

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

This chapter covers the summary of the findings and analysis of this study, limitation of this study and seeks to propose some recommendation on future studies that can be expanded to further this study.

5.1 Discussion

This study contributes to the understanding of the relationship between employee recognition, management participation in recognition, employee engagement, organizational commitment and turnover intention together with the mediating effect of job satisfaction.

Management participation in recognition and employee recognition does not have a significant direct relationship with turnover intention as indicated in this study. This maybe due to reward programs do not work because repetitive rewards given by management for doing something has caused employees to lose interest in whatever they did to get the reward (Macaulay, 2007b).

Recognition is a motivation factor as described in Herzberg's motivation-hygiene theory that gives positive satisfaction, arising from intrinsic conditions of the job itself. The hygiene factors that lead to job dissatisfaction may include company policy, supervision, interpersonal relationships, work conditions, salary, status and security.

The motivation factors, when present, create satisfaction or motivation in the minds of employees. The hygiene factors, when absent or inadequate, create dissatisfied employees and when present, do not add to satisfaction or motivation to employees. The motivation factors are independent from hygiene factors therefore organizations need to address both motivation factors and hygiene factors in order to reduce turnover intention.

Organizational commitment has a significant negative relationship with turnover intention. The findings reveal that with increase in organizational commitment will decrease turnover intention in organizations in Malaysia. A negative relationship was also found between organizational commitment and turnover intention by the previous researchers (Cotton & Tuttle, 1986; Steers, 1977; Porter et al., 1974; Lazar, 2005; Samad, 2006b; Davis & Uzzi, 1993).

Employees who are committed to their profession and organization have high expectations of their performance and therefore performed better (Baugh & Roberts, 1994). Organizational commitment can predict turnover intention better than job satisfaction (Griffeth et al., 2000). An increase in organizational commitment will result in employees willing to expend effort for the organization, identify with the values of the organization and the desire to maintain affiliation with the organization thus reducing turnover intention (Ward & Davis, 1995).

Employee engagement has a significant negative relationship with turnover intention. The findings suggest that with increasing employee engagement will decrease turnover

intention in organizations in Malaysia. Disengaged employees are more likely to actively look for another job (Gubman, 2004). Employees who reported higher levels of engagement also reported lower levels of turnover intentions (Ellis & Sorensen, 2007). The challenge facing organizations today is not only retaining employees but fully engaging them emotionally at each stage of their working lives and disengaged employees are more likely to actively look for another job (Gubman, 2003).

Organizational benefits achieved from employee engagement have resulted in greater achievements of individual work goals, customer satisfaction and profitability which can only occur through the efforts of the individual employees which makes reduction in turnover intention a critical issue for employers (Schaufeli & Bakker, 2004; Harter et al., 2002). According to a recent Gallup management journal, highly engaged workgroups have on average 32.8% higher productivity and 3 to 9 times the earnings per share (EPS) growth rate compared to organizations with lower engagement in their same industry.

The findings support that Job satisfaction does not have a significant direct relationship with turnover intention and does not mediate the relationship between all the four independent variables and turnover intention. The finding that Job Satisfaction does not have a direct relationship with turnover intention supports the finding from the previous research conducted on Malaysia France Institute (See, M.C., 1999).

This could be due to dissatisfied employees may choose to stay with the organization to continue positive relationships with fellow employees because they feel comfortable and fit well with the organization or community (Mitchell et al., 2001b). Employees leave their organizations for many reason and satisfied employees may leave their employment for personal reasons such as starting a family or moving to accompany spouse receiving a new job, continue studies or accept an unsolicited job offer (Mitchell et al., 2001b). Therefore, job satisfaction does not assure that employees will stay and continue working with an organization. Furthermore, Organizational commitment was found to be significantly different from job satisfaction and a better predictor of employee turnover than job satisfaction (Porter et al., 1974).

In summary, the findings reveal that Job satisfaction is not a mediator for the relationship between employee engagement, employee recognition, management participation in recognition and organizational commitment on turnover intention and Job satisfaction is not a significant predictor of turnover intention. The significant predictors of turnover intention are organizational commitment and employee engagement. Employee recognition and management participation in recognition are also not a significant predictor of turnover intention as revealed in this study.

5.2 Implications

This study has several implications on the academics, practitioners and human resource management in organizations in Malaysia. The negative relationship between employee engagement and organizational commitment on turnover intention and the fact that job satisfaction does not mediate the relationship between the independent variables and turnover intention will definitely help human resource managers to effectively address the concerns surrounding them in organizations as turnover has a significant adverse effect on organizational effectiveness. By recognizing the determinants of turnover as described in this study, human resource managers can more accurately predict such behaviors and take the necessary steps in advance to prevent turnover intention.

The results presented in this study should provide valuable information for human resource managers in the organizations as they continue to improve performance in today's workplace. It will also help managers to give more realistic job previews so that workers know what is expected of them and can be more realistic in their expectations to prevent turnover intention.

HRM policies and practices can be strategically designed and implemented based on the findings from this study to promote desirable employee outcomes which include the enhancement of role behaviours of employees and improve the linkage between employees and their organizations. Human Resource Managers can focus on employee engagement and organizational commitment to reduce turnover intentions and intervene prior to job loss.

Employee engagement in organizations can be improved and enhanced by involving employees in the strategic decisions that affect them by asking for their input and allowing them to participate in exchange of one another's idea and assumptions which can help increase engagement as it reflects management respect for employees and their ideas (Macey & Schneider, 2008) thus resulting in better strategic decisions by management and greater commitment from all the employees involved in the execution of the decision (Kim & Mauborgne, 2005).

Organizations need to use their own leadership communication skills and cross-lead to increase competence in order to engage employees who are disengaged in the organization which can be obtain by building an effective communication skill process. Organizations can also apply emotional intelligence by developing a mentoring program in which top-tier level executives would nurture and teach second-tier executives which help organizations create an engaged environment that develop new leaders and succession planning as well.

Organizations need to review if their HR operations are supported by technology that enables HR policies and processes are available to every employee in order to create a healthy work environment which promotes emotional involvement of employees. Effective performance management in organizations can be improved through employee goal planning, career development, competency assessment, performance appraisal and compensation management which leads to employee engagement.

Organizational commitment can be achieved if employees have a good relationship with their immediate work group which will lead to overall organizational commitment (Meyer & Allen, 1997). Management and leadership styles can also influence the commitment level of employees where employees who favored their manager's style also had higher organizational commitment (Koopman, 1991). Employee's who are cared for by their organization and managers also have higher levels of commitment and more conscious about their responsibilities and have greater involvement in the organization and are more innovative (Eisenberger et al., 1990).

5.3 Limitations of the study

This study has contributed and expanded our knowledge on the relationship between employee recognition, management participation in recognition, employee engagement, organizational commitment, job satisfaction and turnover intention. However, this study's contributions should be viewed relative to its limitations.

Time has been one of the limitations for this study as the study was conducted within 4 months which is relatively a short period of time compared to previous research conducted by past researchers. A longer time period would have enabled the researcher to collect larger sample size ($n > 500$) which could have reduced sampling error and enabled the researcher to conduct simple random sampling.

During the data collection process, the items in a single survey questionnaire was answered by the same rater at the same point in time which could have caused common rater bias that introduce certain types of rater effects such as proximity errors or halo effects which may impact on the reliability and validity of ratings. Inaccuracy caused by rater can lead to low levels of consistency between assigned ratings and expected ratings.

The demographic variables such as age, gender and income were not controlled in this study. Past studies have shown that demographic variables such as age and income are negatively related to turnover intention (Cotton and Tuttle, 1986; Morrow, 1983; Gregersen & Black, 1982) therefore by controlling the demographic variables could have improved the results.

5.4 Suggestions for future research

Several recommendations can be offered for future research. This study has provided further insight about factors that may significantly impact turnover intentions. However, additional research should be pursued to obtain a more thorough understanding of the link between other factors such as age, gender, supervisor relations, coworker relations, internal job mobility, organizational communication, organizational support and job match on turnover intention. Selection of respondents carefully based on the levels of education and employment and demographic can improve the findings of the research.

Perhaps it would benefit research to replicate this study by expanding the study in various states in Malaysia to determine if geographical differences and during times of various economic conditions play a significant role in employee perceptions of the relationship between employee recognition, employee engagement, organizational commitment, management participation in recognition, job satisfaction and turnover intention. This is because the type of employment, level of education and demographic properties differ from state to state in Malaysia as the organizations vary from urban areas to small rural and/or suburban areas. Selection of respondents carefully based on the levels of education, employment and demographic profile can improve the findings of the research.

While several relationships were identified between employee recognition, management participation in recognition, employee engagement, organizational commitment, job satisfaction and turnover intention, there is still a need to better understand the impact of this variables on the overall organization performance and business outcomes.

5.5 Conclusion

The finding of this study supports that employee engagement and organizational commitment has a significant negative relationship on turnover intention in organizations. Therefore, efforts must be taken by human resource practitioner in organizations to improve training and development opportunities and also communications between management and employees in their organizations.

The findings also supports that Job satisfaction does not have a significant direct relationship on turnover intention and does not have a mediating relationship between the independent variables and turnover intention therefore Human Resource practitioners and organizations need to focus on other contributors of turnover intention such as age, gender, supervisor relations, coworker relations, internal job mobility, organizational communication, organizational support and job match instead of focusing their efforts on job satisfaction to reduce turnover intention in organizations.

Employees are the backbone of any organization's success and therefore employees need to be motivated and maintained in organization to ensure competitiveness in terms of providing quality products and services to customers and also to achieve returns on investments in the long-run.