

**THE INFLUENCE OF TOXIC WORKPLACE
ENVIRONMENT TOWARDS INTENTION TO
QUIT IN SHIPPING COMPANY, KOTA
KINABALU: AS MODERATED BY
MANAGERIAL SUPPORT**



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**FACULTY OF BUSINESS, ECONOMICS AND
ACCOUNTANCY**

UNIVERSITI MALAYSIA SABAH

2016

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FULFILMENT OF THE REQUIREMENT FOR
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BORANG PENGESAHAN TESIS

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IJAZAH: MASTER OF HUMAN CAPITAL MANAGEMENT

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CANDIDATES' DECLARATION

I hereby declare that the material in this dissertation is my own except for quotation, excerpts, equation, summaries and references, which have been duly acknowledged.

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Kindest Regards,

Alinah Binti Kirus

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ABSTRACT

The purpose of this paper is to test whether the toxic workplace environment has it relationship with intention to quit. Besides, to test whether managerial support towards human resource has it moderates effect on the toxic workplace environment and intention to quit. The study presented a construct of toxic environment to investigate the relationship towards intention to quit with four dimension of toxic workplace: Colleague difficult behaviour, work-related stress, safety climate and favouritism and nepotism. A questionnaire was given to the employee at the shipping company asking their workplace environment, their managerial roles and practices as human resources strategic partners. The results of this questionnaire were analyzed utilizing the SMART-PLS. The toxic workplace environment was partially influence the intention to quit and there is no moderating effect of managerial support towards intention to quit among employee. A self-administrative was method used in collect all measures. Additionally, this study only focused among managerial employee in shipping company. Future research needs to obtain more diversified samples and expand current research by examining additional area of toxic workplace and managerial support. Managerial can utilize several strategies and tactics to avoid employee from quit their job by knowing the root causes of intention to quit within this study. This paper present one of the studies to examine the influence of toxic workplace environment towards intention to quit.

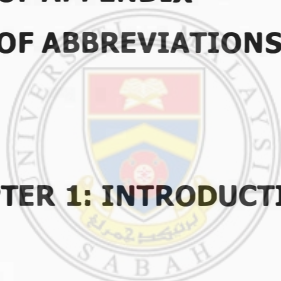
ABSTRAK

Pengaruh persekitaran tempat kerja yang bermasalah terhadap keinginan berhenti dalam syarikat perkapalan, Kota Kinabalu; Dengan sokongan pengurusan sebagai moderator.

Kajian ini bertujuan untuk menguji samada persekitaran tempat kerja yang bermasalah mempunyai hubung kait dengan keinginan untuk berhenti. Disamping mengkaji samada sokongan pihak atasan terhadap sumber manusia mempunyai pengaruh dalam hubungan antara tempat kerja yang bermasalah dan keinginan untuk berhenti. Kajian ini turut melampirkan rangkakerja tentang tempat kerja yang bermasalah dengan mengambil kira empat dimensi: Kelakuan rakan sekerja, tekanan berkaitan kerja, keselamatan ditempat kerja dan faktor kegemaran. Kajian soal selidik telah diedarkan kepada pekerja dalam syarikat perkapalan untuk mengenal pasti keadaan tempat kerja mereka dan mengenai sejauh mana pihak pengurusan menyokong sumber manusia di syarikat mereka. Dapatan kajian seterusnya diuji menggunakan SMART-PLS. Keadaan tempat kerja yang bermasalah didapati mempengaruhi sebahagian keinginan untuk berhenti. Manakala, sokongan pihak pengurusan didapati tidak kesan interaksi dalam mempengaruhi keinginan untuk berhenti. Kajian soal selidik diurus oleh pengkaji sendiri. Selain itu, kajian ini hanya focus kepada peekerja bahagian pengurusan dalm syarikat perkapalan. Kajian masa akan datang disarankan untuk memperolehi pelbagai sampel and meluaskan kajian dengan menambah dimensi dalam lingkungan tempat kerja yang bermasalah dan juga mengenai sokongan pihak atasan. Pihak pengurusan bagaimanapun boleh menggunakan pelbagai strategi and teknik awal untuk menghalang pekerja dari berhenti bekerja dengan mengetahui punca sebenar berlakunya keinginan untuk berhenti melalui kajian ini. Kajian ini juga merupakan salah satu kajian untuk mengenal pasti pengaruh tempat kerja yang bermasalah dengan keinginan untuk berhenti.

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LIST OF ABBREVIATIONS

MHCM	-	Master of Human Capital Management
SPSS	-	Statistical Package for Social Science
PLS	-	Partial Least Squares



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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter explains about the general description of the research which outlines the background of the study. The relationship between workplace environment and intention to quit among employee in the shipping company context being explain, further follow by problem statement, research questions, research objectives, scope of study, significant of study, and definitions of terms. Finally is the organization of the research.

1.1 Background of study

Economics uncertainty nowadays becoming as continuous challenge not only for the employees but towards all company. The economic downturn globally, yet in Malaysia itself force the companies along the globe to properly manage their resource or asset, whether in financially or in human capital. The global and dynamic competitive challenge nowadays pull the organization to engage in changing the operation strategies in order to catch up the right resources and produce better product and able to response to market changes (Elisa, 2009).

Hewitt Associates (2015) also report that Malaysia recorded the highest involuntary turnover rate at 6.0% and third highest voluntary turnover rate at 9.5% in 2015. Voluntary turnover is different than involuntary turnover, which voluntary turnover occurs because of resignation or retirement meanwhile;

involuntary turnover happen due employee being laid off or fired (Lee, Gerhart, Weller, & Trevor, 2008 cited in Martin, 2011).

Turnover causes by many factors in different industries. In Malaysia, fast food industries scores higher intention to leave among non-managerial employee. This happened because of simply wanting temporary work and also influence by others in seeking new job such as peer and family according to Ryan, Ghazali and Mohsin (2011).

In bank industry, organization justice found as one of the factors that contribute in intention to quit the job. Cha xi Yi (2012) employee feel they were fairly rewarded for their genuine contribution to the organization and consistent with the rewards policies, they will have a great satisfaction and likely not to quit the job.

A study in Singapore indicated that intention to quit in food and beverage and the marine and shipping industries associated with tenure. Tenure culture, which if an individual has been in one job for a long time an employee start feeling a need to change their job because of many people are changing their job.

Thus, the intention to quit leads to actual behaviour of turnover among employee. Therefore, the intention to leave is very important for an organization in many industries to overcome, also within the shipping company.

The shipping industry is important human industry throughout history. This industry is participated in service of transporting goods by means of high-capacity, ocean-going that transit regular routes on fixed schedules. There are 90% of world trade is carried by the international shipping industry. The shipping industry is a vital logistics support on import and export activities of affordable food and goods. Shipping is regulated globally by the International Maritime Organization (IMO) and safety becomes the priority in this industry. In Malaysia, the value of maritime sector views as an enhancer to the economic well-being due to the tremendous growth of port and shipping activities. Port and shipping are recognized as essential contributors in facilitating Malaysia Trade. There are seven (7) major ports in Peninsular Malaysia, two (2) ports in Sarawak and eight (8) ports in Sabah.

Sabah port consists of Sepanggar Bay Port and Kota Kinabalu port which important in supporting the growth of shipping industry in Kota Kinabalu. Sabah is

a major exporter of timber, a petroleum-based product, palm oil, rubber and mineral oils; and the state's main seaport plays major role in transporting these cargos. Existing of few seaports in Sabah encourages the shipping company to enter the market with wide business opportunity.

The challenge that lies in the industry is turnover of employee or officers that affect the industry as a whole. This labour turnover is affecting not only seafaring but also onshore shipping-related position such as managerial employee. The turnover caused by employee require higher demand in meeting their personnel's need and if their needs are not being met, employee choose to resign. Consequently, shipping industries facing a challenges in meeting the organization needs and employees' need. Such as, organization facing problem in term of skill and knowledge while also lacking of human capital (Cahoon, 2015).

Competence employee is an important asset for an organization to compete in business in the future. Shipping industry needs skill in several shore-based including pilot ages, marine surveying, cargo operation, port operation, ship management administration and its education and training management, according to Lewarn (2009). Cahoon (2015) has mentioned that India and Asia still lacking in providing more experienced and officer level. Hence, losing one employee in any shore-based operation can cause an interruption of value chain activity of the shipping company.

Globalization that experienced by most industries is also affecting the shipping industry in the 21st century. Hence, the rapid development and opportunity shaped by the development of the shipping industry need competence employee to cope up with the business activities. The challenging market requires not only a very solid organization in term of financial but also require very competitive and competence employee as advantages in order to compete within the industry, based on Behery, Mohammed, and SaiKukunuru (2016).

However, the workplace environment in organization also change as the globalization take part. Some workplace environment having a positive changes and some become a toxic workplace environment for an employee. The toxic workplace environment happened when there is high level of stress, ongoing

conflict, poor management practices, employee bringing their unresolved emotional issues to work, exploitation, harmful and lack of support.

In addition, the toxic workplace also could be noticed when there is a chronic high stress, low morale, lack of work-life balance, could increase physical and emotional illness, and there is unrealistic expectation on job or workload. Besides that, the toxic workplace environment could become worst when dysfunctional relationship happened which are, deny of teamwork, favouritism, pitting co-workers against each other and poor communication.

Further, attracting and retaining the employee in one shipping company is essential and this can be done by properly tackle the employee needs. Dissatisfaction on job could cause intention to quit among employee and thus result in turnover if there is not antecedent lay in-front. Nowadays, employee mostly tend to looks into self-fulfilment and satisfaction of their job. Cahoon (2015) agreed that employee tend to be educated, creative thinkers, ambitious, impatient and demanding greater work-life balance while having a high unrealistic expectation of possible employment.

1.2 Problem Statement

Turnover is a big problem in many companies. Though, shipping companies also suffer long-term consequences of turnover among competence employees. The problem could be arising through a toxic workplace environment for employee which dealing with workload, difficult behavior of colleagues, climate that bring risk and high biasness and not by the pay alone. A toxic workplace could be triggering the intention to quit current job and if left unsolved it will affect the operation activities and involved high cost.

The shipping industry is facing problem in attracting experienced officers as well as having a problem in retaining the existing officers. This cause turnover to happen and affect the shipping company cost, operational and competitive advantage. Lewarn (2009) stated that shipping company has suffered from difficulties in retaining experienced officer. Officers in the shipping industry are likely to quit job and switch to other company due to work condition or depending on how the employer treat them.

The officers in shipping prefer to be on the workplace that encourages their engagement, motivate them and has less stress. Bhattacharya (2015) agreed that in shipping industry, the shifting of officers between companies is very high on account of the nature of work. They switch companies at the slightest dissatisfaction and more liable to work at company that has better treatment and value them.

Hence, an employer not only need to put attention on how much they should pay to an employee, but also realize that the workplace environment plays an important role in making employee to stay longer in the organization. The best way for the shipping industry to tackle the current crisis is to stop treating their employee badly, and it is important to have basic professional respect and not totally depends on pay rates according to Lewarn (2009).

Certain working conditions are stressful for most of the people; therefore a study existed to emphasis on improving workplace environment in general as the key solution in a primary prevention strategy, Leontaridi (2002). In this study, the issue is focus on toxic workplace environment that really makes employee intent to quit the job and how an organization can overcome this problem from existing.

1.3 Research Questions

This study looking for the answer to the following question:

- I. Does toxic workplace environment influence the intention to quit among employee in shipping company at Kota Kinabalu?
- II. What are the moderating effects of managerial support towards relationship between toxic workplace environment and intention to quit among employee in shipping company at Kota Kinabalu.

1.4 Research Objective

The main objectives if this study is:

- I. To investigate if there is a significant relationship between toxic workplace environment and intention to quit among employee in shipping company at Kota Kinabalu.

- II. To investigate the moderating effects of managerial support towards relationship between toxic workplace environment and intention to quit among employee in shipping company at Kota Kinabalu.

1.5 Scope of the Study

This study will investigate the workplace environment and intention to quit job among employee who employed in shipping company which focuses on the management officer, excluding the top management and seafarer or crews. Top management was excluded in this study to avoid bias on the result and seafarer or crews also excluded because of difficulty to reach the target and to avoid data collection problem. This study will take around six months to complete with data collection and analysis assist by Smart PLS and SPSS. However, due to time constraint, this studies not able to study on crews and seafarer's intention to quit.

1.6 Significance of Study

The findings and the relevant literature would be useful for the further research which examines the influence of toxic workplace environment towards an intention to quit, moderator by managerial support towards human resource in shipping companies. This study also emphasis the level of toxic impact of workplace environment on intention to quit and the help of recommendation for policy matters in organization to overcome the intention to quit among valuable employees. Meanwhile, a positive attention to the workplace environment in the shipping industry as one of a way to support on the employee retention within shipping industry and lead more attention of the management on employee turnover to reduce cost and increase competitive advantages for future business prospects.

1.7 Operational Definition of Key Terms

1.7.1 Intention to Quit

Defined as the reflection of the probability that an individual will change his or her job within certain time period (Saleem and Gul, 2013).

1.7.2 Toxic Workplace Environment

The environment that negatively impacts the capability of an organization or if it is ineffective and unhelpful to its employees. (Harder, 2014)

1.7.3 Colleague Difficult Behaviour

Refer to degree of professional cooperation as well as the sense of social belonging (XiangPing Wu, 2012)

1.7.4 Work-Related Stress

Refer to distress in organization including role conflict and ambiguity, work overload, time pressure, inadequate authority to match responsibilities, poor supervision, poor communication, frustration, and insecure environment (Nawe,1995)

1.7.5 Safety Climate

Defined as reflecting shared attitudes and perception of organization members towards internal and external influences on safety. (Glendon and Evans 2005)

1.7.5 Favouritism and Nepotism

Favouritism explained as the general inclination to favor one person or group over others and concrete preferential treatment of those to whom one personal connection, such as relatives, friends, neighbours or other acquaintances. (Bute, 2011) Nepotism refers to misuse of office in favor of family members (Bute,2011)

1.7.6 Management Support

Managerial support refer to any form of organization support which it facilitates all management activities, include in implementing

effective human resource management practices, concerned about HR policies and participate actively in HRM activities. (Jaehoon Rhee, Xiaofei Zhao and Choonghyun Kim, 2014)

1.8 Organization of Study

This study consist of Five (5) Chapter;-

Chapter 1 presents an introduction to the study and overview about the study. In this chapter, the background of study generally explained, the problem statement about the study, research questions, research objectives, scope of the study, significant of the study, and definition of terms.

Chapter 2 will focus on the literature review on workplace environment on employee's intention to quit. The literature is cited from the former researcher's research in this field. The literature will review about the employee's intention to quit and independent variable, workplace environment.

Chapter 3 consist of the research methodologies and model, research design, the hypothesis, instrument and measure design, unit of analysis, sampling design, data collection method, and data analysis method that being used in this study.

Chapter 4 concludes the overall result of the study, where the details and data collected from the questionnaire and the data are analysed. Within this chapter, the analysis and research findings were provided. Hence, Chapter 5 of this study is about the discussion and conclusion of the study. The implication of the study will be discussed in this chapter.

1.9 Summary

Overall in this chapter the background of the study has been addressed and mention. Shipping company facing problem in demand supply of skilled employee while having difficulty in retaining employee. Problem statement also been explained where employee is no longer attracted to they pay and benefits as factors of retaining them but look onto something that balancing their needs,

career and life. One of factor discussed in the problem statement is employee prefer for conducive workplace environment and its influence their intention to quit job. The objective and research questions also develop to ensure study focused on the problem statement that been addressed earlier.



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