The work environment factors that influence job satisfaction, and its impact on turnover intention: The case of executive level employees in the Malaysian Public Sector organizations

Abdul Rahim Zumrah, Kalsom Ali, Muhammad Yusuf Khalid, Ahmad Najaa Mokhtar*
*Faculty of Leadership and Management, Universiti Sains Islam Malaysia**

Abstract: This study is conducted to examine two issues. First, to examine the work environment factors that influence job satisfaction among executive level employees in the public sector organizations in Malaysia. Second, to examine the effect of job satisfaction on turnover intention. The data of this study have been collected through survey. The respondents are 212 executive level employees. The data have been analyzed using a structural equation modeling technique. In summary, there are five work environment factors that influence job satisfaction among executive level employees in this context. The factors include perceived organizational support, training, coworker support, participative leadership style and work stress. In addition, this study provides empirical evidence about the role of job satisfaction as a factor that can decrease turnover intention, especially among executive level employees in the public sector organizations in Malaysia.

Keywords: *Job satisfaction, turnover intention, public sector organizations, Malaysia*

Introduction

The statistic from The Ministry of Human Resource shows that the number of executive level employees has continuously increased every year. For example, in 2013, the number of executive level employees were 331, 313. This figure has increase to 380, 499 in 2014, and 501, 953 in 2015 (Employment and Labor Statistics, Ministry of Human Resource, Series 8, No. 2/2016). The previous statistic indirectly highlights the willingness of employees in this sector to remain with their existing organization. One of the possible reason is because they feel satisfied with their job (Mohd Ramlan, Rugayah & Zarul Zafuan, 2014). Therefore, it is essential to examine the factors that influence job satisfaction among executive level employees in this context.

This study focus on the work environment factors that influence job satisfaction. Previous researcher such as Spector (1997) argues that the organization itself has a major role in the development of an employee's job satisfaction. The work environment factors include in this study were perceived organizational support, training, coworker support, participative leadership and work stress. These factors have been recognized as the work environment aspects that can influence the employees' level of job satisfaction in the organization. However, the effect of these factors on job satisfaction have been tested separately in different contexts. For example, the effect of perceived organizational support on job satisfaction was verified in the context of private nursing home in the United States (Mahmoud Al-Hussami, 2008). Similarly, the effect of participative leadership on job satisfaction was based on the employees of local government agencies

in the United States (Kim, 2002). As a result, there is still limited understanding about the factors that influence job satisfaction in a particular context because the existing findings were based on samples from various industries.

This study is conducted to address the previous gap by simultaneously examine the effect of various work environment factors (perceived organizational support, training, coworker support, participative leadership, work stress) on job satisfaction in a particular context, the public sector in Malaysia. The findings of this study can produce a more adequate conclusion about the specific elements in the workplace that influence job satisfaction.

Another important issue related to job satisfaction is its consequences on employees. Job satisfaction has been recognized as an important work attitude that can resolve negative work behavior such as a turnover intention (Filipova, 2011; Jawahar & Hemmasi, 2006; Koster, Grip & Fouarge, 2011). This study will further verify the relationship in the context of public sector organizations in Malaysia. It is due to the empirical evidence from previous studies were based on the sample from health industry in the United States (Filipova, 2011) and Netherland (Koster, Grip & Fouarge, 2011), and among female executive in the United States (Jawahar & Hemmasi, 2006). Conducting such replications ensure that the results are repeatable and not artefactual to particular samples/or settings (Jawahar & Hemmasi, 2006).

Literature Review

Perceived organizational support and job satisfaction

Perceived organizational support is defined as the employees' general belief that their work organization values their contribution and cares about their well-being (Rhoades & Eisenberger 2002). While job satisfaction is defined as 'how people feel about their jobs and different aspects of their jobs (Spector, 1997). The link between perceived organizational support and job satisfaction has been verified by previous studies. For example, a meta-analysis study has found a strong and positive effect of perceived organizational support on job satisfaction (Riggle, Edmondson & Hansen, 2009). In fact, a study conducted at the private nursing homes in the United States reveals that perceived organizational support is the strongest predictors for job satisfaction (Mahmoud Al-Hussami, 2008). One possible reason is due to the recognition and attention given by the organization can be perceived as a positive treatment by the organization to employees, which can produce positive feelings toward the job and organization. Based on this basis, the following hypothesis is proposed:

Hypothesis 1: Perceived organizational support is positively related to job satisfaction

Participative leadership and job satisfaction

Researchers have claimed that an employee job satisfaction depends upon the leadership style of managers (Mosadegh Rad & Yarmohammadian, 2006). This argument has received support from previous studies that conducted at the private nursing homes in the United States. The study reveals that the leadership in organization accounted for an estimate 80 percent of the variance of job satisfaction (Mahmoud Al-Hussami, 2008).

A participative leadership was an example of leadership style that can influence employee job satisfaction in the organization. Participative leadership style is a managerial style that invites input from employees on all company decisions. A study among employees of private hospital in Iran reveals that participative leadership is significantly related to job satisfaction (Mosadegh Rad & Yarmohammadian, 2006).

Similarly, Kim (2002) also in his study among employees of local government agencies in the United States reveals the participative leadership that incorporates effective supervisory communications can enhance employees' job satisfaction. Based on previous findings, the following hypothesis is proposed:

Hypothesis 2: Participative leadership style is positively related to job satisfaction

Co-worker support and job satisfaction

Co-worker refers to individuals who work in the same organization. The support from co-workers is very meaningful because it can produce a positive attitude among employees such as satisfaction toward the job. According to Harris, Winskowski and Engdahl (2007), the social support (e.g., collegial support) in the organization accounted for approximately 17 percent of the variance in job satisfaction. This finding has received support from other empirical studies that have been conducted among restaurant employees (Babin & Boles, 1996) and 2505 full time workers (Ducharme & Martin, 2000) in the United States that suggests the co-worker involvement can increase job satisfaction. In addition, a meta analysis study also has found that perceived co-worker support was related to job satisfaction (Ng & Sorensen, 2008). Therefore, the following hypothesis is proposed:

Hypothesis 3: Co-worker support is positively related to job satisfaction.

Training and job satisfaction

Training refers to a planned and systematic effort to provide and enhance employees' knowledge, skills and attitudes related to their job, through learning experiences with a view to working more efficiently (Blanchard & Thacker, 2010). Recent empirical studies conducted among employees from various service organizations (e.g., casino showed that training was positively related to job satisfaction (Back et al., 2011; Lee et al., 2006). There are a number of reasons why training has a positive impact on job satisfaction. First, training can make employees more qualified and job proficient (Li et al., 2008). Second, training can enhance an employee's ability to adjust successfully to organizational change (Traut et al., 2000). Third, training can deliver a strong message to employees that the organization is concerned about their needs and development, which ultimately creates a positive effect on job satisfaction (Kim et al., 2009). Based on the previous discussion, the following hypothesis is proposed:

Hypothesis 4: Training is positively related to job satisfaction

Work stress and job satisfaction

Work stress refers to a situation in the workplace that will force a person to deviate from normal functioning due to the change (i.e. disrupt or enhance) in his/her psychological and/or physiological condition, such that the person is forced to deviate from normal functioning (Beehr & Newman, 1978; Ahsan, Abdullah, Fie & Alam, 2009). Work stress can affect the employees work attitude and behavior in the workplace. Terry, Nielsen and Perchard (1993) in their study among employees of a large public sector organization in Australia reveals that work stress emerged as significant predictor of job satisfaction. In specific, Ahsan, Abdullah, Fie and Alam (2009) in their study among academic staff in the Malaysian public university has found that there is a significant and negative relationship between work stress and job satisfaction. Similarly, Klassen and Chiu (2010) in their study among 1430 practicing teachers in the United States shows that teachers with greater work stress had lower job satisfaction. Based on previous evidence, the following hypothesis is proposed:

Hypothesis 5: Work stress is negatively related to job satisfaction

Job satisfaction and turnover intention

Turnover intention refers to employees plan to leave their positions. There are many factors that can produce turnover intention among the employees such as lower job satisfaction. This argument has received support from previous studies. Most of the studies show a consensus that job satisfaction is negatively related to turnover intention (Filipova, 2011; Jawahar & Hemmasi, 2006; Koster, Grip & Fouarge, 2011). In other word, employees with greater job satisfaction had lower turnover intention. Thus, the following hypothesis is proposed:

Hypothesis 6: Job satisfaction is negatively related to turnover intention

Methodology

Sample

This study was conducted in a public sector organization in Malaysia. 212 executive level employees have participated in this study. The data were collected through questionnaires.

Measures

This study used previously published measure as details below:

Turnover intention was measured using the 3 items from Netemeyer, Boles and McMurrian (1996) and Brashear, Lepkowska-White and Chelariu (2003). An example of the items is 'I have searched for a new job'. The measure was validated in a study by Hur, Rhee and Ahn (2016).Training was measured using the 3 items from Langford (2009). An example of the items is 'There is a commitment to ongoing training for the staff'. The measure was validated in a study by Presbitero, Roxas and Chadee (2016). Perceived organizational support was measured using the 3 items from Paille, Grima and Dufour (2015). An example of the items is 'My organization appreciates my contribution'. The measure was validated in a study by Paille, Grima and Dufour (2015). Work stress was measured using the 3 items from Boreham, Povey and Tomaszewski (2016). An example of the items is 'The demands of my job leave me feeling stressed'. The measure was validated in a study by Boreham and colleagues (2016). Coworker support was measured using the 5 items from Hammer and colleagues (2004). An example of the items is 'I receive help and support from my coworkers'. The measure was validated in a study by Karatepe (2012).

Participative leadership style was measured using the 6 items from Miao, Newman, Schwarz and Xu (2013). An example of the items is 'My supervisor encourages work group members to express ideas/suggestions'. The measure was validated in a study by Miao and colleagues (2013). Job satisfaction was measured using the 3 items from Paille, Grima and Dufour (2015). An example of the items is 'Generally speaking, I am very satisfied with this organization'. The measure was validated in a study by Paille, Grima and Dufour (2015).

Data Analysis Results

The data of this study have been analyzed through structural equation modeling technique. As recommended by Anderson and Gerbing (1988), this study estimated a measurement model using a confirmatory factor analysis (CFA) prior to examining the structural model relationships.

The measurement model that included all items showed a good fit. For example, the value of chi-square (χ^2) / degrees of freedom (*df*) is 2.003. According to previous

researchers (e.g., Hair, Black, Babin & Anderson, 2010; Tabachnick & Fidell 2007; Williams, Vandenberg & Edwards, 2009), the score of χ^2/df between 2 and 5 can justify the good fit of a particular model. The comparative fit index (CFI) also showed acceptable value, which is 0.932. In addition, the value of the standardized root mean residual (SRMR) achieves acceptable value (0.0705), which is below 0.10. According to Hair et al. (2010) and Williams et al. (2009), SRMR value less than 0.10 is considered a good model.

In addition, all indicators loaded strongly and significantly on their respective factors, and the standardized loadings ranged from 0.668 to 0.944. The result of the average variance extracted (AVE) for each variable has also exceeded 50 percent, indicating the convergent validity (Anderson & Gerbing, 1988; Hair et al., 2010). Moreover, the square roots of AVE estimates are greater than the corresponding interconstruct correlation estimates, indicating discriminant validity (Hair et al., 2010).

After estimating the measurement model with a confirmatory factor analysis, the second stage of analysis involved estimating the proposed relationships. All the fit indices suggest a reasonable fit between the model and the data.

The results indicate that perceived organizational support (coefficient = +0.477, critical ratio = 5.880, $p < 0.001$), participative leadership (coefficient = +0.145, critical ratio = 2.233, $p < 0.05$), training (coefficient = +0.309, critical ratio = 3.959, $p < 0.001$) and coworker support (coefficient = +0.118, critical ratio = 2.283, $p < 0.05$) show a significant and positive effect on job satisfaction. However, work stress (coefficient = -0.096, critical ratio = 1.961, $p < 0.05$) shows the significant but a negative effect on job satisfaction. Finally, the analysis shows that job satisfaction has a significant, but a negative effect on turnover intention (coefficient = -0.364, critical ratio = 4.834, $p < 0.001$).

In summary, the previous results support all hypotheses of this study. A discussion of the findings is presented in the following section.

Findings and Discussion

This study is conducted to examine two issues related to job satisfaction in the context of public sector organizations in Malaysia. First, to identify the factors that influence job satisfaction. Specifically, to examine the effect of perceived organizational support, participative leadership style, training, coworker support, and work stress on job satisfaction. Second, to examine the effect of job satisfaction on turnover intention. These two issues have been tested using survey data among 212 public sector employees in Malaysia.

The results of data analysis show that there are five work environment factors that influence employee job satisfaction in the context of public sector in Malaysia. The factors include perceived organizational support, participative leadership style, training, coworker support, and work stress. Although the effect of these factors on job satisfaction has been verified by previous studies, the findings of this study are unique because the findings are based on the data from public sector organizations, which is different with previous studies that based on data from private sector employees in the Western countries (i.e., United States) (Mahmoud Al-Hussami, 2008; Kim, 2002; Babin & Boles, 1996; Klassen & Chiu, 2010).

In regard to the second issue, this study predicted that job satisfaction would have a negative impact on turnover intention. The results of the analysis indicate that a

significant and negative relationship exists between job satisfaction and turnover intention. This provides support for the final hypothesis of this study implying that when employees show satisfaction toward their job, it subsequently decreases intention to leave their job. The finding presented here extends the research by previous studies who found the negative link between job satisfaction and turnover intention in the context of Western country such as the United States (Filipova, 2011; Jawahar & Hemmasi, 2006) and Netherland (Koster, Grip & Fouarge, 2011).

Limitations and suggestions for future study

First, this study applies a quantitative research design where the data were collected through a questionnaire survey. Future studies should consider collecting deeper qualitative data from their respondents. The use of both qualitative and quantitative methods would provide an opportunity for more in-depth and richer explanations of why employees with their job.

Second, there are also limitations that need to be placed on the generalizability of this study beyond the current organization where it was conducted. The data for this study were collected from public sector organizations in Malaysia. Clearly, replication is necessary to test the relationships reported here.

References

Babin, B. J. & Boles, J. S. (1996). The effects of perceived co-worker involvement and supervisor support on service provider role stress, performance and job satisfaction. *Journal of Retailing*, 72(1), pp. 57-75.

Back, K.-J., Choong-Ki-Lee, & Abbott, J. (2011). Internal relationship marketing: Korean casino employees' job satisfaction and organizational commitment. *Journal of Cornell Hospitality Quarterly,* 52(2), pp. 111-124.

Beehr, T. A. & Newman, J. E. (1978). Job stress, employee health and organizational effectiveness: A facet analysis, model and literature review. *Personnel Psychology*, 31, pp. 665-669.

Blanchard, P. N., & Thacker, J. W. (2010). *Effective training: Systems, strategies, and practices* (4th ed.). Boston: Prentice Hall.

Boreham, P. Povey, J., and Tomaszewski, W. (2016). Work and social well-being: The impact of employment conditions on quality of life. *International Journal of Human Resource Management*, 27(6), pp. 593-611.

Ducharme, L. J. & Martin, J. K. (2000). Unrewarding work, coworker support and job satisfaction: A test of the buffering hypothesis. *Work and Occupations*, 27(2), pp. 223-243

Employment and Labor Statistics, Ministry of Human Resource, Series 8, No. 2/2016. <myhos.mohr.gov.my/ebook/istatistik2_2016/bil2_2016.ppsx>

Filipova, A. A. (2011). Relationships among ethical climates, perceived organizational support, and intent-to-leave for licensed nurses in skilled nursing facilities. *Journal of Applied Gerontology,* 30(1), pp. 44-66.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis: A global perspective* (7th ed.). Boston: Pearson.

Harris, J. I., Winskowski, A. M. & Engdahl, B. E. (2007). Types of workplace social support in the prediction of job satisfaction. *The Career Development Quarterly*, 56(2), pp. 150-156.

Hur, W., Rhee, S., and Ahn, K. (2016). Positive psychological capital and emotional labor in Korea: The job demands-resources approach. *International Journal of Human Resource Management*, 27(5), pp. 477-500.

Jawahar, I. M., & Hemmasi, P. (2006). Perceived organizational support for women's advancement and turnover intentions. *Journal of Women in Management Review, 21*(8), 643-661.

Kim, H. J., Tavitiyaman, P., & Kim, W. G. (2009). The effect of management commitment to service on employee service behaviors: The mediating role of job satisfaction. *Journal of Hospitality & Tourism Research, 33*(3), pp. 369-390.

Kim, S. (2002). Participative management and job satisfaction: Lessons for management leadership. *Journal of Public Administration Review, 62*(2), pp. 231-241.

Klassen, R. M. & Chiu, M. M. (2010). Effects of teachers' self-efficacy and job satisfaction: Teacher gender, years of experience and job stress. *Journal of Educational Psychology*, 102(3), pp. 741-756.

Koster, F., Grip, A. d., & Fouarge, D. (2011). Does perceived support in employee development affect personnel turnover? *International Journal of Human Resource Management, 22*(11), pp. 2403-2418.

Langford, P. H. (2009). Measuring organizational climate and employee engagement: Evidence for a 7 Ps moel of work practices and outcomes. *Australian Journal of Psychology*, 61, pp. 185-198.

Lee, Y.-K., Nam, J.-H., Park, D.-H., & Lee, K. A. (2006). What factors influence customer-oriented prosocial behavior of customer-contact employees? *Journal of Services Marketing, 20*(4), pp. 251-264.

Li, J.-M., Yang, J.-S., & Wu, H.-H. (2008). Improving service quality and organisation performance through human resource practices: A case study. *Journal of Total Quality Management, 19*(9), pp. 969-985.

Mahmoud Al-Hussami, R. N. (2008). A study of nurses' job satisfaction: The relationship to organizational commitment, perceived organizational support, transactional leadership, transformationa leadership, and level of education. *European Journal of Scientific Research*, 22(2), pp. 286-295

Miao, Q., Newman, A., Schwarz, G. & Xu, L. (2013). Participative leadership and the organizational commitment of civil servants in China: The mediating effects of trust in supervisor. *British Journal of Management*, 24, pp. s76-s92.

Mohd Ramlan, M. A., Rugayah, H. & Zarul Zafuan, M. D. (2014). Job satisfaction at workplace: A case of doctors in government hospital, Kuala Lumpur, Malaysia. *Journal of Administrative Science*, 11(1), pp. 1-12.

Mosadegh Rad, A. M. & Yarmohammadian, M. H. (2006). A study of relationship between managers' leadership style and employees' job satisfaction. *Leadership in Health Services*, 19(2), pp. Xi-xxviii.

Ng, T. W. H. & Sorensen, K. L. (2008). Toward a further understanding of the relationships between perceptions of support and work attitudes: A meta-analysis. *Group & Organization Management, 33*(3), pp. 243-268

Paille, P., Grima, F., and Dufour, M. (2015). Contribution to social exchange in public organizations: Examining how suppor, trust, satisfaction, commitment and work outcomes are related. *International Journal of Human Resource Management*, 26(4), pp. 520-546.

Presbitero, A., Roxas, B., and Chadee, D. (2016). Looking beyond HRM practices in enhancing employee retention in BPOs: Focus on employee-organization value fit. *International Journal of Human Resource Management,* 27(6), pp. 635-652.

Riggle, R. J., Edmondson, D. R. & Hansen, J. D. (2009). A meta- analysis of the relationship between perceived organizational support and job outcomes: 20 years of research. *Journal of Business Research*, 62(10), pp. 1027-1030.

Rhoades, L., & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology,* 87(4), pp. 698-714.

Spector, P. (1997). *Job satisfaction: Application, assessment, causes and consequences.* Thousand Oaks, CA: Sage.

Tabachnick, B. G., & Fidell, L. S. (2007). *Using multivariate statistics* (5th ed.). Boston: Pearson.

Terry, D. J., Nielsen, M. & Perchard, L. (1993). Effects of work stress on psychological well-being and job satisfaction: The stress-buffering role of social support. *Australian Journal of Psychology*, 45(3), pp. 168-175.

Traut, C. A., Larsen, R., & Feimer, S. H. (2000). Hanging on or fading out? Job satisfaction and the long-term worker. *Journal of Public Personnel Management,* 29(3), pp. 343-351.

Williams, L. J., Vandenberg, R. J., & Edwards, J. R. (2009). Structural equation modeling in management research: A guide for improved analysis. *The Academy of Management Annals,* 3(1), pp. 543-604.