



## **EFFECT OF JOB DISSATISFACTION ON EMPLOYEE TURNOVER IN THE PALM OIL INDUSTRY OF MALAYSIA**

**<sup>1</sup>Ayesha Noor, <sup>2</sup>Yuserrie Bin Zainuddin**

<sup>1, 2</sup>Faculty of Industrial Management, Universiti Malaysia Pahang, Lebuhraya Tun Razak,  
26300 Kuantan, Pahang

### **ABSTRACT**

To date employee turnover is one of the most challenges facing by organizations. Several literatures are available on turnover crisis. It is a concern of researchers in Malaysian organizations. However, there are no literatures elsewhere for this issue in Palm Oil Industries. Therefore, in this study investigate this issue. It provides literature review related turnover crisis and a theoretical analysis of Mobely model (1977). In addition, this work is an outline of the employee dissatisfaction, leaving existing job and finding better opportunity. The Mobely's model has been used to find out the turnover crisis which depends on employment factors.

**Keywords:** Malaysia Palm Oil Industry, Employment, Turnover Crisis, Mobely Model

### **INTRODUCTION**

Employee turnover has had a detrimental effect for many major organizations in the developed countries (Naresh Khatri, Chong Tze Fern, Pawan Budhwar, 2001). Every organization goal is to satisfy their employees all the way through job satisfaction which is an efficient workforce and turn into an important skill day by day. At the moment, job satisfaction plays an effective role for swing an employee to his profession. On the other hand, when employees are not satisfied in their workplace, it will influence their employment and push them to leave from the organization. Job surroundings and decrease workers effort toward the job have an impact on employee turnover rate through employee dissatisfaction.

Lots of researchers examine the facts which may be mandatory an employee to make decision interested in a leaving . Next this, the intention of looking for the new chances will lead by estimated

other work environment (Vroom V. Work and Motivation, 1964). Habitually, the organizations have an effect on turnover cost.

The aim of this paper is to identify the subject which affecting palm oil labor satisfaction as well as may go ahead them to turnover. Firstly, talk about the dynamic fact of labour satisfaction. Secondly, a short practice of the Mobley model (1977) functions revising the causes most important to emergency of turnover is specified (Mobley W., 1977). Finally, it illustrates that Mobely model can be used in Malaysian palm oil sector to decrease these agenda.

## **METHODOLOGY**

Several researchers carried out their research on employment, working situation, employee turnover, service factors, worker disappointment, and the causes of turnover crises in some other industries in Malaysia (Kentucky Fried Chicken (KFC) Malaysia, 2006; Rohani S, Nair MS, Harun H., 2012). In this work, the relationship among job conditions, worker satisfaction, and turnover intention interpret through Mobley model (1977) and theoretical framework.

## **LITERATURE REVIEW**

### **Working condition**

The existing concepts reinterprets through the conceptual work on human resource management of tourism industries, fast food industries, retail organizations (Kentucky Fried Chicken (KFC) Malaysia, 2006; Rohani S, Nair MS, Harun H., 2012; Ahmad RS., Al Battat, Som APM, 2013). The effect job dissatisfaction of labor and its overall impact on organizations deliberated in several research works.

The essential human recourse practices for an organization are training, performance appraisal, and remuneration. The organizational commitment could be better for quality service through implementing adequate human resource system, convenient relation between employee and employer. Individual-job , individual-organisation, job satisfaction influence an employee to retain his job. The satisfaction of employee is known as the influence of several forms of organizational jobs.

There are some well-known terms in human recourses like job pressure, work exhaustion and labour turnover etc. The work pressure directly and indirectly related to the problems between worker and owner (Ahmad RS., Al Battat, Som APM, 2013). It is also related to job uncertainty, confliction between them. There are several problems arise in organization through work pressure. Alternatively, a new aspect of job pressure has turned into uncertainty; moreover the job uncertainty is due to lack of information about job conditions.

Demographic factors such as age, gender, race, education, and marital status influence employee sentiment as well as labor turnover (Bluedorn A., 1979; Elangovan A., 2001). For instance, discrimination in salary, reward and other benefits are found in women and other minority groups (Valentine S., 2001).

## **Employee Turnover**

Kuria and his co-author stated that the job offence, critical working environment, hassles, extensive operational hours with minimum salary, and poor guidance are the causes of turnover (Kuria S, Alice O, Wanderi P. , 2012). Seta C., Paulus P, Baron R. (2000) mentioned that, suitable training, work evolution and reward are the job satisfaction factors. These factors could satisfy an employee as well as contribute to the progress of organization. Furthermore, minimum remuneration greatly influences the turnover.

There are two types of turnover which are voluntary and involuntary turnover. The voluntary turnover is related to the execution of the administrative and the emotional contract between the employee and the organization (Krausz M, 2002). It has become a crisis with all jobs, but measured, serious with effect to the service sector. There are some important reasons for turnover, such as poor remuneration, awful working location, inefficient supervision and lack of additional benefit. In contrast, involuntary turnover certainly leads to unexpected outcome; for instance, job anxiety, work complexity, and status instability (Ahmad RS., Al Battat, Som APM, 2013). Every one of the employees who just lost their jobs survives for this passive effect.

## **Mobley Model (1977)**

According to significant number of previous research, human factor dependent industries are known as the unstable industries. The Mobley Model (1977) suggested seven steps for employees steering towards dissatisfaction and leaving their job. Mobley recommended that when an employee could not adopt the working environment then he think about to leave his existing job as well as find alternate option. Small or vast reflection of this sign usually depends on the turnover expenditure. If the turnover charge is tolerable, an employee's condition will lead toward turnover crises Kentucky Fried Chicken (KFC) Malaysia, 2006; Bluedorn A., 1979).

Labor turnover identification is a critical topic due to the human affair. Still organizations do not able to mention the causes for walking out of employee. The organization assurance toward the employee turnover uses the seven stages of the Mobley model and supports the strength of the theory. Consequently, the dedication to employees' job satisfaction improves the relationships between job satisfaction and contribution will then go ahead to decline the turnover in organization (Ahmad RS., Al Battat, Som APM, 2013). Figure 1 represents Mobley Model (1977)'s idea.

There are a number of cases which did not recommend by the Mobley model as solid steps of employees walk through. In order to maintain Malaysian economy, they know the necessary roles to keep away from turnover crises in palm oil sectors. Advance research is required to control turnover in palm oil industries.

### **THEORETICAL FRAMEWORK**

Figure 2 represents the theoretical framework prepared according to the Mobley (1977) and illustrates the overall employee satisfaction factors (Rohani S, Nair MS, Harun H., 2012; Valentine S., 2001). The employees' activities who received financial reward from their employers within the labor market between organization, employment, and profession (Ahmad RS., Al Battat, Som APM, 2013). The effect of work Stress and the demographic factors on employees` satisfaction discuss in this theoretical framework. The employee turnover goes forward with bad working conditions and low job satisfaction. Besides, suitable working condition and employee satisfaction will direct to employee retention. On the contrary, the job quitting as well as lack of employee in an organization stated in Mobley model (Ahmad RS., Al Battat, Som APM, 2013; Mobley W., 1977).

### **FINDINGS AND DISCUSSIONS**

The study proposed by Mobley (1977) which applied seven stages of job turnover process and focusing on the job dissatisfaction process as well as job turnover. This model successfully can be used in palm oil industry, it shows different levels of turnover process, primarily leaving of job as a consequence of- employee dissatisfaction, which intent to leave job, eventually employee turnover (Ahmad RS., Al Battat, Som APM, 2013; Shaw J. , 2011).

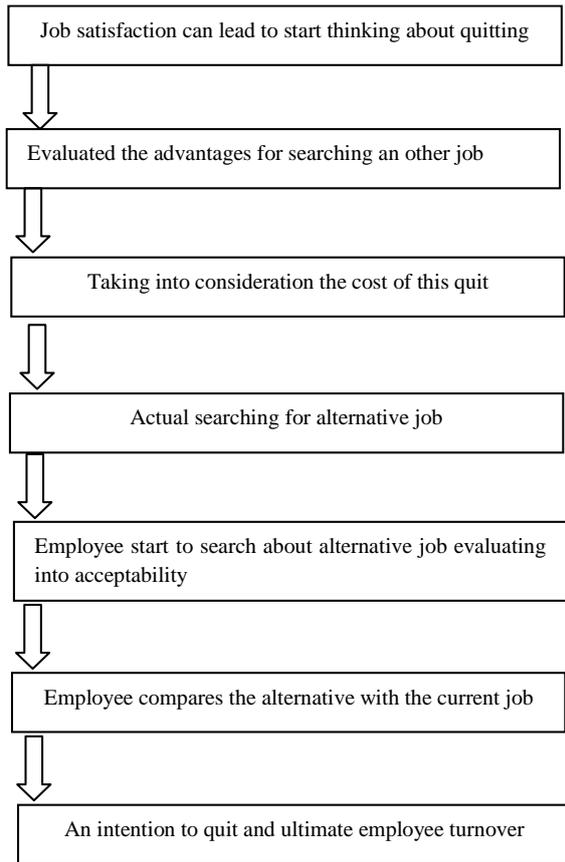


Figure 1: Adopted from Mobley mode (1977)

The key items about employee turnover accumulated from earlier literature (Valentine S., 2001; Shaw J., 2011; Ton Z, Huckman, 2008). In this work, Figure 1 represents the Mobley` model and relevance on the turnover process. The customer satisfaction and the quality service are affected by the a negative discussion concerning labor turnover, employee satisfaction, employee retention and so on Ahmad RS., Al Battat, Som APM, 2013). The palm oil sectors necessary to emphasis on management system to achieve quality service.



Figure 2: Correlation of employee satisfaction and turnover

From this study, the causes of labor turnover can be used in Malaysian Palm oil sector. Moreover, It explains the impact of job satisfaction and work environment on turnover rates. This study will provide a appropriate system to build a commitment to organization-employee relations and quality of service provided to insure company retention.

## **CONCLUSIONS**

The effective factors which reduce employee turnover in palm oil industry explain in this work. The employee turnover crisis, their dissatisfaction and retention impact on the service and product quality as elaborately reviewed through literature. According to the Mobley model (1977), offensive working circumstances, lack of training and low remuneration can lead to a higher employee turnover. An apparent conception present to improve the employment factors for declining the turnover crisis, the contribution of job satisfaction to employee retention, additionally, impact of job frustration on turnover crisis. In addition, raising the salary and strengthening work conditions could strengthen the relationships between palm oil employees within their industry, as a result, reduce employee turnover in this industries. The consequences of this study will be fruitful to retain employee in palm oil sector.

## **ACKNOWLEDGEMENT**

Authors would like to acknowledge University Malaysia Pahang, Malaysia for providing financial support through the project GRS130371.

## **REFERENCES**

- Ahmad RS., Al Battat, Som APM (2013). Job satisfaction and turnover crisis in Malaysia's hospitality industry. International conference on tourism sm development "building the future of tourism". 4 – 5 February 2013.
- Ahmad RS., Al Battat, Som APM (2013). Employee Dissatisfaction and Turnover Crises in the Malaysian Hospitality Industry. International Journal of Business and Management. Vol 8(5).
- Bluedorn A. (1979). Structure, environment, and satisfaction: toward a causal model of turnover from military organizations. Journal of Military and Political Sociology. Vol 7: 181-207.
- Elangovan A. (2001). Causal ordering of stress, satisfaction and commitment, and intention to quit: a structural equations analysis. Leadership & Organization Development Journal. Vol 22(4): 159-165.

- Kentucky Fried Chicken (KFC) Malaysia (2006). Retrieved on October 9, 2006; from the KFC Malaysia website: <http://www.kfc.com.my/outlets/index.html>.
- Kuria S, Alice O, Wanderi P. (2012). Assessment of causes of Labour Turnover in Three and five Star-Rated Hotel in Kenya. *International Journal of Bussiness and Social Science*. Vol 3(15): 311-317.
- Krausz M (2002). The many faces of voluntary employee turnover. *Voluntary Employee Withdrawal And In attendance*. 53-70.
- Mobley W (1977). *Employee turnover, Causes, Consequences, and Control*. Reading MA: Addison - Wesley.
- Naresh Khatri, Chong Tze Fern, Pawan Budhwar (2001). Explaining employee turnover in an Asian context. *Human Resource Management Journal*. Vol 11(3): 54-74.
- Rohani S, Nair MS, Harun H. (2012). Job Satisfaction, Organizational Commitment, and Turnover Intention: A Case Study on Employees of a Retail Company in Malaysia. *International Journal of Social, Management, Economics and Business Engineering*. Vol 6(12).
- Shaw J. (2011). Turnover rates and organizational performance: Review, critique, and research agenda. *Organizational Psychology Review*. Vol 1: 187-213.
- Seta C., Paulus P, Baron R. (2000). *Effective Human Resource Relations: A Guide to People at Work* (4th ed.). USA: Allyn and Bacon.
- Ton Z, Huckman (2008). R. Managing the Impact of Employee Turnover on Performance: The Role of Process Conformance. *Organization Science*. Vol 19(1): 56-68.
- Valentine S. (2001). A path analysis of gender, race, and job complexity as determinants of intention to look for work. *Employee Relations*. Vol 23(2): 130-146.
- Vroom V. *Work and Motivation* (1964). New York: John Willey.