CHAPTER 4: RESEARCH FINDINGS

In this chapter, the results of the empirical study are reported. Results are presented in respect of the relationship between HRM Practices namely performance appraisal, training and development, affective organizational commitment and turnover intention, within the Malaysia context. The results will provide the basis for rejection or confirmation of the research hypothesis indicated in chapter 2.

4.1 Introduction

The following empirical aims have been identified:

a) To determine the empirical relationship between HRM Practices namely performance appraisal, training and development and organizational commitment.

b) To determine empirical relationship between organizational commitment and turnover intention.

The hypotheses are as follows:

H1: Performance Appraisal will positively influence Organizational Commitment.

H2: Training and Development will positively influence Organizational Commitment.

H3: Organizational Commitment will negatively influence Turnover Intention.

4.2 Frequency Analysis

The samples involved in this present study were 75 individuals who are working in different organizations throughout Malaysia. The summary of the analysis as shown in Table 4.1, the total respondents of 75, there were almost equal distributions of the sample in relation to gender, where 43 respondents were female, while the rest comprised of male respondents. Of the samples, the majority of the respondents between the age of 25 and 30 (28 percent) as well as between age 35 and 40 (28 percent), whereas only a small percentage was from the younger group. Majority of the respondents were highly educated, where 40 percent have completed their degree and another 21.3 percent have even completed their post-graduate studies. 36 percent of the total respondents

reported that their position within their firm were at executive level where else 32 percent reported that they were at manager level in their organizational hierarchy, 12 percent reported they were at senior manager level and the remaining were reported as “others” (Please refer to Figure 4.1). In addition, 13.3 percent of the respondents are Malay, 64 percent of the respondents are Chinese, 12 percent of the respondents are Indian and the remaining are Others. Furthermore, almost 34.7 percent of the total respondents noted that they’ve been working in their current organization for less or equal to 2 years, 32 percent of the total respondents noted that they’ve been working in their current organization for 3 to 5 years, 20 percent of the total respondents noted that they’ve been working in their current organization for 6 to 10 years where else the remaining respondents has been working in their current organization for more than 10 years. Table 4.1 displays the main characteristics of the sample.

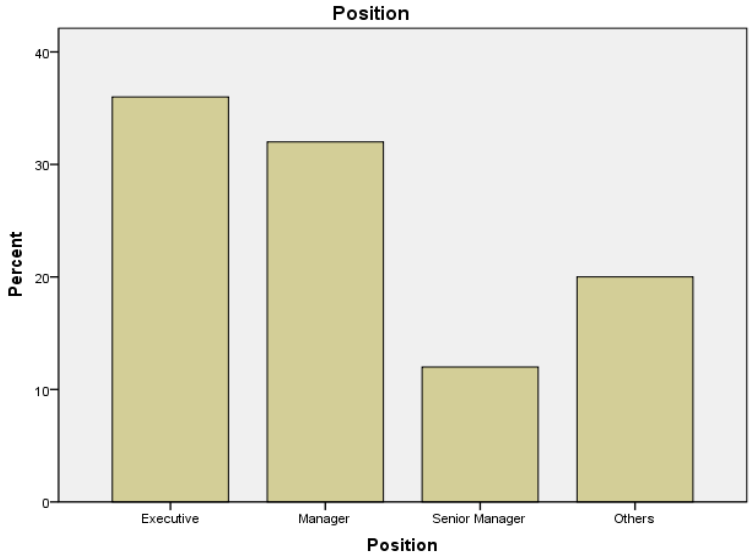


Figure 4.1

Distribution of sample based on job position

Table 4.1

Profile of respondents

		Frequency	*Percentage (%)*
Age			
	21 – 24 years	4	5.3
	25 – 30 years	21	28.0
	31 – 34 years	18	24.0
	35 – 40 years	21	28.0
	Above 40 years	11	14.7
Gender			
	Female	43	57.3
	Male	32	42.7
Ethic			
	Malay	10	13.3
	Chinese	48	64.0
	Indian	9	12.0
	Others	8	10.7
Education Level			
	Diploma	21	28.0
	Degree	30	40.0
	Post-graduate	16	21.3
	Others	8	10.7
Current Job Position			
	Executive	27	36.0
	Manager	24	32.0
	Senior Manager	9	12.0

		Frequency	*Percentage (%)*
	Others	15	20.0
Marital Status			
	Single	43	57.3
	Married	27	36.0
	Others	5	6.7
Tenure with Current Employer			
	Less than 2 years	26	34.7
	3 - 5 years	24	32.0
	6 - 10 years	15	20.0
	More than 10 years	10	13.3

4.3 Factor and Reliability Analysis

Factor analysis refers to an exploratory form of multivariate analysis that takes a large number of variables or objects and aims to identify a small number of factors that explain the interrelations among the variables or objects. It is used to determine the number of components in a set of data. These components are then named according to their characteristics allowing a researcher to break down information into statistical groups.

In this study, a principle component analysis was performed on the independent and dependent variables, individually. Since there were two dependent variables, principle component analyses with Varimax rotation were performed on these variables. The main objective of this analysis is to determine if the items in the questionnaire contribute significantly to the variables which they measure.

Furthermore, this analysis was utilized to reduce the data to the required scales. The generally accepted criteria for factor analysis is Eigenvalues of greater than 1.0 and item loading of greater than 0.30 (Coakes & Steeds, 2007). The variable items (questions) that failed to exceed 0.50 were suppressed from consideration. Kaiser (1974) noted that KMO measures sampling adequacy which is greater than 0.5 as acceptable. Furthermore, the Barthlett‟ Test of Sphericity is highly significant (p <

0.001) and therefore the factor analysis is appropriate.

Cronbach's alpha was used as a measure of reliability to measure the consistency of the scale. Cronbach's alpha measures how well a set of items (or variables) measures a single uni-dimensional latent construct. When data have a multidimensional structure, Cronbach's alpha will usually be low. Technically speaking, Cronbach's alpha is not a statistical test - it is a coefficient of reliability (or consistency). After factor analysis was carried out, most of the variables showed an acceptable range of reliability. Hair, Black, Babin, Rolph, Anderson and Tatham (2006) noted that reliability coefficients of 0.7 or more are considered adequate.

4.3.1 Factor and Reliability Analysis on Performance Appraisal

Table 4.2

Factor analysis on Performance Appraisal

	Component
	1
Performance Appraisal	
I am satisfied with the way my organization provides me with feedback	.727
The feedback I receive on how I do my job is highly relevant	.647
My organization is good at providing recognition for good performance	.601

The feedback I receive agrees with what I have actually achieved	.710
I think that my organization attempts to conduct performance appraisal the best possible way	.718
My organization seems more engaged in providing positive feedback for good performance than criticizing poor performance	.515
Performance appraisal is valuable to me as well as to my organization	.646
Cronbach's Alpha	0.909

Notes

Extraction Method: Principal Component Analysis.

4.3.2 Factor and Reliability Analysis on Training and Development

Table 4.3

Factor analysis on Training and Development

	Component 1
Training and Development	
My company has provided me sufficient training on products, services and functional skills.	.579
My company has provided me sufficient training in "people skills", i.e. how to deal effectively with fellow employees	
I am satisfied with the way my company provides me with career development.	.628
My immediate superior has an understanding of my needs, expectations, and career objectives.	.788
My immediate superior managed to establish a development plan to address my skill gaps.	.886
I receive helpful mentoring at my company.	.592
Cronbach's Alpha	0.913

Notes

Extraction Method: Principal Component Analysis.

4.3.3 Factor and Reliability Analysis on Dependent Variables

Table 4.4 shows that result of the factor analysis for the dependent measures. Bartlett's Test of Sphericity was statistically significant (Chi-Square = 1753.955, $p < 0.001$). The items for dependent variable loaded into two factors; Organizational Commitment and Turnover Intentions respectively. These results confirm that each of these constructs is uni-dimensional and factorially distinct and that all items used to measure a particular construct loaded on a single factor. Therefore, the final scales were computed by averaging the total items for each variable.

Table 4.4

Factor analysis on dependent variables with Varimax rotation

	Component			
	1	*2*	*3*	*4*
Organizational Commitment				
I do not feel "emotionally attached" to this organization	.799			
I do not feel a strong sense of belonging to my organization	.541			
This organization has a great deal of personal meaning for me	-.504			.566
I really feel as if this organization‟s problems are my own	.532			
I do not feel like "part of the family" at my organization				
I enjoy discussing my organization with people outside it				
Cronbach's Alpha	0.912			
Turnover Intention				
I will probably look for a new job in the next year	.927			
I may quit my present job next year	.947			
I will likely actively look for a new job within the next three years	.805			
I often think about quitting my present job	.816			
I do not see much prospects for the future in this organization	.645			
Cronbach's Alpha	0.945			

Notes

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

4.4 Descriptive Analysis

In this analysis, mean and standard deviation is used to explain the characteristics of the data. Mean refers to the arithmetic average of the scores and is the most frequently used measure of central tendency. It is calculated by adding up all of the scores and dividing that total by the number of scores. In general, the mean is the preferred measure of central tendency. It is appropriate when the data represent either an interval or a ratio scale and is a more precise, stable index than both the median and the mode.

In probability and statistics, the standard deviation is a measure of the dispersion of a collection of values. It can apply to a probability distribution, a random variable, a population or a data set. The standard deviation remains the most common measure of statistical dispersion, measuring how widely spread the values in a data set are. If many data points are close to the mean, the standard deviation is small; if many data points are far from the mean, then the standard deviation is large. If all data values are equal, then the standard deviation is zero.

In the Table 4.5 below, the descriptive statistics of the variables are presented. Among the dependent variables, Organizational Commitment was perceived to be the highest (M = 3.2967 , SD = .87446) in the Malaysian context. Performance appraisal (M = 3.6286, SD = .73446), Training and Development (M = 3.3493, SD = .82665) among the employees in Malaysia is moderate. In all variables, standard deviations were noticed to be small (< 1), which represents that the data are tightly concentrated to the mean.

Table 4.5

Descriptive analysis of the variables

Statistics

		PA	TD	OC	I2L
N	Valid	75	75	75	75
	Missing	0	0	0	0
Mean		3.6286	3.3493	3.2967	2.8293
Median		3.8571	3.6000	3.2500	2.8000
Std. Deviation		.73446	.82665	.87446	.97354
Variance		.539	.683	.765	.948
Skewness		-.547	-.527	-.115	-.032
Kurtosis		.223	-.223	-.194	-.544
Sum		272.14	251.20	247.25	212.20

Notes

PA = Performance Appraisal, T&D = Training and Development, OC = Organizational Commitment, TI = Turnover Intention.

4.5 Correlations Analysis

Correlation refers to synonym for association or the relationship between variables. It measures the degree to which two sets of data are related. Higher correlation value indicates stronger relationship between both sets of data. When the correlation is 1 or -1, a perfectly linear positive or negative relationship exists; when the correlation is 0, there is no relationship between the two sets of data. Coetzee (2003) noted that when considering the correlation between the independent variable (Performance Appraisal, Training and Development) and the dependent variables (Organizational Commitment and Turnover Intention), the larger the magnitude of the correlation, the stronger the linear association. The standard correlation coefficient is Pearson's r. which applies primarily to variables distributed more or less along interval or ratio scales of measurement.

Table 4.6 present the inter-correlations among the variables being explored. From the analysis, it is noted that performance appraisal is positively and highly correlated with organizational

commitment (r = .706, p < 0.01). In addition, training and development is positively and highly correlated with organizational commitment (r = .705, p < 0.01). It was noticed that organizational commitment and turnover intentions was negatively correlated (r = -0.702, p < 0.01). It is evident that the subscales for the dependent variables were moderately inter-correlated, indicating a great deal of independence of the two subscales and therefore establishes the discriminant validity of the subscales.

Table 4.6

Correlations among the variables

Correlations

		PA	TD	OC	I2L
PA	Pearson Correlation	1	.730**	.706**	-.509**
	Sig. (2-tailed)		.000	.000	.000
TD	Pearson Correlation	.730**	1	.705**	-.507**
	Sig. (2-tailed)	.000		.000	.000
OC	Pearson Correlation	.706**	.705**	1	-.702**
	Sig. (2-tailed)	.000	.000		.000
I2L	Pearson Correlation	-.509**	-.507**	-.702**	1
	Sig. (2-tailed)	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

Notes

PA = Performance Appraisal, T&D = Training and Development, OC = Organizational Commitment, TI = Turnover Intention.

*p < 0.05; **p < 0.01

4.6 Regression Analysis

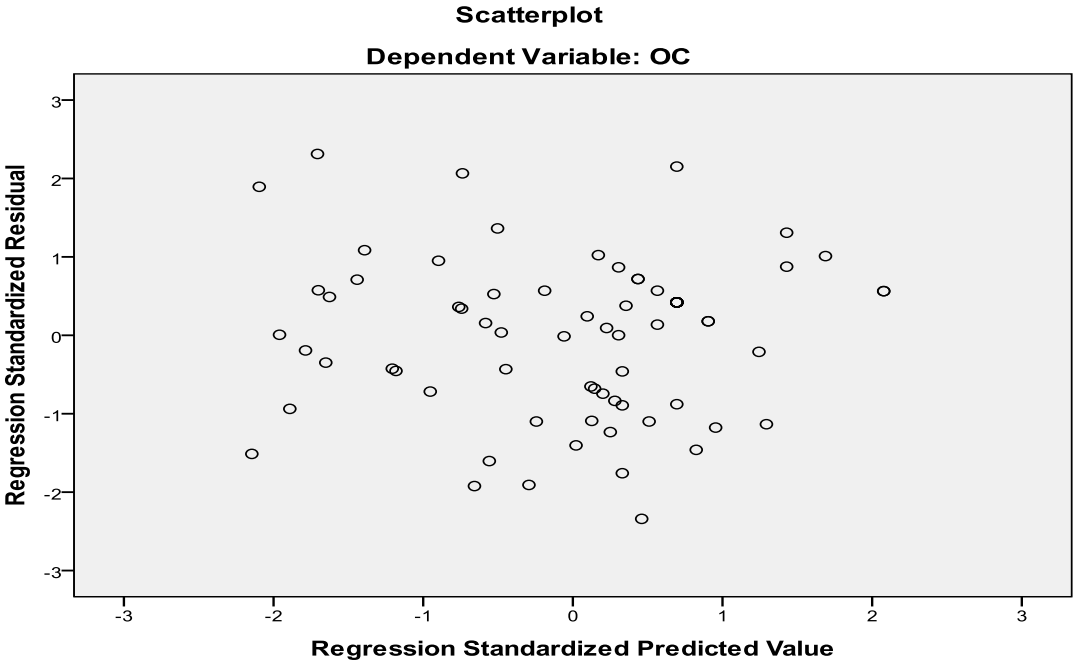
Regression is a measure of association between two quantitative variables. This form of statistical test is only possible with interval or ratio data. If an independent variable and a dependent variable are placed on the two axis of a graph with the actual data then scattered on the graph, it is possible to draw a line through the resulting points in a way that minimizes the distance between the points. The resulting line (which may be straight or curved) is a regression line. Any particular value for the dependent variable can then be predicted by multiplying the value of independent variable by the regression coefficient (a number which determines the slope of the line). It helps in predictability; if you know one variable, how well you can predict another.

In this study, the regression analysis was used to test the hypotheses. To test the direct effect hypotheses, the dependent variables were first regressed onto the performance appraisal variable. In a second step training and development was entered. The three-step procedure recommended by Baron and Kenny (1986) was used to estimate the hypotheses.

Results from the regression models are presented in Table 4.6. To test the hypotheses, two regressions are carried individually for the two models.

These analyses show that performance appraisal is positively influenced organizational commitment ($\beta = .487$, $p < .001$). In addition, training and development is positively influenced organizational commitment ($\beta = .430$, $p < .001$). Finally, Baron and Kenny (1986) noted that after the mediator is entered in the regression model, the relationship between the independent and dependent variables should either disappear (full mediation) or significantly diminish (partial mediation).

Table 4.7



There is no outlier and therefore regression need not to be re-run.

Table 4.8

Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.759[a]	.576	.564	.57751	.576	48.833	2	72	.000

a. Predictors: (Constant), TD, PA

b. Dependent Variable: OC

Table 4.8 gives the value for Multiple R which, in the case of just one dependent variable, which is 0.759. The other statistics listed are R Square (a positively biased estimate of the proportion of the variance of the dependent variable accounted for by regression), Adjusted R Square (which corrects this bias and therefore has a lower value), and the Standard Error (the standard deviation of the residuals). The effect size estimated by R^2 is 0.576 (57.6%) and therefore a significant effect.

Table 4.9

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	32.573	2	16.287	48.833	.000[a]
	Residual	24.013	72	.334		
	Total	56.587	74			

a. Predictors: (Constant), TD, PA

b. Dependent Variable: OC

Table 4.9 above shows the regression ANOVA, which test for a linear relationship between the variables. The F statistic is the ratio of the mean square for regression to the residual mean square. From the table, the value of F is signifiant beyond the 0.01 level. It should be noted, however, that only examination of their scatterplot can confirm that the relationship between two variables is genuinely linear.

The observed value of the F-test is 48.833. P-value (sig. = 0.000 <0.01) is very small, there is sufficient evidence to conclude that there is a significant relationship between HRM practices namely Performance Appraisal, Training and Development and Organizational Commitment.

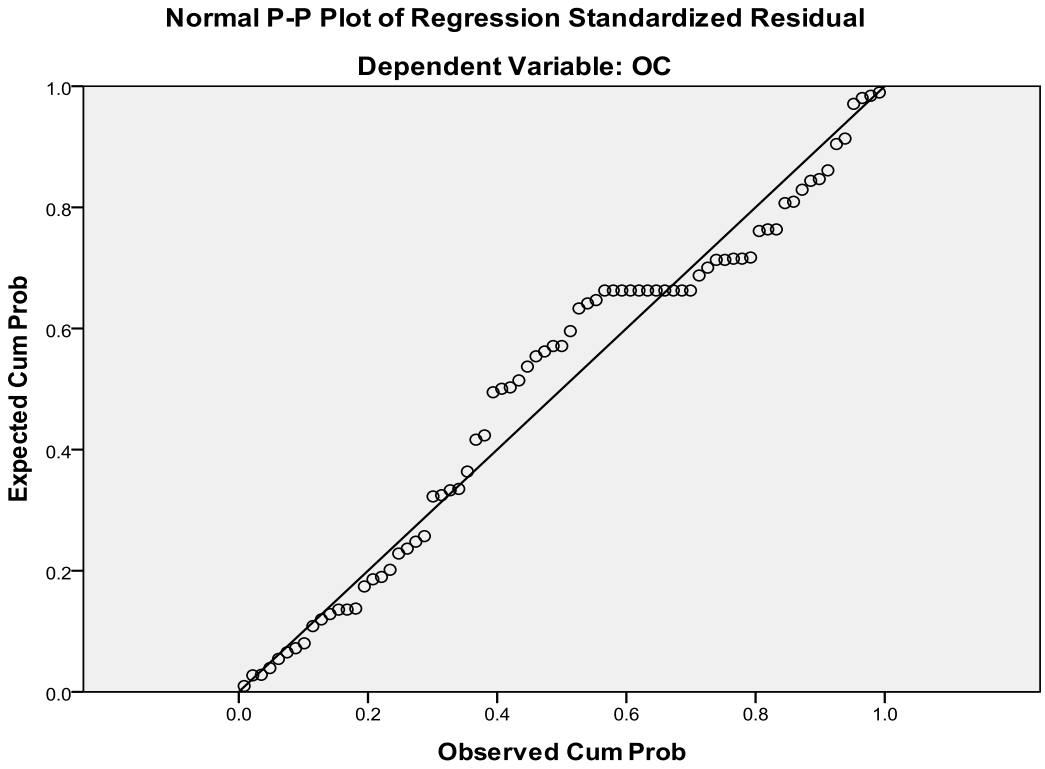
Notes

PA = Performance Appraisal, TD = Training and Development.

Standardized regression coefficients are shown.

N = 75. *p < .05; **p < .01; ***p < .001.

Table 4.10



The normal probability-probability (P-P) plot labelled as Figure X shows that the points are lying close to the 45-degree line. This indicates a relatively normal distribution. Thus, the model is valid to be used for prediction.

Table 4.11

Coefficients(a)

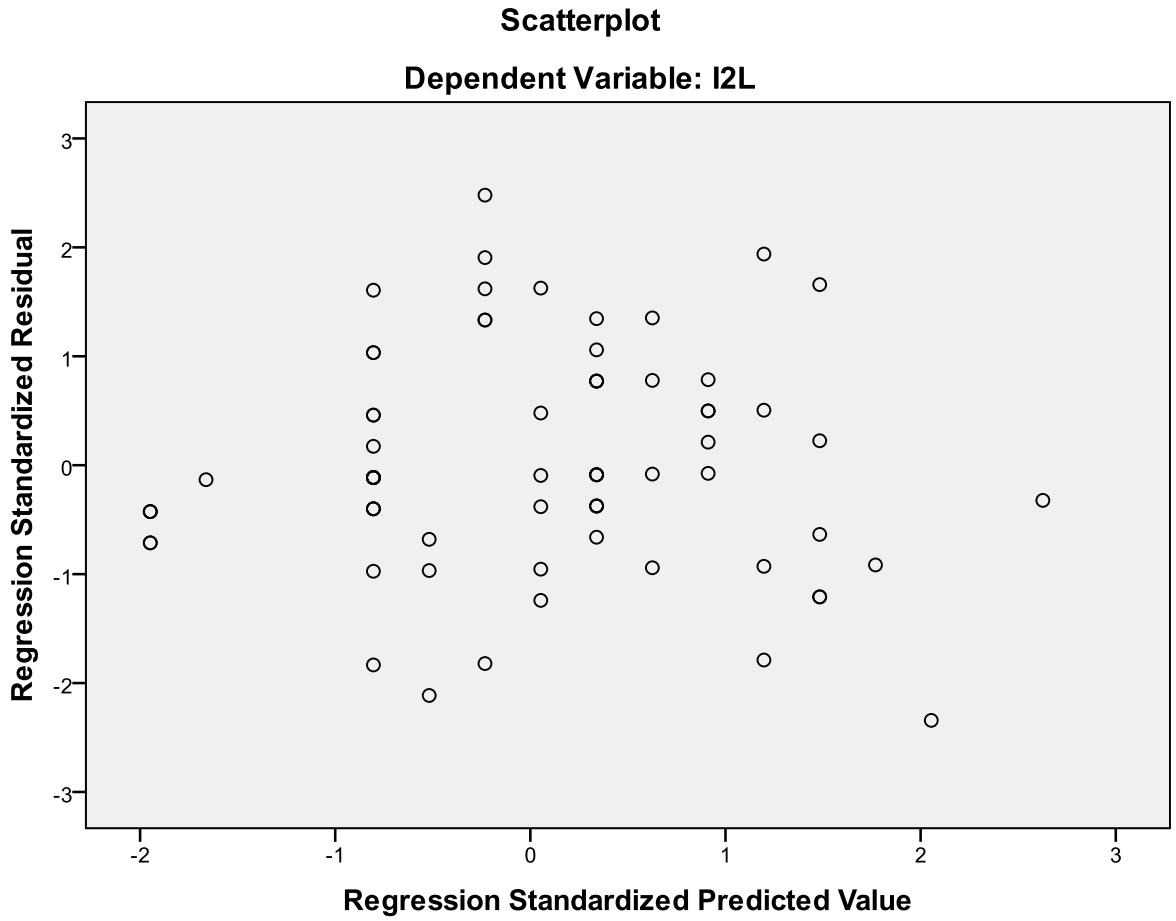
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.088	.341		.259	.797		
	PA	.487	.134	.409	3.643	.001	.467	2.139
	TD	.430	.119	.407	3.622	.001	.467	2.139

a. Dependent Variable: OC

Table 4.11 presents the kernel of the regression analysis, the regression equation. The values of the regression coefficient and constant are given in column B of the Table. Therefore, the regression equation ($Y' = b_0 + bX$) is,

Organizational Commitment = 0.088 + 0.487 (Performance Appraisal) + 0.430 (Training & Development)

Table 4.12



Casewise diagnostic: There is no outlier and therefore regression needs not to be re-run

Table 4.13

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.702[a]	.493	.486	.69763	.493	71.107	1	73	.000

a. Predictors: (Constant), OC

b. Dependent Variable: I2L

Table 4.13 gives the value for Multiple R which, in the case of just one dependent variable, which is 0.702. The other statistics listed are R Square (a positively biased estimate of the proportion of the

variance of the dependent variable accounted for by regression), Adjusted R Square (which corrects this bias and therefore has a lower value), and the Standard Error (the standard deviation of the residuals). The effect size estimated by R^2 is 0.486 (48.6%) and therefore a significant effect.

Table 4.14

ANOVA[b]

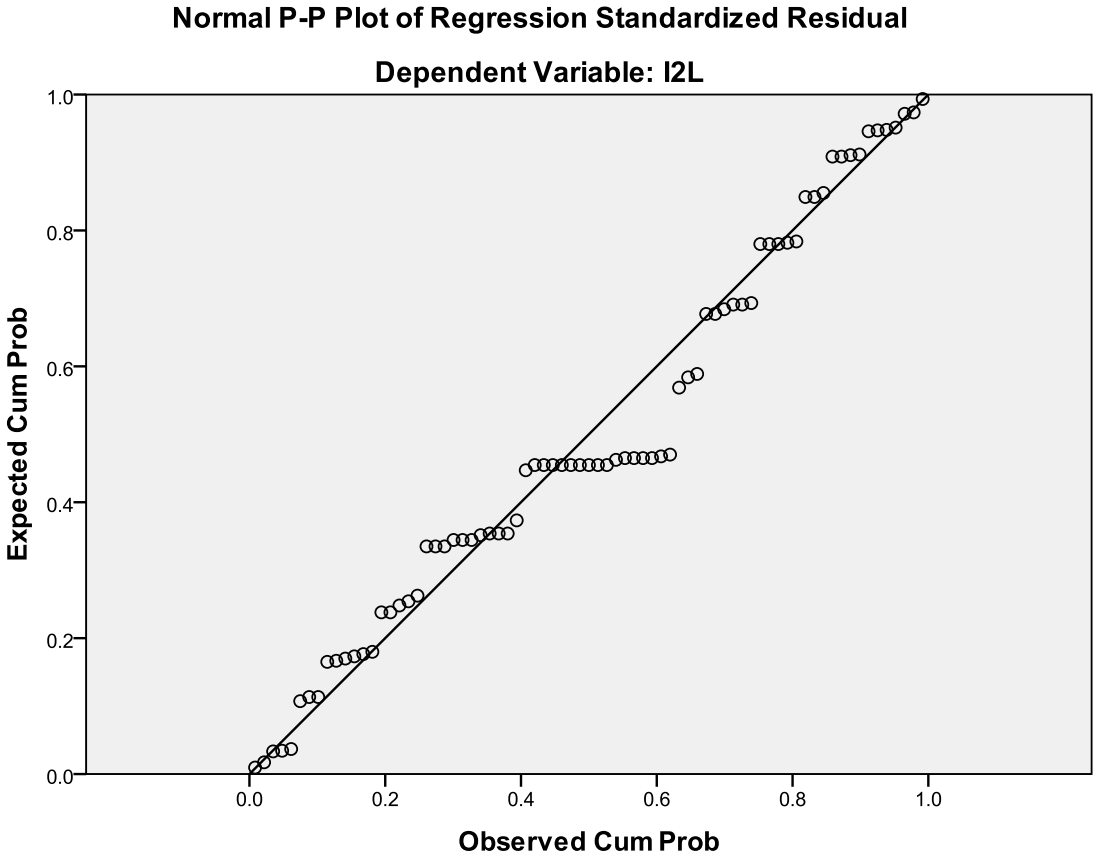
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.607	1	34.607	71.107	.000[a]
	Residual	35.528	73	.487		
	Total	70.135	74			

a. Predictors: (Constant), OC

b. Dependent Variable: I2L

Table 4.14 above shows the regression ANOVA, which test for a linear relationship between the variables. The F statistic is the ratio of the mean square for regression to the residual mean square. From the table, the value of F is signifiant beyond the 0.01 level. It should be noted, however, that only examination of their scatterplot can confirm that the relationship between two variables is genuinely linear.

Table 4.15



The normal probability-probability (P-P) plot labelled as Figure X shows that the points are lying close to the 45-degree line. This indicates a relatively normal distribution. Thus, the model is valid to be used for prediction.

Table 4.16

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	5.407	.316		17.103	.000		
	OC	-.782	.093	-.702	-8.432	.000	1.000	1.000

a. Dependent Variable: I2L

Table 4.16 presents the kernel of the regression analysis, the regression equation. The values of the regression coefficient and constant are given in column B of the Table. Therefore, the regression equation ($Y' = b_0 + bX$) is,

Intention to Leave = 5.407 - 0.782 (Organizational Commitment)

On the other hand, organizational commitment (β = -.702, p < .001) was found to negatively influence turnover intention. Thus, all three hypotheses H1, H2 and H3 were accepted.

4.7 Conclusion

The results of the analysis are presented in 16 Tables. First, to examine the relationship between the HRM practices and the organizational commitment, the regression coefficient of HRM practices was significant (b ¼ 0.088; t ¼ 0.259; p, .001), supporting Hypothesis 1 and Hypothesis 2.

Second, to examine the relationship between the organizational commitment and intention to leave, the regression coefficient of HRM practices was significant (b ¼ 5.407; t ¼ 17.103; p, .000), supporting Hypothesis 3.

Therefore, all three Hypothesis are supported.