

**HRM PRACTICES AND EMPLOYEES TURNOVER INTENTION  
OF PRIVATE HIGHER EDUCATION INSTITUTES (PHEIs) IN  
PENANG: THE MEDIATING ROLES OF WORKPLACE  
WELL-BEING**

**KOAY LIAN SAN**

**UNIVERSITI SAINS MALAYSIA  
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## **TABLE OF CONTENT**

	<b>Page</b>
<b>ACKNOWLEDGEMENT</b>	i
<b>TABLE OF CONTENT</b>	ii
<b>LIST OF TABLES</b>	vii
<b>LIST OF FIGURES</b>	viii
<b>ABSTRAK</b>	ix
<b>ABSTRACT</b>	xi
<b>CHAPTER 1: INTRODUCTION</b>	
1. Introduction	1
1.1 Background of the study	4
1.2 The Importance of Employees Turnover	6
1.3 Problem Statement	8
1.4 Research Objectives	10
1.5 Research Questions	11
1.6 Definition of key Terms	12
1.6.1 Private Higher Education Institutes (PHEIs)	12
1.6.2 Academician	12
1.6.3 Workplace Well-being	12
1.6.4 Employee Turnover Intention	13
1.6.5 Career Development	13
1.6.6 Communication	13
1.6.7 Empowerment	14
1.6.8 Recognition	14
1.7 Significance of the Study	14

1.8 Organization of the study	15
<b>CHAPTER 2: LITERATURE REVIEW</b>	
2.0 Introduction	16
2.1 Theoretical Background	16
2.1.1 The concept of Human Resource Management	17
2.1.2 Theory of Human Motivation ( Maslow’s Hierarchy of Needs)	19
2.1.3 Theory of Human Motivation ( Herzberg’s Motivation-Hygiene Theory	20
2.2 Review of Literature	21
2.2.1 Employee’s Turnover Intention	22
2.2.2 Career Development	22
2.2.3 Effective Communication	23
2.2.4 Employee’s Empowerment	25
2.2.5 Employee’s Recognition	26
2.2.6 Workplace Well-being and Employee’s Job Turnover Intention	27
2.2.7 Summary	27
2.3 Theoretical Framework and Hypothesis	28
2.3.1 Framework	28
2.3.2 Development of Hypotheses	29
2.3.2.1 Career Development	29
2.3.2.2 Communication	30
2.3.2.3 Empowerment	31
2.3.2.4 Recognition	31

2.3.2.5 Workplace Well-being	32
2.4 Summary	33
<b>CHAPTER 3: METHODOLOGY</b>	
3.0 Introduction	34
3.1 Research Design and Procedure	34
3.1.1 Type of Study	35
3.1.2 Unit of Analysis	35
3.1.3 Time Horizon	35
3.1.4 Population and Sampling Technique	36
3.2 Questionnaire Design	37
3.3 Variable and Measurement	37
3.3.1 Independent Variable (HRM Practices)	37
3.3.2 Mediating Variable (Workplace Well-being)	38
3.3.3 Dependent Variable ( Employee's Turnover Intention)	38
3.4 Data Collection and Procedure	39
3.5 Data Analysis	40
3.5.1 Factor Analysis	40
3.5.2 Reliability of Measure	41
3.5.3 Descriptive Analysis	41
3.5.4 Multiple Regression Analysis	41
3.5.4.1 Regression Assumptions	42
3.5.4.2 Test for Mediation	43
3.6 Summary	44

## **CHAPTER 4: RESULTS**

4.0 Introduction	45
4.1 Respondents Profile	45
4.2 Goodness of Measure	47
4.2.1 Factor Analysis	47
4.2.2 Reliability Analysis	49
4.3 Description Analysis	51
4.4 Correlation Analysis	52
4.5 Hypothesis Testing	53
4.5.1 Multiple Regression Analysis	53
4.5.2 HRM Practices and Employee's Turnover Intention	55
4.5.3 HRM Practices and Workplace Well-being	55
4.5.4 Workplace Well-being and Employee's Turnover Intention	56
4.5.5 The Mediating Effects of Workplace Well-being	57
4.6 Summary of Hypothesis Results	58
4.7 Summary of Multiple Regression Analysis	59

## **CHAPTER 5: DISCUSSIONS AND CONCLUSIONS**

5.0 Introduction	61
5.1 Recapitulation of the study findings	61
5.2 Discussion	62
5.2.1 HRM Practices and Employee's Job Turnover Intention	62

5.2.2	HRM Practices and Workplace Well-being	65
5.2.3	Workplace Wellbeing and Employee's Turnover Intention	67
5.2.4	Mediator Role Of Workplace Well-being	67
5.3	Implications	69
5.4	Limitation	71
5.5	Future Research	72
5.6	Summary	73
<b>REFERENCES</b>		75
<b>APPENDIX</b>		
APENDIX A	-Questionnaire Sample	84
APENDIX B	-Profile of Respondents	90
APENDIX C	-Factor Analysis	92
APENDIX D	-Reliability Analysis	102
APENDIX E	-Descriptive Analysis	108
APENDIX F	-Correlation Analysis	109
APENDIX G	-Multiple Regression Analysis	110

## LIST OF TABLES

	<b>Page</b>
Table 4.1 Respondent Profiles	46
Table 4.2 Results of Factor Analysis	49
Table 4.3 Reliability Coefficient for Major Variables	51
Table 4.4 Descriptive Statistics of the Variables	52
Table 4.5 Pearson's Correlation Between Variables	53
Table 4.6 Multiple Regression HRM Practices on Employees Turnover (Beta Coefficients)	55
Table 4.7 Multiple Regression HRM Practices on Workplace Wellbeing (Beta Coefficients)	56
Table 4.8 Multiple Regression HRM Practices on Workplace Wellbeing (Beta Coefficients)	56
Table 4.9 Summary of the Mediating Test of Workplace Well-being on the Relationship Between HRM practices and Employees Turnover (Beta Coefficients)	57
Table 4.10 Summary of Hypothesis Results	58

## LIST OF FIGURES

	<b>Page</b>
Figure 1.1 Harvard Analytical Frameworks for HRM	17
Figure 2.1 Theoretical Framework	29

**HRM Amalan dan pekerja niat Pertukaran Kerja di Lembaga Perguruan  
Tinggi Swasta (PHEIs) di Penang: Peranan Tempat Kerja Kebajikan sebagai  
Jalinan Pertengahan**

**ABSTRAK**

Tujuan kajian ini adalah untuk menyelidik factor-factor yang mempengaruhi amalan-amalan HRM terhadap niat pertukaran kerja di antara ahli akademik Lembaga Pendidikan Tinggi Swasta (PHEIs) di Penang. Selain itu, kajian ini bertujuan untuk mengetahui sama ada tempat kerja Kebajikan dapat menyederhanakan amalan Pengurusan Sumber Manusia terhadap niat pertukaran pekerja dalam organisasi.

Dasar teori seperti Manusia Teori Motivasi (Keperluan Hirarki Maslow, teori motivasi-higiene Herzberg) dan konsep Pengurusan Sumber Manusia digunakan untuk membangunkan rangka kerja dalam analisis kajian ini.

Berdasarkan pembacaan sastera yang lalu, soalan penyelidikan yang telah diubahsuaikan dan instrumen yang telah disemak akan diemailkan kepada ahli akademik yang berkerja di Lembaga Pendidikan Tinggi Swasta (PHEIs) di Pulau Pinang. Data yang dikumpul akan dianalisis dengan menggunakan Regresi Berganda.

Soalan penyelidikan telah dilakukan di kalangan ahli akademik di Lembaga Pendidikan Tinggi Swasta (PHEIs), Pulau Pinang dan jumlah keseluruhannya 105 penjawab yang dikumpul digunakan untuk analisis lebih lanjut. Keputusan kajian

menunjukkan bahawa amalan pembangunan kerja dan amalan pemberdayaan member kesan negatif yang nyata terhadap niat pertukaran kerja. Selain itu, kesejahteraan tempat kerja mempunyai kesan pengantaraan antara pembangunan kerjaya, amalan pemberdayaan dan niat pertukaran kerja. Penemuan ini memberi panduan kepada pihak pengurusan Lembaga Pendidikan Tinggi Swasta supaya dapat memanfaatkan amalan HRM mereka seperti pembangunan kerjaya dan pemberdayaan sebagai teras untuk menarik dan mengekalkan pekerja bakat mereka.

**HRM Practices and employees turnover intention of Private Higher Education  
Institutes (PHEIs) in Penang: The Mediating role of Workplace Well-being**

**ABSTRACT**

The aim of this study is to investigate the influencing factors of HRM practices on employee's turnover intention among the academic members of Private Higher Education Institutes (PHEIs) in Penang. In addition, this study intends to find out whether workplace well-being mediates the Human Resource Management practices towards the employee's turnover intention of the organizations.

Theoretical basis such as the Theory of Human Motivation (Maslow's Hierarchy of Needs, Herzberg's motivation-hygiene theory) and concept of Human Resource Management were used to develop the framework for analysis of the present study.

Based on the previous literature, the survey instrument is modified and the revised instrument is email to academicians working in Penang Private Higher Education Institution. Data collected were analyzed using Multiple Regression.

A survey has been carried out in Penang and a total of 105 completed questionnaires are collected for further analysis. The results indicate that the career development practice and empowerment practice are negative and significantly related to employee's turnover intention. Besides, workplace well-being has a mediating effect between career development and empowerment practices and turnover intention. These

finding would be helpful for management of Higher Education Institute to effectively utilize their HRM practices such as career development and empowerment as their core competitive to attract and maintain their talent employees.

## **CHAPTER 1**

### **1.0 Introduction**

According to Ministry of Higher Education Malaysia (2009), currently there are 30 private colleges and 1 private university in Penang registered with the Ministry of Education in 2009. The Private Higher Education Industries (PHEIs) is responsible in providing effective occupational skills as well as enhancing productivity as they will bring significant towards the development of the country and higher export earnings potential (Tight, 2003 as cited in Tek , 2009). These skills are to be learnt and acquired by the students in order to apply them in different sectors and together they bring advancement to the country. These leaders of tomorrow are molded by the quality of the education provided by the academicians. Thus, academicians play a very significant role in determining the quality of graduates produced by the PHEIs each year. For this reason, these academicians should be retained by equipping them with good quality of support system such as remuneration, benefits, and incentives in order to retain their academicians for a long term planning as they bring significant effects to the quality of graduates produced in each year.

Similarly in service industries, employees in PHEIs require high involvement of interaction with their customers. This is due to the fact that the customers' satisfaction is affected by the employee's service delivery. Therefore, employee's turnover in Private Higher Education industrial is crucial as customers may take times to adapt to the new

services. According to Balakrishnan (2008) and Khoo (1981), almost all the private institutions of higher education are facing high rate of academic staff turnover. Researchers have begun to foresee the importance as well as the consequences to this complication.

According to the latest report done by the University and College Employers Association (UCEA) on staff recruitment in United Kingdom, they discovered that most of the institutions have encountered recruitment and retention difficulties for academicians. They claimed that hiring capable and brilliant academic staffs is quite challenging as it is not easy to hire one. For this reason, organization should try their best to maintain quality academicians so that the organization can be “globally competitive in providing quality output and services to the customer” (Ongori, 2007).

Base on the analysis of data from the 1998 British Workplace Employee Relations Survey, Peccei (2004) suggests that HR practices adapted by organizations have impact on the well-being of their workforces. Peccei (2004) also states that the impact of HR practices on employee well-being at work is very significant. However, this area has been neglected within the field of human resources management (HRM). One of the challenges in the HRM is to understand HR policies and practices such as employee selection, job design, training and rewards that can help to maximize the productivity and financial performance of the organization. Besides that, HRM also has difficulties in understanding how the employee’s workplace well-being can be affected by different policies and practices.

Working environment plays a very significant role in retaining and motivating the employers in an organization. This is supported by the research done by Chawsithiwong (2007) and Spector (1997) who claimed that “well-being working environment is a need in order to motivate employees and enhance employee’s job retention”. There have been many different researches that investigate on workplace well-being. Nevertheless, little research are done about workplace happiness and well-being in private higher education sectors (Gavin and Mason , 2004); Dutton and Edmunds , 2007). Moreover, Choy, Bobbitt, Henke, Horn and Lieberman (1993) argue that researchers and educators claim that “poor working condition have demoralized the teaching profession”. These researchers believe that the quality of the teaching is very much affected by their current workplace conditions. This would mean that academicians will not put their best effort into their teaching when they perceive lack of support for their work. This is due to the fact that they are not motivated and are more likely to hope for a change in their working environment.

1/3 of the employee’s life is spending on working whereas 1/2 of their waking time is used for earning money in their workplaces. Therefore, there is an urge to look into the workplace well-being due to the lengthy duration and life spends in the workplace. For this reason, there is a need to investigate the impact of HRM practices towards the employee’s turnover intention in Penang Private Higher Education Institute. In addition, this study will also examine the mediating effect of workplace well-being in the relationship between HRM practices and employee’s turnover intention.

## **1.1 Background of the study**

Employees quit their job or leave the organization due to several reasons such as pressure raise from their workplace, health problem due to stress, job dissatisfactions and poor workplace well-being (Chawsithiwong, 2007; Wieclaw, Agerbo, Mortensen and Bonde, 2005). Due to such reasons, the rate of employee's turnover has increased and has become one of the major concerns. These effects can be mitigated with HRM (Cheng and Brown, 1998; Huselid, 1995; Batt & Valcour, 2003; Firth et al., 2007). Peccei (2004) points out that HR practices have a significant impact on the well-being of their workforces which such effects can be distinguish from the effect such as type of 'High Performance Work Systems' which commonly identified in the literature. According to Peccei (2004), the analysis of the impact of human resource (HR) practices on employee well-being at work is an important yet relatively neglected area of inquiry within the field of human resource management (HRM).

Employees spend most of their waking time working in the workplace. Therefore, well-being in the workplace should be highlighted. Thus, employee's happiness and satisfaction can be achieved in the workplaces as they spend most of their time searching for self-satisfaction. This is supported by Campbell, Converse and Rodger (1976) who point out that "as much as a fifth to a quarter of the variation in adult life satisfaction can be accounted for by satisfaction with work." Therefore, organization should take this matter into serious consideration as their well-being determines their satisfaction and happiness in the workplace. Besides, in order to satisfy and retain the best employees,

organization should try their best to ensure that they are able to provide good and supporting working environment to their employees.

Chawsithiwong (2007) claims that happy and productive workplace is important to shape a supportive work environment in order to ensure that the employers will stay longer in the organization. When the employees are happy, this will indirectly affect the services provided to the customers as they feel more motivated to serve the best to the organization. Therefore, employee's needs have to be achieved first in order to achieve customers' satisfaction. Employee's turnover rate can be reduced too when they are satisfied with their current working environment. According to Rosenblunth and Peters (1992), they claim that employee's needs are more important than customers' needs as customers' satisfaction can only be achieved when employees themselves are satisfied with the working environment provided by their employers.

Well-being in workplace is very important for employee's health. According to O'Donnell (2009), workplace well-being should emphasize individual's lifestyle or behavior which aims, not only at minimizing or eliminating risk of disease and injury, but also achieving optimal physical, intellectual, emotional, social, occupational, and spiritual health. Employees who are not satisfied with the well-being in the workplaces are likely to face depression as mentioned by Cambridge, Murray and Lopez (1996). Thus, unsatisfactory well-being can cause reduction in productivity and efficiency in the workplace. The number of academicians with occupational stress in the workplaces are appalling (Winefield, 2000) and has begun to gain major attention (Winefield, 2003).

This is due to the fact that the stress level has influenced job retention in the organization as they have failed to seek well-being in their desired workplace.

According to Firth, Mellor, Moore, & Loquet (2007), employees are likely to leave the organization early when their well-being is neglected. This is due to the stress that is developed in the workplace and they feel that it is no longer healthy to continue staying in the unhealthy working environment. The employee's job retention will be affected for this reason. Therefore, our objective is to investigate the mediating effect of Workplace Well-being in relationship with HRM practices and employees turnover intention that could be applied to the workplace in Private Higher Education Institution.

## **1.2 The importance of Employee's Turnover**

According to Ongori (2007), employees play a vital role in maintaining the productivity of the organization as they serve as the backbone of any success in business. However, it seems that it is quite difficult to maintain and hire quality and capable employees in the organization. For such reason, employers must take care of the employee's well-being in order to maintain the performance of the organization to be "globally competitive in terms of providing quality products and services to the society" (Ongori, 2007). Therefore, it is important for the organization to keep their employees motivated in order to maintain quality human resources in order to help them to bring more profit to the organization. This is because the high rates for employee turnover can bring negative effects to the organization. In education line, this issue has gained interest among the researchers as they are interested in finding out the negative consequences of

turnover (Hayes, O'Brien-Pallas, Duffield, Shamian, Buchan, Hughes, Laschinger, North and Stone, 2006; Griffeth, Hom and Gaertner, 2000).

Employee turnover involves high cost as the organization would have to recruit new members by advertising the job advertisement and selection. Besides that, time is needed to train and develop the skills to ensure that all the new employees are capable in doing their tasks and this can indirectly “affect employee commitment, service/product quality, productivity and profit” (Kinicki, McKee-Ryan, Schriesheim and Carson, 2002). It seems that recruiting new employees is as troublesome as the organization would have to train them from scratch and is time consuming. Therefore, the organization should take care of the employee's well-being and ensure that they are motivated. The same context is applicable in education line where service quality plays a vital role in the organization. Employees who are motivated when their well-being is being cared of can indirectly boost up the reputation of the organization as their performance is very much affected by the well-being. Hence, this will bring positive effects to the organization when the organization has finally gained its reputation. This is because the quality of the organization has met the customers' requirements and gained global reputation. Indirectly, this would help the organization to “attract high caliber students, research funds and consultancy contracts” (Rowley, 1996).

### **1.3 Problem Statement**

Staff retention and job motivation has been a major issue in most corporations and is believed to be worsening too. According to Malaysian Employers Federation 2003, 2004 and 2005, “The annual turnover rates over the past three years have been high and above 15 per cent”. In 2003 and 2004, the turnover rates for labor were reported as high which is 17% and 16% respectively (Malaysian Employers Federation 2004, 2005). In education line, the turnover rates for academicians in private institutions of higher learning in Malaysia have been in an alarming rate each year as well (Balakrishnan, 2008). It seems that this situation is not only happening in Malaysia but also in United Kingdom (UCEA, 2005).

It seems that it is not that easy to maintain capable and experience academicians. Their well-being in the workplace plays a significant role in maintaining them in the workplace. If the organizations fail to fulfill the requirements of their well-being, therefore depression may take place and result poor performance in the organization. A study conducted by Creed (1993) claims that many people in United Kingdom are facing mental health problems due to the poor workplace environment. According to WHO (2008), more people will be facing depression in 2010 and it is predicted to be one of the largest health problem in the world. WHO believes that the major cause of depression is due to pressure or failure in handling their tasks effectively in the workplace. This complication is believed to be ranked the second highest health problems after heart disease. Malaysian National Health has conducted a survey on adults' health condition

and they found out that 10.7% of the population had mental illness whereas 10.5% of the population has minor forms of mental illness such as stress, excessive worry and so on. It is believed that this stress is developed from the workplace as most of the adults who work in the workplace spend 1/3 of their waking time working.

A study conducted by Wieclaw, Agerbo, Mortensen and Bonde (2005) found out that human service professions such as academicians are most likely to suffer from affective and stress if compared to other occupations. This is because service professions need to deal with different customers with different expectations especially academicians who need to deal with large number of students in the institutions. Due to such reason, there is a need to find out workplace factors that can lead to the stress of academician.

A decision was made to examine the Private Higher Education Institution because the private higher institution is very worthy for research as it is now play a role to offer quality higher education and attract foreign students to Malaysia who contribute some RM 50 million in direct earnings to Malaysia annually (Uda Nagu, 2007). Especially Malaysia aims to be an international hub for world class education and target about 100,000 foreign students by years 2010, but one primary criteria for world class universities is the ability to attract and retain excellent and experiences academics Tek (2009) and academic staff job satisfaction, commitment, and retention are crucial to effective academic institutions (Fauziah and Kumaruzaman, 2009). Therefore, there is a need for the Private Higher Education Institution to realize that the importance of

effective HRM practices and use it to improve their workplace well-being and overall employee's retention.

#### **1.4 Research Objectives**

The objectives of this study are to examine how HRM practices and workplace well-being influence employee's turnover intention. Thus, this study intends to:

1. Examine the influence of four HRM practices i.e. Empowerment, Career Development, Communication and Recognition on employee's turnover intention.
2. Examine the influence of four HRM practices i.e. Empowerment, Career Development, Communication and Recognition on workplace well-being.
3. Examine the mediating impact of workplace well-being on the relationship between four HRM practices and employee's turnover intention.

## **1.5 Research Questions**

Base on the research objectives, this study therefore was mainly motivated by the quest to answer the following question:

1. Does employee empowerment have an influence on the workplace well-being?
2. Does employee career development have an influence on the workplace well-being?
3. Does communication have an influence on the workplace well-being?
4. Does recognition have an influence on the workplace well-being?
5. Does employee empowerment have an influence on the employee's turnover intention?
6. Does employee career development have an influence on the turnover intention?
7. Does communication have an influence on the turnover intention?
8. Does recognition have an influence on the turnover intention?
9. Does workplace well-being mediate the relationship between the four HRM practices of empowerment, career development, communication, and recognition on employee's turnover intention?

## **1.6 Definition of Key Terms**

Below are the definitions of the key terms or variables used in this study:

### **1.6.1 Private Higher Education Institutes (PHEIs)**

Private Higher Education institutes are institutions that are not managed by local, state or national government. PHEIs do not select their student body and they are not funded by the government and do not have any public funds. The PHEIs mentioned in this research are referring to the private higher education institute in Penang where the information will be obtained from these institutions. In this research, the Penang private higher education institute used to obtain information.

### **1.6.2 Academician**

Academician in this research refers to employee who is hired to provide academic services to the student in Private Higher Education Institutes in Penang.

### **1.6.3 Workplace Well-being**

Workplace well-being refers to the welfare gained from the workplace. According to O'Donnell (2009), "It also refers to the holistic approach to health which emphasis on individual's lifestyle or behavior which aims, not only at minimizing or eliminating risk

of disease and injury, but also achieving optimal physical, intellectual, emotional, social, occupational, and spiritual health”.

#### **1.6.4 Employee Turnover Intention**

According to Dougherty, Bluedorn & Keon, (1985), “Turnover intention is defined as an employee’s decision to leave an organization voluntarily”.

#### **1.6.5 Career Development**

According to Career Development for University Staff Employees (2009), employee’s career development is “A series of planned actions taken by an employee, with the active support of management, to successfully meet the demands of the current job environment, prepare for future work opportunities and challenges, and enhance employee career satisfaction.”

#### **1.6.6 Communication**

According to Harris, Simon and Bone (2000), “In workplace training, communication refers to the supervisor openly delivering information about the procedures, content, tasks and objectives of the training programs, conducting discussions about tasks that should be learned, giving detailed explanations about the benefits of attending training programmes’ and providing performance feedback”.

### **1.6.7 Empowerment**

Empowerment refers to the rights of the employees given by the authorities to make their own decision when handling their tasks without consulting their superior. Conger and Kanungo (1988) define employee empowerment as “a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information.”

### **1.6.8 Recognition**

Employee's recognition refers to the acknowledgement of the work being done in the company, being treated fairly, giving the opportunity to handle tasks which are important opportunities advancement and the opportunity in participating the agency. (Employee Recognition Programmed Handbook, 2000).

## **1.7 Significance of the Study**

Nowadays, there are rivals in education industry especially in universities and colleges in order to get excellent ratings which are very much affected by the capable and experienced academic staffs. Human Resources Management would be interested to know the findings. This is because the findings would reflect their management skills in education to retain the talent employees. Human Resources Management would emphasize the area of Workplace Well-being that they should look into from the findings

of this result in order to maintain and attract effective and efficient academic staffs. Besides, Human Resources Management can reduce the unsatisfied employees which lead to work-related stress and cause their mental health problem to their job.

The results could also contribute towards the development of the Human Resources Management of the college. The findings may help the management to stay focused on those areas that they are lack in without neglecting the strengths as well. Finally, results of the study will provide a better understanding of the workplace well-being as mediator towards HRM practices and employees turnover intention.

## **1.8 Organization of the study**

There are five chapters in this research. In chapter 1, research background, research problem, research objectives and research questions will be covered. In chapter 2, the discussion of the variables will be reviewed. This chapter also highlights previous research as well as the findings done by other researchers. This chapter is important in order to indicate that every variable is supported by previous study. In chapter 3, the research methodology will be reviewed. Besides that, the population, sample, design, instrument and statistical analysis used in the research will be reviewed. The analysis of the results will be presented in Chapter 4. The recap of the discussion and the implications of the research will be presented in Chapter 5. The future research will also be proposed.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

In this chapter, the concepts of Human Resource Management (HRM) as well as Human Motivation (Maslow's Hierarchy of Needs, Herzberg's Motivation-hygiene Theory) will be discussed in detail. Besides that, the relationship of HRM practices and workplace well-being to turnover intention will be analyzed based on these concepts. Determining HRM practices that lead to enhancement of Workplace Well-being and employee's turnover intention and the importance roles of workplace well-being will also be discussed in this chapter.

#### **2.1 Theoretical Background**

In order to deeply understand HRM practices and workplace well-being, Theory of Human Motivation which is Maslow's Hierarchy of Need and Herzberg's motivation-hygiene theory together with the concept of Human Resource Management are included in the proposed research model in this study. All these theory have demonstrated a close connection between HRM practices and workplace well-being and turnover intention.

### 2.1.1 The Concept of Human Resource Management

The concept of HRM is first introduced in the mid 1980s when Pascale and Athos (1981) came out with a list of attributes that would lead to successful companies. At that moment, this particular field is known as “personal management”. Personal management focus on technical skills, days to days functions such as training, recruitment and selection and employee relations. It was then changed to HRM when Beer, Spector, Lawrence, Quinn-Mills and Walton (1984) claim that HRM concerns the management of an organization as a whole rather than emphasizes on personnel function when they have successfully came out with The Harvard Framework of HRM. Beer et al. (1984) claim that “there are several HRM policies will lead to organization’s long term consequences such as employee’s well-being and organizational effectiveness.”

Figure below explain that HRM policy act as management functions.

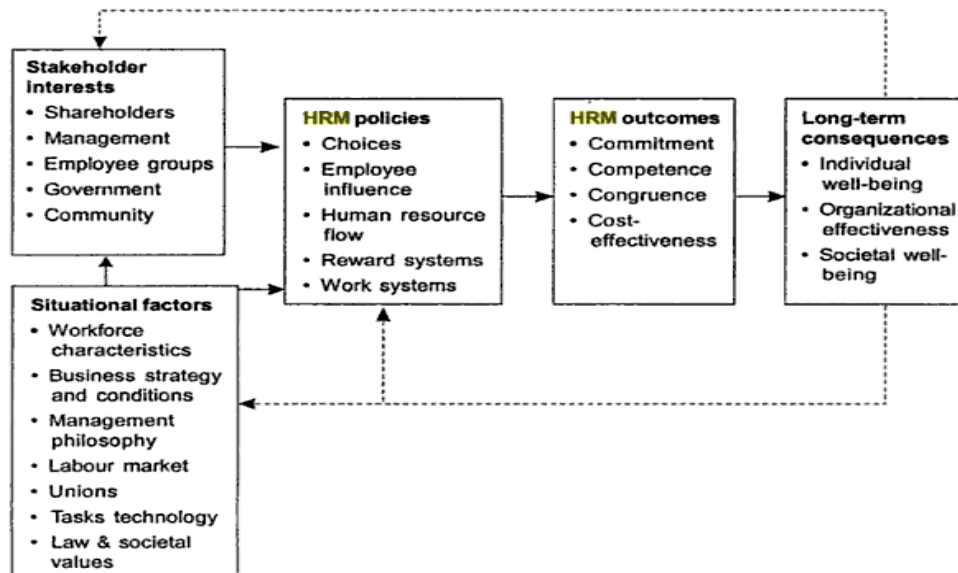


FIG. 1.2 Harvard Analytical Framework for HRM.  
Source: The Harvard Framework for HRM, Beer et al. (1984).

*Figure 1.1* Harvard Analytical Framework for HRM.  
Source: The Harvard Framework for HRM, Beer et al. (1984)

The effect of HRM practices on employee's turnover intention is considered a significant topic to pay attention to as the results can benefit the human resource management (Huselid, 1995; Cheng and Brown, 1998; Batt & Valcour, 2003; Firth et al., 2007). There are many researchers who have tried to investigate the effect of the HRM systems that will affect the employee's turnover intention.

According to Wright and Boswell (2002), everyone define HRM in their own special way. This is because different people have different perceptions towards HRM practices. For such reason, there is no specific HRM practices that will lead to coherent HRM systems (Delery, 1998). However, researchers can analyze the total of HRM systems or factor analysis which is an empirically verify method in order to search for the significant features of HRM system for an indicated outcome (Becker and Huselid, 1998). Peccei (2004) has done a research to investigate the vital attributes that will contribute to HRM systems for employee's management in the organizations. These attributes include "training and development, job design, pay and reward, communication and employee welfare" (Peccei, 2004). In the strategic of human resource management, several frameworks have been developed in the HRM literature, where Gomez-Mejia, Balkin and Cardy (1998) have identified five major domains of HRM practices which are including organizational planning, staffing, rewards, developing and appraisal. Lawler (1986) in his study found four organizational processes influence employee's attitudes and behavior at work, which is information-sharing, empowerment, competence development and reward.

Base on the literature review, the present study examines four HR practices (empowerment, recognition, career development, and communication) that an organization can employ to increase Workplace well-being and decrease turnover intentions among PHEIs employees.

### **2.1.2 Theory of Human Motivation (Maslow's Hierarchy of Needs)**

Maslow's (1970) hierarchical of needs consist of five fundamental needs in order to conceptualize workers' motivation which are "self-actualization and esteem needs at the high level while love or belongingness, safety and physiological needs at the bottom treat as low level need.". According to Maslow (1970), human needs the most basic need which is known as physiological needs which consist of clothes and food in order sustain in the society. After the basic needs have been achieved, then, human will strike for safety needs such as insurance policies and job security which serve as another motivator. The sense of belongingness such as friendship will only exist when basic and security needs have been fulfilled.

Maslow (1970) believes that higher level can only be served as motivator when lower level need is satisfied. Maslow claims that "employees have a basic human need and a right to strive for self-actualization, just as much as the corporate directors and owners do."

### **2.1.3 Theory of Human Motivation (Herzberg's Motivation-Hygiene Theory)**

Frederick Herzberg who proposed the two-factor theory (also known as Herzberg's motivation-hygiene theory) has found out that there are many different causes that lead to job satisfaction and job dissatisfaction. The theory claims that there are specific determinants that will lead to job satisfaction and cause job dissatisfaction. Herzberg (1973) claims that the factor that contribute to job satisfaction and motivation differ from the factor that leads to job dissatisfaction. The examples of factors that contribute to job satisfaction are “nature of work itself and including achievement, promotion, competency, recognition, and self-realization thus making employee happy and satisfied” (Herzberg, 1973). Nevertheless, the absence of these characteristics would not affect the job dissatisfaction as they do not share the same factors. In fact, the factors that lead to job dissatisfaction are from “unfavorable job-related factors as company policies, supervision, working condition, and interpersonal relations” (Herzberg, 1973).

According to Herzberg (1968), intrinsic and extrinsic factor are considered one of the important factor that would lead to employee’s motivation. Hirschfield (2000) stated that intrinsic job satisfaction is the feeling towards the given tasks whereas extrinsic job satisfaction refers to the feeling towards the external features of the work situation to the job tasks or the given work itself.

A lot of researchers are interested to find out the employees leaving behaviour by looking at the effect of intrinsic and extrinsic factor (O’Reilly and Caldwell, 1980;

Spector, 1997; Tang, Kim and Tang, 2000; Randolph and Johnson, 2005; Udechukwu, 2007).

Shipley and Kiely (1988) in their study argue that in order to avoid worker dissatisfaction, HRM should provide enough hygiene factors. Besides that, HRM should direct adequate resource to provide satisfactory job content factor in order to motivate the worker. The hygiene factors as mentioned earlier are believed to be extrinsic to the job (Herzberg, 1970). The examples of hygiene include factors like “company policy, salary, interpersonal relationships, working conditions and supervision.”

Herzberg (1970) regards “achievement, recognition for achievement, responsibility and advancement” as motivator factors to be intrinsic to the job. Herzberg (1973) was very concerned about people’s well-being at the workplace although he is famous for factors theory on ‘hygiene’ and motivational. His mission was to bring more ‘humanity’ and ‘caring’ into the workplace as he cares for the well-being of the employees in the workplace.

## **2.2 Review of Literature**

The use of variables such as career development, empowerment, communication and recognition are recognized by HRM Practices to have impacts on workplace well-being and turnover intention. In the next section, what and how these variables are used will be discussed. Besides that, justifications of the selected variables used in this research will

be discussed too. It is important for the organization to understand the relationships between HRM practices to employee's well-being in the workplace in order to maintain capable and motivated employees. The relationships for selected HRM practices are given as below.

### **2.2.1 Employee's Turnover Intention**

Cotton and Tuttle (1986) define turnover as the predicted possibility that the employee's will stay in the organization. In this research, turnover intentions will be focus instead of the actual turnover. Turnover intensions are regarded as "conscious willfulness" to look for other options in other organization (Tett and Meyer, 1993). Turnover intention is a suitable variable to be used in the research and this has been confirmed by previous researchers ( Khatri, Budhwar and Chong, n.d.) This is due to the fact that this variable is linked with actual turnover (Shore & Martin, 1989). Even Bluedorn (1982) suggest the use of turnover intention in the research as it is easier to predict if compare to actual turnover. This is because there are many external factors that influence the actual turnover behavior.

### **2.2.2 Career Development**

Career development enables the employees to see the possible benefits that they will get if they work in an organization in the next few years. When they finally see what they can get from the organization, this indirectly boosts up their motivation to strive for

the best to prove the quality of their work. Therefore, employees can gain happiness as they can see the outcomes from the effort that they put in. Training and career development play an important role in achieving happiness in the workplace as they know what they can get from the organization. This is supported by Chawsithiwong (2007) who claim that “management must invest in training and career development rather than just rely on monetary reward system in order to keep their employees happy.” The finding from Chawsithiwong (2007) research is equivalent to Pollitt’s (2007) where employee’s turnover intention is influenced by training programmed offered by the organization. Workplace well-being can be gained if employees are given the opportunity to improve themselves via training programmer (Avolio and Sosik, 1999).

According to Huselid (1995), the retention rates of the employees can be improved when HR practices from the organization help to improve their knowledge and skill. The above statement was support by Rhoades & Eisenberger (2002) who claim that the turnover intention among employees is affected by career development opportunity.

### **2.2.3 Effective Communication**

In the organization, communication plays a vital role in any management practices to transfer messages either in written or spoken form. According to Mintzberg (1973), 75% of the managers’ working time is spent on communication. Employee’s career satisfaction can be increased by implementing an effective and efficient communication system. Besides, the frustration faced by the employees can be reduced

when effective communication takes place in within the organization (Jules and Christopher, 2009).

Therefore, it is necessary to have effective communication in a department and organization in order to achieve the objectives fast. Scolding is no longer considered a wise method to get things done in a desired way. This is because employees will feel demotivated when they feel that their feelings are being ignored by their employers. Employees may feel themselves as useless and no longer contributive in the organization. Consequently, the organizations may face problems like “constant sick leaves, depression at work, conflict among colleagues, no punctuality, unwanted errors in their paperwork and etc” (Cairo, 2008).

In order to achieve conducive environment in the workplace, the employers should that effective communication should take place as well. Consequently, employees will feel happy and motivated to continue working in the organization if effective communication takes place between the two parties (Gavin and Mason, 2004).

According to Tor & Owen (1997), employees who are not actively involved in the organization will feel themselves as not being contributive and useless. This can probably happen when the employees themselves are not clear about the expectations that they need to achieve in the organization or when they are not given the rights in decision making. Effective communication is essential among the employees and management in order to motivate employee (Morris and Feldman, 1996). According to Labov (1997), employees need to be kept informed about the status of the organization via good