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Title of Proposal:

*The Influence of Job Satisfaction on Turnover Intentions within the
Sarawak's Hotel Industry*

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ABSTRACT

In Malaysia, issue of turnover is not a new issue where people still have a conservative mindset in choosing job and leaving their job and it is believed that, this issue exists in almost all firm or organization in Malaysia. This issue is unavoidable due to culture, norms and environmental, includes inside and outside, of one organization. The two objectives of this study are: first, to examine the relationships between job satisfaction components (intrinsic and extrinsic) and turnover intentions, and second, to examine which element of job satisfaction affect the most. Statistical analyses on a sample of 105 hotel employees working on the Kuching's city, Sarawak, Malaysia revealed that the extrinsic satisfaction had an important impact on turnover intention whereas intrinsic satisfaction had a relationship with one's intention to leave. Implications for managerial practices and future research are discussed.

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Chapter 1: INTRODUCTION

1.1 Introduction

Tourism industry represents an important segment of the Malaysian economy by virtue of the amount of receipts collected from its activities. For example, the tourism-related receipts have risen from RM 8.5 billion in 1998 to RM 26.2 billion in 2002 (Ministry of Finance, 2002). The contribution made by the tourism sector in terms of foreign exchange earnings has also improved from being in the sixth position in 1989 to the fourth position in 2003 behind manufacturing, crude petroleum, and palm oil (BNM, 2003). The growth of tourism in Malaysia has largely been attributed to the development of the hotel industry.

Although there were only about 49,874 hotel rooms in 1991, this number has increased to 120,000 rooms in 2001 involving a total of 79,780 employees (MTPB, 2002). Similarly, the contribution made by the hotel sector to the nation's GDP is substantial. In 2003, of the 56.7 percent contribution made by the services sector, the hotel industry contributed about 14.6 percent (Ministry of Finance, 2004). Being labor-intensive, the survival and success of service-oriented organizations like hotels, will depend on the caliber of its human resources. According to LaLopa (1997), the quality of people producing and delivering the services would subsequently influence customers' evaluation of service quality.

Chapter 2: LITERATURE REVIEW

2.1 Intention to Turnover

Intention to turnover refers to an individual's perceived probability of staying or leaving an employing organization (Cotton & Tuttle, 1986). Similarly, Hom and Griffeth (1991) defined turnover intentions as the strength of an individual's intent toward voluntary permanent withdrawal from the organization. Tett and Meyer (1993), on the other hand, referred to turnover intentions as a conscious and deliberate willfulness to leave the organization. Such intentions are typically measured along a subjective-probability dimension that associated a person to a certain action within a specific time interval.

Studies on turnover have demonstrated that turnover intention is the best immediate predictor of voluntary turnover (Griffeth, Hom, & Gaetner, 2000; Price, 2001). Equally consistent is the finding that turnover intention is the strongest precursor of turnover (Allen et al., 2003; Lum, Kervin, Clark, Reid, & Sirola, 1998). Hence, the utilization of the turnover intention construct in explaining actual turnover is deemed appropriate.

Costs

When accounting for the costs (both real costs, such as time taken to select and recruit a replacement, and also opportunity costs, such as lost productivity), the cost of employee turnover to for-profit organizations has been estimated to be up to 150% of the employees' remuneration package (Schlesinger and Heskett, 1991).