

Correlates of Turnover Intentions in Malaysian SMEs

Sheikh Muhamad Hizam Sheikh Khairuddin, Lokman Salim,
Zulkifli Saidun and Muhamad Shahrin Hashim

Universiti Kuala Lumpur Business School, Level 15, Bangunan Yayasan Selangor,
No. 74, Jalan Raja Muda Abdul Aziz, Kg. Baru, 50300 Kuala Lumpur, Malaysia

Abstract: Studies on Malaysian Small and Medium Enterprises (SMEs) stresses are hardly found. In the literature survey conducted, stress can have impediments such as burnouts and thus, turnover intentions. This study's aim is to investigate the associations of turnover to stressors (i.e., work relationships, work-life balance, overload, job security, control, resources and communication, aspect of the job and pay and benefits) and burnout dimensions (i.e., emotional exhaustion, cynicism and professional efficacy) in the Malaysian SMEs. Using An Organisational Screening Tool (ASSET) Model of stress developed by the owner/manager's levels of stress are measured. Meanwhile, levels of burnout were measured using Maslach's Burnout Inventory-General Survey (MBI-GS). Finally, turnover was measured using items of intention to quit. The 150 Majlis Amanah Rakyat's (MARA) entrepreneurs/managers participated in the field survey conducted. The study discovered that stressors and burnout dimensions were associated with the turnover intentions of the sample.

Key words: Malaysian SMEs, turnover, stressors, burnout dimensions, intentions, burnout, associated

INTRODUCTION

Stress can impede entrepreneur's success. Their job is stressful that can have serious consequences such as burnouts and turnover intentions. In this study, eight commonly found stressors at the workplace are studied. They are: work relationships, work-life balance, overload, job security, control, resources and communication, aspect of the job and pay and benefits. Meanwhile, burnout is represented by three dimensions, i.e., emotional exhaustion, cynicism and professional efficacy. Finally, three items were scrutinized to measure their turnover levels. Entrepreneurs who received business loans from Majlis Amanah Rakyat (MARA) which is a government agency in Malaysia were selected as the sample of the study. Therefore, the objective of the study is to examine the associations of turnover to all the stressors above as well as burnouts.

Entrepreneurs were found to have withdrawal effects in relation to economic stress in a rare study by Pollack *et al.* (2012). This is further supported by Wincent and Ortqvist (2009) in their conceptual framework of role stressors and withdrawal intentions. Meanwhile, employees from the SMEs were also

found to be prone to occupational stress according to Villanueva and Djurkovic (2009). In the Malaysian scene, Ahmad and Xavier (2010) indicated that the sources of stress of the Malaysian entrepreneurs include requirements for skills of business, the pressures of work, other's high expectations and responsibilities. Malaysian SME employees were also found to have poor role clarity and had been affecting their job performance according to Beris *et al.* (2011).

According to the stress process theory, stressors from work environment will interact with the human consequences facet to produce burnouts. This in turn will have organizational consequences such as turnover effects as indicated by Beehr (1995) Beehr and Newman (1978). According to Cartwright and Cooper (2002), there are eight stressors that can be found at the workplace, i.e., work relationships, work-life balance, overload, job security, control, resources and communication, aspect of the job and pay and benefits. Recently, these stressors had been found to impede organizational outcomes such as individual work performance. This study was conducted by Khairuddin (2017). In business, most people work with other groups of people such as customers, employees and

governments. Entrepreneur's job is as such that managing these relationships poorly will lead to stress. Works can also spillover to life or vice versa. Therefore, maintaining a balance between work and life is crucial for the entrepreneurs. Multirole is part of the entrepreneurs job such as being an administrator as well as a salesman, etc. and research has found that it could be a stressor with the roles played being ambiguous, overload and conflicting. The job of an entrepreneur is also uncertain. If the business is unable to maintain a good cash flow, he/she may be out of the job soon. This could be a potential source of stress. The job of an entrepreneur provides freedom. However, they are not in total control in that they are faced with many constraints such as dealing with government regulations and competitions. Resources are scarce in entrepreneurial firms and therefore, they have to dig down hard for it in order to sustain their business. A small firm also could not afford a luxurious office, therefore some of the aspects of the job might be stressful for them to handle. Finally, the pay and benefits for start-ups especially is well-below from what their counterparts are receiving in the corporate sector. This could be a potential point of stress.

By definition, according to Maslach *et al.* (2009), burnout is the syndrome of psychology pertaining to the job's chronic stressors of interpersonal. It can be represented by three dimensions, i.e., emotional exhaustion, cynicism and professional efficacy. Emotional exhaustion can be defined as an overextended and depletion of the resources of emotion and physical. Meanwhile, cynicism is referred as the losing of cognitive and emotion of work involvement. Finally, lessened professional efficacy is meant by lacking in competency, achievement and productivity.

Turnover intention can be defined as the process of withdrawing from the organization. It can have two dimensions, i.e., voluntary and involuntary. The former is referred to as when the person decided to leave the organization whereas the latter can be defined as leaving the organization due to managerial prerogatives.

Empirical evidence concerning the relationships between these variables can be found. Stressors such as job demands were found to be significant in predicting turnover as reported by Allisey *et al.* (2014). Malaysian entrepreneurs who suffered from stress could be leaving their company soon. The relationship between stressors and burnout were also found to be significant for example, in the study by Surana and Singh (2013). Therefore, Malaysian entrepreneurs who are faced with stressful situations are likely to suffer from job burnout.

Lorenz and Guirardello (2014) finally, discovered that the associations between burnout and turnover intentions are also significant. Malaysian entrepreneurs in SMEs who suffered from stress due to the stressors at the workplace will be faced with job burnouts. This in turn will produce turnover intentions.

MATERIALS AND METHODS

Population of the MARA entrepreneurs in the Region of Klang Valley, Malaysia was 210. From the Krejcie and Morgan (1970) table of minimum sample size from this number of population, 136 data have to be gathered. A total of 150 entrepreneurs was therefore, selected. This research was conducted on the cross-sectional basis using the survey research design. Data were collected only once. Samples taken are entrepreneurs or managers in SMEs based in Kuala Lumpur, Malaysia who received a business loan from MARA. Measurement for stressors in the study was taken from ASSET which was developed by Cartwright and Cooper (2002). The eight stressors, i.e., work relationships (8 items), work-life balance (4 items), overload (4 items), job security (4 items), control (4 items), resources and communication (4 items), aspects of the job (8 items) and pay and benefits (1 item) were measured on a six-point scale ranging from 1 strongly disagree to 6 strongly agree. Meanwhile, job burnout was measured using Schaufeli *et al.* (1996) Maslach Burnout Inventory-General Survey (MBI-GS). Job burnout consisted of 3 components namely, emotional exhaustion, cynicism and professional efficacy. Emotional exhaustion and cynicism had 5 items each; meanwhile, professional efficacy has 6 items. All items are measured on a 7-point frequency scale ranging from 0 never to 6 daily. Finally, turnover intentions were measured on a 7-point scale ranging from 1 strongly disagree to 7 strongly agree. Three items are used to measure turnover intentions and they are all adopted from Donnelly and Ivancevich (1975). Data were analyzed for sample characteristics, reliability, mean, standard deviation, skewness, kurtosis, collinearity statistics and correlation. Pearson correlation coefficient and a two-tailed test were used to measure the bivariate associations between the variables.

RESULTS AND DISCUSSION

A 100% response rate was yielded in the study. From Table 1 the sample characteristics were analyzed. A typical respondent is in the service business, positioned as a managing director of the company in a company that

Table 1: Sample characteristics

Demographic factors	Frequencies	Percentages
Type of business		
Manufacturing	36	24
Telecommunication	21	14
Agriculture	7	5
Service	57	38
Food	29	19
Position		
Managing director	93	62
Director	14	9
General manager	7	5
Manager	7	5
Executive	29	19
Number of staff		
<10	114	76
11-50	36	24
Gender		
Male	57	38
Female	93	62
Age (years)		
<21	8	5
21-30	64	43
31-40	60	40
41-50	10	7
51-60	8	5
Marital status		
Married	93	62
Single	57	38
Education level		
Secondary school	79	53
Diploma	14	9
Bachelor	43	29
Master	14	9
Income level per month		
<RM5,000	103	69
RM5,000-10,000	47	31

have <10 staffs, female, aged between 21-30 years old, married with secondary school education level and with the income level of RM5,000/month.

Next is reliability analysis. The results are depicted in Table 2. Using the George and Mallery (2001)'s interpretation guide to Cronbach's alpha values, work relationships, work-life balance, overload, resources and communication, emotional exhaustion, cynicism, professional efficacy and turnover have all demonstrated an acceptable reliability (i.e., more than 0.70 in Cronbach's alpha values). Meanwhile, job security, control and aspect of the job indicated good scale reliability (i.e., more than 0.80 in Cronbach's alpha values).

Mean, Standard Deviation (SD), skewness and kurtosis were also analyzed. These results can be found in Table 3. All variables showed moderate levels of mean. Out of a potential of six, the stressors of work relationship posted a 3.49; work-life balance at 3.59; overload at 3.32, job security at 3.39; control at 3.25; resources and communication at 3.45; aspect of the job at 3.58 and pay and benefits was posted at 3.59. Meanwhile, out of the potential seven, burnout dimensions of emotional exhaustion mean level was at 3.95; cynicism at 3.89 and

Table 2: Reliability analysis

Variables	Cronbach's alpha
Work relationships	0.78
Work-life balance	0.77
Overload	0.75
Job security	0.80
Control	0.81
Resources and communication	0.79
Aspect of the job	0.83
Emotional exhaustion	0.75
Cynicism	0.76
Professional efficacy	0.70
Turnover	0.77

Table 3: Mean, SD, skewness and kurtosis

Variables	Mean	SD	Skewness	Kurtosis
Work relationships	3.49	1.19	0.38	-0.64
Work-life balance	3.59	1.56	-0.15	-1.11
Overload	3.32	1.53	0.15	-0.98
Job security	3.39	1.59	0.04	-1.12
Control	3.25	1.55	0.23	-0.94
Resources and communication	3.45	1.57	-0.02	-1.10
Aspect of the job	3.58	1.29	0.37	-0.59
Pay and benefits	3.59	1.46	-0.03	-0.79
Emotional exhaustion	3.95	1.31	0.10	-1.15
Cynicism	3.89	1.23	0.07	-0.96
Professional efficacy	4.87	1.22	0.06	-0.95
Turnover	3.50	1.64	0.451	-0.47

Table 4: Collinearity statistics

Independent variables	Tolerance	Variance Inflation Factor (VIF)
Work relationships	0.316	3.161
Work-life balance	0.434	2.305
Overload	0.533	1.875
Job security	0.521	1.919
Control	0.313	3.196
Resources and communication	0.375	2.669
Aspect of the job	0.493	2.028
Pay and benefits	0.511	1.959
Emotional exhaustion	0.507	1.971
Cynicism	0.222	4.510
Professional efficacy	0.355	2.816
Dependent variable-turnover		

professional efficacy at 4.87. Similarly, turnover mean levels were at 3.50. SD for all variables was found to below.

This showed that data was clustered around the averages. For skewness and kurtosis, all variables recorded <3.0. This indicated that distributions did not deviate much from normality (West *et al.*, 1995).

Data analysis conducted includes collinearity statistics. According to Bowerman and O'Connell (1990), Menard (1995) and Myers (1990), a tolerance value of above 0.2 and the Variance Inflation Factor (VIF) of below 10 will indicate minimal existence of multicollinearity issue. These results were discovered in all of the variables of the study. Their results are depicted in Table 4.

Correlation analysis was conducted to measure the bivariate relationships between the variables. The results

Table 5: Correlation analysis between stressors, burnout and turnover

Variables	1	2	3	4	5	6	7	8	9	10	11	12
WR	1.000											
WLB	0.620**	1.000										
OVL	0.525**	0.578**	1.000									
JS	0.457**	0.374**	0.358**	1.000								
CTL	0.621**	0.257**	0.384**	0.610**	1.000							
RC	0.636**	0.366**	0.344**	0.578**	0.684**	1.000						
AJ	0.607**	0.364**	0.302**	0.497**	0.601**	0.603**	1.000					
PB	0.457**	0.266**	0.222**	0.455**	0.628**	0.607**	0.445**	1.000				
EE	0.602**	0.539**	0.524**	0.406**	0.450**	0.485**	0.488**	0.410**	1.000			
CY	0.645**	0.475**	0.510**	0.489**	0.635**	0.619**	0.542**	0.506**	0.466**	1.000		
PE	-0.490**	-0.405**	-0.416**	-0.410**	-0.421**	-0.452**	-0.389**	-0.330**	-0.379**	-0.790**	1.00	
TRN	0.589**	0.394**	0.386**	0.486**	0.566**	0.541**	0.486**	0.599**	0.447**	0.507**	-0.40**	1

**Correlation is significant at the 0.01 level (2-tailed); WR-Work Relationships; WLB-Work-Life Balance; OVL-Overload; JS-Job Security; CTL-Control; RC-Resources and Communication; AJ-Aspect of the Job; PB-Pay and Benefits; EE-Emotional Exhaustion; CY-Cynicism; PE-Professional Efficacy and TRN-Turnover.

are depicted in Table 5. According to Cohen (1988), correlation coefficients, r , can be interpreted in such way: weak relationship can be interpreted when $r = 0.10-0.29$ or $r = -0.10-0.29$; moderate relationships as $r = 0.30-0.49$ or $r = -0.30-0.49$ and strong relationships when $r = 0.50-1.00$ or $r = -0.50-1.00$. Based on these criteria, the variables that were found to have a strong relationship with each other is between work relationships and emotional exhaustion ($r = 0.602$); work relationships and turnover (0.589); work-life balance and emotional exhaustion (0.539); overload and emotional exhaustion (0.524); overload and cynicism (0.510); control and cynicism (0.635); control and turnover (0.566); resources and communication and cynicism (0.619); resources and communication and turnover (0.541); aspect of the job and cynicism (0.542); pay and benefits and cynicism (0.506); pay and benefits and turnover (0.599) and cynicism and turnover (0.507). Meanwhile, moderate relationships were observed between work relationships and professional efficacy (-0.490); work-life balance and cynicism (0.475); work-life balance and turnover (0.394); overload and professional efficacy (-0.416); overload and turnover (0.386); job security and emotional exhaustion (0.406); job security and cynicism (0.489); job security and professional efficacy (-0.410); job security and turnover (0.486); control and emotional exhaustion (0.450); control and professional efficacy (-0.421); resources and communication and emotional exhaustion (0.485); resources and communication and professional efficacy (-0.452); aspect of the job and emotional exhaustion (0.488); aspect of the job and professional efficacy (-0.389); aspect of the job and turnover (0.486); pay and benefits and emotional exhaustion (0.410); pay and benefits and professional efficacy (-0.330); emotional exhaustion and turnover (0.447) and professional efficacy and turnover (-0.401).

A positive association was observed between all of the stressors on emotional exhaustion, cynicism and turnover. Meanwhile, a negative association was

demonstrated between all stressors and turnover on professional efficacy. Overall, all variables showed a significant bivariate associations at 0.01 level.

The results from this study are supported from previous studies. For example, all of the stressors are found to be associated positively and significantly with turnover intentions. This is similar to findings by Allisey *et al.* (2014), Cho *et al.* (2014) and Hwang *et al.* (2014). Malaysian entrepreneurs from SMEs who suffered from stress due to the stressors (i.e., work relationships, work-life balance, overload, job security, control, resources and communication, aspect of the job and pay and benefits) will have turnover intentions.

Meanwhile, all stressors were significant and positive in their associations with job burnout. This findings are supported by Ashill and Rod (2011), Rod and Ashill (2013) and Surana and Singh (2013). Entrepreneurs in Malaysian SMEs who are suffering from stress from the stressors found significant in the study will subsequently, lead to job burnout. Finally, burnout was also found to be associated with turnover intentions significantly and positively as other findings also revealed. They are also reported by Ducharme *et al.* (2007), Surana and Singh (2012) and Knight and Leimer (2010). Malaysian entrepreneurs who suffered from stress (due to stressors) will be burned-out from their job and this in turn will lead to turnover intentions.

However, this study is also not short of limitations. The study is done in a cross-sectional style and therefore, a longitudinal study is recommended in the future to establish causal factors to these relationships. Other new stressors such as challenge and hindrance stressors could also be tested against the turnover intentions of the Malaysian entrepreneurs in the future.

CONCLUSION

The findings from this study implicate practice to improve stress at the workplace within the context of

entrepreneurs in Malaysian SMEs. The first type of intervention is through reducing the source of stress itself (stressors). This includes improving entrepreneur's work relationships, work-life balance, overload, job security, control, resources and communication, aspects of the job and pay and benefits. This is the most effective means of stress intervention. However, if the first interventions are not possible there is always the second intervention as an option. The second intervention involved improving of entrepreneur's job burnout, particularly of their emotional exhaustion, cynicism and professional efficacy. Finally, intervention of stress of the third kind includes improving the entrepreneur's turnover intentions through counseling. As a conclusion, the knowledge on entrepreneurship and stress in the Malaysian context could be improved through looking at the stress process that include common workplace stressors, job burnout phenomena that might impact upon their turnover.

ACKNOWLEDGEMENT

This research is sponsored by the Short Term Research Grant from Universiti Kuala Lumpur, Malaysia.

REFERENCES

- Ahmad, S.Z. and S.R. Xavier, 2010. Stress and coping styles of entrepreneurs: A Malaysian survey. *Int. J. Entrepreneurship*, 14: 25-35.
- Allisey, A.F., A.J. Noblet, A.D. Lamontagne and J. Houdmont, 2014. Testing a model of officer intentions to quit: The mediating effects of job stress and job satisfaction. *Criminal Justice Behav.*, 41: 751-771.
- Ashill, N.J. and M. Rod, 2011. Burnout processes in non-clinical health service encounters. *J. Bus. Res.*, 64: 1116-1127.
- Beehr, T.A. and J.E. Newman, 1978. Job stress, employee health and organizational effectiveness: A facet analysis, model and literature review. *Personnel Psychol.*, 31: 665-699.
- Beehr, T.A., 1995. *Psychological Stress in the Workplace*. Routledge, London, UK., ISBN-13: 9780415094269, Pages: 258.
- Beris, J.H., L.A. Sethela and R. Mahmood, 2011. Role ambiguity and job performance of employees in the service sector SMEs in Malaysia. *Malaysian Manage. J.*, 15: 1-20.
- Bowerman, B.L. and R.T. O'Connell, 1990. *Linear Statistical Models: An Applied Approach*. 2nd Edn., Duxbury Press, Grove, California, USA., ISBN:9780534229856, Pages: 1024.
- Cartwright, S. and C.L. Cooper, 2002. *ASSET: An Organisational Stress Screening Tool-The Management Guide*. RCL Ltd., Manchester, UK.
- Cho, J.E., H.S.C. Choi and W.J. Lee, 2014. An empirical investigation of the relationship between role stressors, emotional exhaustion and turnover intention in the airline industry. *Asia Pac. J. Tourism Res.*, 19: 1023-1043.
- Cohen, J., 1988. *Statistical Power Analysis for the Behavioral Sciences*. 2nd Edn., Lawrence Erlbaum Associates, Hillsdale, New Jersey, USA., Pages: 567.
- Donnelly, J.J.H. and J.M. Ivancevich, 1975. Role clarity and the salesman. *J. Marketing*, 39: 71-74.
- Ducharme, L.J., H.K. Knudsen and P.M. Roman, 2007. Emotional exhaustion and turnover intention in human service occupations: The protective role of coworker support. *Sociol. Spectrum*, 28: 81-104.
- George, D. and P. Mallery, 2001. *SPSS for Windows Step by Step: A Simple Guide and Reference 10.0 Update*. 3rd Edn., Allyn and Bacon, Toronto, Canada, ISBN:9780205331277, Pages: 371.
- Hwang, J., J.J. Lee, S. Park, H. Chang and S.S. Kim, 2014. The impact of occupational stress on employee's turnover intention in the Luxury hotel segment. *Int. J. Hosp. Tourism Admin.*, 15: 60-77.
- Khairuddin, S.M.H.S., 2017. Stress and individual work performance among interns in a Malaysian technical university. *Aust. Acad. Bus. Econ. Rev.*, 1: 101-119.
- Knight, W.E. and C.L. Leimer, 2010. Will IR staff stick? An exploration of institutional researcher's intention to remain in or leave their jobs. *Res. Higher Educ.*, 51: 109-131.
- Krejcie, R.V. and D.W. Morgan, 1970. Determining sample size for research activities. *Educ. Psychol. Meas.*, 30: 607-610.
- Lorenz, V.R. and E.D.B. Guirardello, 2014. The environment of professional practice and burnout in nurses in primary healthcare. *Revista Latino-Americana Enfermagem*, 22: 926-933.
- Maslach, C., M.P. Leiter and W.B. Schaufeli, 2009. Measuring Burnout. In: *The Oxford Handbook of Organizational Well-Being*, Cartwright, S. and C.L. Cooper (Eds.). Oxford University Press, Oxford UK., ISBN: 9780199211913, pp: 86-108.
- Menard, S., 1995. *Applied Logistic Regression Analysis*. Sage, Thousand Oaks, California, USA., ISBN:9780803957572, Pages: 98.
- Myers, R.H., 1990. *Classical and Modern Regression with Applications*. 2nd Edn., Duxbury, Washington.

- Pollack, J.M., E.M. Vanepps and A.F. Hayes, 2012. The moderating role of social ties on entrepreneur's depressed affect and withdrawal intentions in response to economic stress. *J. Organizational Behav.*, 33: 789-810.
- Rod, M. and N.J. Ashill, 2013. The impact of call centre stressors on inbound and outbound call-centre agent burnout. *Manag. Serv. Qual.: Int. J.*, 23: 245-264.
- Schaufeli, W.B., M.P. Leiter, C. Maslach and S.E. Jackson, 1996. The MBI General Survey. In: *Maslach Burnout Inventory Manual*, Maslach, C., S.E. Jackson and M.P. Leiter (Eds.). Consulting Psychologists Press, Palo Alto, California, USA., pp: 19-26.
- Surana, S.J. and A.K. Singh, 2012. The effect of job burnout on job outcomes among call centre customer service representatives in India. *Int. J. Intell. Enterprise*, 1: 270-289.
- Surana, S.J. and A.K. Singh, 2013. The impact of role stressors and work overload on job burnout. *Int. J. Intell. Enterp.*, 2: 64-83.
- Villanueva, D. and N. Djurkovic, 2009. Occupational stress and intention to leave among employees in small and medium enterprises. *Intl. J. Stress Manage.*, 16: 124-137.
- West, S.G., J.F. Finch and P.J. Curran, 1995. Structural Equation Models with Nonnormal Variables: Problems and Remedies. In: *Structural Equation Modeling: Concepts, Issues and Applications*, Hoyle, R.H. (Ed.). Sage Publications, Thousand Oaks, California, USA., pp: 56-75.
- Wincent, J. and D. Ortqvist, 2009. Role stress and entrepreneurship research. *Intl. Entrepreneurship Manage. J.*, 5: 1-22.