all millennial employees (age range 24 – 35 years old) encompasses permanent and fixed-term contract at various department in Yamaha Electronics Manufacturing (M) Sdn. Bhd. with the assistance from all heads

of department. The respondents were asked on their perception on job satisfaction, pay satisfaction and working environment and their intention to leave their organization.

### 3.4.1 Research Instrument

A survey instrument was employed for collecting numerical data to explore whether pay job satisfaction, pay satisfaction and working environment have an effect on the millennial intention to leave the understudied organization. The measurement for the variables in this research consists of 100 items and divided by five sections as below table.

Table 3.1 : Items used for measuring the independent variables.

Independent Variables	Operational Definition	Items	Source
Job Satisfaction	The positive feeling an employee feels about a job, resulting from an evaluation of its characteristics (Robbins and Judge, 2015).	<ol style="list-style-type: none"> <li>1. I feel I have the chance to work alone on the job.</li> <li>2. I feel I have the chance to do different things from time to time.</li> <li>3. I feel I have the chance to be somebody in the community.</li> <li>4. I feel I have the chance to do things for other people.</li> <li>5. I feel I have the chance to tell people what to do.</li> <li>6. I feel I have the chance to try my own methods of doing the job.</li> <li>7. I feel I have the chance to do something that makes use of my abilities.</li> <li>8. I feel I have the chance for advancement on this job.</li> <li>9. I am able to keep busy all the time.</li> </ol>	Minnesota Satisfaction Questionnaire, 1977

		<ol style="list-style-type: none"> <li>10. I am able to do things that don't go against my conscience.</li> <li>11. I feel my job provides for steady employment.</li> <li>12. I feel I have the freedom to use my own judgement.</li> <li>13. I am praise for doing a good job.</li> <li>14. I feel the sense of accomplishment from my job.</li> </ol>	
Pay Satisfaction	<p>Pay satisfaction refers to the equilibrium between the perception of employees on salary they should deserved and the actual salary they received (Milkovich, 2011).</p>	<ol style="list-style-type: none"> <li>1. I am satisfied with my salary.</li> <li>2. I feel that I have been paid fairly.</li> <li>3. I feel that working with this organization give me more money compared to others.</li> <li>4. I feel satisfied with the benefits offered from the organizations.</li> <li>5. I feel that my pay is enough for me.</li> </ol>	Minnesota Satisfaction Questionnaire, 1977
Working environment	<p>The work condition or environment does not only consist of the physical building and the different spaces and solutions it provides, the concept or work environment answers to the workplace needs and preferences of office employees, also the location, services and the virtual environment (Rothe et al, 2010).</p>	<ol style="list-style-type: none"> <li>1. The working environment (heating, lighting, ventilation and etc.).</li> <li>2. The physical surroundings where I work.</li> <li>3. The pleasantness of the working environment to carry out my duties.</li> <li>4. The physical working environment of the job (size of the workplace/work partition, internet tools, communication tools, furniture, tools and equipment and etc.).</li> </ol>	Minnesota Satisfaction Questionnaire, 1977

Intention to leave	A worker's intention to leave is considered as a signal of quitting (Weisberg, 1994).	<ol style="list-style-type: none"> <li>1. I often considered leaving current job.</li> <li>2. I feel my current job does not satisfy my personal needs.</li> <li>3. I feel my personal values at work are compromised.</li> <li>4. I will accept another job at the same compensation level should it be offered to me.</li> <li>5. I feel that I do not look forward to another day at work.</li> <li>6. I feel that other responsibilities prevent me from quitting my job.</li> <li>7. I feel that "fear of the unknown" prevent me from quitting.</li> <li>8. I feel that I would not be happy to spend the rest of my career with this organization.</li> <li>9. I feel that this organization does not deserves my loyalty.</li> <li>10. I feel I do not have any obligations to remain with my current organizations.</li> </ol>	Jeskel Van Boxtel, 2011
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Furthermore, the interval scale was applied for the measurement item was based on the extent of the agreement and disagreement for the statements given. The items will be measured using a Five-point Likert scale for Section B until Section E as shown in Table 3.2.

Table 3.2 : Measurement the level of agreement

Choice of Answer	Five-point Scale
Very Disagree	1
Disagree	2
Neither Disagree nor Agree	3
Agree	4
Very Agree	5

### 3.4.2 Pilot Study

The purposes of pilot test is not only to confirm that survey questions can operate well but also has a role in ensuring that the research instruments as whole functions well (Byrman and Bell, 2011). The adopted questionnaires are in English. The author found out that there is a need to be in bilingual form to facilitate the respondents who are not well-verse in English. Thus, the instruments are also translated in Bahasa Malaysia. Subsequently, the instruments was pre-tested with 25 millennial employees of various department on 18 May 2017. In addition, Driscoll (2011) stated that a 'pilot test' is conducted on a survey questionnaire to determine the understandable of the questions as well as to obtain the appropriate length of the designated questionnaires. In other words, pilot test is conducted to test the validity and reliability. Importantly, potential anomalies can be detected and be fixed before the starting the real study. Furthermore, the outcomes of the pilot study will help the researcher to remove the uncertainty questions that are considered ambiguous and blur to the respondents to ensure the questionnaires is fully understood by the respondents.

### 3.4.3 Population and Sampling Design

Yamaha Electronics Manufacturing (M) Sdn Bhd reported there are 535 employees which age range are between 24 to 35 years old in 2016. Out of this population, 217 sample sizes are chosen for this research based on Krejcie and Morgan (1970). Based

on the research objectives, Stratified random sampling was chosen as the method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, or stratification, the strata are formed based on members' shared attributes or characteristics. Questionnaires were administered to all department in Yamaha Electronics Manufacturing (M) Sdn Bhd to employees by the age of 24 to 35 years old.

#### **3.4.4 Data Collecting Procedure**

The conduct of this study involved four steps. First, before administering questionnaires to the respondents, the researcher had asked permission with the top management on the main purposes of this study in order to obtain the permission to conduct the research besides to earn their full cooperation. Second, the dates for the administration of the pilot test and actual questionnaires were fixed. Third, questionnaires were distributed to the millennial employee age range between 24 to 35 years old to respond to them. The numbers of questionnaires distributed has been recorded. The researcher did follow up to call the person in charge. Lastly, the researcher made a personal visit to collect completed questionnaires started from 18<sup>th</sup> June 2018 until 29<sup>th</sup> June 2018.

#### **3.5 Technique of Data Analysis**

This section describes the statistical tools used for data analysis, including the purpose for each statistical tool used. The use of Statistical Program for Social Sciences (SPSS) version 23 in analysing the data helps the researcher to organize and interpret data. SPSS software also helps to determine the appropriate statistical technique to be used to test the research questions. For data analysis, both descriptive and inferential statistics were applied. The data that has been obtained were analysed using descriptive

analysis (frequencies, min, max, mean and standard deviation), reliability analysis, correlation coefficient and multiple regression analysis.

In reliability analysis, the figure that will be measured is using Cronbach's Alpha. It determines how well the measured items are positively related to one another. Nunnally (1997), stated that Cronbach's Alpha of 0.7 or greater is acceptable in social sciences research. Reliability of a measure is established by using both consistency and stability test. The closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability is. Cronbach's Alpha measures are as Table 3.3:

Table 3.3 Cronbach's Alpha Measures

Cronbach's Alpha	Reliability
0.8 and above	good
0.7	acceptable
0.6 and below	poor

### 3.5.1 Validity tests

Validity test is to come out evidence that the instruments, techniques, or processes used to measure the variables does indeed measure the variables. In validity tests, the researchers performed face validity and construct validity. For face validity, the questionnaires was referred to the proficient human resource practitioner for endorsement (Bryman and Bell, 2011). In construct validity, the researcher will rely on the results from the factor analysis. The result of factor analysis (a multivariate technique) will confirm whether or not the theorized dimension emerged (Sekaran and Bougie, 2013).

### 3.5.2 Pearson Correlation Analysis

Correlation analysis will be executed to inspect the relationship between independent and dependent variables understudied. A Pearson correlation coefficient is applied to show the direction, strength and significant of the relationship among all the variable that are measured at an interval of ratio (Sekaran and Bougie, 2013). The symbol of a correlation coefficient is  $r$ , and its range is from  $-1.00$  to  $+1.00$  (Sekaran and Bougie, 2013).

A correlation coefficient communicates two matters about the relationship between two variables: the direction of the relationship: the closer it is to 0, the weaker the relationship (Byrman and Bell, 2011). If a Pearson's correlations  $r$  of 1, it means that as one variable increases, the other variables increase by the same amount, however, if a Pearson's correlation  $r$  of  $-1$ , it means that, as one variables increase, the other variable decrease. The interpretation of strength of correlation according to Davis (1971) as cited in Mohamed (2011) as illustrated in Table 3.3.

Table 3.4 Relationship between Variables and  $r$  value

Correlation Value, $r$	Strength of relationship
$\pm 0.70$ or higher	Very high relationship
$\pm 0.50$ to $\pm 0.69$	High relationship
$\pm 0.30$ to $\pm 0.49$	Moderate relationship
$\pm 0.10$ to $\pm 0.29$	Low relationship
$\pm 0.01$ to $\pm 0.09$	Very low relationship
$\pm 0.00$	No relationship at all

Populations and the properties of populations are called descriptive statistics, just like parameters which refers to mean or standard deviation, where both of them represent the whole population. In this research, descriptive analysis is performed to determine the measures of central tendency (mean and median) and measures of dispersion (Variance, standard deviation, etc.).

A correlation analysis is a method using several techniques to measure the relationship between two variables (Lind, Marchal & Wathen, 2010). For this research, Pearson Correlation Coefficient will be used to indicate the direction, strength and significance of the bivariate relationships of all variables in the study. Beyond knowing the means and standard deviations of the dependent and independent variables, Pearson Correlation,  $r$  can determine how strong the variables are related to one and another. When  $p$  value is below than 0.05 ( $p < 0.05$ ), significant correlation exist between Independent Variables (IV) and Dependent Variables (DV). Whereas, The decision rules of Kerlinger determined that the strength of the relationship could be expressed as substantial to very strong, moderate to substantial and moderate to low (Kerlinger & Pedhazur, 1973). Table 3.4 shows the measurements of the relationship used in Pearson Correlation.

Table 3.5 The strength of relationships between the dependent and independent variables

r value	Relationships
0.7 and above	strong
0.4 to 0.69	moderate
0.39 and below	weak

While correlation coefficient was used to indicate the magnitude of the bivariate relationship, Multiple Regression Analysis was subsequently used to better describe as well as to test the significance relationship between a single dependent variable and more than one independent variable. In this research, it explained how much the variance in intention to leave in term of job satisfaction, pay satisfaction and working environment. In present research, multiple regression analysis was conducted

separately between the independent variables and safety compliance, as well as separately between the independent variables and intention to leave. Variance could be explained from r squared ( $R^2$ ) value and beta ( $\beta$ ) coefficient would verify the contributors ranking. . The criteria are summarized as per Table 3.6 below:

Table 3.6 Multiple Regression Analysis Criteria

P value	Results
<0.05 or 0.001	Significant
>0.05 or 0.001	Not significant

### 3.6 Summary

The process of data collection and analysis of data is important to determine whether a hypotheses in a research is supported or rejected. Based on the statistical analysis as well, the relationship between independent variables and dependent variables of current research will be revealed. Furthermore, the data analysis result should express whether the conducted research has met its objectives or otherwise.

## Chapter 4

### Findings

#### 4.0 Introduction

This present chapter is intended to demonstrate the results of the research, which utilized SPSS version 23, with the end goal of analysing the data gathered from the millennial employee age range from 24 – 35 years old in Yamaha Electronics Manufacturing (M) Sdn. Bhd. In order to answer the research questions, research objectives, the hypotheses predicted in this study, descriptive statistical analysis are tested, these statistical analysis tests are as follows: reliability analysis (goodness of measure), descriptive analysis, Pearson's correlation analysis, and multiple regression analysis. Multiple regression analysis is used to verify hypotheses listed in previous chapter.

#### 4.1 Rate of Response

This section revealed the entire number of responses attained, the number of response utilized, missing responses, and rejected responses. In total 220 respondents answered the questionnaires, the total responses achieved were accepted and used for data analysis, based on Krejcie and Mogan (1970). Thus, 220 is accepted and used reached the value of 101.38 percent which is more than needed sample size recommended. The analysis starts with the measurement of the goodness of the data through determining the response rate and considering the concurrence of non-response form the millennial employees from the age range of 24 – 35 years old in Yamaha Electronics Manufacturing (M) Sdn Bhd. Table 4.1 summarised the response rate of the survey.

Table 4.1 The Questionnaires Proportion and Response Frequency

Questionnaire Response	Frequency
Number of questionnaires distributed	230
Respond questionnaires	220
Usable questionnaires	220
Rejected questionnaires	0

#### 4.2 Respondents' Demographic Findings

The frequency distribution tested for this research incorporates demographic variable of the millennial which consists of gender, age, marital status, educational level, employment status, job category, years of service and gross income in Yamaha Electronics Manufacturing (M) Sdn Bhd. Table 4.2 shows male respondents were 46.80 % and the percentage of female respondents were 53.20 %.

The majority age range were from 24 – 26 years old were 39.10 %, followed by age range of 30 – 32 years old were 34.50 %, 27 -28 years old were 25.50 %, and lowest age range of 33 – 36 years old were 0.90 %. The respondents who are married were 40.50 % whereas 59.50 % are single. For education background, employees with MCE/SPM/SPMV constitute the highest percentage of respondents with 35.00 % followed by Degree (30.90 %), Diploma (23.60 %), HSC/STPM (5.90 %), and primary Master Degree education (4.50 %).

Employment status showed that majority were Permanent employee (70.90 %) and Contract employee (29.10 %). Job category showed the highest were operator (22.70 %), staff (18.20 %), technician (14.50 %), executive (13.60 %), supervisor (13.20 %), engineer (12.30 %) and lastly managerial with (5.50 %).

The majority of the respondents have been working for 2 – 5 years (56.80 %), followed by the less than 2 years (30.90 %), 6 – 10 years (11.80 %) and lastly 11 – 15 years (0.50 %).

%). Last but not least, the majority received wages per monthly of RM1001 – RM2000 (55.90 %), RM2001 – RM 3000 (29.50 %), RM4001 – RM5000 (9.10 %), RM3001 – RM4000 (5.50 %) and lastly more than RM5000 (0.50 %).

Table 4.2 Demographic Background of the Respondents

<b>Variables</b>		<b>Frequency</b>	<b>Percentage</b>
Gender	Male	103	46.80
	Female	117	53.20
Age	24 – 26 years	86	39.40
	27 – 28 years	56	25.50
	30 – 32 years	76	34.50
	33 – 35 years	2	0.90
Marital status	Single	131	59.50
	Married	89	40.50
Educational Level	MCE/SPM/SPMV	77	35.00
	HSC/STPM	13	5.90
	Diploma	52	23.60
	Degree	68	30.90
	Master Degree	10	4.50
Employment status	Permanent	156	70.90
	Contract	64	29.10
Job category	Operator	50	22.70
	Staff	40	18.20
	Technical	32	14.50
	Supervisor	29	13.20
	Executive	30	12.60
	Engineer	271	5.90
	Managerial	12	
Working years	Less than 2 years	68	30.90
	2 – 5 years	125	56.80
	6 – 10 years	26	11.80
	11 – 15 years	1	0.50
Wages	RM 1001 – RM 2000	122	55.50
	RM 2001 – RM3000	65	29.50
	RM 3001 – RM4000	12	5.50
	RM4001 – RM5000	20	9.10
	More than RM5000	1	0.50

### 4.3 Reliability Analysis

In order to determine whether the questionnaire were reliable and admissible, reliability test was conducted. The degree of internal consistency between multivariate could be

determine based on Cronbach's Alpha (Hair, Babin & Anderson, 2010). Table 4.3 shows the result of reliability test in this study.

Table 4.3 Reliability of Test Result

Variables	No of items	Cronbach's Alpha
Job Satisfaction	13	.828
Pay Satisfaction	5	.771
Working Environment	5	.828
Intention to Leave	9	.849

From the Table 4.3 above, all the four dimensions of Job Satisfaction, Pay Satisfaction, Working Environment and Intention to Leave have the Cronbach's alpha coefficient of higher than 0.6; make all the items in the study are reliable. This is supported by Nunnally (1978), Cronbach's alpha coefficient of the scale should be above 0.6 in the internal consistency scales in order to measure the same underlying construct.

In details, Cronbach's alpha dependent variables on Job Satisfaction (.828), Pay Satisfaction (.771), and Working environment (.828). It could be concluded that the items measuring the dependent variable, asked in Section B, C, D and E of the questionnaire, are reliable. Above result also concluded that the items given to measure the independent variables are also reliable. Intention to leave turn out to be the most reliable score (.849) of the all variables. In summary, the reliability test indicated that all the items measuring both independents variables as well as the dependent variables are also strongly reliable.

#### 4.4 Descriptive Analysis of Variables

Descriptive statistics allows the researchers to describe the main features of the collected data. Common measures used to describe a set of interval and ratio scaled data are central tendency (mean) and dispersion (standard deviation). Standard

deviation measure the amount of variant or dispersion from the mean values (Sekaran & Bougie, 2013).

In this study, the items used for the dependent variable and the independent variables are measured by Likert scale:

Table 4.4 Likert Scale Table

Scale	Definition
1	Very Disagree
2	Disagree
3	Neutral
4	Agreed
5	Very Agreed

Based on Davis (1971), the level of the variable is considered high when the mean score is 3.68 – 5.00, whereas the score for moderate level is 2.34 – 3.67 and low level (1.00 – 2.33). Table 4.3 shows descriptive analysis of variables. The mean value for Job Satisfaction was 3.9182 and standard deviation was 0.34050 with the minimum value is 3.08 and maximum value is 5.00. The mean value for Pay Satisfaction was 2.0491 and standard deviation was 0.39419 with the minimum value was 1.00 and the maximum value was 4.80. Meanwhile, the mean value for Working Environment was 3.5409 and standard deviation was 0.67841 with the minimum value was 1.00 and the maximum value was 5.00. Finally, the mean value for Intention to Leave was 3.0571 and standard deviation was 0.65502 with the minimum value was 1.44 and the maximum value was 5.00.

In summary, the mean score for Job Satisfaction, Working Environment and Intention to Leave variables are more than 3 and this indicates that the respondents are agree with most of the items describing Job Satisfaction, Working Environment and Intention to Leave. However, Pay Satisfaction variable are 2.0491. which indicates that the respondents disagree with items describing Pay Satisfaction.

The highest mean with the lowest standard deviation among the variables is Job Satisfaction. The high level variables (Davis, 1971) are namely Job Satisfaction, Working Environment, Intention to Leave and Pay Satisfaction.

Table 4.5 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Job Satisfaction	220	3.08	5.00	3.9182	.34050
Pay Satisfaction	220	1.00	4.80	2.0491	.39419
Working Environment	220	1.00	5.00	3.5409	.67841
Intention to Leave	220	1.44	5.00	3.0571	.65502

#### 4.5 Correlation Analysis

Pallant (2002) asserted that items found by using single dichotomous and single continuous variables as measured by using correlations.

Table 4.6 Correlation Result to Intention to Leave

Correlations				
	Job Satisfaction	Pay Satisfaction	Working Environment	Intention to Leave
Job Satisfaction	1			
Pay Satisfaction	-.096	1		
Working Environment	.155*	.113	1	
Intention to Leave	-.318**	-.124	-.015	1

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

Table 4.6 presents the correlation analysis of the study variables. It shows that job satisfaction is the only independent variable that have a significant but weak relationship with intention to leave at  $r = -0.318$ ,  $p < 0.01$  level. The result shows that job satisfaction has a negative relationship to intention to leave, which means that the higher the job satisfaction, the lower the intention to leave.

Pay satisfaction and working environment are found to have no significant relationship with intention to leave at  $p < 0.01$  and  $p < 0.05$ .

#### 4.6 Multiple Regression Analysis

Regression is the appropriate technique for testing relationship between predictor and criterion variable. Regression allows the researcher to analyse how well the independent variables will predict the value of the dependent variable. According to Bougie and Sekaran (2013), multiple regression analysis is used to identify the significance of the predictors with the dependent variable.

##### 4.6.1 Independent Variables and Intention to Leave

Based on Table 4.7, the independent variables have significant prediction on the Intention to Leave ( $R = 0.359$ ). R square value of 0.129 indicates that independent variables accounted for 12.90 percent of the variance in intention to leave. The other 87.10 percent is explained by other variables not covered in this study.

Table 4.7 Model Summary A

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.359 <sup>a</sup>	.129	.117	.61565

a. Predictors: (Constant), Working Environment, Pay Satisfaction, Job Satisfaction.

Furthermore in Table 4.8, the result of beta  $\beta$  value indicated that job satisfaction and pay satisfaction are the independent variable which has a significant value at  $p=0.00$  and  $p=0.012$ . Whilst, work environment shows no significant value towards Intention to Leave. Beta value for job satisfaction is ( $\beta=-.343$ ,  $t=-5.298$ ,  $p=0.000$ ) shows significant relationship on Intention to Leave.

Table 4.8 Beta Coefficients A

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Job Satisfaction	-.660	.125	-.343	-5.298	.000
	Pay Satisfaction	-.272	.107	-.164	-2.545	.012
	Working Environment	.054	.063	.056	.866	.387

Dependent Variable: Intention to Leave

\*\* $p<0.001$ , \* $p<0.05$

#### 4.7 Summary

Based on the statistical analysis result of correlation analysis indicated that only job satisfactions showed significant relationship at 0.01 level with intention to leave. However, pay satisfaction and working environment showed insignificant relationship to intention to leave.

The multiple regression analysis also tested the significance of the independent variables as the determinants of the dependent variable. The analysis resulted that job satisfaction and pay satisfaction were found to have significant influence related to intention to leave but indicated a negative and weak correlation. On other hand, working

environment have insignificant and influence towards intention to leave. The obtained results will be further discussed and concluded in next chapter.



## **Chapter 5**

### **Discussion**

#### **5.0 Introduction**

This chapter will deliberate and interpret the findings derived from the data analysed in the previous chapter. Subsequently, it will be followed by limitations found in presenting current research together with the implications. As a final point, recommendations to management as well as directions for further future research are suggested and will be finalized with some conclusions. This study attempts to investigate the relationship of job satisfaction, pay satisfaction and working environment towards intention to leave among the millennial employee in Yamaha Electronics Manufacturing (M) Sdn. Bhd.

#### **5.1 Discussion**

This paper examined the millennial employee's satisfaction on job satisfaction, pay satisfaction and working environment towards intention to leave in Yamaha Electronics Manufacturing (M) Sdn. Bhd. A total of 220 respondents had answered the 34 items in the questionnaire. The mean value for Job Satisfaction was 3.9182 and standard deviation was 0.34050 with the minimum value is 3.08 and maximum value is 5.00. The mean value for Pay Satisfaction was 2.0491 and standard deviation was 0.39419 with the minimum value was 1.00 and the maximum value was 4.80. Meanwhile, the mean value for Working Environment was 3.5409 and standard deviation was 0.67841 with the minimum value was 1.00 and the maximum value was 5.00. Finally, the mean value for Intention to Leave was 3.0571 and standard deviation was 0.65502 with the minimum value was 1.44 and the maximum value was 5.00. In summary, the mean score for Job Satisfaction, Working Environment and Intention to Leave variables are

more than 3 and this indicates that the respondents are agree with most of the items describing Job Satisfaction, Working Environment and Intention to Leave. However, Pay Satisfaction variable are 2.0491 which indicates that the lowest mean of all four variables. The highest mean with the lowest standard deviation among the variables is Job Satisfaction.

Table 5.1 : Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Job Satisfaction	220	3.08	5.00	3.9182	.34050
Pay Satisfaction	220	1.00	4.80	2.0491	.39419
Working Environment	220	1.00	5.00	3.5409	.67841
Intention to Leave	220	1.44	5.00	3.0571	.65502

### 5.1.1. Research Question 1

This study attempts to observe employee's job satisfaction in relation to intention to leave. Based on correlation analysis, it was found that that there is significant negative relationship between job satisfaction and intention to leave with the correlation coefficient at scale of -.318. Thus, the first research question of this study suggested that job satisfaction is significantly related to the Millennial's employees' intention to leave was supported. From the correlation analysis result, it can be understood that the lower job satisfaction level among the millennial employee, the higher their intention to leave the organization.

In previous chapter, the researcher stated that job satisfaction reflects the extent to which an individual likes his or her job (Kreitner, R. & Kinicki, A., 2010). Therefore, it can presumed that the millennial employees of YEM dislikes their current job and

possessed a negative feelings towards their jobs. This is result is aligned with (Hasin & Omar, 2007) his findings revealed that job satisfaction and job-related stress were the main reason for workers to leave of the audit staff in their current firms. There was also a strong relationship between job-related stress and intention to leave ( $\beta = -0.420$ ,  $p < 0.01$ ). His findings emphasized the importance of job-related stress on the career of audit staff in public accounting firms identified that auditing profession are stressful area of specialization. Henceforth, work-related stress can be caused by many factors and is associated with negative consequences namely low job performance and turnover.

With this intention in mind, YEM must provide a conducive environment and to ensure greater interaction between peers, supervisors and bosses. In the hope that better communication through discussion will increase job satisfaction. Performance evaluations, job standards, co-workers and more all serve as stressors for many employees. In effect, can poorly affect employee's job performance, causing them to be less productive and potentially make more mistakes. As well as pressure to perform to meet rising expectations but with no increase in job satisfaction may result in negative consequences such as turnovers. For this reason, as the organizational costs of voluntary turnover of key employees are very high, more attention should be given to retain high quality employees by identifying and better understanding the antecedents of why employees intent to quit rather.

Correspondingly, Plew (2013) stated that Generation Y employee felt motivated with challenging jobs. They look for jobs that could provide opportunities to use their abilities. It is thus recommended that organizations look to provide Generation Y with jobs that are challenging and involve greater responsibility. Additionally, the researcher indicate the need of the millennial employee to be influential in their workplace. This

suggests that the freedom to manage their own work, sense of achievement and recognition are important to the employees' overall job satisfaction which correlates to their decision to stay with the organization.

### **5.1.2. Research Question 2**

This study attempts to observe employee's pay satisfaction in relation to intention to leave. Based on correlation analysis, it was found that there is insignificant relationship between pay satisfaction and intention to leave with the correlation coefficient at scale of  $-0.124$ . Thus, the first research question of this study suggested that pay satisfaction is significantly related to the Millennial's employees' intention to leave was not supported.

From the correlation analysis result, it can be understood that the pay satisfaction level among Millennial employees does not affect towards intention to leave in YEM. Based on the correlation coefficient ( $r=-0.124$ ), generally it can be presumed that Millennial employees felt that their pay satisfaction are somewhat not related to the cause for their leaving the organizations. This findings is similar to Hussein et al, 2014 stated that job engagement was a more important predictor than workload and remuneration in determining job satisfaction towards intention to leave among newly qualified social workers. It also suggested that external constraints, such as demand for social work services or salary cap, may be counteracted by creating a workplace in which employee feel involved and which reflected their values, while promoting autonomy. The research also highlighted actions to encourage morale in the workplace may have benefited in improving staff effectiveness and increasing retention among newly qualified social workers.

Similar in YEM, continuous improvement or so called *kaizen* have been actively implemented whereby the group champions have opportunity to compete at the Yamaha Headquarter in Japan. In addition to that, every department and unit are compulsory to be involved in this continuous improvement activity in factory wide. Thus through this activities, it emphasized on working in a team, promoting workplace empowerment and building values of continuous improvement culture in YEM.

In correspondence, the result are similarly discussed as “the honeymoon-hangover effect” which introduced by Boswell et al (2005) that discussed employee’s satisfaction tend to shift overtime due to honeymoon effect which indicate a higher satisfaction in a first few working years and decline as time goes due to hangover effect which indicate a lower satisfaction in coming five years of working years. This could explained new millennial employees in YEM are satisfied in the first few years of working years.

In addition, (T. D. Ryan & Sagas, 2009) examined within college coaches the effects of pay satisfaction and work-family conflict (WFC) on occupational turnover intentions. The research resulted that work-family conflicts was significant towards intention to leave, while pay satisfaction was found to be no associations with intention to leave. In the light of the research, the researcher concluded that work-family conflict is a significant area of organizational research because of the effect it can have on a worker’s home life and their family. Therefore, it may be a significant reason for college coaches to exit the coaching profession, or choose to not progress in their coaching career despite being paid a high salary.

Likewise in YEM that do not inhibit employment of relatives by employing people who are related either by blood or marriage. YEM hiring policy does not reject a suitable job candidate on grounds of their relation to a current employee. However, YEM

recognize that encouraging the employment of relatives may have an impact on productivity and favouritism conflicts. Therefore, YEM hiring policy set that any person who has a relation by blood or marriage that include people who live together in a domestic partnership or children who were adopted. This includes: parents, step-parents, grandparents, in-laws, spouses or domestic partners, children, step-children, adoptive children, grandchildren, siblings, uncles, aunts, nieces and nephews are prohibited to be involved in a supervisory or reporting relationship with one another, cannot be transferred, promoted or hired inside a reporting relationship with a relative and participate in hiring committee, when a relative is considered for the position. Of course by doing so, YEM try to facilitate and encourage the value of being loyal to the organization down to the second generation, possible be one of the cause of why Millennial employee remain in YEM.

### **5.1.3. Research Question 3**

This study attempts to observe employee's work environment in relation towards intention to leave. Based on correlation analysis, it was found that there is insignificant relationship between work environment and intention to leave in YEM with the correlation coefficient at scale of  $-0.015$ . Thus, the third research question of this study suggested that working environment is significantly related to the Millennial's employees' intention to leave was not supported.

From the correlation analysis result, it can be understood that the working environment satisfaction level among Millennial employees does not affect towards intention to leave in YEM. Based on the correlation coefficient ( $r=-0.15$ ), generally it can be presumed that Millennial employees felt that their work environment are somewhat not related to the cause for their leaving the organizations. This findings is similar to

Ishihara et al. in 2014 who studied the effect of organizational factors and work environment on several groups of newly graduated nurses towards intention to leave. The research showed that newly graduated nurses from R-organization have insignificant relations of working environment towards intention to leave. However, the researcher found significant findings of positive impressions for their organizations towards intentions to leave compared to other graduates from other schools. It showed that R-graduated nurses were familiarized with the mission and workplace of R-organizations during their nursing practicum through undergraduate program that enhanced their adaptation to psychosocial working environment of the hospitals.

Similarly to YEM, that conducted effective new employee on boarding programme to assist new employees to settle down quickly in the new work environment and provide a sense of belonging which also emphasizes on Yamaha working culture. Prior to that, mentor-mentee program aiming to familiarize newly hired to adapt into the work community by encouraging an environment where employee motivate each other and work together to improve skills and knowledge, possible be one of the cause of why Millennial employee remain in YEM.

In addition, (De Neve & Devos, 2017) investigated how working environment (job insecurity, teacher autonomy, collective responsibility, reflective dialogue and deprivatised practice) and psychological states (teacher self-efficacy and affective commitment) influence turnover intentions. The findings revealed teacher's intention to leave the job is strongly determined by their level of self-efficacy by the correlation coefficient ( $r=-0.24$ ) with significant level of  $p<0.01$  and affective commitment by the correlation coefficient ( $r=-0.28$ ) with significant level of  $p<0.001$ . In contrary, work conditions (job insecurity, teacher autonomy, collective responsibility, reflective

dialogue and deprivatised practice) were found to be insignificant towards intention to leave.

In addition to that, YEM are categorized as electrical manufacturing organization which practice clean working environment over the years. Furthermore, proper disposal of domestic waste, chemical waste, and recyclable materials are properly maintained. YEM products are also held to a specific standard and guideline which ensures safety of the products and end users and product end life cycle. In ensuring all proper handling and storage of the product used in YEM environment are properly managed, every department is responsible to review Material Safety Data Sheets (MSDS) and Environmental Aspects Impacts Assessment in each product process, possibly be one of the causes of why Millennial employees remain in YEM.

This finding aligns with YEM, that emphasizes the Yamaha working culture or Yamaha Ways as an ideology that binds every employee to the unified values for the common good that impacts the way they think, act and reflect. This is done through initiation of centralized training programs for all Yamaha ASEAN subsidiaries at different levels such as leaders, supervisors, executive, managerial and directors namely Leaders Training, Coordinators Training, Specialist Training and Managerial Training. The training participants were exposed to other subsidiaries work process and products through series of plant visitations and final projects aimed to bring out the best efforts, performance and creativity from the employees even in adverse circumstances. Hence, by creating the sense of ownership and dedication towards the organization, possibly be one of the causes of why Millennial employees remain in YEM.

## **5.2 Recommendations**

There were many researches have been conducted on job satisfaction, pay satisfaction and working environment towards in relations to intention to leave. Other than the variables that have been discussed in this study, researcher believes that there were many other factors that may contribute to employee intention to quit or resign. Factor such as level of job stress, job motivation and the supervisor relations may also become the potential factors to contribute to the employee intention to quit which is not covered in this study. The aspirations of this study convey essential knowledge to the policy makers of the company which is the management to accomplish the organization long-term objectives simultaneously to retain talent Millennial employees in the present competitive labour market, company should implements work and life balance that can attains certain objectives, for instance, job autonomy , consensus leadership practice, team performance evaluation, and most importantly to create a workplace that emphasize social relationship.

## **5.3 Recommendation for further study**

Based on the literature review on job satisfaction, pay satisfaction and working environment towards intention to leave, job satisfaction, pay satisfaction and working environment were used as independent variables of this study, while intention to leave was used as dependent variable. However there are many other variables such as job stress, supervisor relationship, leadership skills, work values and etc. which may also influence the relationship between these two variables, but was not included in the study.

In the hope that future researcher may continue to investigate multigenerational workplace, the researcher also would like to propose the future researcher to investigate

the millennial employee traits and how to manage intergeneration conflict and generational differences. By understanding the generation cohort, organization can develop policies aiming at improving communication, satisfaction, commitment and retention and advance organizational knowledge management and productivity. Instead of considering the high turnover of the millennial as an unfortunate characteristics of this generation, the future researcher could seeks to probe the underlying cause of such behaviour by examining the implications or work values of the millennial and the organizations.

In addition to that, the researcher would also like to propose work-related stress to future research. At the present time, the issue concerning workplace stress has become a worldwide phenomenon whereby work-related stress is the response of employee that have been burden with work demands and pressures which are not matched their knowledge, skills and abilities. For example of occupational or work-related stress include fulfilment of unrealistic key performance indicator (KPI), unfair job distribution, and being forced to do certain tasks which is unrelated to the worker's expertise or being threatened low performance review if refused. Indeed work-related stress have become serious that the Ministry of Human Resource has subjected employers that causes stress to their employee to be fine and punish.

#### **5.4 Conclusion**

The overall findings suggest than intention to leave among the millennial employees in YEM are the result of job satisfaction by the research result. The findings highlight the important of job satisfaction as the most immediate determinants of the millennial employees in YEM to leave their jobs or organizations. Whereas, pay satisfaction and working environment were found to be insignificant affecting the intention to leave

among the millennial employees in YEM. The results fulfil only the first research questions of this study. On the other hand, the second and third research questions were found to be insignificant and not related towards intention to leave.

In like manner, the relationship of job satisfaction and intention to leave were also established by means of multiple regression analyses. The result showed significant relationship between job satisfaction and intention to leave was consistent with the previous research indication that as job satisfaction relationship between intention to leave is significant ( $p < 0.01$ ). This finding emphasized the importance of job satisfaction on the career of the millennial employees in YEM. This is equivalent to Howe and Vos in 2010, generation Y employees have greater expectations than the older generation before them and most likely to leave jobs when their expectations are not met. Nevertheless, the employee remains with the job as long as the organization and employee remain mutually attracted.

Therefore, it is by great opportunity that YEM must be prepared to use generational diversity as an opportunity to benefit the business in the long term. This can be done by aligning business goals with the values of each generation so that employees with each generation are able to work in synergy. McGuire et al (2007) states that organization must seek to optimise the talents off all age groups by reconcile differences in the workplace. It is thus essential to educate and develop employees to utilise this generational diversity for individual and organizational advantage. All together will help to create new organizational culture that value and optimise generational diversity and employee retention.

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