

The Relationship between Organizational Commitment and Turnover Intention among Employees at a Manufacturing Company in Malaysia

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Abstract

Retaining employees is an important task to all organization. Therefore, turnover should be reduced as it caused high cost on the company. In order to reduce the turnover rate, the turnover intention of the employees should be known because it is the predictor of the actual turnover action. Organizational commitment is viewed as one of the important factors to retain employees in organization. Thus, the main purpose of this study is to determine the relationship between organizational commitment and turnover intention among 127 employees in a manufacturing company in Malaysia. The Statistical Package for Social Science (SPSS) version 20.0 was used to analyze the data. The findings show moderate level of employees' commitments and turnover intention. Meanwhile, the correlation between employees' organizational commitment and turnover intention is found to be negative and strong with significant relationship with $r = -0.921$. In short, an empirical investigation was conducted to study the relationship between employees' organizational commitment and turnover intention in a Malaysian manufacturing company. The results showed that there are negative as well as significant relationships between affective commitment, continuance commitment, normative commitment, and turnover intention.

Key Words: Organizational Commitment, Turnover Intention.

1. Introduction

Organizational commitment has become an essential topic in the business field [1]. Organizational commitment is a strong indicator and it can predict turnover intention of employees in an organization [2]. The whole progression of work will be delayed and the stability in offering services to customers will be varied if an important employee quit the company in the middle of an urgent task [3]. The turnover rate in general industry in Malaysia has risen to 13.2% in the year 2013, compared to 12.3% in the year 2012 [4]. The sector that experienced the highest turnover of staff in 2013 is manufacturing that shows 24% turnover rate [4]. In order to overcome the problem of turnover intention, a company should make sure that the employees are attached to the workplace. The success of a workplace does not only depend on how the company develops its employees and capabilities but also on how the employers stimulate employees' commitment to the organization [5].