

# The Impact of Staff Satisfaction on Turnover Intention: A Case Study at Selected Higher Education Institution

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**ABSTRACT:** Staff satisfaction study is gaining evergreen attention as achieving it would lead to organisational performance and effectiveness. Universities as higher education institution (HEI) also cannot neglect the importance of their staff satisfaction in maintaining their competitiveness as compared with other institutions for the sake of producing a new generation with knowledge. The purpose of this study was to empirically test the hypothesised model of staff satisfaction on turnover intention in HEIs using the Structural Equation Modelling (SEM) through Partial Least Squares (PLS) estimation. This cross-section study used secondary data from one of the universities in Malaysia which involved 1022 respondents. The findings revealed significant relationships between each of the constructs studied on staff satisfaction and turnover intention. In conclusion, predictors of staff satisfaction area crucial factor in a HEI and this finding can be used to further improve work conditions in a university in order to ensure that staff are satisfied in every aspect of university management.

**KEYWORDS:** job satisfaction, turnover intention, higher education institution

## I. INTRODUCTION

It is in the new era of globalisation, organisations are constantly pressured to increase their profit and output as they are competing against each other to be successful. Hence, it has become every organisation's goal to attain maximum profit and performance, however, staff satisfaction is crucially needed for an organisation to achieve the goal. Consequently, evergreen attention has been given to job satisfaction as it is amongst the vital factors of individual performance that affects organisational effectiveness and performance (Musa et al., 2012). The issue of staff satisfaction also seems to be spreading and very much important to HEIs. University has become an entity of HEI which needs their staff either academic or non-academic in achieving a higher university standard. A few decades back, the number of HEIs in Malaysia has skyrocketed since the establishment of the first university in 1949 (Noor, 2011). In 2013, there were numerous HEIs in Malaysia either public or private and it kept on increasing (Mustapha and Yu Ghee, 2013). Consequentially, top managements of a university are facing pressure in competing with other HEIs, at least to be at par with other HEIs, which subsequently has over-burdened their staff with work, while encountering problems, as university top managements are setting higher goals to outperform their competitors (Ahsan and Alam, 2009; Narimawati, 2007). Therefore, the needs of staff satisfaction in a university cannot be ignored (Adeniji, 2011). The purpose of this study is to gain better comprehension regarding the concept of staff satisfaction and their intention in leaving the university. To fulfil the purpose, an intensive literature review was conducted to identify the predictors for staff satisfaction. Figure 1 shows the hypothesised and empirical structural relationship of predictors of staff satisfaction (leadership, staff involvement, workload, self-development, working environment and communication) towards turnover intention.

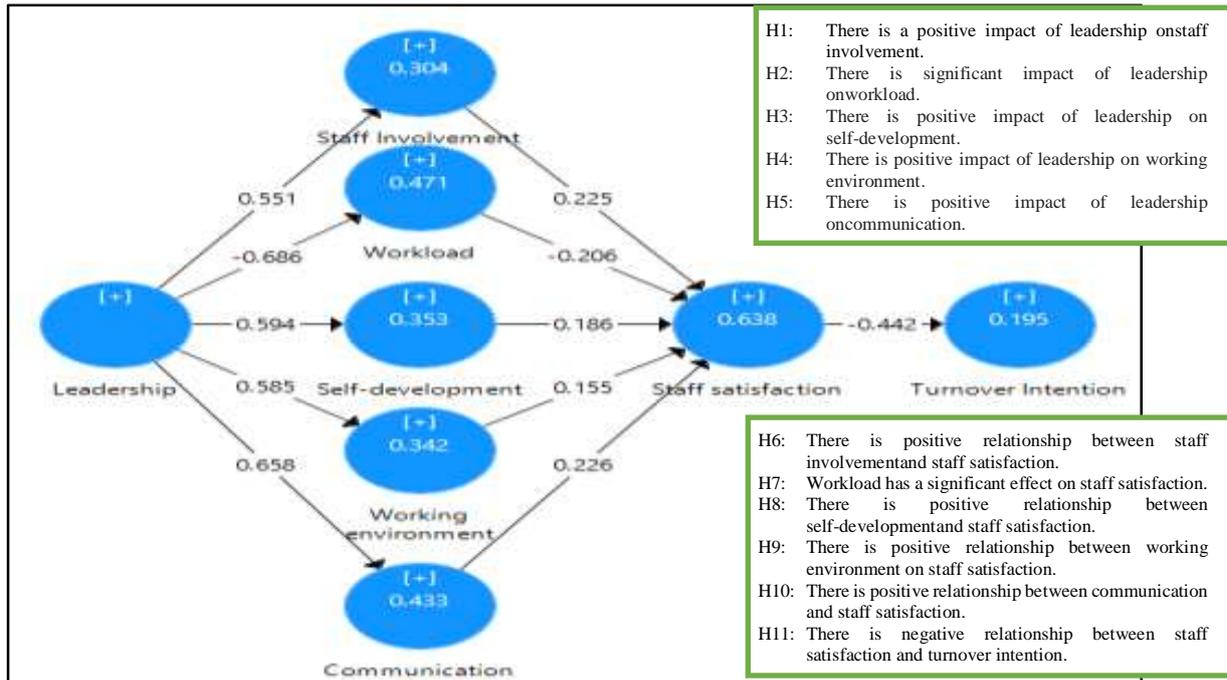


Figure 1. Structural model of the hypothesised relationships among the predictors of staff satisfaction on turnover intention

II. METHODOLOGY

This cross-sectional study used a secondary data (1040 staff members) that was obtained from the human resource department of the University, situated in the east coast of Malaysia. The respondent's answers were based on their deductive reasoning on how they felt working in the respective university based on the items in the questionnaire. The first part of the questionnaire consisted of general information and the demographic data. Part B consisted of 47-item that uses a four-point response scale (1 = strongly disagree, 2= disagree, 3=agree, 4= strongly agree) which consisted of eight dimensions. The complete questionnaire can be obtained from the author(s) upon request. Before proceeding for data analysis, the data was screened for outliers, missing values etc. by using IBM SPSS Statistics 23 for Windows. A total of 18 outliers were identified using the Mahalanobis distance. After removing the outliers, the final number of respondents reduced to 1022 which was still sufficient to carry out the modelling analysis (Hair et al., 2014). Harman's single factor test was used to test for Common Method Variance (CMV) (Podsakoff et al., 2003). Result of the exploratory factor analysis (EFA) showed that the first factor was explaining only 35.40% of the variance, which confirms that CMV was not an issue in this study. This study is considered free from non-response bias also as the data used is secondary and the sample size is large enough with 1022 staff out of 1676.

III. RESULTS

Demographic Profile

Out of 1022 respondents, males (n=577; 56.5%) were more as compared to the females (n=445; 43.5%). Almost 95% of the respondents were of Malay ethnicity. Most of the respondents were working as non-academic (support) staff (n=559; 54.7%). Around 80% were working as full-time employees of which majority (n=602; 58.9%) were working for >5 years. More than 50% of respondents belonged to the age-group of 30-39 years of which major chunk were working in Gambang campus (n=749; 73.3%) as compared to Pekan campus (n=273; 26.7%).

The Results of Measurement Model Analyses

Firstly, the data were analysed to ensure the convergent validity (CV) by using the (indicator reliability, internal consistency, composite reliability and average variance extracted (AVE)) and discriminant validity by using the Heterotrait-monotrait (HTMT) ratio method (Henseler et al. 2015; Hair et al., 2014). For CV, 10 items were removed to increase the AVE into more acceptable value in the model (Table 1). In addition, to ensure the construct validity of the model, two more items were deleted.

**Discriminant Validity**

To ensure discriminant validity of the model three items were deleted that had HTMT values more than the threshold value of 0.85 (Henseler et al. 2015).

**Table 1**  
**Factor Loading, AVE and Composite Reliability**

<b>Construct</b>	<b>Indicator</b>	<b>Loading</b>	<b>t-test</b>	<b>Cronbach alpha</b>	<b>Composite Reliability</b>	<b>AVE</b>
Leadership (LEAD)	F2	0.809	61.415	0.911	0.930	0.654
	F3	0.777	48.376			
	F4	0.762	45.708			
	F5	0.824	73.582			
	F6	0.863	100.341			
	F8	0.763	47.780			
	F9	0.781	58.022			
Staff Involvement (SI)	B1	0.651	28.780	0.785	0.860	0.606
	B2	0.746	45.285			
	B7	0.667	26.537			
	B8	0.730	34.914			
Workload (W/L)	C1	0.883	97.265	0.739	0.884	0.793
	C2	0.888	102.182			
Self-development (SD)	D1	0.766	44.663	0.832	0.881	0.597
	D2	0.736	41.854			
	D3	0.775	47.506			

		D4	0.721	36.678			
		D5	0.791	57.284			
Working Environment (WE)		E1	0.693	32.675	0.807	0.862	0.512
		E2	0.801	57.822			
		E3	0.701	32.093			
		E4	0.677	29.974			
		E6	0.636	25.886			
		E7	0.734	43.303			
	Communication (COMM)		G1	0.899	120.113	0.860	0.934
		G2	0.876	97.017			
Staff Satisfaction (SS)		H1	0.800	58.208	0.784	0.861	0.608
		H2	0.808	61.629			
		H3	0.722	36.361			
		H5	0.743	47.649			
Turnover Intention (TI)		I1	0.898	80.142	0.754	0.890	0.803
		I2	0.893	85.035			

All items are significant at t-values > 2.58, p < 0.01, Cronbach alpha and Composite Reliability must be > 0.70 and AVE values must be > 0.50 for the construct to be significant.

**Table 2. Hypotheses testing**

Hypo	Relationships	Beta (β)	Std. error	t-value	Decisions
H1	Leadership -> Staff involvement	0.551	0.025	21.816*	Supported
H2	Leadership -> Workload	-0.686	0.020	34.887**	Supported
H3	Leadership -> Self-development	0.594	0.024	24.507*	Supported
H4	Leadership -> Working environment	0.585	0.024	24.551*	Supported

H5	Leadership -> Communication	0.658	0.022	30.157*	Supported
H6	Staff involvement -> Staff satisfaction	0.225	0.026	8.884*	Supported
H7	Workload -> Staff satisfaction	-0.206	0.030	6.963**	Supported
H8	Self-development -> Staff satisfaction	0.186	0.028	6.636*	Supported
H9	Working environment -> Staff satisfaction	0.155	0.034	4.554*	Supported
H10	Communication -> Staff satisfaction	0.226	0.031	7.062*	Supported
H11	Staff satisfaction -> Turnover intention	-0.442	0.029	15.262*	Supported

\*p < 0.01, 1-tailed (t > 2.33), \*\*p < 0.01, 2-tailed (t > 2.57)

**The Coefficient of Determination (R2)**

Based on adjusted R2 results presented in figure 1, staff involvement, workload, self-development, working environment and communication construct explained 63.8% variation in the staff satisfaction. In addition, staff satisfaction explained 19.5% variation in the turnover intention. The path coefficients for all the 11 hypotheses were significant as supported by t and p-values (Table 2).

**The f 2 Effect size and Predictive Relevance Q2**

Staff satisfaction had a medium effect size of 0.242 towards turnover intention. Moreover, there were very small effect sizes of staff involvement, workload, self-development, working environment and communication on staff satisfaction which were between 0.03 to 0.15. When Q2 was studied, results showed that the predictive relevance values of each of the constructs ranged from 0.155 to 0.385, thus fulfilling the criteria for predictive relevance of the structural model.

**IV. DISCUSSIONS AND CONCLUSIONS**

This study mainly investigates the factors that affect staff satisfaction on turnover intention. The factors in higher education setting included leadership, staff involvement, workload, self-development, working environment and communication. This study has verified that leadership has a significant effect on staff involvement in HEI, which is in line with numerous researchers that has also found positive relationship between leadership and staff involvement (Amazt and Idris, 2011; Irawanto, 2015; Kónya et al., 2015). The findings show that leaders who provide opportunities for their employees to get involved in the running of a university would increase their staff motivation and commitment. The findings from the study revealed that the leadership of a university would significantly and negatively affect the staff workload. This study is in tandem with the findings from previous scholars that found the same negative relationship between these two variables (Avey et al., 2012; Mustapha and Yu Ghee, 2013; Zhou et al., 2015). Top management should give proper amount of workload to the staff so that they can balance between their personal life and work (Mustapha and Yu Ghee, 2013).

The result obtained from the study also is in agreement with previous studies that found the positive relationship between leadership and self-development (Hua et al., 2011; Maung and Chemsripong, 2014). The support from a leader towards staff training and development is believed to motivate staff to train harder (Nijman, 2004) as staff would feel more motivated and engaged when they know that their leader is keeping an eye on them in their training and development. Other than that, this finding also implies that a leader in an organisation should never neglect the importance of training in the organisation. The result obtained from this hypothesis is also in line with

the study of previous researchers, in which they found the positivity in leadership and working environment relationship (Holloway, 2012; Kumari, 2011; Raziq and Maulabakhsh, 2015).

One of the anticipated results is the positive relationship between leadership and communication. This study is supported by preponderant of literatures that found the same findings as this study (Kónya et al., 2015; Madlock, 2008; Terek et al., 2015). This finding implies that a good leadership in an organisation would instil an effective communication between the staff and their leader. In this study, it is found that staff involvement is positively affecting staff satisfaction, which is in agreement with previous studies that also found positive relationship between staff involvement and staff satisfaction (Ali and Farooqi, 2014; Irawanto, 2015; Kumari, 2011; Raziq and Maulabakhsh, 2015). The result obtained from the study is expected, and it can be seen that, either in industries or in HEIs, staff who are involved in an organisation would feel satisfied with their job.

It is known that workload has negative effect towards staff satisfaction. It is found that the finding in this study is in line with the finding from most of the studies on workload and its negative effect to staff satisfaction in organisation (Gregory, 2014; Memon et al., 2016; Mustapha and Yu Ghee, 2013; Shaw and Ward, 2014). Workload that is too much for staff to handle would make them have to work overtime or making them to skip rest hour, which would lead to their feeling of dissatisfaction. Other than that, too much workload would burden the staff and would affect their health, such as having back pain, muscle cramp, anxiety issue, headache, and loss of appetite to eat (Memon et al., 2016). The finding from this study is similar to that of previous studies that also found positive relationship between self-development and staff satisfaction (Arokiasamy, 2013; Faisal Azeem et al., 2013; Raziq and Maulabakhsh, 2015). Staff who are developed through on-the-job training would feel motivated as they know how to do their job efficiently. Other than that, they would feel satisfied as they know that they will always develop and learning something new in their work. Arokiasamy (2013) stressed the criticality of career development in organisation as if it is ignored would lead to staff resignation and turnover.

It was well-supported that working environment has a positive vibe towards staff satisfaction. The result obtained from this study is in tandem with that of previous studies that found positive relationship between working environment and staff satisfaction (Raziq and Maulabakhsh, 2015; Rizwan and Mukhtar, 2014; Salunke, 2015). Working environment is among the most crucial aspect that should be focussed on by organisation as it is where staff do their work, failing which would certainly lead to their dissatisfaction. Hong et al. (2012) stated that it is important for an organisation to provide better working environment as it would nurture job satisfaction. This result obtained from this study is consistent with that reported in the literatures reviewed, which also found the positivity between communication and staff satisfaction (Farahbod et al., 2013; Ibrahim et al., 2014; Kónya et al., 2015; Mohd Noor, 2013). It implies that effective communication in an organisation would lead to staff satisfaction because in every organisation, there is a need for communication so that the organisation could run properly. When the communication within the organisation is effective and efficient, this would lead to satisfaction among the staff.

It was found that most of published literature reported the negative relationship between job satisfaction and turnover intention (Jehanzeb et al., 2015; Masood et al., 2014; Mohd Noor, 2013; Rizwan and Mukhtar, 2014). Staff that are satisfied with their job would definitely want to stay, and it would be otherwise when they are feeling dissatisfied. There are a lot of factors that determine staff satisfaction, from which the accumulation of the positive feeling staff had towards their job that would make them feel that they are satisfied with their work. Therefore, when all is well, staff would not think about quitting or finding another job.

In conclusions, in today's world, it is very crucial to understand how staff satisfaction affects turnover intention towards an organisation they are working for. The importance of a leader in nurturing staff satisfaction is undeniable that can change or create a workplace that is conducive for staff to work in. The findings are as expected since most of it has at least a literature to support it. In a nutshell, this study has answered the research objectives and research questions that were proposed.

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