UNIVERSITI TEKNOLOGI MARA

HRM PRACTICES AND INTENTION TO STAY: THE MODERATING ROLES OF ORGANISATIONAL JUSTICE AND GENERATIONAL DIVERSITY

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ABSTRACT

Previous studies suggested that there are many contributing factors influencing workers' turnover intention in an organisation. However, what influences their decision to remain in an organisation has always been a complex and inconclusive research topic. Grounded by Herzberg's Two Factor Theory, the Met Expectations Model, the Price and Muller's Model of Turnover, and the Job Embeddedness Theory, combined with the Expectancy Theory Model, the Organisational Justice Theory and the Generational Theory, this study proposed a framework linking Human Resources Management (HRM) practices, organisational justice, generational diversity, and intention to stay. The need to analyse the factors affecting employees' intention to stay, especially of the non-academic staff in Malaysian Private Higher Learning Institutions (PHLIs) is pertinent because the findings would be able to assist the universities to have better insights on what they should do to retain their competent workforce. In general, this study aims to examine the relationship between HRM practices and the intention to stay of non-academic staff within the context of Malaysian PHLIs. The effect of organisational justice was also studied to understand how the elements of fairness and justice influences the intention to stay of the non-academic staff. Subsequently, due to the diversity of the workforce that comes from different generational cohorts, this study also studied the effect of generational diversity in influencing the intention to stay of the non-academic staff. Data for this study were gathered through survey questionnaires and this study specifically examines the perceptions of the non-academic staff from the professional and management group of four selected Government Linked Universities (GLUs). The study found that Training and Performance Appraisal are two HRM practices most influential in determining the intention to stay of the non-academic staff. The results also suggested that two organisational justice dimensions, namely Justice – Management Practice, and Distributive Justice - Reward are important moderators, which have significant influences on the intention to stay of non-academic staff. In contrast, generational diversity was found to have no specific effect in influencing the non-academic staff intention to stay. This study hopes that the findings will be able to assist the management in PHLIs to manage their diverse workforce towards achieving the aspirations of Malaysia's National Transformation 2050 (TN50). Finally, this research initiative can also help support one of the 12 National Key Economic Areas (NKEAs) initiatives, which is, transforming education as the engine of growth.

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CHAPTER ONE
INTRODUCTION

1.1   Research Background

Today's business world is very competitive and the uncertainties in the current economic scenario have always made business owners more cautious in making their business decisions. These current economic scenarios have caused companies to face severe competitive pressures and rapidly changing market demands. Most of these changes involve new trends or technologies and these are among the factors that make business organisations seek ways to become more flexible, adaptive, and competitive (Long, Ajagbe, & Kowang, 2014). The way how companies design, organise and manage their work to face these current changes will not be the same as they will need to take into account the size of their companies or the kind of culture in which their organisations are operating (Renaud, Morin, Saulquin, & Abraham, 2015). However, in the midst of all these innovations, organisations are discovering or in some instances, rediscovering that people are their most important asset because, without them, organisations will not be able to perform their functions to the fullest (Certo & Certo, 2006).

A competent workforce is the backbone to the success of an organisation (Ghosh, Satyawadi, Prasad Joshi, & Shadman, 2013). In facing the increasing global competition, organisations are continuously looking for new sources of competitive advantage, which highly depend on the efficiency of the organisations in managing their employees (DeNisi, Wilson, & Biteman, 2014). Recruiting suitable and highly motivated staff, as well as being able to retain them is the key to business success (Kotler, 2003). McShane and Von Glinow (2008) in addressing similar issues, highlighted that a reputable company may not face any problems to employ qualified applicants. However, retaining them is the most challenging task to the company.

According to Certo and Certo (2006), when employees perceive that they have been mistreated by their employer, normally they will retaliate in all kinds of ways to show their protest. Among the immediate actions taken by employees are disappearing from office or quitting the organisation and these are a very costly affairs to the organisation. When employees quit an organisation, they will take along their