

**THE IMPACT OF MOTIVATIONAL FACTORS
TOWARD INTENTION TO LEAVE AMONG
ACADEMIC STAFFS AT PRIVATE
TEACHING COLLEGES**

VOO YEN LING



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**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITI MALAYSIA SABAH**

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**THE IMPACT OF MOTIVATIONAL FACTORS
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**A dissertation submitted in partial fulfilment
of the requirement for the degree of Master
of Business Administration.**

**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITI MALAYSIA SABAH**

2004

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DECLARATION

The materials in this dissertation are original except for quotations, excerpts, summaries and references, which have been duly acknowledge.

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ABSTRAK

***IMPAK FAKTOR-FAKTOR MOTIVASI TERHADAP NIAT
MENINGGALKAN ORGANISASI DI KALANGAN AHLI-AHLI
AKADEMIK DI KOLEJ - KOLEJ PENDIDIKAN SWASTA***

Kajian ini adalah untuk mengenalpasti faktor-faktor yang mempengaruhi niat ahli akademik di kolej pendidikan swasta untuk meninggalkan organisasi mereka di sekitar Kota Kinabalu. Model daripada Hackman and Oldham (1976) dan Teori Dua Faktor Herzberg diubahsuai untuk kegunaan kajian ini. Hipotesis kajian ini mengatakan bahawa sifat pekerjaan, jaminan pekerjaan, kemajuan kerjaya, iklim organisasi dan sistem ganjaran dan penghargaan, peluang pekerjaan di luar secara langsung mempengaruhi niat ahli akademik untuk meninggalkan organisasi, sementara pengalaman bekerja dan umur mempengaruhi niat ahli akademik untuk meninggalkan organisasi secara tidak langsung. Sampel ahli akademik yang bekerja di kolej-kolej pendidikan swasta dikumpul untuk kajian ini.



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CHAPTER 1

ABSTRACT

**THE IMPACT OF MOTIVATIONAL FACTORS TOWARD
INTENTION TO LEAVE AMONG ACADEMIC STAFFS AT
PRIVATE TEACHING COLLEGES**

This is a research carried out to determine the determinants that influenced the intention to leave among the academicians in the private colleges around Kota Kinabalu. Hackman and Oldham (1976) model and Herzberg Two Factors Theory are modified and adopted in this research. It was hypothesized that job characteristic, job security, career advancement, organisational climate, rewards and recognition system and external opportunities directly influenced the academicians intention to leave their organisation, whereas, age and external opportunities moderate the academicians intention to leave their organisation. Samples of academicians whom worked in private teaching colleges are collected for this research.



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CHAPTER 1

INTRODUCTION

1.1 Introduction

Intention to leave, though not a perfect predictor of turnover, is an important precursor to turnover across many types of occupation (Steel & Ovalle, 1984). Turnover will have far-reaching impacts for employers, customers, investors, and other stakeholders. The most obvious impact will be on employers who are already suffering from broken continuity, inefficiency, and other difficulties that flow from instability in the workforce. Numerous employers, looking more short-range than long-range, scramble to fill existing job vacancies, rather than examining their methods of doing business.

What determines employee turnover?" The answer to this question has great relevance to the individual who may be thinking about quitting a job, and for the manager who is faced with lack of employee continuity, the high costs involved in the induction and training of new staff, and, not least, issues of organisational productivity. While actual quitting behaviour is the primary focus of interest to employers and researchers, intention to quit is argued to be a strong surrogate indicator for such behaviour (Firth *et al.*, 2004). Labour turnover is an inevitable phenomenon in the labour market. Voluntary and involuntary turnover of employees involve costs of separation, recruitment and training and job search for both the firm and the employee (Cascio, 1991). Driven by the need for "warm bodies," they hire people who are simply not qualified or even trainable to accomplish the work. As a consequence, employers are forced to invest tremendous valuable resources into

building productivity and retention among employees they should not have hired in the first place.

In these environments, the remaining employees despair, causing their morale to plummet and dragging their performance with it, the more competent employees soon tire of carrying the burden of the low-performers, and leave for more suitable working conditions (Secretan, 2001). Psychological and emotional demands quickly take their toll on staff (i.e., job stress and burnout, growing personal problems, and chronic absenteeism), leading ultimately to turnover. This takes a further toll on the remaining staff, who must cover short staffing (Hollinger-Smith, Linda, 2003). The result is the employer is challenged to serve customers with employees who are less than fully competent as demands for service increase. Before long, such companies are in such serious trouble that the only solution is to close the doors.

Turnover incurred high costs to organisations (Wanous, 1980). For example, many researchers (Cascio, 1982; Cawsey and Wedley, 1979; Macy and Mirvis, 1983; McEvoy and Cascio, 1985; Smith and Watkins, 1978) estimated that turnover costs for organisations range from \$400 to \$4,700 per employee. Employee turnover is draining profitability from companies in many industries. By reducing turnover, the opportunity to improve a company's stock price can be substantial, but many companies have not declared an all-out war against turnover. There are several reasons for this: many managers do not know how much turnover really costs; others have not figured out the root causes, so they do not know what actions to take; while others mistakenly believe turnover is inevitable in their industry.

Direct employee replacement costs may be just the tip of the iceberg (Larkin, 1995). Employee turnover has a significant effect on companies' top lines by inhibiting their ability to keep current customers, acquire new ones, increase

productivity and quality, and pursue growth opportunities. The importance of gaining a better understanding of the factors related to recruitment, motivation, and retention of manufacturing employees is further underscored by rising personnel costs and high rates of turnover (Alwin and Hauser, 1975; Bartol, 1983; Billings and Wroten, 1978; Blau and Boal, 1989; Conger, 1990; Shore and Martin, 1989). Researchers have learned about the important direct relationship between personnel costs and turnover (Alwin and Hauser, 1975; Billings and Wroten, 1978; Shore and Martin, 1989), and that for a company to reduce excessive turnover it is necessary to understand the reasons behind it. Although a worker's "intention to leave" is considered a signal of quitting, there are no consistent findings with regard to its value as a predictor of actual turnover. While Parasuraman (1982) found a positive significant relationship, Kirshenbaum and Weisberg (1990) did not, suggesting that the external job market disrupts this relationship.

1.2 Problem Statement

In the private higher educational institutions around Kota Kinabalu, the turnover of academic staff is very high, almost 30% turnover rate every term (company records at year 2002)¹, which is a very startling rates. Therefore this had raised the concern of employers for this serious issue. High turnover of academic staffs may not spell disaster during short term but it definitely going to hurt the quality of academic progress of the private higher education institutions in long-term period.

There are increasing challenges in improving educational establishment in terms of the quality and efficiency of the workforce because of the alarming numbers of academicians turnover.

¹Information was gathered through an interview conducted with a company personnel on 10 December 2003. The personnel and the company's name were classified as confidential.

Therefore it is necessary to identify the factors contributing to intention to leave amongst the academicians. The job content of an academician is basically challenging because of his great responsibility to educate the students and the effectiveness of his lectures that delivered to the students will determine the students' future success. And yet the job mobility of these academicians is high while they can gain such a great significance of task from their profession. For private higher educational institutions, the profitability of the organisation is solely depends on the academic fees paid by their students. There also exists competition amongst all the private colleges in attracting new students to enrol into their academic programs. As such the academicians may feel the pressure of job insecurity when their institutions are not able to attract ample number of new students every semester. But in another point of view, the competition amongst these colleges is creating many job mobility opportunities for the academicians.

In private higher educational institutions, career advancement opportunities might seem limited because of limited post for senior lecturers or academic administration. Furthermore, private higher educational institutions are not compound to government interference in their rewards and recognition system for academic staffs, therefore there exist different kind of rewards and recognition system in every institution as it depends on the organisation's philosophy in human resource management. If a private higher educational institution values its employees, there will be the provision of a conducive environment, or good organisational climate is encouraged in the organisation. Hence the research question is **"To what extent does job characteristics, job security, career advancement, organisational climate, rewards and recognition system, and external opportunities affect intention to leave amongst academic staffs at private higher educational institutions"**.

1.3 Research Objectives

This research attempts to investigate the relationship between dependent variable of intention to leave and independent variable of job characteristics, job security, career advancement, organisational climate, rewards and recognition system, and external opportunities. In addition, this research will examine the effect of moderating variables, which are age and working experience of subjects towards the relationship between the dependent variable of intention to leave and independent variables of job characteristics, job security, career advancement, organisational climate, rewards and recognition system, and external opportunities.

1.4 Scope of Study

The scope of the research is to find the impact of job characteristics, job security, career advancement, organisational climate, rewards and recognition system, and external opportunities towards intention to leave amongst academicians of private higher educational institutions around Kota Kinabalu. The academicians in this research will include Cosmopoint College, Inti College, Informatics College, Stamford College, Kinabalu Commercial College and AMC. This research has significant implications to further research by the academicians at higher educational sector.

1.5 Significance of Study

The world is changing. The labour market and employment culture are changing with it. Where are the times when someone would seek to grow with one company throughout the employment life? It is very common now to change jobs every few years.

Turnover is becoming a serious problem in corporate environment. It's much harder to place a cost on the negative feelings of employees and customers.

To what extent does lowered morale contribute to even more turnover? And as for customer dissatisfaction, it has been said that a bad customer experience is retold 8 times. The loss of customers can cost a business a great deal!

Enterprises risk losing critical information by allowing individual employees to carry their knowledge expertise out the door when they leave a company due to layoffs or other attrition. Labour turnover is an inevitable phenomenon in an organisation'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 (Weisberg, 1994).

Therefore hopefully this research will contribute to the understanding of the motivational factors that influence the intention to leave amongst academic staffs. Then practitioners will acknowledge or look into the job characteristics, job security, career advancement, organisational climate, rewards and recognition system, and external opportunities, which influence the intention to leave among academic staffs and make an effort to reduce the high turnover rate amongst academicians.

1.6 Organisation of Study

Chapter 1 presents an overview of the research and its significance. In addition, this chapter also presents objective of the research and scope of the study. **Chapter 2** presents past studies of the relationship between the dependent variable of intention to leave and the independent variables of job characteristics, job security, career advancement, organisational climate and rewards and recognition system, and external opportunities. **Chapter 3** is concerned with theoretical framework, research hypotheses, type of study, nature of study, unit of analysis, instrument,

population of sample, data collection and data analysis methods. **Chapter 4** presents respondents profile and the research findings. **Chapter 5** presents discussion, implication of research, limitations of research and suggestion for future research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter is about the survey of literature in the area of intention to leave and its determinants. According to Herzberg's Two-Factor Theory, which includes the extrinsic-intrinsic motivational factors. The extrinsic conditions include salary, job security, working conditions, quality of technical supervision, and quality of interpersonal relations among peers. The intrinsic conditions include recognition, advancement, the work itself or the job content. That's the reasons, job characteristics, job security, career advancement, organisational climate, rewards and recognition system, and external opportunities are included in this research. A review of the past research studies on intention to leave and its determinants are given below.

2.2 Definition of Concepts

The key variables used in this research has specific meaning and these definitions in the context of this research are given below.

2.2.1 Intention to leave

Intention to leave is considered a conscious and deliberate willingness to leave the organisation (Tett & Meyer, 1993). Turnover intention has been described as the last sequence of withdrawal cognitions; thinking of quitting and intending to search for alternative employment also belong to this sequence (Mobley, Horner, &

Hollingsworth, 1978). Janssen *et al.* (1999) defined turnover intentions as deliberate planning to leave the organisation within a very near future. Intention to leave is the conscious willingness to discontinue service in the current organisation (Parasuraman, 1982). Turnover intentions are, according to researchers such as Ajzen and Fishbein (1980) and Igarria and Greenhaus (1992), the most immediate determinants of actual behaviour of turnover. Intention to leave refers to individuals' perceived likelihood that they will be staying or leaving the employer organisation (Igarria & Guimaraes, 1999).

2.2.2 Job Characteristics

The following definitions of skill variety, task identity and task significance are based on the Hackman-Oldham Model (1975). Skill variety is doing different things; using different valued skills, abilities, and talents. Task identity is doing a complete job from beginning to end, the whole job rather than bits and pieces. Task significance is the degree of meaningful impact the job has on others; the importance of the job.

2.2.3 Job Security

Job security means an actual or implied promise of continued employment with an organisation (Shein, 1978). Job security has taken on a new meaning, referring to security within your chosen career, rather than a single company (Pam Lassiter, 2003).

2.2.4 Career advancement

Career advancement is the movement of a person to a higher level of position in the organisation (Rosse & Miller, 1984). They agreed by saying that, an individual who receives a promotion normally receives additional financial rewards and the ego

boost associated with achievement and accomplishment and most employees feel positively about being promoted.

2.2.5 Organisational climate

Ivancevich (2003) defines organisational climate as a set of properties of the work environment, perceived directly or indirectly by the employees, that is assumed to be a major force in influencing employee behaviour. Organisational climate refers to an organisational characteristic that has proved to be both difficult to define and difficult to measure. A typical definition of climate states that it represents employees shared perceptions of their organisation.

The recurring patterns of behaviour, which characterise life in the organisation. It is the relatively enduring quality of the total working environment as it is perceived and experienced by the participants within it. Climate influences their behaviour, and can be described in relation to a particular set of environmental characteristics (Isaksen, Dorval, & Treffinger, 1994).

Ekvall *et al.* (1983) defines the organisational climate as a conglomerate of the attitudes, feelings and behaviours, which characterise life in an organisation. This definition of organisational climate is just one of many definitions in the literature. Even if there are some disagreements of the exact meaning of the term, most authors seem to assume that the organisational climate is rather stable over time with respect to attitudes and that it affects people's behaviour. The organisational climate is important because it seems to affect different organisational and psychological processes. Communication, problem solving, decision-making, learning and motivation can all be affected by the organisational climate. This in turn might affect the effectiveness and the productivity of the organisation as well as the working environment and the well-being at the work place (Ekvall, 1985), and it