



UNIVERSITI TEKNOLOGI MARA

**EMPLOYEE ENGAGEMENT, RETENTION, LOYALTY
AND INTENTION TO LEAVE: A CASE OF
ABX EXPRESS SARAWAK**

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ABSTRACT

This study adds to the existing literatures on employee engagement, employee retention, employee loyalty and intention to leave. Furthermore, it provides valuable information to consider in business practice for the development of interventions aimed at mitigating turnover behaviour and maximising organisational outcomes through an engaged workforce. Firstly, this study assesses the level of employees' engagement, retention, loyalty and intention to leave among the employees of ABX Express Sarawak. This study also examines the relationship between employees' engagement, retention, loyalty and intention to leave among the employees of ABX Express Sarawak. In addition, this study investigates the effect of selected demographic variables on the four variables, which are employees' engagement, retention, loyalty and intention to leave among the employees of ABX Express Sarawak.

Two research instruments were used to obtain data: a questionnaire, and interview. A total of 50 completed and usable questionnaire were analysed using "Statistical Package for Social Science" (SPSS Window) Version 17.0. The tests involved are Cronbach's Alpha, Means, Standard Deviation, Pearson Correlation Coefficient Analysis, Independent Group T-test and One-way Analysis of Variance (ANOVA) with Post Hoc Comparison.

The findings of the study show that employees' engagement, retention and loyalty in ABX Express Sarawak are at moderate level of a five point scale while the intention to leave among the employees of ABX Express Sarawak is considered low. The results of the correlation analysis indicate that there is a negative relationship between the employee engagement and intention to leave and employee loyalty and intention to leave whilst for the employee retention and intention to leave, the result shows that there is a positive relationship. However, none of the relationships are significant. In determining whether the demographic factors influenced the four variables, the finding

CHAPTER 1

INTRODUCTION

This chapter provides an introduction to the applied business project. It first illustrates on an overview of the background of the study which explained the importance of employees in an organization. Then it covers the background of the company in brief and later specifies the problem statement which leads to the research objectives and research questions, scope of study, significance of study and finally the limitations that we have encountered when conducting this study. Lastly, this chapter elaborates on the organization of the study.

The workforce or labour force is a group within the organisation that is undeniably one of the most important factions that contributes to its success. A business cannot exist without financial capital, but it also can never exist without human capital (Davis, 2003). It is the employees who work for the company, performs the necessary tasks to make the company function, and are responsible for the profit and growth of the company (Ellis, 2000).

Employees can do many things during work that may disrupt or support the attempts of the company to earn profits; for instance, employees are required to submit to a list of regulations that the company designed. Next, employees' acceptance or self-application of such regulations will reflect on their performance of the company. If an employee does not abide to some of the regulations, it can cause a problem. This is one of the example why a company should always make the effort to motivate their employees. Motivating employees means empowering them to lead the company into the path of competitiveness (Bridges, 2001). Motivation or empowerment of employees is important to give the employees enough reason to stay in the company (Ellis and Lowell, 1999).

CHAPTER 2

LITERATURE REVIEW

This chapter reviews the relevant literatures related to independent and dependent variables in the present study. This chapter is organized into five (5) parts, namely, employee engagement, employee retention, employee loyalty and intention to leave and the relationship between employee engagement, retention, loyalty and intention to leave.

2.0 Review of Related Literatures

2.0.1 Employee Engagement

Employee engagement is, arguably, the most critical metric for organizations in the twenty first century. Most, if not all, of the other key measures that reflect and drive organizational performance (customer satisfaction, innovation, profitability, productivity, loyalty and quality) are products of engaged, committed employees. Employee engagement is the act of an employee being involved in, enthusiastic about, and satisfied with his or her work (Seijts et al., 2006; Harter, Schimdt, & Hayes, 2002); Harrison, 2007; Gubman, 2004).

There are multiple definitions of employee engagement found in the literature. Vazirani (2007) defines employee engagement as the level of commitment and involvement an employee has towards their organization. Kahn (1990) defines employee engagement as 'the harnessing of organization members' selves to their work roles. Schaufeli et al. (2002, p. 74) define work engagement as the "positive, fulfilling, work-related state of mind that is characterized by dynamism, commitment, and absorption."