

**WORKFORCE RETENTION IN SMALL BUSINESS: A
CASE STUDY OF SITI FESYEN, TUMPAT,
KELANTAN**

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UNIVERSITI

MALAYSIA

MASTER OF BUSINESS ADMINISTRATION

2017



Workforce Retention in Small Business: A Case Study of Siti Fesyen, Tumpat, Kelantan

by

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A report submitted in fulfillment of the requirement for the Master of
Business Administration (MBA)

Malaysian Graduate School of Entrepreneurship & Business

UNIVERSITI MALAYSIA KELANTAN

2017

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DEDICATION

I dedicate this paper to my beloved mother, Rahimah Binti Jusoh, and my father, Mohamed Ariff Bin Mahmood. I thank you both for your unending support, love, and affection have given me strength to remain steady throughout the process of completing this dissertation. I would also like to express gratitude to my mother-in-law, Siti Meriam Binti Sidek, who made this possible with her willingness to share her experience as the founder of Siti Fesyen.

Another person that I would like to dedicate this paper to is my husband, Shamsul Fazily Bin Awang. Thank you very much for being there when I needed you. Also, thanks to my children; Deena Sophia Binti Shamsul Fazily, Muhammad Danni Miqhail Bin Shamsul Fazily, Damia Sarra Binti Shamsul Fazily, and Muhammad Damien Muslim Bin Shamsul Fazily.

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ACKNOWLEDGMENTS

There are countless people I would like to acknowledge for their help in completing this dissertation. To my supervisor, Dr. Muhamad Saufi Bin Che Rusuli, I would like to thank him for all of his advices and wise guidance. His support made the process smoother and gave me the motivation to continue with the work until completion.

I would also like to express my gratitude to Dr. Anis Amira Binti Ab Rahman who was the lecturer for my Case Analysis subject. She gave me the knowledge and skills that I needed to finish this paper. Another person that I would like to thank is the current owner of Siti Fesyen, my sister-in-law, Roselina Binti Awang, for her agreement to give her cooperation and thoughts in this study. She gave the permission to interview her employees and has enabled me to acquire valuable data to be used in the study. I am also grateful to the current employees and the former employees who participated in the interviews.

I am also thankful to my husband and children for their understanding and support through the whole experience. To my sisters, Irfah Raihani Binti Mohamed Ariff and Fatan Sarira Binti Mohamed Ariff, I want to thank them for all of their help towards completing this paper. Lastly, I am also grateful to my friends, colleagues, and lecturers who offered their assistance, advice, and support without fail.

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LIST OF ABBREVIATIONS

EPF	: Employees Provident Fund
HR	: Human resources
HRM	: Human Resources Management
IKM	: Institut Kemahiran MARA
ILP	: Institut Latihan Perindustrian
JD-R	: Job-Demands-Resources (model)
LFPR	: Labour Force Participation Rate
SHRM	: Society for Human Resource Management
SME	: Small Medium Enterprise
SOCSSO	: Social Security Organization
SPM	: Sijil Pelajaran Malaysia
SSM	: Suruhanjaya Syarikat Malaysia
SWOT	: Strengths, Weaknesses, Opportunities and Threats (analysis)

ABSTRACT

Workforce retention meant a great deal to labour- intensive organization and businesses. Job satisfaction is cited to be positively related to workforce retention and plays an important role in ensuring that the workers stay in the organizations and in curbing turnover from occurring. There are elements and factors that will affect the job satisfaction and dissatisfaction. Ability to retain workers meant ability to manage your resources and cost. This paper looks into the factors and elements that affect the workers satisfaction and in turn their turnover and retention at Siti Fesyen. The data and information was collected using the interview and observation methods. The interviews were conducted with the founder, owner and a few workers, current and former workers of Siti Fesyen. The purpose of the interviews being to gather information on the business, the issues faced by the business and the workers, the engagement and satisfaction factors of the workers, the intention to leave, the reasons behind the turnover, and et cetera. The data and information gathered was then simplified, improved, analysed, discussed and interpreted to come up with the workers' turnover rate and also retention rate. From the formula, the turnover rate of Siti Fesyen was 20%, higher than the 2013 national average of 13.2%, with the retention rate of 67%. Thus, the study helps to identify and discuss the factors and elements that relates to the workers intention to leave and recommend the measure to be taken to mitigate the risks and overcome the issues. The study also concluded that there is a positive relationship between workers satisfaction to workers retention or turnover.

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CHAPTER 1

INTRODUCTION

1.1 Overview

Retention of workforce is important to businesses in order for them to remain competitive. It is a blend of art and science and easier said than done. While large businesses have Human Resources (HR) to handle the recruitment and retention, small businesses do not have the same management capability, especially in terms of human resources, and this, in turn, adversely affect the growth of small businesses (Scase & Goffee, 1985). This case study looks into the challenges faced by small business owner i.e. Siti Fesyen in retaining their workforce. Workers retention is the opposite of workers turnover and it is not a passive move, so employers should be more proactive in their approach. Tharpe-Barrie (2017) cited that the staff retention was one of the main issues that is affecting their nursing organization and currently they are looking at providing programs to encourage healthy environment that valued workers and gave them satisfaction in their job. Employers that face problem in retaining workers will then be faced with recruiting new workers which will cost them money and many man hours. Successful recruiting requires preparation, focus, and the ability to distinguish the potential workers for hiring. Employers must have a good understanding on the ins and the outs of what leads to successful recruiting. It is one main reason why employers must play their parts and ensure that the talent stay in their employment and contribute to the success of the

business (Hassan, 2016). Hiring an unsuitable employee may result in loss of time and money as well as lowering the team morale (Bauer, 2016). Time had changed the operating culture of organisations, and currently the recruitment situation is in the stage of “war for talent” (Bartlett & Ghoshal, 2002), where the employers compete to attract skilled and talented people to work for them, and then make an effort to retain the workers' loyalty. Employers base their hiring activities on three human resource strategies of attraction, motivation, and retention to gain competitive advantage (Jensen, 2005).

A solid salary offer is one of the cornerstones of recruiting basics. But contrary to popular belief, job candidates do not always make their final decision based on the wages or salary offered. Aside from this, other factors like flexible work hours, being able to make a difference, having challenging work, and working from home are also some of the top considerations for a job (Thompson, Payne, & Taylor, 2015). In short, employees are looking at job satisfaction. As small businesses have limited resources to pay workers, this can be an advantage over larger companies offering a bigger income. Thus, employers have to think of a winning strategy to recruit new workers and retain them in their employment. Once the recruiting process is completed, you need to start working on keeping the worker. Retention starts from the moment you hire the worker. An employer must show their workers that they are appreciated from day one and provide them with the tools and opportunity they need to advance and grow (Aamodt, 2010).

Recruiting workers become a necessity when the business grows and also whenever there is turnover in the current workforce (Dwertmann & Kunz, 2011). Growing businesses will need more workers to cater to higher production especially in

labour intensive businesses where the sustainment and development of the business mostly depends on the employees. One of the top causes that negatively affect workers' productivity and morale is the turnover rate of the company (Abbasi & Hollman, 2000). Employers have started to stop treating workers as a cost and instead, they began to consider workers as valuable resources to be developed, and this drive to retain employees has become quite critical in this strategic repositioning (Taplin, Winterton, & Winterton, 2003).

Basically, employers have to develop a very attractive job package to attract new workers and keep them engaged to their job. Hence, the business owners must have the capability to prepare a very sound strategic approach to recruiting and retaining workers.

1.2 Case Background

The case study was carried out at a boutique, Siti Fesyen, located at No. 110A, Chabang Empat, 16210 Tumpat, Kelantan. It is a single storey shop building attached to a row of shop houses which houses the showroom and also the workshop. The front view of the shop is shown in Fig 1.1 below:



Figure 1.1: Siti Fesyen Boutique at Tumpat, Kelantan

1.2.1 The Background of Siti Fesyen

Siti Fesyen was started by its founder, Pn Hajah Meriam binti Sidek, 34 years ago in 1983 and four years ago in 2013, it was handed over to her daughter, Pn Roselina binti Awang. At that time, Pn Hajah Meriam was already 70 years old and Pn Roselina was 49 years old.

Both of them only have the minimum academic qualification with Pn Hajah Meriam only completed Standard 5 and Pn Roselina with SPM, but they still radiate a certain level of business acumen, no doubt coming from their vast experience in their field, over 30 and 20 years each. They spoke passionately of their business showing that

their interest was personal and exclusive. Although they may not have the formal education in running a business, but they actually have the basic grasp of what are needed to be successful.

1.2.2 History of the Company

“I had spent the best of my life building up Siti Fesyen. It started with a small shop where, besides taking orders for tailor made dresses, I also sold newspaper, books, cassettes, and clothes. I named it Siti Aneka. It was in 1983.” The founder, Pn Hjh Meriam binti Sidek (73 years) reminisced. When the business was first started, Pn Hjh Meriam solely managed and operated it. A year later, she started to hire workers as she cannot cope with the increasing demand. She started by hiring four (4) workers from Thailand as they were skilled workers and can work with minimal supervision. “People started coming and I could not cope, I had to hire workers to help me. It was a new experience for me but I thrived on it. From then on, I focused on the tailoring and selling clothes. 34 years later, the business is not only known in Tumpat, my hometown, but nationwide. I have customers from all over Malaysia; walk in customers and customers from afar, they sent their measurement and clothes over and we do the rest.”

1.2.3 Organisation Chart

The business now has nine (9) workers in the boutique itself, excluding the clerk and another ten (10) are working from homes. From the 19 production workers, 2 are cutters, 6 are embroiderers, and 11 are tailors. Pn Roselina also does the cutting for the more complicated designs ordered by their customers. These numbers are about 35% less from their normal number of 30 workers. The lower numbers affect their production. Currently, the quantity produced is lesser and although they are able to maintain the high quality, they also have to reject a lot of orders due to insufficient workforce. Below is the Siti Fesyen organisation chart, a simple and straightforward structure:

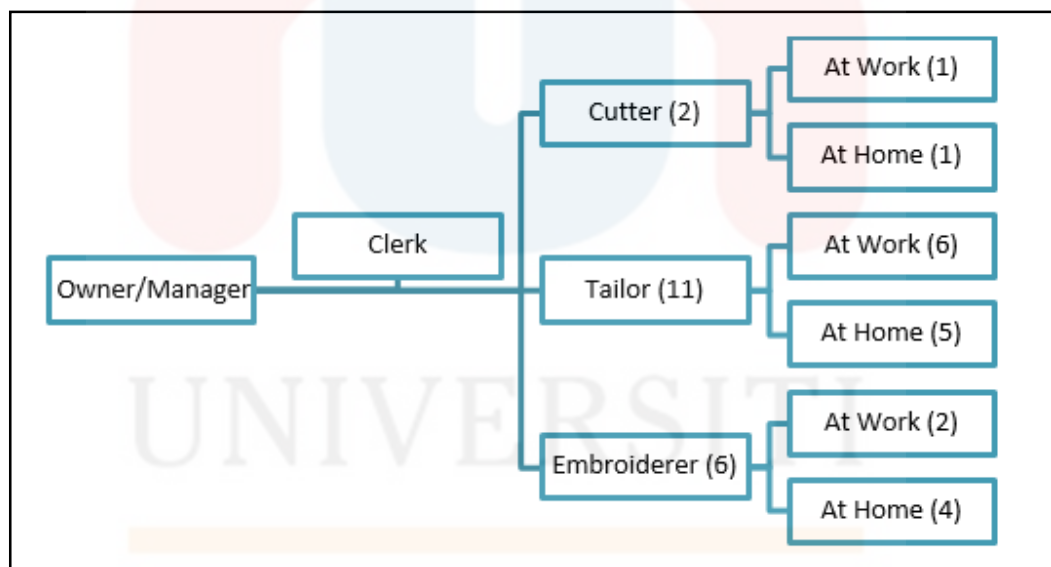


Figure 1.2: Siti Fesyen Organisation Chart

The reduced number of workers is due to the high turnover rate when the younger workers leave. Siti Fesyen is currently looking for more skilled workers and for ways to retain the existing workforce.

1.2.4 Nature of Business

The boutique, Siti Fesyen is well-known among the traditional dress enthusiast and fashion lovers. It specialises in tailor-made traditional dresses such as “baju kurung”, “baju mini kurung”, “baju kebaya”, maxi dress, “jubah”, and wedding dresses. Siti Fesyen also sells unmade clothes, but their specialty or expertise is actually in the personalised embroidery which is personally designed by the current owner/manager, Pn Roselina. The designs are unique and exclusive as it is created to suit the fashion and motives of the clothes. “I love watching people wearing beautiful dresses and I love it more if it is designed by me...” Pn Roselina said, smiling. Their customer base covers the whole of Peninsular Malaysia, Sabah/Sarawak, and also Brunei Darussalam.



Figure 1.3: Products of Siti Fesyen

1.2.5 Suppliers and Customers of Siti Fesyen

The owner/manager, Pn Roselina, sources out the clothes that they sell and use at the boutique, and the suppliers for threads, needles, and other items are local suppliers that have been in business with them for more than ten (10) years. All transactions are done on a cash basis. Siti Fesyen has its own set of loyal clientele that span the whole of Peninsular Malaysia, Sabah, Sarawak, and Brunei as well as from Thailand. Siti Fesyen only caters to retail customers, for locals mostly walk-in as existing and new customers. As for outstation customers, the business is conducted via telephone, messages, and courier services. For outstation clients, the payments are made online and products are only couriered upon confirmed payment.

1.2.6 Financial Performance

Pn Roselina, the owner/manager, was reluctant to disclose any financial information and only reiterated that they are doing well. She claimed that the business is run mostly on a cash basis and Siti Fesyen currently has no debt obligation and strong cash flow.

1.2.7 Siti Fesyen's Operation

Pn Roselina is hands-on with the daily operation and the running of the business. She oversees the daily works and between managing the boutique, she also designs and cuts the clothes. The boutique is divided into 2 main areas; the front of the shop is used as the

showroom where they display the finished products and also the unmade clothes for sale. The backroom is used as a workshop where the workers do their work i.e. cutting clothes, sewing, and embroidering. They have four (4) embroidery machines, eight (8) sewing machines, and 2 edge sewing machines in the workshop. Siti Fesyen also provides the equipment for their offsite workers to work. Currently, they have five (5) sewing machines and four (4) embroidery machines offsite.

The machines need regular maintenance and Siti Fesyen has an understanding with a local technician cum their threads supplier to be on-call as well as doing the regular servicing. So far, the arrangement works for both parties.

Siti Fesyen has established an effective and efficient workflow for the business, starting with the orders for dress and ending with quality check and collection/payment by the customers. The work itself is very systematic, with the standard way of recording, stocking, queuing, cutting, sewing, embroidering, and quality check. The workers are specialised and each do their work and follow the assigned workflow. The collection is handled discreetly and no dresses are allowed out of the premises before the bill is settled. This system comes into the picture when they discovered that some customers are reluctant or delay to pay after collecting their dresses, thus effectively curbing potential losses via bad debts.

The process flow will be personally monitored by Pn Roselina and she will choose the pattern and design of any embroidery work, beading, or crystal pasting based on the consultation made with the clients at the point of ordering. Sometimes, she will design a

new pattern or design if the available existing pattern or design is not suitable or the clients request as such. She will also do the final quality check after the clerk does the basic check before the finished goods are considered ready for collection or delivery.



Figure 1.4: Production Flow

They talk about motivation to their workers and automatically, it came to mind that even though they do not actually learn about the motivation theories of Marslow or Hertzberg, but their understanding on the importance of motivation to their workers reflect the meanings behind both theories. When Pn Roselina talked about giving the basic wage to the senior workers of more than 10 years with them, and about giving them other benefits such as insurance and other perks like flexitime and soft loans, as well as about

giving them assistance during their hard times, she is actually talking about the motivators and the factors that create satisfaction to these workers.

When she talked about capturing the ready markets that they are unable to do due to their limited capacity, how to increase the capacity, and what is the main ingredient for her business to achieve higher productivity, it showed an in-depth knowledge of the business she is running. She always gives back to the workers, understanding that in her business, which is labour intensive, the workers play an important part for her to sustain and grow her business. She had, without actually realising it, done the SWOT Analysis for her business. It may not have been comprehensive, but she basically covered all the pertinent areas such as the business's internal strength and weaknesses, and the potential opportunities and thread in the area of marketing, production, workforce, products, and finance.



Figure 1.5: Showroom of Siti Fesyen



Figure 1.6: Workshop of Siti Fesyen

1.3 Problem Statement

This case study looks into the challenges faced by Siti Fesyen in retaining its workforce. The interviews with Pn Roselina revealed that they are currently short on workers. She said that last year, in 2016, four (4) workers had resigned and until last December of 2016, she only managed to keep one worker that stays on for more than 2 months. A few applied for the work but left after one month or less. The reasons given for resigning vary from getting other jobs with fixed salaries, personal problems, and not happy with the current job. Getting a new worker always means spending more time and resources for training and monitoring which seems as a complete waste if the workers leave after they have acquired the necessary skills (Fitz-enz, 1997). It is said that financial success can be achieved by attracting and retaining key talent (Raikes & Vernier, 2004). Turnover has

the impact to cost an organisation, directly and indirectly, anywhere between 50% and 150% of an annual salary (Mercer, 2004). The direct cost of recruitment, selection, and training of new staff takes away resources and precious time. According to Loquercio (2005), the indirect costs are substantial and they include:

- The impact of role overload and open vacancies on staff morale.
- Initial inefficiency, mistakes, and short productive time incurred by frequent staff rotation
- Loss of knowledge, especially informally captured knowledge and the negative impact on the continuity of programmes.

Shortage of workforce makes it necessary for fresh recruitment and the more frequent the turnover that occurs, the more the employer has to spend on resources to look for new recruits and most importantly, to train them. Being a small business in a highly labour intensive industry, worker turnover can badly affect the business operations as the production is highly dependent on the workers. Turnover is an issue because lost or separated workers need to be immediately replaced, if possible, with a skilled worker that needs minimum training and supervision. In order for organization to replace workers that left means that you must go through another recruitment process, conduct interviews, training and orientation, all of which cost money. The high turnover rate translates into low retention rate which causes loss of income. In other words, organisations that manage to keep turnover rates low and retention rates high compared to industry averages can acquire an added advantage in terms of cost relative to other businesses with higher

turnover rates and lower retention rates. According to Syptak, Marshland, and Ulmer (1999), organisations should consult salary surveys so that they may discover whether what the company is offering can be competitive against other companies in the same area or industry. Furthermore, they have to "have clear policies related to salaries, raises, and bonuses" (Syptak et al., 1999).

Further to that, Pn Roselina is currently bogged down with the day-to-day running of the business and finds that besides putting up a signboard with "Tailors Wanted", she has little time to devote to actually look for the new workers. Previously, Pn Hajah Meriam will do the scouting and hiring as she had Pn Roselina to help manage the boutique when she was not around. Pn Roselina, having only a clerk with limited skills and experience, does not have the same luxury and has to rely on the signboard and word of mouth of her existing workers. For now, it seems that it is not enough to get new workers. The business will have to expect lower productivity until the newly employed worker is fully trained and ready face their tasks.

At present, Siti Fesyen is also having problem with their offsite tailors. They are unable to directly monitor the quality produced and thus can only check when the tailors come to return the completed dresses and take new batches to complete. Most of the offsite tailors only come in every two weeks to return the completed dresses and take new batches. At this point, any amendments needed to be done will have to wait until the tailors take back the dresses and will only return them at a later point of time, resulting in time lapse and their turnaround time will suffer. Complaints from customers are imminent in these delayed cases.

They also have discipline problems, especially in the issue of tardiness. The issue has been in existence for so long that it has become part and parcel of the business. Despite various reminders and face to face reprimands, the workers have not really taken the issue seriously. They just take leave whenever there are any “kenduri” or family events, sometimes without informing the owner/manager. It seems that since their pay is based on contract basis, they think it is their prerogative to take leave whenever it suits them. This basically disrupts the work and the process flow in the workshop.

Basically, Siti Fesyen has to start attacking their hiring and retaining workers issue or sustaining their business will be a chore and growing it further will likely be an impossible dream. As an employer, Siti Fesyen needs to dig the reasons for workers leaving and try to curb it upfront.

1.4 Case Study Objective

This case study was undertaken with the following objectives:

- i. The study attempts to identify the factors that affect turnover among the workers.
- ii. The study attempts to identify the challenges faced by Siti Fesyen in retaining their workforce.
- iii. The study attempts to identify the influence of job satisfaction among the workers.

1.5 Importance of Case Study

The study focuses on a few particular interest:

- i. The study will provide an overview and guide to the business and other small business involved directly or indirectly in efforts to develop the basic required human resource skill for them to improve the management of their human capital that may improve their retention of workers, especially in the labour intensive industry. The result of this study is expected to encourage more studies in the importance associated between workers satisfaction, engagement, recruitment, and retention in labour intensive small businesses.
- ii. This study is important to the business owner/manager to identify the challenges faced and the function of a manager to curb and improve the turnover whilst retaining the existing workforce. The owner/manager is also given a brief on the theory adaptation that they may input in their business operation such as Herzberg's Two Factor Theory, Theory of Employee Engagement, as well as Marslow's Theory of Motivation. Information of this study will also assist the owner/manager develop their managerial and human resource skill, optimizing their cost and improve the productivity of the business.

Thus, it is important to identify the overall strength of the business which is its human capital, the factors that contribute to their satisfaction, and retaining them in the employment. The factors and measures that the employer may adopt and implement will

be revealed to improve the workers satisfaction and improve the business attractiveness in the job market to attract new hires.

1.6 Limitations of Case Study

There are a few limitations in undertaking this study. The limitations being the knowledge and experience required to successfully carry out the study itself, experience to handle the interviews with the business owner/manager, workers and ex-workers that needs the sensitivity and delicate probing skills, the reliability and accuracy of the information and data collected during interviews, and etc. Firstly, the interview respondents comprise of the owner/manager of Siti Fesyen, the founder of Siti Fesyen, three (3) ex-workers and three (3) current workers. Secondly, this study is not a generalisation of all small businesses. Thirdly, the outcome and result of this study is highly dependent on the accuracy and reliability of the information gathered during the interviews. The information and data gathered may also be subjected to misinterpretation by the student or researcher herself. The result however, cannot be used as a basis to generalise and represent the context in the industry or in Malaysia itself as it is an isolated case study. Still, the findings and conclusions can be used as a reference to small businesses in handling the challenges of retaining their workers and improving their human resources management.

1.7 Conceptual Framework

The study seeks to investigate the interrelationship between job satisfaction and employee retention by conducting a research based on how the factors in job satisfaction affect the retention of workers in Siti Fesyen. To illustrate, the study tries to figure how the factors in job satisfaction aligns to employees retention and reduce turnover. In short, the proposed framework suggests how these factors can be linked together in reaching a conclusion of becoming significant factors of an employee's retention with a firm.

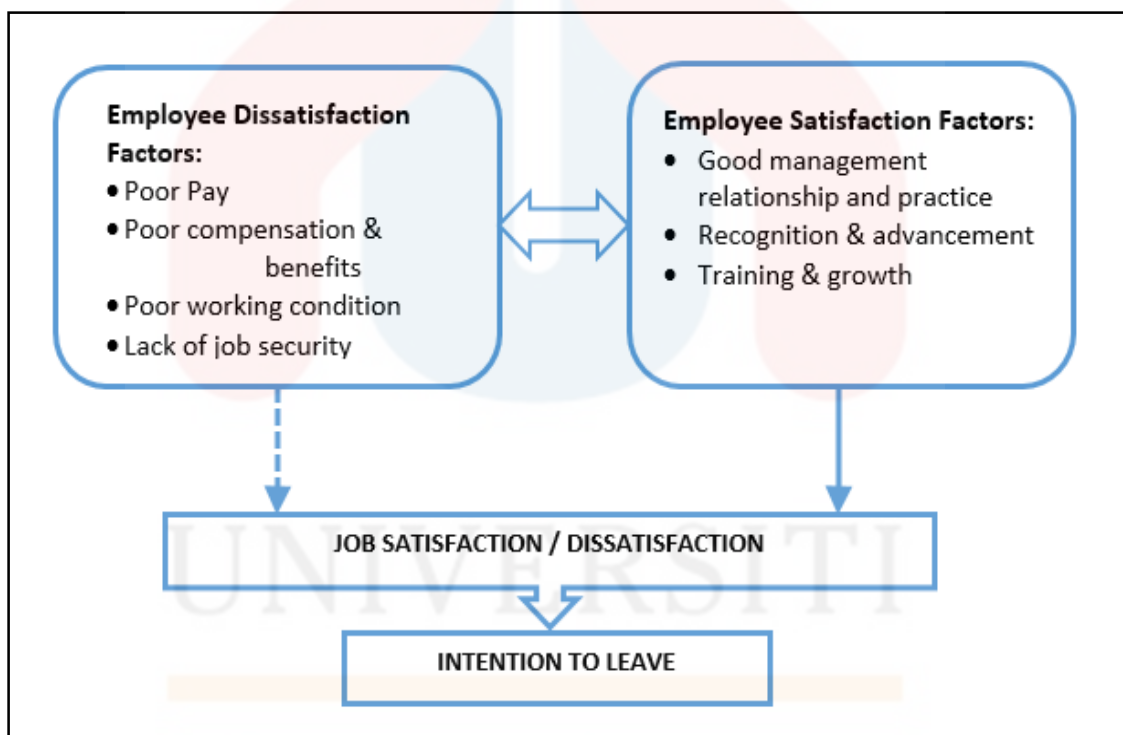


Figure 1.7: Proposed Framework Model

Based on the above conceptual framework, the factors for employee dissatisfaction will lead to workers dissatisfaction but if countered will not ensure that the

workers will be satisfied with their job. However, the factors in employee satisfaction if available will ensure an increase in the workers job satisfaction.



Figure 1.8: The Conceptual Framework of Human Capital Theory
(Becker, DeGroot, & Marschak 1964; Tsang, Rumberger, & Levine, 1991)

Based on the conceptual framework of human capital theory (Becker et al, 1964; Tsang et al, 1991), resources must be developed internally only when there is certain benefits in terms of future productivity when investing in workers' skills. According to this study, the three variables controlled by the human resources practices or HRM practices; supervision, job training, and pay practices can enhance job satisfaction while also, decreasing the turnover rate. Additionally, there are certain findings in this study that uses the efficiency wage theories in explaining the pay practice and turnover. By utilizing these theories, it can be concluded that a higher wage reduces turnover. In short, pay practice has negatively correlated with turnover. Aside from that, there is the Frederick Herzberg's theory from the 1950's stating that job satisfaction depends hygiene issue and motivators. According to him, hygiene issues does not help motivate workers but, if handled properly, can decrease job dissatisfaction. There are two variables employed in the study of the hygiene issue: supervision and pay practice. The HRM

defines supervision as the ability to monitor behaviours such as insensitivity to others, inability to be a team player, arrogance, poor conflict-management skills, inability to meet business objectives, and inability to adapt during a change transition (Noe, 2005). In any organisation, the HRM should practise using psychologists to search for the most suitable person to be appointed as the supervisor. The right person cannot be just any good employee as the supervisory position requires certain special qualities. Being a supervisor is not easy, and in fact, it is extremely difficult. The job calls for leadership skills and the ability to handle workers even-handedly. Furthermore, they need to be able to constantly have a positive feedback to give and establish a way to evaluate employees. This is important as each worker will not feel singled out or turned over.

1.8 Definition of Terms

1.8.1 Workers/Employees Retention

According to the Business Dictionary, employee retention refers to “an effort by a business to maintain a working environment which supports current staff in remaining with the company”. These employee retention policies are aimed to tackle the different needs of employees to achieve satisfaction at their jobs and minimise the significant costs involved in recruiting and training new staff.

In any organization, employee retention is determined by the policies and practices that are in use to retain workers longer. Each company will spend a lot of time and money during the recruitment process to make the trainee corporate ready and bring

him or her up to par with the current workers. Employees who leave their job once they are fully trained are bad for the company. This is why it is crucial to take into account the various measures that need to be taken in order to ensure that the hired worker stays in the organisation for the longest amount of time. Businesses can improve their key processes and conditions to reduce turnover rate. Their ultimate objective is to have workers who enjoy their jobs and are loyal to the company and in turn, will actively want to stay with the organisation.

It is important to begin by measuring the central factors that affect employee retention. These factors include employee engagement, salary expectations, perception of working environment, and perception of managerial ability. As soon as the measurements are done and the reasons for workers moving on have been identified, more actions can be taken to lower the turnover rates. The attrition rate is contributed by employees leaving the company and not having the positions immediately filled by other workers, and this will chronically reduce the workforce numbers.

The strategies to retain workers are important as they can help to motivate them to stay with the companies for the maximum length of time and contribute to the success of the business. There are ways that can ensure the healthy growth of the employees in their present positions so that they enjoy the work that they do. It is a major concern for employers to be aware of the current issue with employee retention. It is a fact that individuals who have already been trained tend to move on to another company to chase better benefits and prospects. Factors such as better remunerations, schedules, environments, and growth opportunities are some of the reasons for leaving. If an

occasion of a valued employee wanting to leave ever arise, it is the duty of the HRM to uncover the factors that contribute to the decision.

It is essential for an organisation to emphasize on the needs to retain valuable employees. A few of the reason are due to the following factors:

- Hiring new personnel is not a simple process: To recruit a suitable candidate for a position will take a long time and process, and it is such a waste if the employee ends up leaving.
- Time and money is necessary to train a new worker for their role in the corporation: The trainee will need a comprehensive training for their overall development. To have expended the effort and then still have the employee leaving at the end is such a waste of time and money as the process will have to be repeated again for the same position.
- It is more than likely that the employee who resigned will most probably join the competitors in the same market: These individuals will leave with the knowledge gained from the previous companies such as their strategies and policies. That is why it is important to set up a policy that prevents separated workers from hiring on with the competition. It is also a good way to retain the workers.
- When employees have been working for a longer time at an organisation, they will be more familiar with the policies and guidelines, so they adapt better: Compared to people who frequently change employment, these

individuals spend an inordinate time just getting well-versed with ins and outs of the company, so they will be more loyal and have more to contribute to the business. On top of that, they usually get more benefits which will definitely influence them to be more attached and favourable towards the organisation.

- It takes time for individuals to be comfortable with one another: To be able to be friendly and to trust team members will take time. It is a good idea for employees to be compatible to work together so that they may be able to have discussions amongst themselves in order to achieve something beneficial for the whole team. As it is hard to accept newcomers, it is good to avoid losing a worker as conflicts and frictions are bound to happen when new employees are hired.
- Retaining talented employees with great potential is an important strategy by the company: All companies will greatly benefit from having diligent and skilful workers with bright and original ideas. If every skilled employee leaves, it will definitely be bad for the organisation. Hence, all organisations should work to keep all of their valuable employees.

It is essential that HRM can differentiate between a valuable worker and not. Numerous methods must be used to ensure the happiness and satisfaction of an employee so that they do not look for a better prospect.

1.8.2 Small Business

The definition of a small business is, “an independently owned and operated company or business that is limited in size and in revenue depending on the industry with relatively small turnover and staff numbers, typically seen as constituting part of a specific commercial or economic sector”. The definition of small business in different countries varies in terms of annual turnover, number of employees, total value of assets, etc. As for Malaysia, with all sorts of developments in the economy since 2005 such as price inflation, structural changes, and change in business trends, the definition was reviewed in 2013 and a new Small Medium Enterprise (SME) definition was endorsed in July 2013. This definition covers all sectors, namely services, manufacturing, agriculture, construction, and mining and quarrying.

The two criteria used in determining the definition with the “OR” basis are sales turnover and number of full-time employees as follows:

- For the manufacturing sector, SMEs are defined as firms with sales turnover not exceeding RM50 million OR number of full-time employees not exceeding 200.
- For the services and other sectors, SMEs are defined as firms with sales turnover not exceeding RM20 million OR number of full-time employees not exceeding 75.

Detailed definition of category, namely micro, small, and medium is as follows:

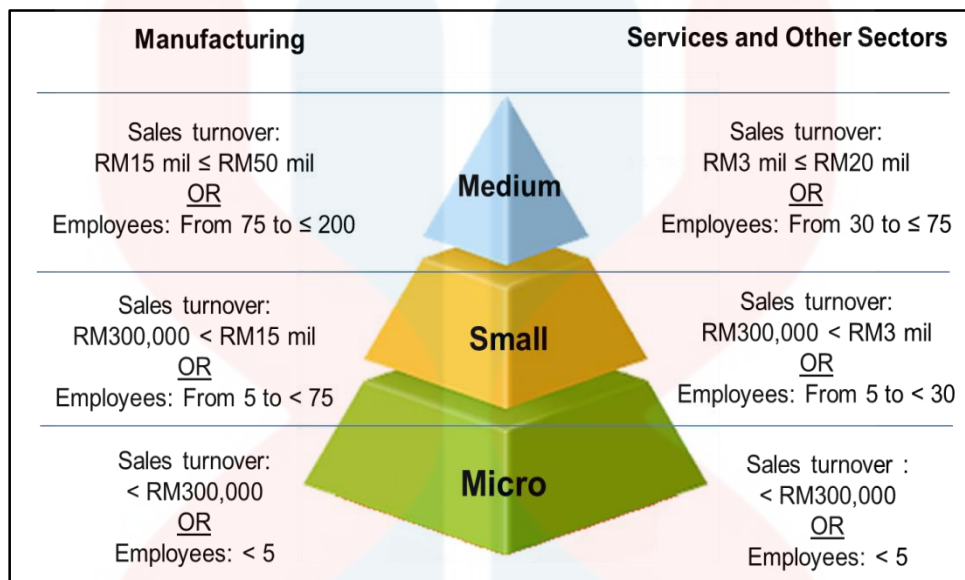


Figure 1.9: Definition of Small Business

Under the new definition, all SMEs must be entities registered with SSM or other equivalent bodies. Siti Fesyen falls under the category of small business.

1.8.3 Workers Turnover

Employee turnover is the term used to describe the number or percentage of employees who leave and are replaced by fresh hires. Gustafson (2002) described turnover as the ratio of workers who left in a certain period of time divided by the average number of individuals in that company in the same time period. Turnover is generally voluntary or involuntary. As indicated, voluntary means the worker decides to leave, for reasons such as accepting an offer from another organisation, relocating to another area, or for some other personal reasons. For this type of turnover, the employee will usually tender a

resignation notice to the employer, whether written or verbal, to signal his or her intent to quit. Voluntary turnover is when the workers will discuss and compare different organisations. As for involuntary turnover, it is when the employers make a decision to let go of their workers. This can be caused by low job performance, absenteeism, or going against company policies. The terms used for these involuntary turnovers include termination, firing, or discharge. The term 'involuntary' comes from the fact that the decision is not made by the employees themselves.

The calculation of the turnover rate is done by using a formula that computes the number of employees who leave the company divided by the average total number of employees. The turnover rate can also be calculated for a specific period of time. To get the result, the company must determine the average number of workers during that period of time. This can be attained by adding the number of employees at the start of the period as well as at the end. After adding the figures, divide the total by two to get the average. Use the figure obtained to calculate the turnover rate. The formula is as follows:

$$\text{Annual Worker Turnover Rate} = \frac{\text{No. of Workers Separated for the Year}}{\text{Average Total No. Of Workers for the Year}}$$

Equation (1.1)

To finalise the calculation (turn into percentages), divide the result by 100.

1.8.4 Workers/Employees Engagement

There have been many different definitions of employees' engagement and commitment to the organisation. According to Becker, Randal, and Riegel (1995), the term can be defined in three ways:

- the individual wants to stay as an employee of company;
- the individual displays a drive to expend their efforts for the organisation;
- the worker fully accepts the values and goals of the organisation.

It has been stated by Northcraft and Neale (1996) that loyalty is shown through the worker's commitment and their continued concerns about the company's growth. Commitment to the company depends on a few factors such as personal factors including tenure, disposition, and internal or external control attributions. Other factors are organisational factors and non-organisational factors. Organisational factors include the job design and how the supervisor behaves. Meanwhile, non-organisational can be the availability of alternatives. According to Mowday, Porter, and Steer (1982), commitment can be seen as the level of attachment and loyalty of the employees. They also suggest that there are three elements in commitment which are identifying with the beliefs and objectives of the company, having a desire to remain with the company, and being willing to expend extra efforts for the company.

It is important to signify how crucial the behaviour in creating commitment can be. An engaged worker is someone who has a positive attitude about their job and makes

an effort to protect the company's interests. Employee engagement is defined as how much commitment the worker has to the company and this means that they are emotionally invested in their work and organisation. Workers work not just for salary or advancement, but also and actively for the benefits of the organisation. Thus a highly engaged worker normally will outperform the lowly engaged worker, all else being equal. Kahn (1990) claimed that employee engagement utilize the commitment or contribution of an employee self-governance by their putting their efforts, skills and knowledge towards their works physically, cognitively, and emotionally from the start of being employed in an organisation. According to Norris and Porter (2017), strategic leaders in organizations needs to develop a strategic cultivation of workforce that are willing and able to change with today's competitive organizational environment that is continuously evolving.

Based on statistics and research, employees are affected by their engagement with the organisation, meaning how much they are engaged to the company generally and their feelings about higher level management. Workers want to have confidence in the leadership of the organisation as well as belief, fairness, values, and respect. This has to do with how individuals want to be treated by people in general including when at work and not. The engagement that employees want to have with their managers is more specific, meaning how they feel about their direct supervisors. The components of this include wanting to feel valued, fairness, getting feedback and direction, and just the feeling of mutual respect between a worker and a manager.

1.8.5 Employees/Workers Motivation

Having motivation is something that makes workers more enthusiastic and driven about their jobs. It is something inherent in the person which affect how they act. Someone's motivation can be affected by biology, intellect, social factors, and emotion. It is something not easily defined as it is internal but external factors can influence a person's motivation. Each worker has his or her own personal lives which can motivate them to act in a certain way. Hence, motivation can be very important as it is present in everyone's lives and can be changed based on anything that happens to the individual.

What employers can do to increase workers' motivation at work is figuring out how they can influence the intrinsic and extrinsic factors that can encourage them to feel motivated about their role in the company. Motivating the workers will require the fulfilment of their needs and expectations of their jobs and the workplace factors that are already in place. Some employers have great difficulty in utilizing the work environment to its maximum potential in order to create the perfect conditions to inspire employee motivation. They fail to recognize the importance of motivation in actualising their mission and vision, but even when some are cognizant of this simple fact, they do not have the knowledge and skillset to motivate their employees. They forget to take notice of relations between workers, communication, recognition, and involvement issues. Here are some of the things that could be done by employers to increase employee motivation.

1.8.6 Employees/Workers Satisfaction

A company measures their employee satisfaction by seeing whether they are happy and content with their work, meaning that their desires and needs are met. If an employee is satisfied, it will positively affect their motivation, goal achievement, and morale in the workplace (Heathfield, 2016). Job satisfaction is "an attitude that individuals have about their jobs. It results from their perception of the degree to which there is good fit between the individual and the organisation" Ivancevich et al. (1997). An employee's emotional response towards their pay and working conditions will affect their job satisfaction (Kreitner, Kinicki, & Buelens, 1999). Although it is essential to keep employees satisfied, in some cases when an employee with low performance stays because he or she is happy with the current position they hold, it can be a setback for the company. Employee satisfaction can be gained by treating workers with respect, giving recognition, empowerment, benefits, compensation, perks, holding events, and using a management process with a nod towards a success framework of goals, measurements, and expectations. What can be concluded is that employee satisfaction should come hand-in-hand with contributions towards the success of the company. All of the efforts towards making a healthy and happy environment for the employees would be a waste if there is no improvement in terms of productivity.

There are anonymous employee satisfaction surveys to study employee satisfaction. These surveys are done periodically to ensure that the data will always be current to help in improving the company's management. The research will help the company to gauge how well the employees understand the company's mission and vision,

their empowerment, teamwork, communication, and interaction with colleagues. The way that employee satisfaction is measured varies in different companies. One of the methods that can be employed to measure satisfaction is by holding meetings with small groups of workers and using the same set of questions asked verbally. In this study, this method is used using interviews and observations. The company should deliberate carefully before they choose to evaluate employee satisfaction either by using anonymous employee satisfaction surveys or face-to-face meetings with small groups of employees. The choice should depend on the culture of the organisation and whether the workers feel that they are willing to provide feedback. Both methods can be fully utilised to attain the desired information regarding the matter. Another key strategy is by administering exit interviews. This study instead interview ex-workers that were willing to participate and cooperate.

1.9 Conclusion

In this chapter, the focus is on the background of the problem or the problem statement to explain the issues and domains studied in the relationship between job satisfaction and workers retention. The objective of the study is to explain the subject matter to be studied and to facilitate in the construction of the instrument in the later stage. The conceptual framework meanwhile shows the flow of the study itself. In the following chapter, the study will describe in more details the model and theories used and previous studies or researches that have been carried out on the same subject matter under study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discusses a number of previous studies related to recruitment and retention as well as workers motivation, engagement, and satisfaction. It includes the research and writings done on the characteristics of recruitment and retention, workers motivation, engagement and satisfaction, the related concept, theories, and models that can guide to support the findings.

2.1.1 Employee Engagement Theory (Saks and Gruman, 2014)

This theory combined Khan's Theory of Engagement (1990) and the Job-Demands-Resources (JD-R) Model by Bakker and Demerouti (2007). This theory talks about the methods used to attain certain strategic objectives of the organisation by making the conditions optimal for the growth of the personnel in HR, for every worker, manager, and executive to be completely engaged so that their full potential will be realised in order to be of use to the organisation. Simply said, it is based on common sense.

Based on this theory, it is the role of the leader to make sure that all of the company's employees are committed to their jobs. Ideally, this means that the staff is

completely engaged and will be responsible in a way that will ultimately benefit the whole corporation. The term being engaged simply refers to the state of which when you are deeply immersed and concerned with the duties that you are tasked to. This means that you will pay your whole attention to the job and you will do it to the best of your ability. There should be mutual trust and respect between the employer and the employee when you talk about employee engagement. The condition in which engagement can happen is when the company can clearly express their expectations to the employees in accordance with their level of competence while still maintaining the kind of environment and culture where employee engagement can grow without hindrance.

2.1.2 Maslow's Hierarchy of Needs Theory (Maslow, 1943)

In 1943, the famous psychologist, Abraham Maslow put forth his Theory of Human Motivation. Being one of the top cited theories of human motivation, Maslow's theory states that there is a hierarchy of human needs. He theorises that human behaviour will adjust based on the human needs. There are five sets of human needs that are arranged in a pyramid shape where the needs are in order of priority and importance. The lowest level of needs are those basic human needs such as physiology. Once the needs in one tier is satisfied, the human can then move on to another tier. This affect how humans are motivated in their actions, so their behaviour can be traced back to what their needs are and what haven't been satisfied. He says that the need is the motivating factor, so once it has been satisfied, it ceases to be one. According to Adam, Harris, and Martin (2017), the

Maslow's hierarchy of needs is a good way to explain the motivation of owner/manager in small business as the key factor in the business outlook.

There are five categories of human needs as shown in Figure 2.1 according to Abraham Maslow. There is a certain order of the hierarchy that illustrates how Maslow theorises about people's needs and how they satisfy the needs from bottom to top. These are the needs, from bottom to top:

- i. Physiological needs
- ii. Safety needs
- iii. Love belonging
- iv. Self-Esteem
- v. Self-actualization

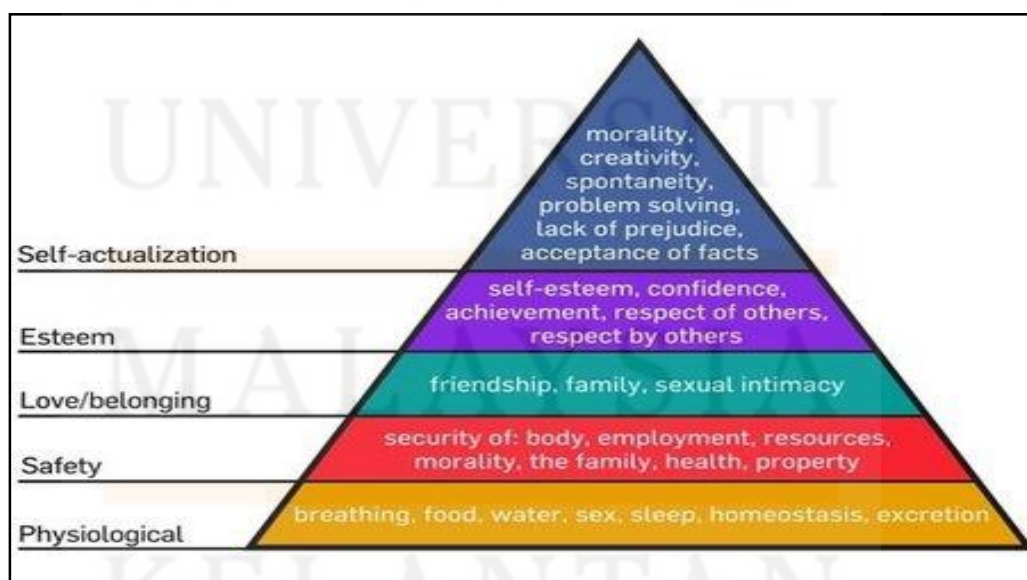


Figure 2.1: Maslow's Hierarchy of Needs

i. Physiological Needs

Physiological needs refer to the fundamental things that humans need to live such as sustenance, apparels, shelter, water, air, rest, sleep, and sexual gratification. As these needs are the basis for a normal human life, they are prioritised above all other needs of the hierarchy. So, they are placed at the bottom to represent the base structure that needs to be there before anything else can be achieved. Keeping these needs satisfied is perpetual process. If these needs are not satisfied in some ways, the other needs in the hierarchy will not play a role in motivating a person's actions (Ivancevich, Konopaske, & Matteson, 1990). As an instance, without food, someone will become hungry and it will interfere with the person's concentration and attitude. According to Maslow, when there is no bread, "man lives by bread alone". These basic needs are met by the employers by giving workers enough pay, comfortable environment, workable schedules, and reasonable break time during work hours.

ii. Security Needs

This need has more to do with an individual's psychology where the fear of losing the security of their job and home, as well as the danger to their safety such as natural disasters. This type of fear can affect a person's behaviour and it is imperative that appropriate steps are taken to ensure their peace of mind. This can be done through the application of policies that protect employees from physical harm, job security, pensions, insurance, and medical benefits. However, the satisfaction of security needs come only after the basic physiological needs are met because they lose their motivational potential

once they are satisfied. Job security or stability is essential to an employee for them to progress further to the next level and start thinking of other life aspects as the employee is feeling secure and stable in the social safety net. “A safety culture describes a safety management style in the workplace that reflects attitudes, beliefs, perceptions, and values shared by all workers with regard to safety” as quoted by Yam, Fanny, et al (2017). Some organisations offer the form of security and safety to their employees via insurance coverage, medical benefits, and retirement benefits.

iii. Social Needs

The third tier in the pyramid hierarchy is social needs which can refer to the sense of love and belonging that people need to feel in order to feel accepted. Humans need social interaction so that they do not feel isolated, alone, and depressed, which could lead to all sorts of negative behaviours. Maslow (1943) states that a person when hungry may sneered at love but when the hunger is quenched he may experiences the need for love (social needs) as a very pressing need driving behaviour. Examples of meeting social needs are having close family, friends, and intimacy with loved ones. In an organisation, this need can be fulfilled by the co-mingling of personnel where they can get to know one another to encourage cooperation and teamwork, as well as having a good relationship with their supervisors. The balance between life and work mean that employees will have a wholesome experience overall. Employees being human beings should be treated as social animals that like to stay in group and to belong to one or the other group that accept them with love and affection.

iv. Esteem Needs

As the term indicates, esteem needs are the desire for self-esteem and respect. In this case, the need for self-respect is slightly higher than that for attaining respect and admiration from other people. Ivancevich, Konopaske and Matteson (1990) reiterated that the need for esteem will present itself once the social needs are satisfied. This need translated into wanting respect and appreciation and ultimately to gain power and a prestigious post. This need is something that can motivate a person only when the previous three needs have been met. People would want to be held in high esteem by themselves and by the people in their lives. Esteem needs come in two ways where the first way is through self-esteem by having self-confidence, self-respect and competence. Secondly, people need to have esteem by way of their status, reputation, recognition, and appreciation by others. This can be related to their personal ego. An organisation can help in contributing to this need by providing positive reinforcements and recognition when the workers have done well. Promotions and additional responsibility can also show the trust that the employers put into their valued workers.

v. Self-actualization Needs

Self-actualisation needs, also the highest ranked need in the hierarchy of needs by Maslow (1943), referred to the desire of a person to realise his or her full potential. It is a growth need where one needs to be the best of what he or she is capable of. It can be highly personal and individualised. Some people may want to become great parents, and some may desire career advancements to the highest level in their field. In any person's life,

there is a driving need to work sincerely and expertly to attain a sense of satisfaction with oneself (McLeod, 2016). This is something that every person feels, to want to be able to achieve success in their lives. Being able to utilise their abilities to the max would be an ultimate feeling of satisfaction. This is why this need is at the top of the hierarchy. In an organisation, this need can be realised by providing the means of accomplishing to the employees like challenging work, crisis-management, and giving more autonomy in doing their given tasks. This need is very special in the way that not many can attain self-actualisation, and this need is rarely satisfied.

In his theory, Maslow (1943) believes that the needs are hierarchical whereby the lower-level needs are to be met before meeting the higher-level ones. This theory goes by the principle of deficiency where once the needs are satisfied, they are no longer considered as motivators because people will only act when their needs are unsatisfied. As explained before, the needs are arranged in a certain order where the basic of needs are placed at the bottom-most tier while self-actualisation is placed at the top-most tier. It is an efficient way of looking at things where you must first create the base of the pyramid before continuing until the top.

It is important to note, however, that one person's needs do not match another person's needs. At any point in someone's life, they are motivated by different factors. This is why it is important for organisations to identify the individual needs of each worker. They need this info to create a strategy that will help most in motivating their employees. This means that the manager plays a crucial role to get to know their

subordinates at a level where they can recognize their needs and then use those needs for motivators in their work.

2.1.3 Herzberg's Two Factor Theory (Herzberg, Mausner, and Snyderman, 1959)

Herzberg's Two Factor Theory is a "content theory" of motivation (the other main one being Maslow's Hierarchy of Needs). He used his research into the behaviours of 200 accountants and engineers to uncover their feelings at work, specifically the hows and the whys of their feelings, whether positive or negative. The theory was developed by Frederick Herzberg and he suggested a two-factor theory also known as the motivator-hygiene theory. He stated that there exist factors during employment that may result in satisfaction and some other factors that counteract dissatisfaction. According to Herzberg (1965), the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction". The two factors in this theory being:

i. Hygiene factors

In this theory, hygiene factors refer to things that are crucial to motivate the employees. These factors are not something that can bring much good in the long run but without them, employees will start to become dissatisfied, which is not good for the organisation (Herzberg, 1965). In other words, hygiene factors are things that will keep employees from feeling dissatisfaction and they do not necessarily bring satisfaction (House & Wigdor, 1967). These factors are also known as dissatisfiers or maintenance factors.

These two things are connected to the job environment. They represent the type of needs that people expect to be met. These factors are:-

a. Pay

People expect to have a well-structured salary plan. It needs to be as much or competitive compared to other companies.

b. Company policies and administrative policies

It is suggested that policies not be too rigid but fair and clear with a flexible schedule, dress code, breaks, vacation, etc.

c. Fringe benefits

Benefits such as health care plans, benefits for the family members, employee help programmes, etc. are important for employees.

d. Status

The employees' status within the organisation should be familiar and retained.

e. Physical working conditions

People expect their work environment to be safe, clean, and hygienic. Other things like the equipment should be up-to-date and well-maintained.

f. Interpersonal relations

The interaction between peers, superiors, and subordinates must be appropriate and acceptable. There should be no conflict or any humiliation element present.

g. Job Security

The organisation must provide job security to the employees.

ii. Motivational Factors

In this theory, the hygiene factors are not considered as motivators. The motivational factors are things that will create positive attitudes and behaviours in employees. They will want to actively participate to do a good job. Zhang and Von Dran (2000) said that motivators are things that add value to the job itself. These factors make employees feel intrinsically satisfied and they are part of the psychological needs that are seen as an added benefit. They include:

a. Recognition

Recognition is something that each employee needs where they are given praise for the accomplishments they have achieved. Giving recognition makes employees confident in work.

b. Sense of achievement

It is important for the employees to feel accomplished at work but this usually depends on what kind of job it is. It should be something that makes the employees feel like they have achieved something great while at work.

c. Growth and promotional opportunities

In any company, growth and advancement opportunities are important in order to motivate the employees to perform well.

d. Responsibility

For each worker, there must be a sense of responsibility where they take ownership of the work that they do. This means that managers are to minimise control but keep their accountability.

e. Meaningfulness of the work

There should be meaning in the work that employees do. Meaningful is when the work is interesting and challenging for them to perform and get sufficiently motivated.

Job satisfaction can be gained through the wages and salaries given, the work environment, growth opportunities, workload, level of stress, respect amongst colleagues, relationship with managers, and financial rewards. However, different workers will have a different job satisfaction threshold for different factor. Based on Herzberg Two-Factor Theory (Herzberg, Mausner, & Sayderman, 1959), the motivator and de-motivator for job satisfaction are as follows:

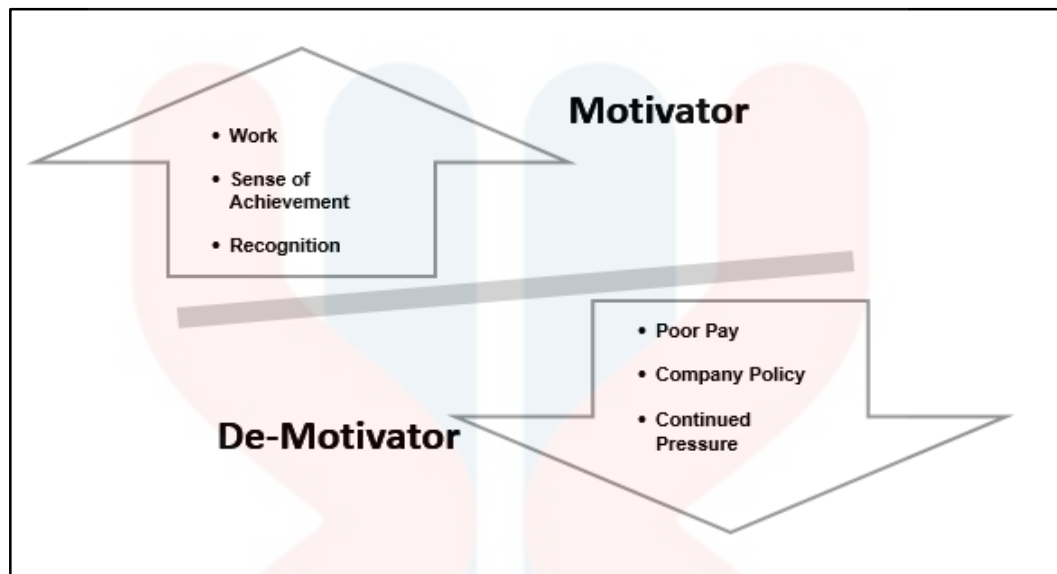


Figure 2.2: Herzberg's Job Satisfaction Motivator and De-Motivator

According to the Nielsen Survey (2011), the top five factors that students consider when they look for jobs are flexibility, salary, opportunity to learn and gain skills, advancement prospects, and the rank of the company in the industry.

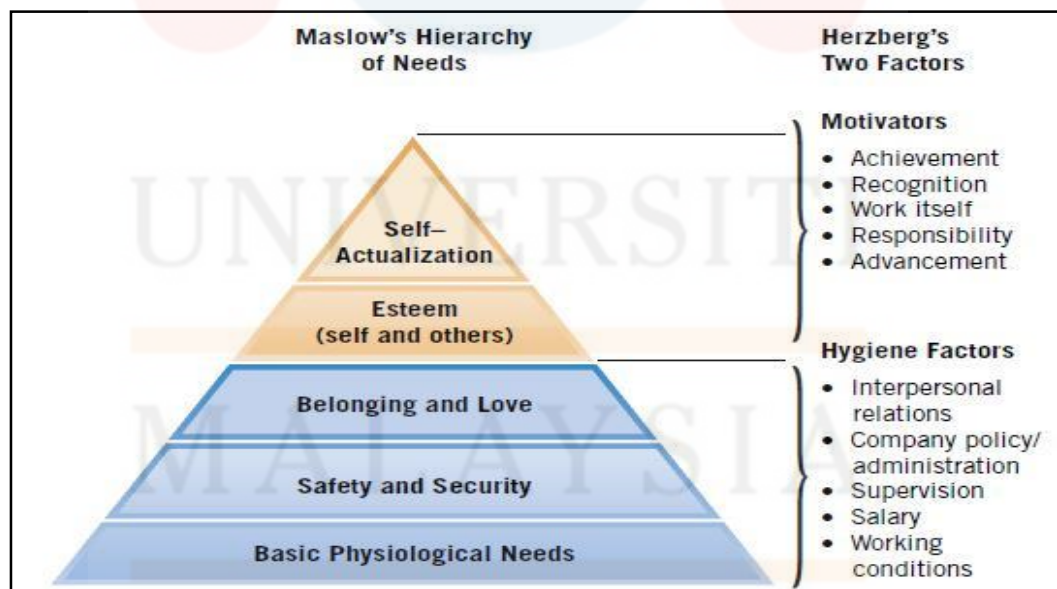


Figure 2.3: Maslow's and Herzberg's Ideas Compared

2.1.4 Havelock's Theory of Change (Havelock, 1973)

The Theory of Change by Eric Havelock is a linear model. Havelock's theory emphasises on the phase of planning and understanding that people and system are highly resistant of any sort of change. Havelock (1973) explained that change can be seen in a six stage process. This way of looking at the process will acknowledge the fact that change is hard to come by and there should be proper plans put in place to initiate and fully realise change.

The 6 aspects of Havelock's Theory of Change that manage change through planning and monitoring are:

- i. Relationship
- ii. Diagnosis
- iii. Acquire Resources for Change
- iv. Selecting a Pathway
- v. Establish and Accept Change
- vi. Maintenance and Separation

Through this theory, it is easy to see the importance of recognising the need for change and then going through with the plans to create the change that needs to happen.

2.2 Retention Concept

This concept can be defined as the different policies practised by companies to keep their employees to stay at the company for a longer time. It can be said that the rate of how many of the employees stay in the company is retention. And retention is important in order to realise the full return on investment (Ramlall, 2004). It is the antonym of turnover. In this case, it can be concluded that when turnover is low, then retention is high. Turnover is usually attributed to low job satisfaction which leads to employees leaving the company for better prospects. When a person is satisfied with his or her job, it is highly unlikely that he or she will leave. It is important to streamline the values and needs of the employees with that of the company so that the goals are similar and thus creating a sense of loyalty from the employees towards the employers. It is then most importance for employers to try to develop an environment that promotes job satisfaction if they are serious to retain the talents in their businesses or organisations. By understanding the values and shared principles as a source of emotional appeal, simultaneously motivating and supporting employees in the implementation can promote sustainability and organizational success (Martins, Martins, & Pereira, 2017).

2.3 Relationship between Employee Retention and Job Satisfaction

Employee satisfaction is closely related with employee retention. It is a safe bet that when employees receive benefits such as good working relationship, employee satisfaction will improve as it gives reason to them that they are valued for their work and skills. This

shows appreciation on the part of the company which leads to feelings of satisfaction on the part of the employees. High satisfaction rates then will help to achieve higher retention rates (Mayhew, 2017).

The length of time an employee stays with a company is referred to as retention while the percentage of employee who leaves an organisation is called turnover (Pillai, Mamidi, & Kuchibhotla, 2016). Organisations calculate the retention rate based on departments, positions, or titles. This data can help in improving the rate of retention of a company. If a company employs 100 workers, with an average of three people resigning per month, the turnover rate is calculated by dividing the number of people leaving by the total number of workers. The result is that, the turnover rate is at 3%. As for retention, by using its metrics, the company can then see how long their workers keep their positions in the company before they move on, either to another position in the same company or another organisation (Bhoganadam, Rao, Reddy, & Malina, 2016). By knowing the retention rates, the company may use the information about the length of time one employee stays in one post in order to create plans of succession.

Usually, employees cite the reasons for their leaving as job dissatisfaction or general dissatisfaction with the company leadership style. It is important for employees to be appreciated for their effort and hard work to feel completely fulfilled and satisfied with their jobs. Although seeking for a higher pay is considered as one of the reasons for leaving, the implicit factor is dissatisfaction. According to Mayhew (n.d.), based on a study of more than 19,700 exit interviews from 1999 to 2003, The Saratoga Institute uncovered the underlying reasons for leaving as being dissatisfied with the job. It is cited

as one of the top seven reasons for looking elsewhere for a job. Going with this conclusion, it is important for employers to find ways to improve job satisfaction among their employees as this can reduce turnover rate and help keep the company stable with a motivated staff.

When employees are interested in the company's activities, it means that they are engaged with their own work and this is called employee engagement. Once an employee becomes focused, he will most likely enjoy his duties while also learning new things every day. He will be satisfied with his work and it will not occur to him to resign from his post. There will be no problem for him to accept tasks and responsibilities as he will look forward to his long career with the same company.

It is also a problem when employees are not given challenging work as it is also one of the reasons for leaving. Delegation of responsibilities will encourage employees to feel more confident in their work while challenging them to become more expert in handling tasks independently (Huselid, 1995). A high interest in a task will result in a higher level of effort on the part of the employee. Troubles arise when people have no creative challenges to solve. Employees need to see a bright future ahead of themselves to keep them going through the present challenges of work. They need to look forward to possibilities of growth and become motivated to always give a great performance in their job. Keep them from looking for outside challenges by maintaining the type of work that are interesting to them which will help in retaining them as employees.

People say that “an empty mind is a devil’s workshop”. This can be seen in the way that employees who are idle will cause negativity to spread in the workplace. These are the troublemakers who cause problems by provoking fights in the group, gossiping, and badmouthing the organisation. They will have nothing good to say about the management and urge others to move on. This can be prevented through strategic planning by the group leaders and the management team. They can initiate tasks that are challenging and assign them to their subordinates. Having the opportunity to prove themselves will motivate these workers to be innovative and creative in their assigned jobs (Lawler & Porter, 1967). Being engaged in work will ensure that these employees are doing their best to impress the management team and thus having pride in their own work. The organisation benefits by having motivated workers who work hard to take their company to a higher level. This can elevate the company in the eyes of the industry. Without idleness, employees will not waste time with negative politics and keep the office as a peaceful and restful environment. They will put their priorities in order and leave useless controversies behind. Improved relationships between employees help in retaining workers in the same company. Without constant disputes, people are freer to enjoy their work and great workplace friendships with their colleagues. The stress free work condition will keep employees happy and productive meaning that their work will be top-notch and clearly bring benefits to the organisation (Ramlall, 2004).

There should be a monitoring process to see the performance of the team members. This process should be done by the team leaders to ensure that everyone is satisfied with their profile. The review of each person's performance is a must to make

sure that everyone can see how they do in each review (Judge, Thoresen, Bono, & Patton, 2001). It is important to have discussions where everyone can express his or her opinions in an open setting. When people are given the freedom to choose for themselves what they can do best, it will help them to gain more confidence in their work. If this is the case, people will be satisfied and will not be looking for something better in another company. Being able to work efficiently makes an employee proud of his or her own work, thus making it natural for them to take ownership of their work. This is important as some may choose to blame others for their incompetence and this usually means badmouthing the company itself. People who are truly sincere and honest in their work ethics are the ones who will be loyal even during the bad times. Cowards will leave the company in the lurch when something happens that threaten the company's standing in the industry.

There are studies that propose the idea that the turnover process is not well represented by the traditional sequential model which relates job dissatisfaction to subsequent turnover. "The current study helps in clarifying this research further through modelling within-individual job satisfaction as a function of job change patterns to determine if individual work attitudes change systematically with the temporal turnover process" (Boswell, Boudreau, & Tichy, 2005). There are phases of the turnover process in which the employees experience low job satisfaction and this is usually followed by a voluntary job change. The job change gives a temporary boost to job satisfaction which is called the honeymoon effect. After this effect wears off, the job satisfaction will decrease again which is called the hangover effect. Although this process is mentioned in

the text, there are no prior research that has used this model. However, there are findings acquired by a sample of managers that support the proposed honeymoon-hangover effect.

The result from the survey done by the HR Council in 2008 on non-profit organisations' employees suggests that there is a connection between job satisfaction and employee retention. General job satisfaction can be seen in three ways: the likelihood of the employees resigning within the year; their desire to seek for new employment; and the commitment they have to the company they work for. The ratings of several aspects can show the difference between satisfied employees and dissatisfied employees (Hom, & Kinicki, 2001). These aspects include:

- Recognition for work
- Amount of influence on decision making
- Evaluation and feedback
- Opportunities for career advancement

It can be concluded that based from the findings of the survey, there are some truth to the indicators of employee retention being job satisfaction. If a company values younger workers, and there is an indication that the finding shows that proportionately, more of them are less than satisfied with their jobs, it may strike a chord. If a company mostly hires female workers, if the result shows that they are less likely to be very satisfied with their jobs could be striking. There could be early indicators of employees

who are more likely to leave an organisation which could be used as a sort of early warning system to offset problems of employee retention in the company (Mobley, 1977).

2.4 Previous Research

In a study done by Terera and Ngirande (2014) who investigated into the possible effects of rewards on job satisfaction and employee retention among nurses. This study's objectives include determining the impact of rewards on employee satisfaction, establishing whether there rewards and job satisfaction is related or not, establishing that job satisfaction is related to employee retention, and recommending to policy makers of ways to increase employee retention based on the findings of the research. What this study by Terera and Ngirande found was that rewards may lead to retention but do not help to increase job satisfaction. In conclusion, the rewards do not bring satisfaction but it is one of the key factors of retention. It can be surmised that from this research, both job satisfaction and rewards are important to retain employees. Employers must create a strategy that can address the problem of retention. The strategy must take into account job satisfaction and compensation for employees to ensure their loyalty to the company. Whenever an employee chooses to leave a company, the reason becomes apparent. So it is a great idea to always perform exit interviews to help in improving the retention strategy. The result of the research by Terera and Ngirande also revealed that aside from rewards, there are also other reasons that affect job satisfaction among employees. To that effect, companies should expand more efforts into recognizing other factors that affect

employees' satisfaction as the information can be utilised in the retention strategy. According to Allen, Shore and Griffeth (2003), some of the factors that contribute to employee job satisfaction are training and development opportunities, promotion, and performance management. As a conclusion, more research should be done to find ways to improve the internal validity of the research by controlling confounding and extraneous variables. It will also be interesting to investigate how other factors other than rewards impact on employee retention.

Bakotic (2016) had done a study to investigate the relationship between job satisfaction and performance in order to determine if there is an empirically provable relationship between both variables, as well as the direction and intensity of the link. An empirical study on a research sample of 40 large and medium-sized Croatian businesses with 5806 workers was done. The findings revealed that there is a relationship between job satisfaction and performance in either direction, but with a relatively weak intensity. The analysis of the findings revealed that the relationship is stronger between job satisfaction and performance than in performance and job satisfaction. This means that job satisfaction affects performance more than the other way around. There are various factors that affect job satisfaction. The factors are usually interwoven and the impact varies from one factor to the next. Researches that about the relationship between job satisfaction and other concepts have yielded different findings, especially in the case of the analysis of the relations between job satisfaction and organisational performance (Chan, Gee, & Steiner, 2000). As for the result of this study, it confirmed the other conclusions drawn by other studies in this field about the relationship between job

satisfaction and performances in either direction, but there is not a high intensity found. This study also compounds the fact that with job satisfaction and high performance level, the rate of turnover and retention will be greatly affected.

Ryan, Schmitt, and Johnson (1996) in their research, “Attitudes and effectiveness: examining relations at an organisational level” discovered that factors such as the indicators of business performance, customer satisfaction testimonials, and turnover rates can affect employee morale. The popular opinion focused more on the situational factors as being the reason for satisfaction so with high-performance work practices and thus a positive working climate, it can increase job satisfaction

This conclusion is feasible as it follows with the latest findings of a research on the impact of financial and non-financial incentives on business-unit outcomes. In their study, Peterson and Luthans (2006) used a quasi-experimental, control group design and found these two factors cause a big impact on store profit, customer service, and employee turnover. At the beginning, the remuneration had a more significant impact on all three outcomes (as one might expect).

There has been lots of researches done on this topic including the one by Hausknecht, Rodda, and Howard (2008) when they created a content model of 12 retention factors based from previous data in past researches. The leisure and hospitality industry provided some coding of open-ended responses from 24,829 workers who answered that the reasons for staying include job satisfaction, extrinsic rewards, constituent attachments, organisational commitment, and organisational prestige. Growth

potential and prestige are part of the factors that affect decisions by high performers and non-hourly employees to stay while extrinsic rewards are more suitable for low performers and hourly workers, and this provides the mobility and psychological contract rationales. The results show that HRM practices should differ to find the most valuable employee who should stay in the company longer. The retention reason mentioned most frequently was job satisfaction (51% of all respondents indicated this reason), followed by extrinsic rewards (41%), constituent attachments (34%), organisational commitment (17%), organisational prestige (13%), lack of alternatives (10%), investments (9%), advancement opportunities (8%), location (8%), organisational justice (7%), flexible work arrangements (7%), and non-work influences (3%). The factors that affect job satisfaction in this case were revealed to be the workers enjoyment of their work when they serve customers, liking their job, and getting some fun experience while working. In terms of extrinsic rewards, workers feel grateful for the compensations given by the organisation. These benefits or rewards include competitive wages, health benefits, retirement contributions, and incentive plans, all of which are cited as reasons for staying on with the business. As for constituent attachments, workers stated that their interactions with their colleagues, good relationship with the customers, and healthy supervisor relations are part of the draw.

In 1992, Sheridan studied the retention rates of 904 recent college graduates who were employed in six public accounting firms within six years. The research questions the fit of the person hired with the organisation. It studies the correlation between the fit and the performance of the worker. It is presumed that newly hired staff who turn out to

be suitable with their role in the company should be able to have a higher performance level. This relationship between the two elements can explain why some higher levelled performer can stay longer in one post than that of someone with low performance level. However, there are some other factors that may attract workers to stay longer. In some cases, workers tend to be more amenable to companies that emphasise on interpersonal relations between personnel than in companies which signify work task values. It is important for companies to increase the kind of culture that is attractive to new employees so as to reduce turnover rate. The culture should be attractive to the staff as a whole instead of focusing on any particular individuals.

Bhatnagar (2007) analysed the influence of employee rewards, job satisfaction, and human resource policies on employee retention in Vodafone Ghana Limited. There are many papers attesting to the fact that these factors are directly linked with employee retention. Findings show that it is well advisable for employers to understand all of the reasons that motivate their workers to stay as well as try and utilise the methods in attracting their valued workers to stay at their company as this can lower turnover rates and thus lower the huge cost associated with it. The research used a sample population of 142 employees, constituting 10% of the target population. The result suggested that the three factors mentioned before: employee rewards, job satisfaction, and human resource policies do affect the employee retention rate of the company. Steps that need to be taken as preventative measures (against turnover) include providing rewards and benefits that will make employees want to stay and thus retain them in the company for a longer period of time. Part of the problem lies in job satisfaction, so the company should work towards

making it possible for their employees to recognise the intrinsic values of their jobs and hence making them more satisfied with their position. This, in turn, will make them more likely to stay. HR policies should be in line with the wants and needs of the employees so that they will see the potential for their own growth in the company. Future research should take a look at how the factors like work/life balance, organisational commitment, supervisor support, and work environment can influence employee retention.

Arokiasamy (2014) stated that it is important for managers to understand the reason employees leave and the factors that attract them to the organisation. Job satisfaction, according to Arokiasamy, has the largest direct effect for turnover intent. Employees are assets and backbone to the organisation and should be treated as such. Emphasize should be made on the importance of employee retention and the impact to organisations. More studies is to provide the general view of what management to know and expect in employee retention and the various avenues available for the management to explore in handling the acute issues of employee turnover in the future.

Fatt, Khin, Edward, and Heng (2010) analysed the effects of organisational justice as encompassed by distributive justice and procedural justice on employee's job satisfaction, organisational commitment, and turnover intention. This paper included the design and distribution of a self-administered questionnaire to 300 Malaysian employees working for small and middle size companies in the Klang Valley, Malaysia. The findings show that they support the theory that distributive and procedural justice has significant relationship with employee's job satisfaction, organisational commitment, and turnover intention. The result suggested that the higher the level of employee's perception towards

fairness to the means used to determine outcomes and fairness of the outcomes employees receive tended to increase the level of employees' job satisfaction, organisational commitment while reducing turnover intention.

Tanand Waheed (2011) studied the motivation of employees in the retail industry and investigated their level of job satisfaction by using Herzberg's hygiene factors and motivators. In this study, convenience sampling was used to select sales personnel from women's clothing stores in Bandar Sunway shopping mall in the state of Selangor. The findings show that hygiene factors were the main motivators of their satisfaction with the job. There are some analysis done to see whether the role of remuneration has a big impact on the link between salary and job satisfaction. The result indicates that remuneration could indeed mediate the link between the two. The study revealed that money is a high motivator for these employees satisfaction meaning that they value the remunerations they receive for the job.

Salleh, Nair, and Harun (2012) studied job satisfaction, organisational commitment, and turnover intention among employees in the retail setting and the effects of job satisfaction and organisational commitment on turnover intention. This study was conducted to uncover whether job satisfaction and commitment to the organisation are factors that influence workers in the retail section to stay or leave the company. The results suggest that satisfaction with salary, promotion, superiors, and the work itself has a significant influence on turnover intention together with organisational commitment. This research contributed in identifying the factors that affect turnover intention in the company which are mainly attributed job satisfaction and organisational commitment.

2.5 Conclusion

This section consists of literatures related to the concepts, theories, and models related to the study. The past research also discusses some related studies conducted either abroad or within Malaysia that are similar and can be used as references when we carried out this study.



CHAPTER 3

CASE METHODOLOGY

3.1 Introduction

This chapter explained the methods and procedures used whilst undertaking this study. The methodology is a major component in the case study since it ensures that the appropriate methods whether it qualitative or quantitative is being used in the case study and the techniques as well as the area covered. Methodology can be more than just the methods people use for collecting data. There is also the fact that there are certain concepts and theories that support the methods used. Some methods that are used to collect data and information in order to help in making decisions. The methodology may include publication research, interviews, surveys and other research techniques which may include both present and historical data and information. Kallet (2004) explained that the methodology section should explain about how the data was gathered and how it was analysed. The style of writing must be direct, precise, and always written in the past tense. This methods section is meant to explain the rationale for the application of specific procedures or techniques used to identify, select, and analyse information applied to understanding the research problem. This will allow the reader to critically evaluate a study's overall validity and reliability. In this case study, the methodology used qualitative case study method that allows the chances to investigate or explore the factors in job satisfaction that influenced the retention of workers in small businesses. The

method allows a free flow of answers from the interviews that refrain the data from being rigid and gave the interviewees more room to express their thoughts and explain their action that will lend more validity to the case study itself. The approach, if applied correctly will be an important tool for student or researcher to create a valid hypothesis, theory, and solutions.

3.2 Case Study Approach

The case study approach is a method that allows for an in-depth understanding of a particular subject in a real-life situation. This is a well-established approach that invites critical thinking skills where researchers can fully analyse the case study in a multi-faceted way. This type of study is well-suited for the social sciences. According to Stake (1995), a case study is both the process of learning about the case and the product of your learning. This particular approach is useful when studying something that needs to be analysed in its natural form, meaning its real-life context. This type of method is usually widely used in the fields of business, law and policy. Case studies can be used to explain, describe, or explore events or phenomena in the everyday contexts in which they occur (Yin, 2009). This can help in finding solutions by seeing the cause and effect that can be revealed during the study of the selected subject.

In this case study, we are adopting the approach as defined by Uma Sekaran (2002) by accumulating and gathering the information and data using interviews and observations during site visits to accomplish the intended objectives of this case study.

Firstly, the issue at hand must be rationalized and a topic is identified. Then the problem statement is developed together with the targets and objectives of the study. For the purpose of this study, the first step was identifying the general theories and conclusions from previous studies or research carried out on the same subject matter. This is called the inductive approach which is most suitable for the case study as qualitative data is collective from small and limited sources or samples. This is also the limitations for this type of approach as the result or findings of the study are not reliable to be generalised as the focus is solely on the subject matter within the area of study i.e. in this case Siti Fesyen.

The data collection method to achieve the study objectives were not limited to the interviews and observations but encompassed the massive reviews of the various literatures and past studies and researches on the subject matter from academic papers, published books, journals, related articles, websites and etc. The knowledge gathered here were then utilised to create and design an extensive interview questions and interview protocols that will generate the optimum data and information for the study. The student or researcher also had to develop a keen sense of observation during interviews and site visits that may provide valuable information to add to the study and also to steer the questions for better results.

The Case Study Methodology is best illustrated in the flow chart below:

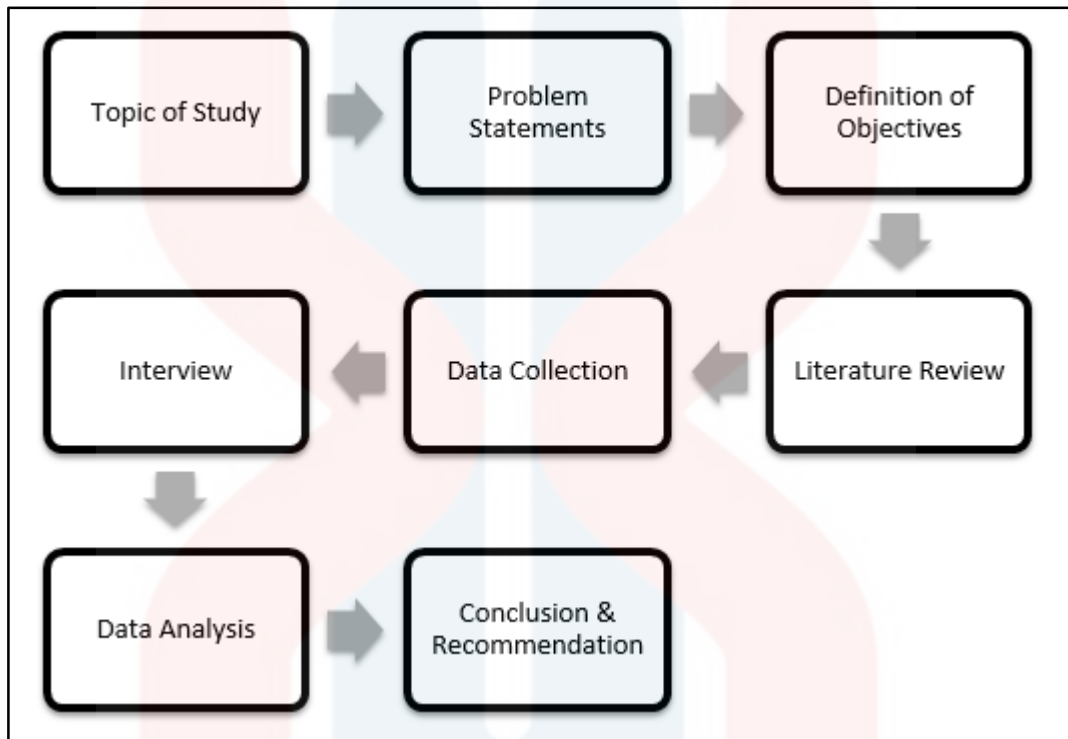


Figure 3.1: Methodology Flow Chart

This study was carried out at boutique, Siti Fesyen in Tumpat, Kelantan. There are various articles and journals that discussed the case study approach on the particular subject matter. One of the leading paper is by Crowe, Robertson and et al. (2010) that discussed on the issues such as “*What is a case study?*”, “*What are case studies used for?*”, “*How are case studies conducted?*” and “*What are the potential pitfalls*” and “*how can these be avoided?*”. Another leading paper was by Benbasat, Goldstein, and Mead (1987) that provide comprehensive definitions and suggestions on the conduct of a case study. But in both cases above, each highlighted that for the study to be considered viable, the phenomenon must be studied in its natural setting and the “how” and “why” questions is a must to understand the complexity of the collecting data processes. The

area of study undertaken also must be an unexplored area where no past studies have been attempted and undertaken.

3.3 Data Collection Method and Tools

One of the favourite methods widely used in qualitative researches are interviews, observations, and review of documents (Creswell, 2009; Locke, Silverman, & Spirduso, 2010; Marshall & Rossman, 1999). Usually, the methodology will be planned and pilot-tested before the research is done. Creswell (2003) allocated the data-collecting procedures into four different categories which are observations, interviews, documents, and audio-visual materials. Qualitative data collection takes time. Collecting good data requires a lot of time (Locke, Silverman, & Spirduso, 2010). Making do with quick interviews or short observations are unlikely to help you gain more understanding, so it is not recommended. If you use qualitative method, you must plan ahead where you already know how much time it will take and what you want to discover. The time incurred in gathering the data for this case study was about one year from April 2016 to April 2017.

Interviews are also one of the most common source of data in qualitative studies. The person-to-person format is most prevalent, but sometimes group interviews and focus groups are carried out depending on the situation and availability either the availability of times or interviewer/interviewees. Interviews may range from the highly structured style where the questions are determined beforehand or the open-ended, conversational

format. In many instances, interviews are more open ended and less structured (Merriam, 2001). Mostly, the interviewer will ask the same set of questions to all the interviewees, but the arrangement of the questions, the wording, and the follow-up questions may differ. The interviewer should pay attention to both verbal and nonverbal cues and be able to rephrase and pursue another line of questioning. The interviewer must be great at listening besides using words that are clear and meaningful to the respondents so that they understand what is being asked.

Being a great interviewer takes skills and a lot of experience. There must be rapport with the respondents in order to build trust or the participants will not be open and vocalise their true feelings, thoughts, and intentions. Complete ease can be established over time as both parties get to know and trust one another. The interviewer should be able to frame the questions in such a way that the respondent believes that he or she can talk freely. Kirk and Miller (1986) described their field research in Peru, in their initial attempts to get the people to tell them about coca, they received the standard culturally approved answers from all the respondents. But it was only after they use different ways of asking questions did the respondents answered openly. Kirk and Miller make a good point when they put an emphasis on asking the right questions and the value of using various approaches. This is a basic argument to ensure the validity of qualitative research.

Bogdan and Biklen (2007) and Pitney and Parker (2009) remarked that in qualitative research, observations generally involve taking a long amount of time in the setting. Field notes are to be taken throughout the observations and are focused on what

is seen. Many researchers make it a point to record notes in order to help them in finding out what the things they observed might indicate and to assist in answering the research questions during data analysis later.

Observation can be highly fallible as it can be misleading. The observer will be obtrusive in the environment, no matter how hard he or she tries to be invisible. With their pad and pencil or camera, it would be hard to record natural behaviour. A qualitative researcher must ensure that the participants stay natural even with the presence of the researcher. One way to achieve that is by acclimating the researcher to the environment to get the participants to be comfortable around him or her. Locke (1989) observed that most naturalistic field studies are reports of what goes on when a visitor is present. The important question is, "How important and limiting is this?" Locke suggested ways of suppressing reactivity, such as the visitor's being in the setting long enough so that he or she is no longer considered a novelty and being as unobtrusive as possible in everything from dress to choice of location in a room. In this case study, the student or researcher went to the boutique a few time prior to the interview sessions and followed by a few visits post interview sessions.

3.4 Case Study Process

The initial meeting was set up and carried out in early April 2016 with the current owner/manager, Pn Roselina binti Awang to get their consent and agreement to participate in this case study and allowing us to approach their workers and ex-workers.

The meeting also allow the student to explain in detail the purpose, nature, objective and scope of the case study in relation to Siti Fesyen. Pn Roselina as the owner/manager understood the relevant of the case study to the business as it will provide an insight into the issues and challenges faced by the business and the possible solutions and recommendations that may be adopted and benefited the business moving forward. Thus, she had agreed to participate and cooperate with us in the course of the study to take place. She gave the permission to interview three of her workers as well as any ex-workers that has left the employment whereby she provided us with the last contact details. She also suggested an interview with the founder of the business, Pn Hajah Meriam binti Sidek who is also her mother.

The first interview was carried out with the founder, Pn Hjh Meriam at her home on 7 April 2016, followed immediately with a session with her at the boutique. Both sessions lasted about 60 minutes. The second interview was a group interview with a few of the workers in the workshop and the session took about 45 minutes and served as a warm up session and as an introduction session for the student to choose the respondents for a one to one interview sessions that will be carried out at a future date. Prior to that in midst of September 2016, we conducted a follow up interview session with Pn Roselina. The 30-minute session was a second interview conducted with Pn Roselina before the final interview was carried out in March 2017 that lasted for another 30 minutes. The series of interviews with Pn Roselina also incorporated the time that we went through her written records together with her to further understand the issue in place and subject matters discussed. In September 2016, we also conducted three one to one interview

sessions with the workers with each session averaging between 30 to 45 minutes. The workers were selected from different function area such as Pn Norirwani (31 years), clerk, Pn Hasnah (50 years), cutter, and Pn Ramlah (53 years), tailor. We had also conducted interview sessions with three ex-workers, Pn Phawana (32 years), Pn Zailanie (47 years), and Pn Salma (42 years) in three separate sessions in March 2017 after obtaining the latest contact details from the current workers. The selection of respondents were from different backgrounds and functions in the business to enable the students to get differing, unbiased and independent feedbacks or opinions on the subject matter discussed. No recording was made as all the respondents refused to be recorded on tape. However, the students kept notes for the information and data gathering for analysis in the later part of the study. All the interviews went without hiccups and the sessions were also served as a point of observations as all interviews were conducted at the place of business except for the interviews with the ex-workers which were conducted at a coffee shop nearby. The respondents overall were very comfortable and willing to answer all the questions asked and information was successfully gathered as intended. We also managed to observe and go through the records and registers on the employment record available in the shop as provided by Pn Roselina during the visits.

3.5 Data Analysis

Data analysis which is also called analysis of data or data analytics, is a process of inspecting, cleansing, transforming, and modelling data with the objective to discover

useful information, suggest conclusions, and support decision-making. Business Dictionary in its website defined data analysis as "the process of evaluating data using analytical and logical reasoning to examine each component of the data provided". Data and information may be gleaned from different resources and will be gathered, reviewed, and analysed to create findings or conclusions. Yin (1989) stated that data analysis contain a few stages, i.e. examining, categorising, and tabulating or otherwise recombining the evidence, in order to address the initial objective of a study. Krueger and Casey (2000) suggest that the goal should push the analysis, meaning that "analysis begins by going back to the intention of the study and survival requires a clear fix on the purpose of the study". This will help in managing the data, making sense of what is going on, getting rid of extra and irrelevant information, and ultimately simplify the massive information gathered to focus on the purpose of the study itself. This is the main advantage of data analysis besides enabled the researchers to structure the qualitative data to fulfil the achievement of the research objectives. There is however the disadvantages apparent in the possibility of misinterpreting the information and data gathered and interviewer biases that may resulted in unreliable and untrustworthy conclusions (Wyse, 2014). Still, for case study, the interview method remains to be the most adopted method to gather data and information.

3.6 Conclusion

This chapter discussed on the case study approach, the data collection method adopted and the tools used in the case study process and also the analysis of the data and information gathered. It also provided the strategy, philosophy and the methodology embraced in undertaking this case study. The techniques have been strategically depicted to simplify the study and management of the information that will be useful to write in the case data analysis will be discussed in the following chapter.



CHAPTER 4

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter will analyse, discuss and interpret the findings of the case study based on the information and data gathered in the course of the study itself. The chapter is divided into three segments i.e. the profile of the respondents, the interview analysis and the retention rate formula.

4.2 Profile of Respondents

The profile of respondents will be detailed in the **Appendix D**. The details of the respondent will cover their name, age, highest education level, previous employment and duration, current position and duration and for the former employee, the reason given for leaving the employment.

4.3 Interview Analysis

During the interview session with the owner/manager, Pn Roselina, she had mentioned that currently one of the major issues faced by Siti Fesyen is the problem to retain their

existing workforce. The turnover was high and Siti Fesyen is unable to counter the turnover with new recruits to maintain the average numbers of workers at 30. Thus currently the no of workers are only 20 which is 67% of their normal. There were four (4) resignations for the past 12 months and the turnover rate for Siti Fesyen currently is 20%. There are various reasons for leaving as disclosed during interviews with former workers and Pn Roselina such as getting job offer with fixed salary, personal problems, not happy with the current job and setting up their own business. The turnover will result in the delay or slowing of production and the volumes produced. Thus, workers leaving means less income for the business as production per month will be much lower and the business will not be at its optimum capacity. The longer the period taken to fill up the vacancy will translates to higher cost to the business due to much lower production. Even if Siti Fesyen manages to find new hire, it will take time for the new worker to learn the rope and be as skilful as the former worker. The time is money and if the problem continues, Siti Fesyen will have a huge problem in their hand. We were informed by the clerk that for the past few months a few new hires were employed but left only after less than one month. Pn Roselina admitted that she was bogged out with the management, administration, marketing, selling and operation itself that she has little time to allot for the recruitment of the new workers. Her minimal effort of putting up "tailor wanted" signage in front of the shop is not enough and failed to secure her more workers to fill up the vacancies left by the former workers. Previously when the business is managed by her mother, the issue was not as apparent as she was there to assist on the selling and operation side. She is also concerns about the lack of discipline and commitment from some of the workers, mostly on the tardiness and time off issue.

The clerk, Pn Noorirwani was forthcoming in her interview session and also informed us that the company is having a shortage of workers due to high turnover rate and inability to retain the workers especially the new hire. As the record keeper and the only administration staff on the business, the workers tend to inform her on many issues with regard to the management and any dissatisfaction that the workers feel. The workers were also more forthcoming in their interactions with her and more honest in confiding to her the reason for leaving. Still, the most reasons being the workers left for fixed income jobs that they believe provide them with job security. Others were due to family and personal problem or changing status i.e. getting married to non-local and not happy with the job or the owner/manager. She also shared her opinion that the effort made by the owner/manager to recruit new workers is not enough and can be improved further. She said that most workers are satisfied with the wages given but they will welcome it if Siti Fesyen were to offer them monthly fixed salary with some added benefits such as SOCSO and EPF contributions even though it may result in a more strict employment requirement. She also mentioned that the delay caused by the reduced workers often result in customers complaints of which she has to handle besides the owner/manager. She suggested that Siti Fesyen should work out a workable plan that will not burden the business and will increase the commitment, engagement and loyalty of the workers besides attracting potential new hires. The most immediate plan would be to adopt a workers recognition tradition by praising workers for job well done and extra effort made in the course of their work. This will not cost a cent but will give the workers a feel good feeling of being appreciated and created positive working environment.

The existing workers, Pn Che Hasnah and Pn Ramlah, are both loyal workers that has been with the business for about 20 years and seems very loyal with the business. Both cited mostly good things about the business but admitted that they are much more comfortable working with the previous owner, Pn Hjh Meriam. They cited that the previous owner was more tactful, very good in managing the workers and was well liked. However, they have no quarrel with the current owner and express their satisfaction in the wages received, the workload, the working condition and the co-workers. When asked whether they have any intention for leaving, both expressed that they will work until it is time for them to retire, may be in a few years' time as both of them are already 50 and 53 years respectively.

They seem very proud of working with Siti Fesyen. Both of them when asked on anything that they want improved in their work, Pn Che Hasnah cited about fixed basic salary for senior workers such as her and suggested that Siti Fesyen may implement wages scales based on competency and seniority. Both of Pn Che Hasnah and Pn Ramlah agreed that they are at the complacent stage and have no intention to leave for the time being. Pn Ramlah indicates that she is relatively happy working there. However, she discreetly mentioned that the owner/manager may need to improve the way she communicates with the workers especially the junior workers that needs nurturing and not constant criticism.

Our session with the former worker, Pn Zailanie was very enlightening. She left two years ago due to personal reason i.e. to take care of her ailing father. The father had since passed away and currently she is a fulltime housewife. She has no child and

currently helps her sister to take care of her child with minimum allowance. She is one of the top embroiderer with Siti Fesyen as informed by the current workers during our warm up session before the interviews. This was confirmed by Pn Roselina and she further informed that when Pn Zailanie resigned, they faced a hard time and until now unable to fill up the vacancy with worker of that skill and expertise. Pn Zailanie, when asked why she did not come back to work with Siti Fesyen, only smile and keep silent. During our probing session however, we noted that she is not very comfortable working with Pn Roselina compared to the previous owner as every time we asked about Pn Roselina, she refused to reply but only smile. She however informed us that the workers, existing and former workers still keep in touch as most of them live nearby. She cited that many of the former workers from the younger generation went to work with the newly opened malls and hypermarket and looking happy with their current employment.

Pn Phawana, another former embroiderer, left Siti Fesyen to set up her own shop tailor shop as she is also a tailor besides embroiderer. She agreed to the interview and informed us that Siti Fesyen gave her the skill and experience required for her to start her own shop and the previous owner encourage her to believe in herself and her competence to venture out on her own. She left but still continues taking jobs from Siti Fesyen, thus the gap left by her is not too serious. When ask whether she was happy working at Siti Fesyen, she said that she is very happy working there but it was time for her to leave. This is partly due to her status change from single to married and she has to relocate to her husband's village which is quite a distance for her to commute daily to the job. We believe

in this situation both parties benefited and Siti Fesyen should try to manage their former worker to continue working with them whether part time or in other win-win situation.

Our last interview is with a former worker, Pn Salma who only worked for 6 months with Siti Fesyen before resigning. She said that she was unable to cope with the workload and not happy with the way the owner/manager interacts with the workers. She cited that otherwise the work environment is good and she has no problem with the co-workers. The wages was okay and the payment was never delayed. The pay was also compatible to her previous employer, a tailor shop at Tumpat town. She is still unemployed and expressed her intention to look for a job at Kota Bharu. She mentioned that she would prefer a job with a job description and a clear “dos” and “don’ts” rule which was not clear at Siti Fesyen. She suggested Siti Fesyen to clearly define the “dos” and “don’ts” so as the workers will have a clear idea on the regulations they have to adhere to and stick to it. A clear communication is important to communicate the employer expectations to the workers and vice versa. Miscommunication will result in a lot of grievance and dissatisfaction and may become the reason for employee turnover.

4.4 Retention Rate Formula

Based on the interviews and observation made, we had identified the major issues faced by the business i.e. the low retention rate of which they had encountered 4 resignations for the past 12 months. Since the business boasted a total staff of about 20, the turnover rate represent 20% of the entire Siti Fesyen’s workforce. Society for Human Resource

Management (SHRM) in its article dated November 9, 2015 defined the retention rate as measurement of the retention of particular employees over a specified period of time and complements the turnover rate metric. Calculating the retention rate can be misleading if you have new hires besides the resignations. To simplify the calculation, use this formula:

$$\frac{\text{No. of Stayers or Employees Remaining from Beginning Period}}{\text{No of Employees at Beginning Period (12 months)}} \times 100 = \text{Retention Rate}$$

Equation (4.1)

The number of employees who remain at the end of calculation period from the beginning period is divided by the number of employees at the beginning of calculation period times hundred will equals the retention rate. Thus, the retention rate for Siti Fesyen is 67% as can be constituted as follows:

$$\frac{16 \text{ employees}}{24 \text{ employees}} \times 100 = \underline{67\%}$$

Equation (4.2)

CHAPTER 5

SOLUTION AND RECOMMENDATION

5.1 Introduction

The previous chapters had achieved the three (3) key objectives of this case study i.e. literature review, interviews feedback, and analysis of data. This chapter will look into SWOT analysis to better understand the issues in the case study. Further to that, this chapter will describe the result of the analysis and provide the possible solutions and recommendations.

5.2 SWOT Analysis

SWOT analysis as defined by Dyson (2004) is a proven method for helping the formulation of strategy. The application links SWOT analysis to resource-based planning and illustrates it as an iterative rather than a linear process and embeds it within the overall planning process. The study was first traced back to Albert S. Humphrey in the 1960s although he did not claim the credit, but the tool is as useful now as it was then. The SWOT analysis is used to help the business owners to create a solid business strategy. This is achieved mainly by making sure they have measured the strength and weaknesses of their business and what opportunities and threats the business faces in the marketplace.

As mentioned in the sentence above, S.W.O.T stands for Strengths, Weaknesses, Opportunities, and Threats. In short, a SWOT analysis is an organized list of you

business's greatest strengths, weaknesses, opportunities, and threats. The purpose of this analysis is to recognize the internal and external factors that are the key to achieve a goal. These key information are then put into two main categories:

- i. Internal Factors - the *strengths* and *weaknesses* internal to the organisation
- ii. External factors - the *opportunities* and *threats* presented by the environment external to the organisation

In the case of Siti Fesyen, we had identified the major problem being the retention of workers or the high turnover rate faced by Siti Fesyen. Looking at the analysis of data, the turnover occurred due to low satisfaction of the worker in their job which resulted in the workers resigning for various reasons. The SWOT analysis in this study would be used to analyse the situation and identify possible solutions for Siti Fesyen to resolve the issue. From the analysis, we will try to heighten the strengths and capitalise on the opportunities, whilst reduce the weaknesses and minimise the threats.

The SWOT analysis for Siti Fesyen is shown in Table 5.1 below:

Table 5.1: Siti Fesyen's SWOT Analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> ▪ Good market reputation or known brand of Siti Fesyen 	<ul style="list-style-type: none"> ▪ High turnover rate / low retention rate

<ul style="list-style-type: none"> ▪ Stable financial with strong cash flow that will provide job security and reliable wages ▪ Good working condition / culture ▪ On-the-job training and mentoring system 	<ul style="list-style-type: none"> ▪ Wages based on work volume produced and lack of structured benefits and compensations ▪ Lack of structured work requirement and employment rules ▪ Lack of advancement opportunity for workers
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> ▪ Lack of competition in the locality ▪ Business growth and expansion – upstream and downstream ▪ Recruitment from government training program i.e. Community College, Institut Latihan Perindustrian, Institut Kemahiran Mara and technical/vocational schools 	<p><u>Threats</u></p> <ul style="list-style-type: none"> ▪ Emergence of new employment opportunities in Kota Bharu i.e. Aeon Hypermarket and Platinum Mall that provide attractive employment package ▪ High turnover/recruiting cost ▪ Higher cost of hiring and recruiting new workers

<ul style="list-style-type: none"> ▪ Implementation of workers performance recognition and better wages structure 	
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5.2.1 Strengths Analysis

The strength of a business is the internal characteristics that put the business ahead of the others. These characteristics may include having a stable financial standing, experienced and skilled staff, good reputation or strong brand, reliable cash flow, competitive salary and wages and et cetera.

Based on the SWOT analysis of Siti Fesyen above, we had identified four (4) strength elements of Siti Fesyen. The first strength of Siti Fesyen is the name itself that carry its own high reputation as a nationwide known brand. It gives the owner and the workers a sense of dignity and achievement by being associated with the name of Siti Fesyen. Pn Roselina in the interview session with her had informed that their clientele span the whole of Peninsular Malaysia, Sabah, Sarawak, Brunei and Thailand. It was evidenced by the invoices that were shown to us and also confirmed by the clerk, Pn Norirwani during the interview session with her. This can be a factor that gives satisfaction to the workers and make them want to remain in the employment unless other stronger factors come into picture.

The next strength is the financial standing of Siti Fesyen. We were informed by the owner during the interview session that the business is debt free and all transactions are carried out in cash leaving the cash flow strong and the financials stable. In the context of the study, it shows that Siti Fesyen will have no problem to honour the wages and salary of its workers and thus provide their workers with no worries on their pay. In turn, the workers have their job security and feel secure in their work with Siti Fesyen. One of the most crucial aspects to job satisfaction is job security, and to strengthen workers loyalty, it is most important that Siti Fesyen remain strong in their financials. And looking at its business model, the going concern of Siti Fesyen as a strong market contender will keep and be one of its main factors for attracting and retaining workers.

The working condition and environment is good and comfortable. From the visits during interviews session, we observed that the workers are comfortable with each other and with the owner/manager. Pn Roselina during the interview session also informed us that she always try to cultivate a good relationship among the workers and an approachable system where the workers may come and see her personally if they have any problem in their work or any issue they want to raise. This was agreed by two (2) of the workers that we interviewed but contradicted by another two (2) respondents. Thus, the owner/manager has to look back and self-evaluate their management style. This may be an area where Pn Roselina has to improve. The work area is very structured and defined where the workshop is arranged based on the workflow and keep in neat and tidy condition. The workers were also provided with the basic amenities such as toilets, wash area, pantry and prayer room. Being one of the elements in providing job satisfaction, Siti

Fesyen has upped their standing as an employer by providing good working condition and environment.

Siti Fesyen also provides an on-the-job training to their new workers and assigns mentors to assist them in the start of their career. Pn Roselina also informed us that she will also personally monitor new worker until the worker is able to produce the high quality product that is synonym with the brand of Siti Fesyen. Training is important as it will upgrade the skills and knowledge of the worker and make them more competent in their work. Skilled, experienced and knowledgeable workers are more valuable to the business and require minimal supervision. This will allow the owner/manager to focus in other areas of the business and planning. The desire for growth and development is another top element for job satisfaction jive well with the on-the-job training and the mentoring program implemented by Siti Fesyen.

5.2.2 Weaknesses Analysis

The weakness of a business is about the characteristics that a business have that put it behind the other similar businesses. These weaknesses not only put a business at a disadvantage in terms of competitiveness but also reduce the value of what the business have to offer. These flaws are the parts in which you need to improve in order to stay competitive.

One major weakness among the four (4) characteristics identified during the SWOT analysis the high turnover rate or the low retention rate of the workers at Siti

Fesyen. Malila (2011) in her study reiterated that according to PIKOM (2011), Malaysia is one of the many countries in Asia that is dealing with a higher than 10% turnover rate, 15.9% to be precise. Moreover, in recent survey done by Towers Watson Malaysia, there is an increment of turnover rate throughout industries in Malaysia from 12.3% in the year of 2012 to 13.2% the year after that. As calculated in the previous chapter based on the data from the interviews and records available; the turnover rate of Siti Fesyen is at 20% and retention rate at 67% which is above and below the industry average respectively. This is considered very serious as Pn Roselina admitted that she is also having difficulty to find the replacement to fill up the vacancies left. It leaves a gap that eventually will disrupt the production and Siti Fesyen unable to operate at its maximum potential capacity. In a sense it will defeat the bid to grow that is claimed by Siti Fesyen. Being a small labour intensive business, the low retention rate and high turnover will affect Siti Fesyen badly in the long run. In order to curb and mitigate this problem, Siti Fesyen has to strategise and increase its effort to recruit new workers that has the potential to be valuable and contribute to their success.

The second characteristic identified is the wages scheme that is based on the volumes produced by each worker. This is the most basic way of paying wages but with the current market demand for workers, this kind of practice leaves Siti Fesyen open for competitors to grab the their skilled and experienced workers. The workers may also want to venture out on their own as they will also gain the income based on the volume produced but albeit charged at higher rate. Thus, Siti Fesyen has to come up with a better wages scheme as this is one of the major factors for the workers turnover. Being a small

business owner, Siti Fesyen does not have a structured benefits and compensation scheme offered to the workers. This makes the employment at Siti Fesyen less attractive than employers that offered a structured benefits and compensation scheme from the SMEs. It seems that the younger workforce prefers to work at a place where they are paid basic salaries such as shopping malls and other shopping outlets or fast food joints. The places also seem more glamorous for them and offer them a more social atmosphere. Whereas, Siti Fesyen for now pay on contract basis i.e. based on the number of dresses completed. Sometimes these workers come to work at Siti Fesyen but they only work there as a stepping stones and left after a while, normally only after one year. They resigned once they get a job with basic pay.

Lack of structured employment rules and working requirement is another characteristic identified under the weaknesses of Siti Fesyen. It creates disciplinary problems and needs to be highlighted and scrutinised so as to come up with solutions and recommendations on how best to handle the problem. Pn Roselina informed that at present Siti Fesyen is having problem with their offsite tailors whereby they are unable to directly monitor the quality and any delay in amendment will result in time lapse and complaints from customers are imminent in these delayed cases. They also have tardiness issue that has become part and parcel of the business. Despite various reminders and reprimands, the workers have not really taken the issue seriously. It seems that since their pay is based on contract basis, they think it is their prerogative to just leave whenever it suits them. This basically disrupts the work and the process flow in the workshop.

The final characteristic identified being lack of advancement opportunity at work for the workers. Being a small business, Siti Fesyen has limited opportunity to offer in terms of internal career advancement to their workers as the work is restricted to the production line and stop there. Thus, Siti Fesyen has to come up with a good plan to compensate for this weakness or shortcoming. For example, Siti Fesyen may instead offer a small allowance for the senior workers acting as mentor in their mentoring program. It will create a sense of importance and dignity to the senior workers and can be considered as part of the career advancement for the workers.

5.2.3 Opportunities Analysis

Opportunities is one element in the environment that the business could take advantage of in order to grow. Business growth, lack of competition, government aids availability and et cetera; are some of the examples of opportunities. These opportunities are the motivations or external aspects that can help business to thrive. In this SWOT analysis, four (4) characteristics have been identified and will be discussed below.

The first characteristic is the lack of competition from players in the same locality. The competition meant in this instance is competition in the employment market whereby Siti Fesyen remains one of the leading employers in the Tumpat area for this type of industry i.e. making dresses and embroidery. Most of other players only have less than three (3) employees or self-employed tailors. This was mentioned by the owner/manager during the interview session with her, supported by our observation during visits and

confirmed by the workers interviewed. The Department of Statistic Malaysia in their 2016 report as shown in the figure below stated that the unemployment rate for the state of Kelantan had increased to 3.8% in 2016 despite the lower Labour Force Participation Rate (LFPR) of 59.1% against the previous year of 61.9% which may constitute part of the untapped labour market. LFPR or the participation rate is calculated by the active fraction of an economy's labour force (total of employed people and people that are actively trying to get a job). The 45.8% female LFPR equals to 178,052 [$45.8\% \times (59.1\% \times 657,800)$] headcounts which is a large base for the labour market in Kelantan. Siti Fesyen must be creative in their recruitment strategy to attract workers to join them.

Table 5.2: Statistics of Labour Force in Kelantan
(Department of Statistic Malaysia)

KELANTAN	2012	2013	2014	2015	2016
Employment ²					
Labour Force ('000)	592.3	619.8	646.2	676.2	657.8
Employed ('000)	578.7	602.7	625.2	652.1	632.9
Unemployed ('000)	13.6	17.1	21.0	24.1	24.9
Labour Force Participation Rates, LFPR (%)					
Total	58.2	59.3	60.3	61.9	59.1
Male	72.1	72.6	71.7	74.4	72.3
Female	44.3	46.1	48.8	49.5	45.8
Unemployment Rate (%)	2.3	2.8	3.3	3.6	3.8

Second opportunity identified is Siti Fesyen business growth and expansion whereby the potential for growth is substantial either upstream or downstream. Siti Fesyen has the resources in their knowledge, skill sets and experiences that will enable them to broaden their market and also the range of services offered. These will provide their employees more challenges and excitement in their job that will keep them interested and give them something else to look forward in their job beside their basic job functions that are basically very specialised and focused. We have actually discussed the matter with Pn Roselina during the interviews session and she admitted that she is looking into the possibilities of actually venturing out to other facets of the business such as selling readymade personalised hijabs and dresses, offering weekend classes with their workers as trainers and also accepting contract works for standard dress uniforms and scarves from their customers. This will also give the opportunities for the workers to develop their skills and competence besides give them the opportunity to earn more income. The challenge may also attract more talented potential workers to join Siti Fesyen.

Next, there is the opportunity to source out trainees and recruit them from the local government skilled-based training program/scheme such as Community College, Institut Kemahiran MARA (IKM), Institut Latihan Perindustrian (ILP) and other institutions offering the course in fashion design or other related courses. Siti Fesyen may liaise with the respective college and institution to offer places for the trainee to undergo their industrial training at Siti Fesyen. Normally the training period will be from three (3) to six (6) months and if Siti Fesyen has created an attractive employment package, the trainee may agree to stay on and grow with the business or later become business partners

with Siti Fesyen. Some of the programs at these institution are short term programs of one (1) to three (3) months i.e. reskilling program or skill sharing program that allow the participants to learn new skill and adopt it in their work-life experience. Examples are, a tailor with basic sewing skill of “baju kurung” participating in reskilling program to learn the art of cutting and sewing a “mini kurung” or dresses. This program may also be the base for Siti Fesyen to offer their expertise and at the same time seek their potential workers from the participants.

Lastly, the opportunity can be created by implementing a better wage structure and by giving recognition for high performance. From the interviews, we noted that a few of the workers left due to the wages structure that is totally based on the volumes of work completed. Siti Fesyen might want to examine this matter further and try to come up with a better wages structure with a few benefits throw in for added measure. This however must be properly planned, measured and evaluated based on the cost involved and the impact that Siti Fesyen wants to achieved. It will be prudent for Siti Fesyen to take into consideration the factors that are actually expected by the workers in their employment package such as SOCSO contributions, EPF Contributions and higher pay based on skills and expertise. Luthans (2000) through a survey on effective leadership tool that looked into the nature and importance of employee recognition stated that a reward system in which the employee is personally recognized for their individual achievements in doing a good job is critical. With that said, it is evident that employers or leaders should emphasize more on employee recognition as they strive to maintain and improve productivity of their organisations.

5.2.4 Threats Analysis

Threats are the environmental factors that can cause trouble for the business. These are the external elements that cannot be controlled by the business owners and the result of these threats can make the business vulnerable. As risky as the threats may be, there are some steps that can be taken in order to prepare for them. Therefore it is to the business advantage to have a contingency plans for threats. We have identified three (3) major threats to Siti Fesyen in this study.

The first threat is the emergence of new employment opportunities that provide better employment package especially in the wages and benefits factor. It comes about with the opening of new hypermarkets and businesses in Kota Bharu town such as AEON Mall and Giants Hypermarket that offers employment opportunities to locals. Utusan online reported that the opening of Aeon Mall in April 2016 provided 1000 jobs to locals, whereas Giants opened up 700 jobs to be filled in when they opened in April 2017. The next to open will be Platinum Mall that will reportedly offer about 1200 job opportunities. These are jobs opening provided by the malls and not the businesses that will sprout within the surrounding areas. Periasamy (2010) in his book wrote that in order to interest trained and competent employees, the employers should offer a comprehensive wage system that guarantees the workers to receive satisfying pay. Cable and Judge (1994) explored the extent of how employees job searches decisions are affected by their pay preferences. This study was conducted in both hypothetical and actual organisations. They also looked at the extent of how a specific compensation characteristics are determined by the job seekers' personalities and individualities. Results suggested that

job seekers are more interested in organisations that proffer higher pay levels, accommodating benefits, individual-based pay and fixed pay policies. It is also noted that the draw of a pay policy is higher when an individual personalities are suitable with the compensation system offered.

Second characteristics for threats identified for Siti is Fesyen the threat of losing experience workers. From the interviews conducted, we found out that most of the employees that left to seek employment elsewhere were new employees with less than six (6) months of working period. Basically, these employees were younger generations with age between 20 years to 30 years that are more aggressive and always looking for new opportunities elsewhere. However, Siti Fesyen also lost a few experienced workers due to factors such as health problems, personal/family problems and venturing out on their own. For cases such as health and personal/family problems, in most cases the turnover cannot be helped. However for cases whereby a worker wants to venture out on her own, Siti Fesyen may work out some arrangement to contract out some work to the worker and make it a win-win situation. Dr. Andrew M. Peña (2013) in his article wrote that whenever employees leave their job, regardless of the reason, the employers lose whatever knowledge and experience of that particular individual and they will find it hard to replace the knowledge because of the absence of adequate transfer programs. Career Partners International of Chapel Hill, North Carolina (2010) on “2010 Mature Workforce” survey found the number one concern related to maturing personnel is the loss of critical knowledge and the scarcity of trained employees. The figure below show the summary of concerns from the result of the survey:

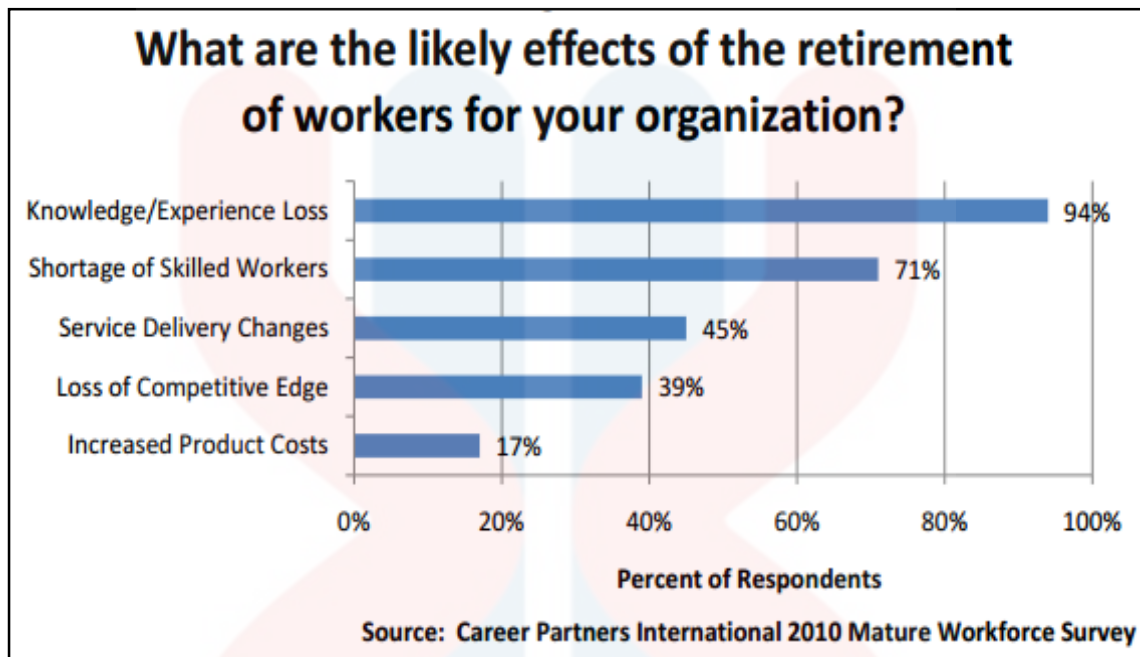


Figure 5.1: 2010 Mature Workforce Survey

The final threat would be the higher cost of hiring or recruiting new workers. The cost will be in the form of time and money and both will definitely affect the businesses bottom lines. Currently, as admitted by Pn Roselina during the interviews, she does not have the luxury of times to really spend on recruiting effort and for the time being rely on walk in candidates and a small “tailors wanted” signage in front of her shop. She is also reluctant to spend more money for recruiting as she believed that the cash is better spend to develop the business side i.e. ploughing back into the business to generate more income. Based on a data obtained from 11 research papers which consisting of 30 case studies investigating the cost of employee turnover, it is found that it costs the organisations at least 20% of their salary when an employee leaves. These costs reflect the loss of productivity from the departure, the cost of finding a replacement, and the reduced productivity while the new employee gets up to speed. If you are a small business

with multiple employees leaving each year these numbers can add up quickly and make a big dent in your budget (Sutter, 2013).

5.3 Recommended Solutions

Based on the analysis, we had come up with a few recommended solutions for Siti Fesyen in handling and managing its retention issue.

5.3.1 Understand Employees Needs and Expectations

When it comes to its employees, regardless of the size of an organizations or business, the employees always play a significant role in shaping its future. This cannot be truer when talking about businesses that are workers intensive such as Siti Fesyen. As a result, an emphasis on researching their needs, drives and expectations is needed with the purpose of trying to meet the said elements. Good communication is key to finding what are the needs and expectations of the workers, and employer must be willing to communicate with the workers. Employers will have a hard time trying to identify a problem when they are unwilling to listen to their employees' issues and concerns. The businesses must give the recognition of the employees as an individual with different ambitions, desires and personalities. They also need to appreciate the contribution made by each individuals to their organizations. With that considerations in mind, employers

should make it their priority to provide their employees with suitable incentives to keep the happy and productive.

An expectation is the thought, or belief, that something will occur. Expectations can be found all around us. Organisations and managers have expectations of their employees and the same can also be said for the employees when it comes to their employers. These expectations are in the form of psychological contracts. This psychological contract is often an unrecorded mutual arrangement between an employer and an employee about their respective roles. When psychological contracts are not fulfilled, it can lead to absenteeism, conflicts, poor job performance, and staff turnover. When psychological contracts are fulfilled, employees are engaged and motivated to perform at their best. Every employee is unique and expectations may differ from employee to employee. Each employee holds some basic expectations of their employer. These basic employee expectations include safe working conditions, adequate training, policy communication, and pay checks to be correct and on time. It is observed that employees are rarely vocal when talking about their individual expectations. However, several studies on what employees really looking for in their work environment were conducted. From these studies it can be concluded that organizations need to have an awareness of the workers expectations and what are the best way to fulfil them that will benefit both parties.

5.3.2 Strive for Employees/Job Satisfaction

It is evident that employees' job satisfaction are interrelated and correlated with turnover intention. Employers that put in effort to find out employees expectation and need are employers that are concern with employees/job satisfaction. Once the employers identified the elements that will promote the employees satisfaction, they can work out an employment plan that will bring about employees/job satisfaction. However employers have to work within their constraints such as cost, time and resources. They also have to ensure that they can afford the employment package and the cost-benefit is beneficial to them. Schmit and Allscheid (1995) stated that satisfied employees are most likely will give a better job performance.

Locke and Luthan (1976) defined job satisfaction as emotionally satisfying and encouraging situation that come about from the employee appreciation of the job they are doing. In other words, job satisfaction is resulted from how an employee's job delivers the things that they deem as important to them. Mitchell and Lasan (1987) said that job satisfaction are one of the most crucial and researched field in organizational behaviour. Luthan (1998) divided job satisfaction into 3 crucial elements:

- Job satisfaction cannot be seen because it is an emotional response one have towards his or her job, it can only be inferred.
- Job satisfaction is usually measured on the manner in which the result reach or surpass expectations. Example: workers will have a higher chance to behave negatively if they think their employer didn't reward them

accordingly. Especially if they are working harder than the other employees but receiving less reward.

- Job satisfaction stand for a number of interconnected attitudes. These includes the work itself, wage, compensations (promotions, rewards), administration and colleagues. All these crucial elements of a job can have a beneficial reaction on an individual.

Levinson (1997) and Moser (1997) stated that job satisfaction is so essential to an employee because without it one will lost interest in their work and will lack in their sense of responsibilities. In addition, Alexander, Lichtenstein and Hellmann (1997), and Jamal (1997) agreed that an absence of job satisfaction will eventually pressure a worker to quit their job. Kessler (2014) noted that the higher rate of job satisfaction of a business workforce the lower the number of voluntary turnover intention will be for that business. This is because a satisfied workers are more committed, motivated and loyal to their employees. Other than that, Katz, in Sinclair, et al. (2005) reveals that money is a strong incentive affecting a person job pick. He further justifies that money can draw, maintain and inspire persons to function better at their job. And in a labour intensive environment whereby the workers are from the school graduates (SPM) with no other qualifications, money still plays a large part in their motivation and attaining job satisfaction.

5.3.3 Enhance Employee Recognition

Recognition is one of the easiest way to make employees feel like they are valued. However, research shown that a staggering 79 percent of worker feels that they are undervalued by their businesses. Giving recognition is often free and expressing ones' gratitude does not take much time. Employers such as Siti Fesyen should fully utilise as part of their strategies to retain their workforce. Overhead can be reduced by using a peer recognition system. With crowd source recognition, the employers do not have to do everything by themselves but instead they should rely on the workers to observe, identify and compensate each other contributions. Another advantage of using this system is that it can contribute to employees' job satisfaction in a way that it gives them the independence to complement each other. Thus giving them a way to convey their values and expectations among themselves. Employees constantly seeking for recognitions for their work, employers who are always aware of this and make a habit to value their workers will get a positive result. Employees may have a difficult time coming to their employers and telling them what they want, but this does not mean that the employers should ignore their needs and expectations. There are some ways that can be used to increase employee engagement, satisfaction, and retention. Employers should always question themselves on how can they nurture believe, esteem, communication, objective, independence and acknowledgement in the workplace.

5.3.4 Enhance Employee Engagement

Besides giving recognition, there are five more significant ways to engage employees such as interactions between colleagues, input in helping business to achieve its goals, the significance of the job, chances of using skills/abilities, and the connection between the management team, the work itself and the business financial stabilities. A report by TinyHR's (2014) indicates that even though employees might have a desire to practice and develop their skills, have a good rapport with their bosses and being valued; that does not guarantee their improvement in productivity. TinyHR (2014) has done a study through more than 500 organisations involving 200,000 employees and it discovered that 66% of the respondents could perceive growth potential. Only 21% sensed that they appreciated at work and more than 25% does not have the instruments required to succeed in their jobs. Thus, Siti Fesyen must tie up all the three (3) elements discussed above i.e. understanding employee needs and expectation, providing better employment package and give employees the due recognition to keep them happy and enhance their engagement level to the business. The higher the engagement level, the higher the workers' loyalty to the business.

5.3.5 Enhance Recruiting Strategies

i. Employee Referral

Employee referral is one of the most effective way to find new employees. Present employees can be given rewards to endorse names of their acquaintance that they

have confidence in the abilities to have a positive impact towards the business. These employees should always be encourage to keep looking for potential candidates. This will improve the business ability to reach a wider choice of potential new employees. A form can be fashioned so that fresh workers can make a list of names of the people they know that have the potential to fill the spots within the guidelines provided by the employers. The earlier the list can be obtained the better it is.

Moreover, there should be an easy way for present employees keep on suggesting potential recruits. A contest is one of the example of ways motivates them to keep referring candidates where a person with most referral wins. A productive and effective employees usually socialize with similar kind of individual, so there should be an emphasis on employee referral program whenever the business is recruiting for new workers.

ii. Re-recruiting former workers

The benefits of rehiring or re-recruiting former workers can be greater than the disadvantages of such practice. One of the benefits is a rehired worker do not need to be trained, thus saving the business from having to spend money and waste time on training programs. This also means that there are no recruiting cost. Former workers are already aware of how the business works especially in the practice and values. It is also noted that rehired employees tend to be more loyal because they have experienced how other businesses works and faced different group of people.

They may find that they like the old job better than the new one and want to return there. This type of workers are known as the boomerang employees. They will become more dedicated as the direct result of them returning to the former employees and being rehired. Looking at the advantages in terms of cost and morale, Siti Fesyen may want to revisit their former employees that may be available again in the job market. Still, the reason from leaving previously must be taken into consideration when looking at these former workers as potential candidates for new hire. In making an effort to bring back former workers, the employers are giving the existing workers a morale boost by bringing them back together as a team again.

iii. Getting potential workers from high schools, technical/vocational schools, colleges and training programs:-

Another great source for new recruitments are fresh graduates from colleges or technical/vocational schools. Employers can participate in different kind of events to get noticed, other than on-campus interviews. Some of the activities are listed below:

- a. Developing a co-op or intern program.
- b. Talking to a college class or club.
- c. Participating in a career fair.
- d. Developing nominators in teachers and placement counsellors.

- e. Advertising in the school newspaper.
- f. Placing notices on campus bulletin boards.
- g. Hosting a day with students or with teachers.

Employers should take advantage of trying to interest potential workers from a younger age since students and young people are determining on a career sooner. This can be achieved by doing seminars at high schools, involvement in career fairs and so on. From the interviews we noted that majority of the workers graduated from secondary school with Sijil Pelajaran Malaysia (SPM)^b as their highest academic qualifications. Siti Fesyen should focus on colleges, technical/vocational schools that offered related course in fashion design and tailoring. For normal school, focus should be on the students with medium performance as target group to attract as potential workers. Career opportunity should be highlighted with benefits and the potential of setting up their own business in the future. Government-funded and community-based training programs can also be a source as they not only promote but also help employers in discovering and preparing candidates to fill vacancies in their businesses.

iv. Offer attractive employment package

A survey on human resource leaders by Harvard Business Review Analytic Services in 2011, reveals that 60 percent cited that skilled employees can be recruited and retained by offering an attractive benefits package as opposed to 38 percent who believed that a high base salary is more crucial. Benefits are a big part

that determine employees' job satisfaction. In another different survey, this time by Metlife, it is observed that 49 percent agreed that benefits play a big role in influencing which employer to choose, while 60 percent stated that benefits are also an essential cause for staying.

Smaller employers such as Siti Fesyen rarely offer any benefit packages to their employee, and even if they do, there will be a limited number of benefits offered. Systematic benefits plans are needed by small businesses in order to, not only keep growing and expanding, but also to continue to draw new employers and keep the existing ones. The benefit packages should be in accordance with the ability of the employers to fulfil them and they can keep expanding them as their businesses grow as allowed by their resources. They should also consider the needs and desires of their employees, and from there they can customize benefits plans accordingly. There are tangible incentives such as pay and intangibles like mentoring, but going above and beyond by giving a considerable benefit package can significantly change an employee's life. As for the employers the knowledge that they are making a difference in their workers' life is one of the most satisfying parts of owning a business.

This is why it is imperative for employers to know the hopes, needs and issues regarding your existing workers for you to plan and strategise the most attractive employment package to your target group.

v. Offer opportunities to grow

While workers value a competitive salary and benefits, they are also highly motivated by having opportunities for growth and development within their present employment. How employees perceive their chances of growing and progressing at their workplace will determine the level of their commitment to their job. Quantum Workplace conducted a study whereby most employees said that the commitment are driven by professional growth opportunity. On the contrary, departing employees chose the absence of opportunity. Conversely, exiting employees listed lack of growth opportunity as the second highest reason for leaving. That means that if you have high retention, it is probably because you encourage career development opportunities, and if you have high turnover, it's probably because you are not encouraging enough of them. Potential for growth is important to employees. And not just financial growth, either. There are many ways your company can offer growth opportunities and some of them do not cost a dime. Besides financial growth, employer can also offer career growth, professional growth and personal growth to the employee. For a small business like Siti Fesyen that has limited fund, it would be prudent to provide employee with on-the-job training and development, mentoring programs, seniority titles, choices to work from home and opportunity to set up new business as business partners.

5.3.6 The Management Capability and Leadership Style

Many studies were conducted where it is evident that the management and leadership style can affect the capability of the organization to retain its employees. Eisenberger, Fasolo, and Davis-LaMastro (1990) claimed that employee's rapport with the administrator will influence on how they perceive the organization. A highly competitive environment entails that a business needs to keep the key employees in order to stay competitive. With that said, leaders' part in maintaining and keeping employees is crucial because they represent the whole organisation and their management style will determine how employees feel about the company.

Wakabi (2013) mentioned that retention policies should make it their priority to recognize and keep loyal employees on a condition that it is beneficial to both parties. Firth, Mello, Moore, and Loquet (2004), cited that employees left their jobs for a variety of reasons. Among the most common causes are stressful and demanding jobs, noncommittal employers and unsatisfying job. Stress can also be caused by managerial style and a lot of employees judge the organization based on their manager.

J.Ng'ethe (2012) proposed that there is a correlation between leadership style and intention to leave. When a worker dislike the leadership style of his or her immediate superior, his or her intention to leave increased and vice versa. An awareness of which leadership style use by administrators is needed if employers are looking to keep their present workers.

Other than leadership style, management support also play an important role on employee retention. The willingness of an organization to include their employees in decision making will make the employees feel valued and this will motivate them to be loyal (Noah, 2008). Eisenberger, Stinglhamber, Vandenberghe, Sucharski, and Rhoades (2002), and Paillé (2013) observed that management support is even more important than the organisational support. Other than that, Ellett, Ellis, Westbrook, and Dews (2007) “supportive, quality supervision” and “leadership that values employees” has an encouraging influence on retention. Moreover, Joo (2010), Tymon, Stumpf, and Smith (2011) as well as Mignonac and Richebé (2013) identified supportive administration from administrators as a contributing factor to employee retention. Thus, Siti Fesyen should try to assert a supportive and quality supervision together with leadership style that values employees as well as getting them involves in decision making.

5.4 Conclusion

This case study provides an overview on the factors that will affect employee/job satisfactions and employees engagement to the organisation. This in turn will affect the workers retention and turnover intention. As a conclusion, pay checks size and reliability is still one of the major factors besides job security, working condition and recognitions. The case study also recognized the importance of opportunity to develop and grow for the workers as part of their motivation and engagement. This opportunity need not be internal but may be an extension of the business itself or as a business partners. The

employer also must have the ability to plan, strategize and prepare and implement a good employment package that is within its budget and capabilities. In all, the employer must look into being more transparent and be aware of the changing needs and expectations of their workers so as to always stay on top and be competitive to the market.



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The logo of the University of Kelantan is a large, stylized 'UK' monogram. The 'U' is light blue and the 'K' is light red. The letters are composed of thick, rounded strokes.

APPENDICES

UNIVERSITI

MALAYSIA

KELANTAN

APPENDIX A

Interview Acknowledgment

Kindly be informed that we have agreed to your request to have interview sessions for your Masters in Business Administration (MBA) course at Universiti Malaysia Kelantan (UMK) on 7 April 2016, 17 September 2016, and 6 March 2016. We have made arrangements for you to interview the following people:-

1. Noorirwani binti Mohamad Noor, clerk
2. Che Hasnah binti Sulaiman, cutter
3. Ramlah binti Muhammad, tailor
4. Zailanie binti Yusof, former employee
5. Phawana binti Che Deraman, former employee
6. Salma binti Muhammad, former employee

Thank you for your interest in our company and we look forward to assist you on your undertaking.

Yours truly,

Company stamp:

.....
Roselina Binti Awang

Owner/Manager

Date: 6 March 2016

APPENDIX B

PROFILE OF INTERVIEWEES

Name	Roselina binti Awang
Age	53 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	<u>Siti Fesyen</u> Manager (30 years)
Current Position & Duration	Owner/Manager (4 years)

Name	Hajah Meriam binti Sidek
Age	74 years
Highest Education Level	Standard 5, Primary School
Previous Employment & Duration	<u>Siti Fesyen</u> Founder/Owner/Manager (30 years)
Current Position & Duration	Advisor (4 years)

Name	Noorirwani binti Mohamad Noor
Age	31 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	<u>Kedai Runcit Awang</u> Clerk / Cashier (July 2013 – August 2014)
Current Position & Duration	Siti Fesyen Clerk (30/10/2014 – current)

Name	Che Hasnah binti Sulaiman
Age	50 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	Self-employed, tailor
Current Position & Duration	<u>Siti Fesyen</u> Cutter (03/07/1997 – current)

Name	Ramlah binti Muhammad
Age	53 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	Unemployed
Current Position & Duration	<u>Siti Fesyen</u> Tailor (20/04/1996 – current)

Name	Zailanie binti Yusof
Age	46 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	Siti Fesyen Embroiderer (03/08/1996 – 12/06/2015)
Current Position & Duration	Housewife (13/06/2015 – current)
Reason for Leaving	Personal ~ to take care of ailing father

Name	Phawana binti Che Deraman
Age	32 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	<u>Siti Fesyen</u> Embroiderer (15/03/2000 – 10/5/2014)
Current Position & Duration	Shop-owner, tailoring (September 2014 – current)
Reason for Leaving	To open own shop for tailoring

Name	Salma binti Muhammad
Age	42 years
Highest Education Level	Sijil Pelajaran Malaysia
Previous Employment & Duration	<u>Siti Fesyen</u> Tailor (08/08/2016 – 09/02/2017)
Current Position & Duration	Resigned, unemployed
Reason for Leaving	Not suitable job, incompatible with owner

APPENDIX C (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Roselina binti Awang has been conducted at the Siti Fesyen workshop, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Roselina binti Awang

Date:

APPENDIX C (ii)

INTERVIEW SESSIONS WITH PN ROSELINA BINTI AWANG**(OWNER/MANAGER)**

This is the extracts of the interview sessions with Pn Roselina binti Awang (Owner/Manager) of Siti Fesyen conducted on 7 April 2016, 17 September 2016 and 6 March 2017.

QUESTIONS & ANSWERS

Azuani : Assalamualaikum Pn Roselina.

Pn Roselina : Waalaikumussalam, please come in. Are you Pn Azuani from Universiti Malaysia Kelantan?

Azuani : Yes Puan. Thank you for your time. May we start?

Pn Roselina : Sure, please continue. I hope I can help you.

Azuani : Puan, may I know how long have you managed Siti Fesyen?

Pn Roselina : Well, I took over from my mother somewhere in the midst of 2013, so it has been nearly 3 years.

Azuani : How do you feel about managing Siti Fesyen? Was the transformation process smooth?

Pn Roselina : It went reasonably well considering that she had prepared me for the position for more years than I can remember.

Azuani : So now Siti Fesyen caters to what type of customer? Walk-in customers? Existing customers? Online customers?

Pn Roselina : Well, our customers are mostly existing customers. We have our loyal customers and mostly our new customers are referred by our existing customers. And for the time being we do not have online customers. However, we do have customers from outstations such as Kuala Lumpur, Selangor, Melaka, Johor, Terengganu, Penang, Sabah, Sarawak and even Brunei.

Azuani : How do you handle the outstation customers?

Pn Roselina : Mostly we deal over the phone but first, they will courier their clothes for sewing or embroidery complete with a detailed instruction on a piece of paper attached. Then, they will call and confirm their order. The embroidery they will let us decide on the suitable designs but they will give a range of budget for us to workout with.

Azuani : So, as the owner/manager, what are the things that you have to manage?

Pn Roselina : Well, mostly I manage the workload and workflow of the work itself. I also manage the account, deal with the suppliers, and entertain the customers, managing the workers and their quality of works. I also do the designing and the cutting of the clothes into dresses. Oh my, when I list it down it looks like so many things for me to handle, no wonder I always feel like the day just flew by.

Azuani : Do you have assistants?

Pn Roselina : I have a clerk, Pn Wani. She helps me to entertain the customer,

check the stocks, manage the shop when I'm not around and assist to assign the works to the cutters, tailors and embroiderers. She also helps to check the quality of completed works/products and do the invoices.

Azuani : How many workers do you have?

Pn Roselina : Currently we have 9 workers in the boutique, one cutter, 2 embroiderer and 6 tailors. We also have 10 at-home workers consist of one cutter, 4 embroiderer and 5 tailors.

Azuani : Puan, from what I can gather, Siti Fesyen puts a high emphasis on the quality of your end products. How do you maintain your high quality?

Pn Roselina : Well, for the time being, we manage to maintain the high quality that is associated with Siti Fesyen. But in order to maintain the high quality, we are currently producing a lower quantity relative to...let's say 5 years ago.

Azuani : May I know why that is?

Pn Roselina : Before, we have about twice the number of workers to work with and about half of them are skilled and experienced workers. But recently, we experienced high turnover rate due to various factors such as old age, other work opportunities and lack of interest to pursue this line of work. I have 4 resignations for the past 12 months.

Azuani : From my experience, normally wages plays an important part in

retaining workers, is it one of the factor? How do you pay the wages for your workers?

Pn Roselina : It may be one of the factors because we pay based on the quantity of work that they completed. If they complete a lot then the pay is more, but for low skilled workers, normally the pay is not much until they become more skilled, they work faster and can produce more.

Azuani : So for low skilled workers, how do you train them? Do you have a proper training or do you send them for courses?

Pn Roselina : The training is actually on-the-job training. This is because we only hire worker with basic knowledge and skill so that they will be able to catch up faster. Normally within 2 to 4 weeks, they will be able to achieve the high quality of Siti Fesyen.

Azuani : So, why do they leave after they had the skill?

Pn Roselina : Well, most of the younger workers normally lost interest and prefer to find employment with fixed income such as at shopping complexes and other outlets. Especially now with the newly opened Aeon Mall. The senior workers mostly just resigned due to old age and also health problem.

Azuani : What about recruitment? Have you look into hiring more workers?

Pn Roselina : Well, to tell you the truth I do not have the time to actually go out and look for new workers. I would love to have more workers but putting up signage “new tailor wanted” in front of the shop seems not so

successful so far.

Azuani : What about other ways to advertise?

Pn Roselina : I would have to think about it. For now I am too busy.

Azuani : Then the issue will persist unless you come up with new ideas.

Pn Roselina : Yes, for now the problem still exists as it is and we are still facing worker shortage. But sadly I don't have the time to actually look into the matter. Thus, we are currently producing less and we are unable to cater to the high volume of demand during this coming festive season, Hari Raya.

Azuani : Ok Puan, thank you so much for your time.

Pn Roselina : You're welcome, if you can help me find the solution, I would appreciate it very much.

Azuani : Inshaallah Puan.

Problem or Issues Identified in Siti Fesyen

- 1) Difficulties in retaining the workers
- 2) High workers turnover
- 3) Difficulties to recruit new workers
- 4) Low production due to lack of skilled workers
- 5) Communication problem (owner/workers)

APPENDIX D (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Hajah Meriam binti Sidek has been conducted at the Siti Fesyen workshop, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Hajah Meriam binti Sidek

Date:

APPENDIX D (ii)

INTERVIEW SESSION WITH PN MERIAM BINTI SIDEK (FOUNDER)

This is the extracts of the interview session with Pn Meriam binti Sidek (Founder) of Siti Fesyen conducted on 7 April 2016,.

QUESTIONS & ANSWERS

Azuani : Assalamualaikum and good morning Pn Meriam. I am Azuani from Universiti Universiti Malaysia Kelantan. Thank you for agreeing to the interview session for my case study.

Pn Meriam : Waalaikumussalam. No problem, I don't mind. Please ask me anything you would like to know.

Azuani : Puan, I believe that you are the person who started "Siti Fesyen". When was it actually formed and start its business?

Pn Meriam : I started the business in 1978...34 years ago. It was known as Siti Aneka at that time as beside tailoring, I also sell clothes, magazines, cassettes and newspapers. During this period, I am the manager and also the worker. I take on order for tailor-made clothes.

Azuani : So when actually you started Siti Fesyen?

Pn Meriam : Siti Fesyen was formed later in 1983 when I cannot cater to the demands which had substantially increased. It is a boutique dealing solely with selling clothes and tailoring. We specialize in designing, sewing and embroidering tailor-made clothes. I also started taking a

few workers to help me with the business as I cannot fulfill the orders on my own.

Azuani : How did you come out with the name “Siti Fesyen”?

Pn Meriam : Actually my name was “Siti Meriam” but the “Siti” was accidentally dropped off when I did my Identity Card. Thus, to preserve the “Siti”, I decided to name the business as “Siti Fesyen”.

Azuani : How do you built the name of “Siti Fesyen” into a well-known brand?

Pn Meriam : Well, it was a struggle in the beginning but I worked hard and try to cater to the requests and keep up-to-date with the current fashion.

Azuani : So Puan, where do you get your workers? Were they skilled workers or you had to train them from scratch?

Pn Meriam : During the 80’s my workers mostly from Thailand and they are skilled workers. I had only to ensure that their works were up to the quality that I want. But then in the late 90’s, I changed my policy and started to hire locals. So the locals that I hire mostly have the basic knowledge and I had to train them and make them understand the quality that I expected them to produce.

Azuani : So, when do you decide to retire?

Pn Meriam : I decided to retire when I reached the age of 65 years but my plan was delayed and I only retire at the age of 70 years, that was 3 years ago. I left the boutique in the capable hand of my only daughter, Pn

Roselina. Now, she is the owner/manager of Siti Fesyen.

Azuani : Why the delay?

Pn Meriam : Well, actually I want to ensure that my daughter was really ready to take on the business, so for the last 5 years before I retired, I trained her on the management side of the company after I realized that all the while she was never involved in the management but only in operation. I also introduced her to the main suppliers, customers and other aspects of the business.

Azuani : So when did she joined you in Siti Fesyen? Is it your decision or her decision to work at Siti Fesyen?

Pn Meriam : She joined me somewhere in 1988, as a trainee and she started with sewing and embroidery. Then in the midst 90's she became the assistant manager but mostly handle the operation side. It was not solely my decision or hers but it was more of an understanding between us. Furthermore, she was very interested in the business and has the gift in this area of fashion and creative work.

Azuani : What is her qualification if I may ask?

Pn Meriam : Well, she is a very talented person; she is an SPM holder and has no formal training for this. She actually learned throughout her job here and she was a very keen learner and always tries to do something new and exciting. She actually designed most of our embroideries, thus the designs are exclusive and some are tailor-made to suit the dresses

and the designs on the clothes itself. She also controls the color-mix of the embroidery besides me to ensure that the end result is outstanding and beautiful.

Azuani : Are you happy with the “Siti Fesyen” legacy that you left her? You seem very proud of her.

Pn Meriam : Yes, I believe that I am very happy with the way she is running Siti Fesyen now. She maintains the quality and I am very proud of her. And I am very proud that I have a daughter to carry on the legacy.

Azuani : Well Puan, I believe that’s all for now, thank you for your time.

Pn Meriam : You’re welcome.

APPENDIX E (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Noorirwani binti Mohammad Nor has been conducted at a nearby cafe, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Noorirwani binti Mohammad Nor

Date:

APPENDIX E (ii)

INTERVIEW SESSION WITH PN NOORIRWANI (CLERK)

This is the extracts of the interview session with Pn Noorirwani binti Mohamad Nor (Clerk) of Siti Fesyen conducted on 17 September 2016.

QUESTIONS & ANSWERS

Azuani : Assalamualaikum and good morning Pn Noorirwani. I am Azuani from Universiti Malaysia Kelantan. I believe Pn Roselina mentioned that I will ask you a few questions about your job and Siti Fesyen. Thank you for agreeing to talk to me and help me with my case study.

Pn Wani : Waalaikumussalam. No problem, I don't mind. Please feel free to ask. I will try my best to answer you. And pls call me Pn Wani.

Azuani : Ok thank you. What is actually you do as a clerk?

Pn Wani : Well, I do the admin work basically and also help with a few menial tasks around the shop. I also assist Pn Roselina to calculate wages and to check on the completed dresses before her final ok.

Azuani : When did you start working at Siti Fesyen?

Pn Wani : I started working with Siti Fesyen in October 2014.

Azuani : Do you like working here?

Pn Wani : It was ok and I like that it is near my house and Pn Roselina allows my daughter to come with me if she cannot go to school.

- Azuani : That is good. How about other workers here, do you think they are happy working here?
- Pn Wani : Well, you have to ask them. Some of them have already worked here for more than 10 years but as usual at any workplaces there will be complaints here and there. Still, most of them seem to like it working here.
- Azuani : Where did you work before?
- Pn Wani : I worked at a nearby grocery store, Kedai Runcit Awang, for about one year. I do not like it so much so I resigned.
- Azuani : Pn Roselina said that a few workers resigned for the past 12 months, was it a problem to the shop?
- Pn Wani : Yes, we have a few workers resigning for the past few months and this has caused delays in delivering the dresses to customers. I have to handle the complaints with Pn Roselina and it was not fun. The customers can be pretty abusive sometimes when they are mad.
- Azuani : Why do you think the workers resigned? Were they new workers or existing senior workers?
- Pn Wani : Well, since I joined a few workers that left were new workers of less than 6 months but we have one or two senior workers resigning also. Most of them saying that they got new job with good fixed salary at Kota Bharu especially the younger ones. Others due to health problem, getting married and moved away.

- Azuani : What about the management, any of the workers ever mentioned having problem or not satisfied with management?
- Pn Wani : I am not sure whether to answer the question of not?
- Azuani : Don't worry, it will be confidential?
- Pn Wani : Well, there are a few grumbles that the current owner is not as good as the mother (Pn Meriam) but I personally would not know as I start working here with Pn Roselina and I have no problem so far. May be she is a bit strict and open in her comment, that's why...
- Azuani : Any complaint on the wages? Too low or anything?
- Pn Wani : I think the wages are ok, what I was told by the workers, it was compatible to other shops or may be higher so they are ok with it. But I think they would like it if the owner would agree to pay the EPF and SOCSO contributions.
- Azuani : I think so too...well, any suggestion for the management besides what you said just now?
- Pn Wani : I would like it if the owner could come up with a better plan for the employment package and for the workers so that the business could attract new workers and also we can avoid more turnovers in future. Something that will benefit both the workers and the owner.
- Pn Azuani : Yes, I hope we could help with that. Thank you Pn Wani.
- Pn Wani : You're welcome.

APPENDIX F (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Che Hasnah binti Sulaiman has been conducted at the Siti Fesyen workshop, which I submit for the case study on the program Master in Business Administration

Signature of interviewer

Signature of interviewee

Name: Che Hasnah binti Sulaiman

Date:

INTERVIEW SESSION WITH PN CHE HASNAH (CUTTER)

This is the extracts of the interview session with Pn Che Hasnah binti Sulaiman (Cutter) of Siti Fesyen conducted on 17 September 2016.

QUESTIONS & ANSWERS

Azuani : Assalamualaikum and good morning Pn Che Hasnah. I am Azuani from Universiti Malaysia Kelantan. I believe Pn Roselina mentioned that I will ask you a few questions about your job and Siti Fesyen. Thank you for agreeing to talk to me and help me with my case study.

Pn Hasnah : Waalaikumussalam. No problem, call me Pn Hasnah.

Azuani : Ok thank you. Pn Roselina mentioned that you are the resident cutter besides her. How long have you work here?

Pn Hasnah : I have been with Siti Fesyen for nearly 20 years.

Azuani : Wow, so long. You must like it very much working here?

Pn Hasnah : Well, I like it very much and very comfortable working here. I started working with Pn Meriam, she was a wonderful lady. She taught me most of what I know now.

Azuani : What about the current owner?

Pn Hasnah : Pn Roselina is ok but she has a different style than the mother. Still, I have no complaint against her.

She has been a very good employer to me.

Azuani : What about the wages? Are you satisfied with it?

Pn Hasnah : Well, for the most part it's ok, still may be she can consider fixed salary for the senior workers or a different wages scales. It would be nice to be recognized or acknowledged for the experience and skills that you have.

Azuani : Any problems with the workload since you are the sole cutter besides Pn Roselina?

Pn Hasnah : No, the workload is manageable. Pn Roselina will do the complicated ones and leave the rest to me and our offsite cutter. Still the heaviest workload mostly will come during the Hariraya Festivals and wedding seasons. During this time we have to work doubly hard to cater to the demand.

Azuani : So, do you have any intention to leave Siti Fesyen in the near future?

Pn Hasnah : For the time being, no. I like working here where most of my friends are. And we are all ladies so it is very comfortable and the camaraderie is great. May be in a few years time when I want to retire or if my eyesight do not allow me to do my job anymore. Until then, I would stay with Siti Fesyen.

Azuani : Ok, thank you for your time.

Pn Hasnah : You're welcome.

APPENDIX G (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Ramlah binti Muhammad has been conducted at a nearby cafe, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Ramlah binti Muhammad

Date:

APPENDIX G (ii)

INTERVIEW SESSION WITH PN RAMLAH (TAILOR)

This is the extracts of the interview session with Pn Ramlah binti Muhammad (Tailor) of Siti Fesyen conducted on 6 March 2017.

QUESTIONS & ANSWERS

- Azuani : Assalamualaikum Pn Ramlah. I am Azuani from Universiti Universiti Malaysia Kelantan. I believe Pn Roselina mentioned that I will ask you a few questions about your job and Siti Fesyen. Thank you for seeing me.
- Pn Ramlah : Waalaikumussalam. It was a pleasure.
- Azuani : May I know how long have you been with Siti Fesyen?
- Pn Ramlah : I have worked here for 20 years.
- Azuani : It's such a long period to work at one place. Are you happy?
- Pn Ramlah : Well, I like it very much that's why it last this long. And I hope to continue working here for a few more years. At least until I am ready to retire.
- Azuani : You started working with Pn Meriam also, same as Pn Hasnah, is it?
- Pn Ramlah : Yes, she was a fine lady and it was an honour to work for her. She was well-liked, likes to make jokes and laugh with us.
- Azuani : What about her daughter, Pn Roselina?
- Pn Ramlah : She is also nice but a bit outspoken. A few workers don't like it

especially new workers. We the senior workers have known her long so we are just used to it....hahaha.

Azuani : Was she harsh? I meant to the new workers? Will they left due to it?

Pn Ramlah : Hmmnnn...I would not say it harsh but her criticism can be cutting. And I cannot say for sure about new workers leaving due to that but a few of them are scared of her I think.

Azuani : Ok, what about your workload, is it manageable?

Pn Ramlah : The workload is there but you have to know how to manage it. And you have to realize that the more you finished the more you will get. So larger workloads may means more money, you just have to learn to manage it. For us the seniors, it's basically manageable and welcome.

Azuani : Do you have any complain about the wages?

Pn Ramlah : Well, I am satisfied with the pay that I received. It was a good pay for me and the wages are never late, so no complain there.

Azuani : I assume you have no intention to leave the employment in the near future? What about your colleagues, anybody mentioning any intention to leave?

Pn Ramlah : Well, no. I have absolutely no intention to leave. But for other workers, I am not sure. I heard a few workers talking about working at the malls in Kota Bharu, the young ones always looking for happy and fun place where they can have more friends and socialize. So no

comment on that.

Azuani : Are you aware of the workers resigning?

Pn Ramlah : Yes, of course. The shop is not that large, I should know.

Azuani : Do you know why they resign?

Pn Ramlah : Hmmnn...it depends. A few got a job in the new malls, one or two due to health problem and also marriages. They got married and follow their husband.

Azuani : Well, thank you for your time.

Pn Ramlah : Sure, no problem.

APPENDIX H (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Zailanie binti Yusof has been conducted at a nearby cafe, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Zailanie binti Yusof

Date:

APPENDIX H (ii)

INTERVIEW SESSION WITH PN ZAILANIE (FORMER EMBROIDERER)

This is the extracts of the interview session with Pn Zailanie binti Yusof (Former Embroiderer) of Siti Fesyen conducted on 6 March 2017.

QUESTIONS & ANSWERS

Azuani : Assalamualaikum Pn Zailanie. I am Azuani from Universiti
Universiti Malaysia Kelantan. I called you a few days ago about an
interview session about your previous work with Siti Fesyen. Thank
you for seeing me.

Pn Zailanie : Waalaikumussalam. I don't know if I could help but please have a
sit.

Azuani : Well, as I explained, this is for my study so I hope you could help to
answer a few questions.

Pn Zailanie : Yes, I hope I can assist.

Azuani : So, I will start with the interview. How long did you actually work
with Siti Fesyen?

Pn Zailanie : About 20 years. I started working with Pn Meriam in 1996.

Azuani : You mentioned resigning in June 2016, what actually entail you to
resign?

Pn Zailanie : My father was sick and I resigned to take care of him. He passed
away shortly after that. Now I am a fulltime housewife and helping

my sister who lives nearby to take care of my niece.

Azuani : Oh...your sister pay you?

Pn Zailanie : Yes, she did but it was not much. Only I enjoy it since I don't have children of my own. It was more to help her.

Azuani : Do you have any intention to work again?

Pn Zailanie : For now I am comfortable but may be at a later date.

Azuani : May be go back to work at Siti Fesyen?

Pn Zailanie : (smile)

Azuani : Do you like working at Siti Fesyen?

Pn Zailanie : Yes, it was good since most of the workers are friends and we remain friends until now. We have our own "whatsapp" group and keep in touch through it. Furthermore, most of the workers either current or former workers live around the area.

Azuani : What about the owner, Pn Roselina?

Pn Zailanie : (smile)...I like working for the mother, Pn Meriam was funny and very easy going. It was fun working then.

Azuani : Did you discuss why you leave Siti Fesyen with the others?

Pn Zailanie : Yes, sometimes.

Azuani : What did they say? I mean their reason for leaving?

Pn Zailanie : I remember a few saying they are now working in Kota Bharu at outlets and the malls. They seem happy working there; these are mostly the younger ones. And there are a few that left due to getting

married. One or two set up their own business.

Azuani : Well, are you doing any tailoring now?

Pn Zailanie : I do actually but mostly for families and close friends. Just to fill up my free times.

Azuani : Well, thank you so much for your cooperation.

Pn Zailanie : You're welcome. Have a nice day.

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APPENDIX I (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Phawana binti Che Deraman has been conducted at a nearby cafe, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Phawana binti Deraman

Date:

INTERVIEW SESSION WITH PN PHAWANA (FORMER EMBROIDERER)

This is the extracts of the interview session with Pn Phawana binti Che Deraman (Former Embroiderer) of Siti Fesyen conducted on 6 March 2017.

QUESTIONS & ANSWERS

- Azuani : Assalamualaikum Pn Phawana. I am Azuani from Universiti Universiti Malaysia Kelantan. I called you a few days ago about an interview session about your previous job at Siti Fesyen. Thank you for seeing me.
- Pn Phawana : Waalaikumussalam. I hope I can assist you.
- Azuani : So may I start now?
- Pn Phawana : Yes, please do.
- Azuani : How long did you work with Siti Fesyen?
- Pn Phawana : About 14 years. I started working with Pn Meriam in 2000.
- Azuani : So you resigned in 2014, may I know why?
- Pn Phawana : Well, I was just married and we moved to another village which is a bit far from the shop. Then I discussed with my husband and he encouraged me to open my own shop. Later I talked to Pn Meriam and she supported my decision. She said that she will support me in the business by giving me jobs and moral support. Since then I had opened my own shop and Pn Roselina had continued to give me jobs after Pn Meriam retired.

- Azuani : So, during the time when you worked with Siti Fesyen, are you satisfied with the job? Are you happy?
- Pn Phawana : Yes, you can say that I am happy with the job. But it was time for me to leave and start my own business.
- Azuani : So, do you think that Siti Fesyen should implement this plan with other workers?
- Pn Phawana : Yes, for me it was a good start since Siti Fesyen help with the jobs when I first started my shop. So I have orders and managed to make a decent income after the first 3 months and thrive thereon. I believe that they can make this as part of the plan to help its workers to succeed after leaving Siti Fesyen. It is a win-win situation since Siti Fesyen can still have the skills and expertise albeit as a business partners instead of workers. It also relieves Siti Fesyen of the responsibility as an employer.
- Azuani : Yes, I believe so also. Well, it was good talking to you. Are you still in contact with the other workers?
- Pn Phawana : Yes, I still keep in touch with them.
- Azuani : Do you hear any complains about Siti Fesyen?
- Pn Phawana : Well, as far as I'm concerned, mostly were just grumblings and everyday things. Nothing serious though. Mostly it was just letting of steams after a day of hard works.
- Azuani : Well, I think that's about all. Thank you.
- Pn Phawana : You're most welcome.

APPENDIX J (i)

DECLARATION OF INTERVIEW

I hereby certify that the interview session between me and Salma binti Muhammad has been conducted at a nearby cafe, which I submit for the case study on the program Master in Business Administration.

Signature of interviewer

Signature of interviewee

Name: Salma binti Muhammad

Date:

INTERVIEW SESSION WITH PN SALMA (FORMER TAILOR)

This is the extracts of the interview session with Pn Salma binti Muhammad (Former Embroiderer) of Siti Fesyen conducted on 6 March 2017.

QUESTIONS & ANSWERS

Azuani : Assalamualaikum Pn Salma. I am Azuani from Universiti
Universiti Malaysia Kelantan. I called you yesterday about an
interview session about your previous job at Siti Fesyen. Thank
you for seeing me at such a short notice.

Pn Salma : Waalaikumussalam. Well, no problem since I am quite free.

Azuani : So may I start now?

Pn Salma : Yes, please do.

Azuani : How long did you work with Siti Fesyen?

Pn Salma : Only about 6 months.

Azuani : May I know why you resigned after 6 months?

Pn Salma : Well, there was so much work to do. I was not able to complete the
work and Pn Roselina always scolds me about it. I don't like the
way she scold me in front of other workers.

Azuani : So you are not on good terms with her?

Pn Salma : It's not that. It's just that I am not comfortable with her.

Azuani : What about other workers? Are you ok with them?

- Pn Salma : Yes, the workers were ok and the place was nice. I have no problem with the other workers.
- Azuani : What about the pay?
- Pn Salma : The pay was good and on time.
- Azuani : So, previously you work with a tailor shop also?
- Pn Salma : Yes, in Tumpat town.
- Azuani : Anything else that you want to tell me?
- Pn Salma : Yes, I just want to say that the employer must tell us upfront the rules and what we can and cannot do on the job. Stating it upfront will clear up a lot of misunderstanding. Because sometimes we did something and it was clearly a “don’t” and we got scolded for it, it was not fair.
- Azuani : What is your plan now? I mean for new job?
- Pn Salma : Well, I have applied for a few jobs. Currently, I am waiting to hear from them.
- Azuani : May I ask where? What kind of job?
- Pn Salma : It is only normal day to day jobs at the mall and a few outlets around Kota Bharu.
- Azuani : So, thank you so much for your time.
- Pn Salma : You’re welcome.