Research on Turnover Intention in Brunei Darussalam

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Abstract

The purpose of the study was to investigate the factors leading to turnover intention among the working adults in Brunei Darussalam, in particular with the ethical climate, work-related stress, and organisational commitment. Data for this study was collected through a self-administered questionnaire and were distributed through a convenient non-probability random sampling method. A total of 200 completed and usable questionnaires have been collected from a local shopping mall to target a random sample of the working population. Hypotheses were tested to determine the different variables on turnover intention and their correlations. The findings revealed that there was a significant relationship in two of the variables with turnover intention apart from the variable ethical climate. This indicated that the turnover intentions among the working adults are influenced by work-related stress and their commitment towards their organisation. Findings of the study are limited by the number of respondents; the language interpreted, and the area and location that the study had covered. This study is essential to employers of organisations who are suffering from high turnover rates and wants to know the factors influencing their employees to intend to quit from their employment. With this study, employers could make improvements to their organisations by instilling factors that need to be done to deter their employee’s turnover intention.

Keywords: Turnover Intention, Brunei Darussalam, Work-Related Stress, Organisational Commitment

Introduction

Working adults in Brunei Darussalam in the year 2000 were estimated to be 198, 800, as according to DEPD (2011). Working adults in this context refer to those who work in the public sector, private sector, and government-linked company. The numbers are almost half of Brunei Darussalam’s overall population by 48.6%. With that much estimated working population of Brunei Darussalam, the working adults are today believed to be an essential voice in work. Understanding the respondent's characteristics is the crucial point to predict the turnover intentions made by the working adults. This work investigates the level of ethics, stress, and commitment of voluntary turnover among the working adults aged between 18 and 60 in Brunei Darussalam. The working adults are considered to be both Generation X and Generation Y. Based on the Brunei Times (2011), the number of graduates that Brunei institutes produce per year is about 1,000 graduates, and in terms of gender differences, the employment-population percentage of females in 2011 was about 53%,
whereas the employment-population percentage of males in 2011 was about 73% (Indexmundi, 2011).

**Problem Identification**

With the turnover intention as the focal point, this study tries to reach the main target which is to attain the principal objective, which is to regulate the working adults in Brunei Darussalam's turnover intention through a few factors which include ethical climate, work-related stress, and organisational loyalty. First and foremost, the respondents' characteristics are considered as an essential field of research in the workforce pertaining to turnover intentions. Profiling the respondents' gender, age, race, highest education level, marital status, working sector, and income, would contribute to identify and evaluate the turnover intents and the reasons behind it. Are there any significant traits that influence the turnover intention rate? The younger working population is essential in the current workplace as Brunei Darussalam practices seniority rather than relying on individual skills. Hence, the seniors think that they can be exempted from the consequences of unethical behaviour. Can the senior employees really be exempted from consequences?

Work-related stress is definite as since the working population is growing every year, with increasing demands for employment with little to no changes in the supply of employment. Therefore, the working population in Brunei Darussalam is mostly working in places that are irrelevant to their qualifications and experience. Hence, there is a mismatch with employees and their occupation, which inevitably cause work-related stress. Can the working population find their ideal profession sometime in the future? Pertaining to commitment, all the workplaces in Brunei Darussalam, be it in the public sector, private sector or in a government-linked company, they offer benefits and incentives to the working population, of which they cannot refuse. As stated above, the workplaces in Brunei favours seniority over skills. Hence, a portion of workers is all committed to the workplaces for the benefits despite the stress levels. Can the workplaces and a portion of the working population change the habit of staying put despite the situation?

Pertaining to turnover intention, factors including ethics, stress, and commitment are responsible for the turnover intention levels. Since Brunei Darussalam is a small country, with a small working population, there is a possibility that a portion working population voluntarily resigns in search of other types of occupation or for better pay and benefits. How far can this portion of the working population go to reach their ideal jobs?

**Significant of Study**

According to Perez (2008), turnover is one of the most researched phenomena in organisational behaviour. Typical research for most studies on turnover is focusing on employees leaving rather than entering the organisation. The phenomenon attracts interest due to its psychological dimension, its organisational significance, and its economic dimension. Turnover intention is a topic strongly related to the actual turnover, or rather, voluntary job mobility. Hence, the turnover intention was reported to be highly correlated with the actual turnover. Although this study is famous overseas, especially in the United States and Europe, there is a lack of study about the turnover intention of working adults in Brunei Darussalam.
Literature Review

Ethical Climate

The ethical climate in this context refers to the ways the organisation operationally routine behaviours and the actions that are expected, supported and rewarded, as according to Schneider and Rentsch (1988). Ethics climate can also be referred to as both “Climate regarding ethics” and “ethical climate (Dickson et al., 2001; Grojean et al, 2004). An organisation may consist of many different types of climates – including ethical climate (Schneider, 1975). Qualls and Puto (1989) state that the operationalisation of ethical climate is concerned with evaluating the individual’s perceptions of those exercises, procedures, norms, and values that governs the ethical decisions in the arrangement. Studies from Tsai and Huang (2008), Coldwell et al (2008), Martin and Cullen (2006), Mulki et al (2008), & Pettijohn et al (2008) exemplifies the importance of examining ethics climate perceptions when predicting turnover intentions. Stevens (1994) pointed out that ethical climate provides the expectations concerning acceptable and unacceptable ethical behaviour. To meet the individual's ethical responsibility, systems must place and adhere to formal codes of ethical conduct (Schwartz, and Carroll, 2003), as well as to portray that the organisation to be just, reasonable, moral, and respectful of the individuals (Jamali, 2008). An organisation's ethical climate dictates its ethical values and the behaviours expected and have been proven to determine the ethics of its members, or employees (Wimbush and Shepard, 1994; Verbeke et al., 1996). Ethical climate, as stated by Victor and Cullen (1988, p. 101), as ‘the prevailing perceptions of typical organisational practices and procedures that have ethical content’.

According to Ethics in American Business (1988), ethical codes play an instrumental role in organisational members' ethical decision making. However, the unethical climate is present when an organisation does not enact and enforce codes of ethics, or policies, which discourage, monitor, and correct unethical behaviour. Hegarty and Sims (1979) specified that when ethical codes become an active part of an employee’s working knowledge, they are more likely to affect the individual’s ethical decision making. Thus, higher levels of ethical behaviour have been found in firms where ethical codes are in place and enforced (Farrell and Skinner, 1988). Also, Weeks and Nantel (1992) made a point that when codes of ethics that are effectively communicated, or understood, are likely to result in greater ethical behaviour. The decisions to behave ethically or unethically are significantly influenced by corporate goals and policies stated by the organisations (Hegarty and Sims, 1979; Bommer et al., 1987). Rewards and punishments are used to create an ethical climate, as through the administration of rewards and punishments, it may influence ethical behaviour (Posner and Schmidt, 1987). Discipline, or even the threat of punishment, may indirectly influence the decision to behave ethically as its effects of one’s perceptions of consequences for unethical behaviour and the desirability of those consequences. As believed by Podsakoff (1982), the absence of punishment may give way for unethical behaviour. Hence, by implementing and enforcing codes of ethics and policies on ethical behaviour, as well as rewarding ethical behaviour, and punishing unethical behaviour, it enables the organisation to create an ethical climate that positively influences ethical behaviour in the organisation (Schwepker, 1999).

Work-Related Stress

Stress can be defined as the imbalance between people’s perceived environmental demands and their perceived ability to cope with demands (Lazarus 1995). Ahmad et al. (2012) identify stress as a critical factor for organisational losses in terms of finance as well as employee health. Blix (1994)
also stated that work-related stress could lead to unwanted consequences of physical, behavioural and organisational aspects of workers. Stress is a major cause of occupational ill health, poor productivity, and human error, of which may result in sickness absence, high staff turnover, poor performance, and a possibility in accidents due to human error (Schwab, 1996). Workers feel pressure when they found a mismatch between the job requirements and their capacity to work effectively. Job stress differs from organisation to organisation, job to job, and person to person. Work-related stress components consisted of job demands, job control, managerial support, peer support, violence relationship, role clarity, and change. Zhao et al., (2003) stated that the stress-turnover relationship has received considerable attention, and has been supported in different contexts, types of worker, and cultures. Cao (2005) used causal modelling to find the support that stress is indeed a predictor of turnover. Dowden and Tellierb (2004) ’s findings show that work attitudes such as participation in decision-making, job satisfaction, commitment, and turnover intention, and specific correctional problems, such as perceived dangerousness and role difficulties, has generated the strongest predictive relationships with job stress.

**Organisational Commitment**

Meyer and Allen’s (1990) definition of organisational commitment is a psychological state that binds the individual to the organisation. Indications of organisational commitment are concerned with notions of attachment to the goals and values of the organisation, and the adhesion to the organisation for his own sake rather than for instrumental values, stated by Cook and Wall (1980). In other words, measuring organisational commitment is an assessment of the correspondence between an individual’s own values and beliefs and those of the organisation (Swailes, 2002). The idea of organisational commitment was introduced in 1960 where the organisational commitment can be used to forecast employees’ performance, absence, turnover, and organisational efficiency. Mowday et al (1982) suggested that the antecedent variables of organisational commitment, including personal characteristics, character features, structural characteristics, and work experience, that affect variables including work performance, seniority, attendance, work delay, and upset. Organisation’s behaviour can be affected by the organisational commitment. Commitment, as defined by Meyer and Allen (1997) as an “emotional attachment to an organisation; goals and values which results in the willingness to exert optimal effort to achieve the organisational goals”. Mowday et al. (1979) ’s definition of commitment is the “relative strength of an individual's identification with an involvement in a particular organisation”. Porter et al (1974) suggested three main important factors in organisational commitment that defined as “a strong belief in and acceptance of the organisation’s goals, a willingness to exert considerable effort on behalf of the organisation, and a definite desire to maintain organisational membership”. Jaros (1997) recognised that commitment is an important predictor of employee turnover. It was later found out that organisational commitment is negatively related to turnover intentions, as stated by Okello-Ouni (2004).

**Turnover Intention**

According to Jacobs and Roodt (2007), turnover intention is a mental decision prevailing between an individual’s approach regarding a job to continue or leave the job. Turnover intention is when the employee desires to leave the organisation by his preference, what is more, to escape negative experiences in the work environment or to follow better opportunities that are more satisfying, either in terms of career expansion or financially. Cotton and Tuttle (1986) refers to turnover as an individual's estimated probability that they will stay an employing organisation. Whereas Tett and Meyer (1993) define turnover as a conscious wilfulness to seek for other alternatives in other
organisation. Therefore, Price (2001) suggested turnover intentions as an alternative to measuring the actual turnover.

**Methodology**

This is a quantitative study. In terms of objectives, this study is descriptive. Looking into the sampling methodology, the population of this study is the Bruneian working adults. The sample in this study refers to those working adults in Brunei Darussalam. In terms of the sampling methodology, this study used the convenience sampling methodology. Since the total working population aged between 18 and 60 in Brunei Darussalam in the year, 2011 was estimated to be 198,800 (DEPD, 2011), almost half of the total population of 408,786 (IndexMundi, 2011) with 48.6%. With the estimated working population of Brunei Darussalam, it is considered that it is a large sample group. The results from Raosoft Sample Size Calculator suggested that 68 is the minimum sample size of the survey with a marginal error of 10% and a confidence level of 90%. A convenience sampling method was conducted among 200 working adults in various places, such as shopping complexes and banks. This sampling method was chosen due to the unavailability of the list of working adults in Brunei Darussalam. In addition to this, this sampling method contributes to meeting different respondents from different backgrounds and more diverse working conditions. This is merely to avoid bias for surveying all the respondents from a particular industry or background.

In terms of Instrumentation, this study used some of the items from Schwepker (1999) scale to look at the ethical climates among the working adults in Brunei Darussalam and a total of seven statements were read to the respondents to find out their opinion whether they agree or disagree. According to Schwepker (1999), all the components of the scale are in a negative statement. Each item has been evaluated ranging from (1) Strongly Disagree to (5) Strongly Agree. The scores for each question were then totalled to obtain the Ethical Climate Score. The highest score possible was 35 and the lowest was seven. This study used some of the items from Elçi et al. (2012) scale to look at the work-related stresses, and each item has been evaluated ranging from (1) Strongly Disagree to (5) Strongly Agree. The scores for each question were then totalled to obtain the Work-Related Stress Score. In this study, scores ranged from 6-30 points while a higher score indicates the more positive the values towards work-related stress of an individual. This study used the items from Schwepker (1999) scale to look at the organisational commitment among the working adults in Brunei Darussalam, and a total of thirteen statements were read to the respondents to find out their opinion whether they agree or disagree, ranging from (1) Strongly Disagree to (5) Strongly Agree.

Lastly, six statements from Schwepker (1999) has been employed to examine the turnover intention score. As usual, a higher score indicates the more positive the values towards the turnover intention of an individual. The total numbers of 200 respondent details are keyed into SPSS one by one, and then the individual data will be analysed on a group basis. Graphical presentation such as histogram, bar charts and pie charts are used to make the interpretation work easier. Analysing frequencies of these variables help to construe better the relevancy and validity of the sample group within this research. In this research paper, the statistic will include both the descriptive and inferential statistics. This study employed the Pearson Moment Correlation test to examine the relationship between the variables.
Results and Findings

Reliability Test

From the results shown in Table 1, all of the variables with the Cronbach's Alpha varied from 0.736 to 0.929, thus making the variables acceptable since all the Cronbach's Alphas values are more than the minimum acceptable rate of 0.60. The Cronbach's Alpha for Organisational Commitment scored the highest with 0.929 indicating a superior reliability consistency as compared to the remaining variables, Ethical Climate (0.736), Work-Related Stress (0.859), and Turnover Intention (0.868).

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable Item</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ethical Climate</td>
<td>0.736</td>
</tr>
<tr>
<td>2</td>
<td>Work-Related Stress</td>
<td>0.859</td>
</tr>
<tr>
<td>3</td>
<td>Organisational Commitment</td>
<td>0.929</td>
</tr>
<tr>
<td>4</td>
<td>Turnover Intention</td>
<td>0.868</td>
</tr>
</tbody>
</table>

Hypothesis Testing

In the hypothesis testing, 28 hypotheses have been identified with regards to the Respondent's Profile, Ethical Climate, Work-Related Stress, Organisational Commitment, and Turnover Intention. Nine of these hypotheses were rejected where their p values are ≤ 0.01 and ≤ 0.05. The nine rejected hypotheses indicate that there are significant differences with the dependent variable, Turnover Intention. The nine rejected hypotheses are shown in Table 2.

<table>
<thead>
<tr>
<th>Demographics Variables</th>
<th>Ethical Climate (t) (F)</th>
<th>Work-Related Stress (t) (F)</th>
<th>Organisational Commitment (t) (F)</th>
<th>Turnover Intention (t) (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highest Education Level</td>
<td>4.18*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
<td>2.19*</td>
</tr>
<tr>
<td>Working Sector</td>
<td>2.882**</td>
<td></td>
<td></td>
<td>4.131**</td>
</tr>
<tr>
<td>Income Group</td>
<td>7.55*</td>
<td>3.58*</td>
<td></td>
<td>8.30**</td>
</tr>
</tbody>
</table>

Note: ** = p ≤ 0.01, * = p ≤ 0.05

Multiple Regression

Table 3 below is the summary table of multiple regression analysis for Turnover Intention. Four variables contribute to turnover intention, namely: Ethical Climate, Work-Related Stress, Organisational Commitment, and Working Sector. Of the four variables, all but one showed a
positive relationship with turnover intention. The F statistic for the overall goodness of fit of the model is 28.335, which is significant at \( \alpha = 0.05 \). After excluding the non-significant variables, the final regression model produced by the enter method for turnover intention (TI) is:

\[
\text{TI} = 19.734 + 0.387 \text{ work-related stress} - 0.191 \text{ organisational commitment} - 3.747 \text{ working sector}.
\]

This model explains 37% of the variance in turnover intention. This indicates that 37% of the dependent variable (turnover intention) was explained by the linear combination of the three-predictor variables. Among the three-predictor variables, work-related stress was found to contribute more significantly towards one’s turnover intention.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>19.734</td>
<td>2.272</td>
<td>8.686</td>
<td>0.000</td>
</tr>
<tr>
<td>Ethical Climate</td>
<td>0.018</td>
<td>0.075</td>
<td>0.015</td>
<td>0.247</td>
</tr>
<tr>
<td>Work-Related Stress</td>
<td>0.387</td>
<td>0.063</td>
<td>0.361</td>
<td>6.098</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>-0.191</td>
<td>0.034</td>
<td>-0.345</td>
<td>-5.551</td>
</tr>
<tr>
<td>Working Sector</td>
<td>-3.747</td>
<td>0.752</td>
<td>-0.291</td>
<td>-4.980</td>
</tr>
</tbody>
</table>

R square = 0.368, df = 4; \( F = 28.335; \) \( p = 0.000 \)

**Conclusion and Recommendations**

This study aims to investigate how the working population of Brunei Darussalam on their turnover intention based on the three factors, namely, ethical climate, work-related stress, and organisational commitment. These factors also profile the respondent’s characteristics in terms of gender, age group, race, highest education level, marital status, working sectors, and their income group. In terms of ethical climate, a recommendation for a Human Resource manager is to adopt policies regarding ethics, particularly, ethical issues relating to the workplace. These ethical policies give employees the guidelines on what to suffice and what not to do in the workplace during working hours. It helps to avoid employees having to guess what is right and wrong when is left to their own devices. Thus, policies like this break the employees a sense of importance rather than the sense of neglect.

Pertaining to work-related stress, a typical form of stress that usually occurs in the workplace refers to work overload, boring and repetitive actions, inadequate resources, people management issues, etc., are among the many problems in the workplace that can contribute to work-related stress. One of the many actions that a human resource department can act is to build supportive management where the human resource department steps in and trains their overworked managers to improve their ability to assign their work to qualified staff to lessen the manager’s workload. Concerning organisational commitment, there are ways where the establishment applies to ensure employee’s commitment towards their establishment. Foremost the organisation can provide the opportunity to the employees to experience more challenging assignments, and be given more responsibilities.
Secondly, the organisation can provide opportunities within the organisation for cross-training and career progression. Employees like to know that they have room for career movement, hence will be more committed to the organisation.

Concerning turnover intention, human resource managers can offer attractive and competitive computer software with components such as indemnity, disability indemnity, and flexible hours. Employees will immediately acknowledge this and will consider that no other organisation may compete with the benefits offered; hence, discouraging the employees from leaving the organisation. Secondly, the managers need to recognise outstanding performances, and exclusively link pay to performance. Employees will be exceptionally motivated when above-average efforts are recognised and rewarded. Hence, employees will be anticipating for every recognition and rewards, deterring their intent to quit.

Unlike any other studies conducted, it should be remarked that this research involves some limitations. Firstly, while directing the work, it was difficult to obtain relevant data on the working population of Brunei Darussalam on both the private and the public sector. Therefore, this research used a convenient sampling method for the respondents. Hence, the result collected may not be balanced in terms of demographics. Secondly, the sample size of 200 is not a real representative value of the total working population in Brunei Darussalam. Also, taking into consideration the views of the respondent's maturity as well as those working in different working sectors may vary. The fact that the answers received were distributed exclusively from one shopping mall in Brunei Darussalam is another restriction of this inquiry. Lastly, on that point are also chances where respondents may not have sufficient knowledge and understanding of the subject, or questions asked in the questionnaire, so misreading the questions. Other components, such as the respondent's honesty and patience, limit the accuracy of the determinations.

Research can be conducted towards a specific working sector, either the private sector or the public sector. Alternatively, research can also be done according to a specific industry in Brunei Darussalam. It may be in the agricultural industry, or the health industry, the education industry, the banking industry. The research could also be done with a bigger sampling size from different locations to get more accurate data. 300 to 400 respondents may be better and add more diverse locations to obtain the data. Researchers must consider translating the language to Malay when conducting the questionnaire whenever necessary as Brunei Darussalam’s national language is primarily Malay.
References


Department of Economic Planning and Development (DEPD), (2011), Brunei Darussalam Key Indicators


