

Exposing the Factors Affecting Workplace Attrition in Small and Medium-Sized Enterprises

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To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v14-i7/22033>

DOI:10.6007/IJARBSS/v14-i7/22033

Published Date: 23 July 2024

Abstract

SMEs play an important part in Malaysia's endogenous growth and economic development. However, due to their interdependence with giant corporations, Malaysian small and medium-sized firms are experiencing increasing employee turnover and layoff rates. In this study, the small and medium-sized business industries in the Kemaman district, Terengganu, Malaysia are examined for the relationship between major elements driving job turnover. Management inside organizations must comprehend the social and commercial aspects that lead to higher employee turnover. A number of factors, including compensation, job security, stress at work, and job satisfaction, are important study findings from previous research that show why employees quit their jobs. Out of all the SME workers in the area of study, 300 respondents made up the sample size. A five-point Likert scale will be used for all survey items as the measurement tool. With the exception of work satisfaction (moderate) and employee turnover intentions, all route coefficients in the correlations were positive and significant. The study findings showed that there was a favourable correlation with security, wages, and satisfaction; however, work satisfaction plays a particularly important role. The study's findings are beneficial for SMEs seeking to decrease employee turnover due to factors like job satisfaction, job security, and wages.

Keywords: Job Turnover, Job Satisfaction, Job Security, Wages, Small and Medium-Sized Businesses

Introduction

This study aims to explore the factors that affect workplace attrition in small and medium-sized enterprises so that the organization can consider those factors to avoid employees leaving the organization and contribute to business practice. Skilled and honest employees are hard to come by, which is why this study can be helpful to the human resources

department in developing a system and procedures to keep employees satisfied with their jobs. As a result, this research provides important data that might help small industries improve their management practices regarding internal advantages. Furthermore, in the academic field, this study will highlight and enhance understanding of useful job turnover information, allowing academicians and practitioners to better understand the reasons behind the high turnover rates among SMEs in the location of the study. In addition, it delves into the factors that influence workplace attrition, including job satisfaction, job stress, job security, and wages, areas largely neglected in the existing literature, providing a clearer understanding of the topic.

In recent years, small and medium-sized enterprises (SMEs) have become one of the most important drivers of the country's economic growth in terms of generating jobs, fostering the development of domestic skills and technologies, boosting market competitiveness, and establishing a society free from poverty (Ma'aji et al., 2023). Approximately 60% of the workforce in the private sector is employed by SMEs, which make up over 95% of all established enterprises globally (Ayyagari et al., 2011). In order to promote endogenous growth and create the conditions for quicker economic growth and development, SMEs are essential in Malaysia. More SMEs are developing in Malaysia as a result of the interdependence of SMEs and large corporations in their collaboration (SMEs Annual Report, 2019/2020).

But in order to survive, SMEs have to overcome numerous obstacles. The high employee turnover rate is one of the issues they have to cope with. The majority of organizations have a competitive advantage in terms of success and survival thanks to their human capital. Workers in an organization utilize their skills and expertise, which is more important now than it has ever been (Sourov, 2019). Human capital is valuable because information acquired by all is difficult to find, duplicate, and replace by technology. Apart from that, people are leaving companies on purpose at a startlingly high rate, seeking a path to rapid promotion. Recent research Davis (2018) indicates that enhancing employee engagement with the company is essential since employees are a vital source of competitive advantage. Businesses are always looking for strategies to keep loyal employees and increase their commitment to the company because employee turnover is expensive in today's competitive workplace (McConnell, 2007). Therefore, it is imperative to look into the causes of employees' loyalty to their employer.

Problem Statement

These days, the majority of firms are having trouble with employee turnover. People wish to leave their current employers for a variety of reasons, and this topic has become popular in the employment market. Employee turnover has been acknowledged as a major management issue in all businesses. According to study by Kanchana and Jayathilaka (2023) employee turnover can be costlier than a startup can imagine, with disruptions to business operations when their employees' suddenly quit jobs. Huang and Su (2016) define employee turnover intention as a worker's deliberate wish to leave the organization. Employee turnover, as defined by Rahim and Cosby (2016), is the term used to describe workers who voluntarily quit their jobs as opposed to being let go by their employers. According to the majority of research, employee turnover is primarily caused by salaries. A number of factors, including as workplace stress, job satisfaction, job security, work environment, motivation, pay, and benefits, are also factors that lead to employee resignations, according to important study findings (Al-Suraihi et al., 2021). A dilemma affecting both the internal and exterior

components of an organization is job turnover. The company had to deal with both direct and indirect expenses, such as decreased labor productivity. Previous research indicates that the expenses associated with a single employee turnover are more than twice as high as the individual's salary (Kim et al., 2017). It will also damage the company's reputation outside. In order to stop employee unhappiness, which could reduce work satisfaction and ultimately lead to turnover, this pressing issue necessitates a thorough investigation of the underlying causes.

Objectives of Study

1. To determine job turnover level in small and medium-sized enterprise industries.
2. To investigate the relationship of the factors influencing job turnover in small and medium-sized enterprise industries.
3. To identify the most influential factor of job turnover in small and medium-sized enterprise industries.

Scope of Study

The scope of the study is limited to SMEs in the Kemaman district, Terengganu, Malaysia. To increase the variety of the study, both male and female respondents will be included. In addition, this study will include all members of upper and lower management. The responders will range in age. The study focuses on the potential impact of several factors on job turnover in the small and medium-sized firm industries. Only three factors—wages, job security, and job satisfaction—will be covered in this study.

Literature Review

Dependent Variable (*Job Turnover*)

According to Kim et al. (2017), employee job turnover is the term used to describe workers who leave a company of their own free will within a given time frame as opposed to being let go, put out to pasture, or retired after serving their full tenure. Because companies must fulfill all necessary obligations to finish the induction process—a costly event—employee turnover results in high costs for fresh induction. For this reason, companies try their hardest to keep staff from leaving. Understanding the causes and effects of job holders on job turnover is highly valued by the public in many different professions. Those that aim for high turnover incur costs, which could be quite expensive for the company as well as the employee (Mumtaz & Hasan, 2018). Job holders are impacted by a number of issues, including the choice and cost of training newly hired staff, lost productivity, and demoralization of current employees (Malek et al., 2018). Many problems arise as a result of staff turnover. The loss of a highly competent employee affects organisational reputation, profitability and performance Muzaffar and Javed (2021); Kakar et al (2023), commitment and overall vision (Kumar et al., 2021). Due to the challenging working conditions and growing requirement for human resources, Malaysia has focused on employee turnover since the early 1990s (Wilson et al., 2021). On the other hand, there is a dearth of empirical study regarding the challenges that workers in Malaysian SMEs encounter on the job. Organizations must address emotional fatigue and ethical atmosphere as key contributors to employee attrition to maintain workforce consistency, given the significant costs associated with attracting and retaining exceptional personnel. According to Kang et al (2021), self-reported turnover intention is oftentimes more useful in practice than researchers' direct observation of actual turnover.

Job Satisfaction and Job Turnover

Job satisfaction is the term used to describe an employee's feelings about their employment. Aside from that, job satisfaction can also be defined as an employee's assessment of their position, which is impacted by their particular set of circumstances, including expectations, requirements, and values. Employees are more likely to react favorably to the company and have a favourable emotional state when they are happy in their jobs. According to Herzberg, a person might find satisfaction in a variety of aspects of their profession. The distinction between hygiene factors—the absence of what leads to work dissatisfaction—and motivators is made by Maslow's hierarchy of needs and Herzberg's theory of motivation. Process theories of motivation characterize motivation as a mental process that influences behavior (Chen, 2020).

The term job satisfaction describes how much a person appreciates their employment (Spector, 1985). Thompson (2020) discovered a strong correlation between employment happiness and attributes like advancement potential, compensation, responsibility, success, and recognition. Employee turnover is higher in organizations where workers are not happy in their positions. Moreover, persons who are unhappy at work may search for new chances. Workers who are dissatisfied with their positions may opt to quit the company and seek employment elsewhere (Al-Suraihi et al., 2021). According to the literature on employee turnover studies, job satisfaction and organizational commitment rank among the best predictors of employee turnover (Griffeth et al., 2000).

Job Security and Job Turnover

Modern firms worldwide experience significant employee turnover as a result of the growing worry over job security. There is a vast underutilization of skilled labor among corporations. By offering a pension, encouraging employees to grow in their jobs, and fostering an environment that supports professional growth, companies that view their workers as assets can anticipate their future requirements. Maintaining employee motivation and retention over time is one of a company's main goals (Mathangi, 2018). According to Jung et al (2021), job security is ranked above social and esteem needs in Maslow's hierarchy of needs theory. When it is threatened, it can lead to a variety of behavioural problems. These problems have far-reaching effects that go beyond the well-being of the individual and have a significant influence on those who are connected to them (Abiodun & Adebisi, 2022). Karatepe et al (2020) claim that employment instability increases the likelihood of workers arriving late and departing early, which affects the intention of turnover by preventing them from fulfilling their basic needs.

Wages and Job Turnover

According to De Gieter et al (2012), wages are the most obvious kind of monetary compensation. According to Chan and Ao (2018), wage satisfaction is defined as the difference between an individual's expectation of compensation and their actual pay. Although some research has shown that remuneration is not the most important element in job turnover, wages and turnover are directly associated (Panaccio et al., 2014). Chan and Ao (2018) contend that highly compensated workers might be happy with their pay and find it less desirable to quit. Research by Iskandar and Anggraeni (2018) indicates that 69% of Malaysian workers are worried about their large pay and benefits. A competitive salary and benefits package was listed as the first essential criterion from their employer. It's common to see high compensation and benefits as the main reasons why workers stick with a

company. However, the data also shows that 38% of respondents think that the most significant factor influencing employee happiness is income. Nearly half of the respondents said that a 25% rise in pay would boost employee satisfaction, while a 10% increase would do so for 33% of the same respondents as stated by (Scott, 2018). Miller (2018) states that inadequate pay and benefits are the main reasons why skilled workers quit a company. Additionally, employees report that one of the main reasons they quit their jobs is a lack of remuneration. Workers who are not happy with their compensation are more likely to look for other positions that pay more.

Conceptual Framework

The link between the independent and dependent variables is depicted in the conceptual framework that follows. According to earlier research studies by Dardar et al (2012); Kim et al (2020); Hossain and Mahmood (2018); Han et al (2021), work satisfaction, job security, and wages are the independent variables that influence job turnover.

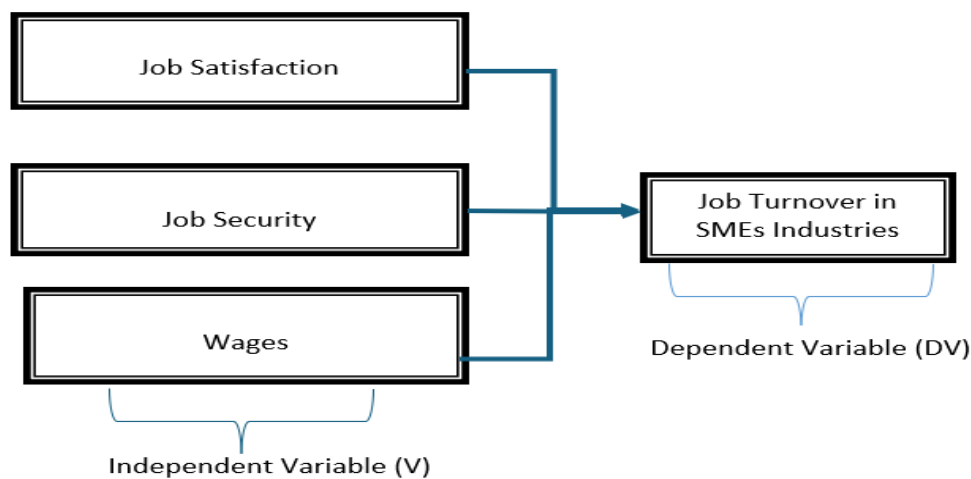


Figure 1: Conceptual Framework

Hypotheses Development

- H1: There is a relationship between job satisfaction and job turnover in SMEs industries.
 H2: There is a relationship between job security and job turnover in SMEs industries.
 H3: There is a relationship between wages and job turnover in SMEs industries.

Research Methodology

Sample Size

All SMEs employed in Kemaman areas make up the study's population. There are a thousand workers overall from SMEs in the area of study that were chosen at random. Because there was little information available on the overall number of SMEs employing people in area, just three enterprises were picked at random. In cases when it is unable to cover the area population and the limited time frame for doing the research study, this element may also be a restricting factor. For descriptive investigations, a sample size of at least 10% of the population is sufficient. With a population of 1,500 or more, a sample size of 150 is adequate. The sample size for the study is determined by using the table from previous researchers which is (Krejcie & Morgan, 1970). Thus, the sample size will be 278 respondents respectively. For this study, 300 respondents were selected for the sampling based on the population.

Sampling Technique

Convenience sampling was the method of choice for sampling because it was difficult to obtain responses from every responder due to the large size of the population. In addition, convenience sampling is a research approach that allows researchers to get market research data from a readily available sample of respondents. The fact that this sample approach is incredibly quick, easy to use, and economical is another factor in its selection. Furthermore, rather than concentrating solely on one industry, the data may come from a variety of SMEs sector sources.

Data Collection Procedure

The study employed a set of questionnaires to gather data. The questionnaire statements were created using a Likert scale, with 1 denoting strongly disagree and 5 denoting strongly agree. According to Böckenholt (2017), a measuring scale with five or more items would yield more accurate results than one with fewer elements. The data were then investigated with the aid of statistical analytic techniques. SPSS version 26 software was used to facilitate the model building and analysis in this work.

Findings

Analysis of Respondents' Profile

Table 1

Profile of Respondents

Variables	Label	Frequency	Percentage (%)
Gender	Female	180	60
	Male	120	40
Age	20-25 years old	85	28.3
	26-30 years old	52	17.3
	31-35 years old	23	7.7
	36-40 years old	61	20.3
	41-45 years old	38	12.7
	46-50 years old	41	13.7
	years old and above	0	-
Ethnicity/Race	Malay	165	55.0
	Chinese	70	23.3
	Indian	65	21.7
Marital Status	Single	75	25.0
	Married	141	47.0
	Divorced	84	28.0
Religion	Islam	167	55.7

	Christianity	47	15.7
	Hinduism	40	13.3
	Buddhism	46	15.3
Education Level	SPM	30	10.0
	STPM	31	10.3
	Certificate	25	8.3
	DIPLOMA	91	30.3
	DEGREE	116	38.7
	MASTER	7	2.3
Income Level	RM1,500-RM2,000	58	19.3
	RM2,001-RM3,000	59	19.7
	RM3,001-RM4,000	51	17.0
	RM4,000-RM5,000	91	30.3
	RM5,001-RM6,000	18	6.0
	RM6,001-RM7,000	-	0
	RM7,001-RM8,000	-	0
	RM8,001-RM9,000	23	7.7
	RM9,001-RM10,000	-	0
Occupation	Administrative Assistant	41	13.7
	Content Writer/Editor	24	8.0
	Graphic Designer	21	7.0
	Human Resources	21	7.0
	Human Resources Coordinator	22	7.3
	It Supports Technician	26	8.7
	Manufacturing (Production Planner)	23	7.7
	Manufacturing (Production Planning and Control Assistant)	20	6.7
	Marketing Specialist	22	7.3
	Metalworking And Fabrication	18	6.0
	Project Manager	24	8.0
	Sales Representative	38	12.7
Disability Status	No	256	85.3
	Yes	44	14.7

A balanced distribution of genders was demonstrated by the 300 respondents that were successfully recruited for this survey. Out of these, 120 respondents (or 40% of the total respondents) identified as male, and 180 respondents (or 60% of the participants overall) as

female. This indicates that there were more female respondents than male respondents, offering a comprehensive perspective for this study. 85 respondents, or 28.3%, are in the 20–25 age range. 52 respondents, or 17.3% of the total, are between the ages of 26 and 30. Notably, the 36–40 age group is well-represented with 61 individuals, or 20.3% of the total. Another notable group of respondents is the group of 41 respondents, or 13.7% of the total, who are in the age range of 46–50. There are 38 respondents in this age range, or 12.7% of the total.

The Malay ethnic group dominates the sample, accounting for 55% of the total, with 165 respondents. Indian and Chinese respondents make up 21.7% and 23.3% of the participants respectively. The majority of respondents are married (47% of respondents), while 25% are single and 28% are divorced. 91 respondents or 30.3% of the total, have incomes between RM4,000 and RM5,000. Additionally, there is representation from various socioeconomic brackets: Among the respondents, 19.3% (58 individuals) earn between RM1,500 and RM2,000; 19.7% (59 individuals) earn between RM2,001 and RM3,000; 17% (51 individuals) earn between RM3,001 and RM4,000; 6% (18 individuals) earn between RM5,001 and RM6,000; and 7.7% (23 individuals) earn between RM8,001 and RM9,000. More specifically, 256 responders, or 85.3% of the sample, do not consider themselves to be impaired. However, it is noteworthy that 44 individuals, or 14.7% of the participants, reported having a disability.

A diverse range of specialties is evident in the distribution of occupations within these organisations. Content writers/editors make up 8% of the responses, or 24 persons, and administrative assistants make up 13.7 percent, or 41 people. Human resources coordinators and graphic designers make up 7% of the workforce, with 21 employees in each department. IT support technicians make up twenty-six responses, or 8.7% of the total. 14.4% of manufacturing jobs are held by production planners and assistants for production planning and control. Project managers, sales representatives, professionals in metalworking and fabrication, marketing specialists, and project managers all add to the occupational variety, with numbers ranging from 6% to 12.7%.

Validity and Reliability

Table 2

The Reliability Analysis

Variables	Alpha
Job Turnover	0.870
Job Satisfaction	0.758
Job Security	0.727
Wages	0.902

Table 2 shows the overview of Cronbach's Alpha for all the variables of this research. The variables found to be good and reliable, in accordance with the suggestion of Hair *et al.*, (2003) where the value is more than 0.6.

Mean and Standard Deviation

Table 3

Mean and Standard Deviation

Variables	N	Mean	Std. Deviation
Job Turnover	300	4.132	0.7404
Job Satisfaction	300	3.710	0.905
Job Security	300	3.964	1.094
Wages	300	4.023	0.824

To determine the mean and standard deviation, descriptive statistics were applied to each variable, as indicated in Table 3. The first variable, "Job Turnover: mean ($\mu = 4.132$)," indicates that most respondents would like to concur with these statements regarding employment turnover. The standard deviation's value ($\sigma = 0.7404$). In terms of job satisfaction, the average employee's degree of contentment is low, as indicated by the mean ($\mu = 3.710$). The extremely large variation in employee work dissatisfaction ratings is demonstrated by the comparatively high standard deviation of ($\sigma = 0.905$). While some people may be content with their employment, others may not be.

Job security received a somewhat lower number of responses ($\mu = 3.964$) than the average for each of these assertions. This implies that the majority of respondents seem to agree with these claims about job security. The value of the standard deviation, $\sigma = 1.094$. Wages are the next important thing to think about. The average wage is ($\mu = 4.023$). The standard deviation ($\sigma = 0.824$) indicates a significant disparity in employee compensation. This data provides an example of the work environment for 300 people. However, individual experiences could differ greatly. These averages and variances are not only crucial to remember, but they also don't fairly represent the nature of the workplace.

Correlation Result

Table 4

Summary of Pearson Correlation between independent variables towards job turnover

Hypothesis	Variables	Pearson Correlation
H1	Job Satisfaction	.540**
H2	Job Security	.177**
H3	Wages	.546**

** Correlation is significant at the 0.01 level (2-tailed)

Table 4 indicates Job Turnover and Job Satisfaction ($r = 0.540$). This positive association suggests that the degree of turnover rises in tandem with the larger value of the dissatisfaction component. At the 2-tailed 0.01 significance level, the association is significant. Job turnover and job security ($r = 0.177$): There appears to be a marginally positive correlation between increasing job turnover and decreasing the value of people who feel secure with their jobs. At the 2-tailed 0.01 significance level, the association is significant. Wages and Job

Turnover ($r=0.546$): There is also a favourable association between the low salaries' element and job turnover. At the 2-tailed 0.01 significance level, the association is significant.

Table 5
Coefficients

Variables	Unstandardized B	Coefficients Std.Error	Standardized Coefficients Beta	t	Sig.
(Constant)	1.641	.197		8.335	.000
J.Satisfaction	.025	.039	.036	.629	.530
J.Security	-.158	.042	-.171	-3.726	.000
Wages	.210	.039	.234	5.343	.000

a. Dependent Variable: Job Turnover

More explanations about job turnover and the dependent variable were given by the data in Table 5's coefficients, which were also crucial in highlighting the significance of various factors. In order to help determine the impact of individual factors on job turnover, each coefficient's significance values (Sig.) are connected to a common significance threshold of 0.05. Given the conventional 0.05 significance threshold, the job satisfaction coefficient's Sig. Value of .530 indicates that it is not statistically significant. It suggests that work satisfaction may not have a significant impact on employee turnover, essentially meaning that there is not enough evidence to reject the null hypothesis. The variable job security, which has a Sig. Value of .000, also significantly affects job turnover. This implies that work security is a significant predictor of job turnover in the demographic being studied. Similarly, wages have a significantly impacted on job turnover, with a Sig. Value of .000. This demonstrates the critical role that wages play in predicting shifts in employment turnover within a given context.

Discussion

Objective 1: To determine job turnover level in small and medium-sized enterprise industries. The information gathered for this study indicated that there is a high rate of employment turnover. For a variety of reasons, the majority of SMEs' employees are finding it difficult to stay employed. As seen by the data gathered from the disseminated questionnaires, the intention to leave their current employer supported the aforementioned claim. With a mean of $\mu = 4.132$, the job turnover factor is very significant, indicating that respondents generally tend to agree with these claims about work turnover. $\sigma = 0.7404$ is the standard deviation value.

Sharma et al (2020) performed an earlier study that indicated four Indian SMEs had high turnover rates, which supports this. They concluded that a poor work-life balance, few prospects for job progress, and low pay were important contributing factors. Hasin et. al (2023) also found a complex interplay between growth-related difficulties, such as increasing workloads and organizational change, and individual career objectives and perceived control over work. Finally, research by Argyropoulou (2020) shows that job crafting can lower employees' desire to resign, but only if workers believe their supervisors are providing them

with adequate support. Based on this data analysis and other research, the degree of employment turnover in SMEs industries showed high data figures, suggesting that the majority of employees intended to leave their jobs. SMEs also failed to convince employees to stick with them in the absence of a happier and more positive work environment.

Objective 2: To investigate the relationship of the factors influencing job turnover in small and medium-sized enterprise industries.

In this study has looked at the relationship between the factors influencing job turnover in SMEs. Factors that are associated with job turnover include job satisfaction, job security and wages. With the help of data analysis methods like specific correlation analysis and linear regression, these elements may be identified as independent factors in the original work satisfaction and turnover relationship. As may be seen from the mean ($\mu = 3.710$), employee satisfaction is minimal. The wide variation in work unhappiness ratings among employees is demonstrated by the comparatively large standard deviation of ($\sigma = 0.905$). It is possible for some people to be content with their careers, but not for others.

This is supported by the earlier research that Lambert et al (2020) undertook. This study suggests that work satisfaction acts as a mediator in the relationship between employee well-being and desire to quit. A more rewarding job lowers the likelihood of quitting since it increases one's sense of well-being. A high level of job satisfaction might not be sufficient to deter employees from exploring alternative opportunities when their job security is at risk. For those with clear career goals, even high levels of job satisfaction might not be sufficient if there are no opportunities for growth within the organization. This demonstrates the validity of the hypothesis and the moderate link between job satisfaction and turnover in the SMEs sector.

H1: There is a relationship between job satisfaction and job turnover in SMEs industries.

The second relationship relates to employee turnover and job security. The value of job Security ($\mu = 3.964$) is slightly less than the average responses for each of these claims. This indicates that most respondents seem to agree with these claims regarding job security. $\sigma = 1.094$ is the value of the standard deviation.

Job security and turnover have a complex and nuanced relationship, but evidence suggests that the two are negatively correlated. Put otherwise, lower job security often leads to higher turnover rates. Subtleties and other contributing factors, however, need to be considered for the whole picture. De Witte et al (2015) found that employees who believed that their positions were insecure—that is, that they might lose them—had considerably higher intentions to quit than employees who felt that their employment were more secure. Jiang and Probst (2016) found that workers who feel that their occupations are uncertain are likely to be less engaged and dedicated, which may lead them to explore for alternative opportunities. As to Han et al (2016), work volatility can have a negative impact on the well-being of employees and may even prompt them to look for more stable circumstances. Additionally stressful and concerning is job insecurity. Employees with greater financial stability or a higher risk tolerance may be less susceptible to job insecurity and less inclined to quit.

Finally, a high turnover rate may have an adverse effect on job security by disrupting operations, damaging an organization's reputation, preventing knowledge transfer, and creating a vicious cycle of layoffs and reorganization. Other outcomes that could occur: Not

every employee who faces employment instability leaves their position. Some may choose to remain and make adjustments, focusing on opportunities for internal mobility or internal upskilling. This demonstrates that the association between job security and employment turnover in SMEs industries is real and that the hypothesis is supported.

H2: There is a relationship between job security and job turnover in SME industries.

The last relationship is that between job turnover and wages. The average wages is ($\mu = 4.023$). The standard deviation ($\sigma = 0.824$) shows that there is a large variation in employee salaries. Attrition in the workplace and wages. ($r = 0.546$). Furthermore, there is a positive relationship between the low wages' component and job turnover. At the 2-tailed 0.01 significance level, the relationship is significant. A negative correlation is commonly seen in the complex and variable relationship between earnings and job turnover, meaning that better pay is generally associated with lower turnover rates. However, there are nuanced aspects and other factors, such work characteristics, industrial environment, and individual preferences, that could affect this balance.

Feldman and Ng (2007) found a significant correlation between suitable and fair remuneration and work satisfaction and retention, suggesting that low salaries could be a significant factor in employee turnover. Earnings that are equivalent to positions in the industry or local market are significant variables. Employees are more likely to hunt for better opportunities if they believe their compensation is lower than that of their peers. According to Allen et al (2023), in addition to actual compensation levels, perceived fairness in pay systems may have an impact on turnover. Unfair pay practices have the capacity to raise turnover rates and employee dissatisfaction. Financial incentives may be more appealing to certain employees than to others, and some employees may be more driven by intrinsic factors like work-life balance or meaningful work than by money. The influence of employee turnover on wages can be observed in the following ways: increased hiring costs, decreased productivity, operational disruptions, and eventually the requirement for pay or benefit cutbacks from organizations. This demonstrates that the association between wages and employment turnover in SMEs' industries is true and supports the theory.

H3: There is a relationship between wages and job turnover in SMEs industries.

Objective 3: To identify the most influential factor of job turnover in small and medium-sized enterprise industries.

To identify the most important causes of the rising rate of job turnover, all the influence elements were put to the test. Out of all the independent variables, wages and job security have the strongest correlations with job turnover; work satisfaction, on the other hand, has a moderate link. This is demonstrated by the results of the preceding study question 2, which show that for workers in SMEs businesses, job satisfaction and employee turnover do not significantly correlate. The regression table shows that, at the conventional 0.05 significance threshold, the job satisfaction coefficient is not statistically significant, as seen by its sig. value of .05. It suggests that work satisfaction may not have a significant impact on employee turnover, essentially meaning that there is not enough evidence to reject the null hypothesis. The study found that job security and wages are the most influential factors in job turnover. Job security is a strong predictor of employee turnover, with a sig. value of .000. Employees' opinions of job stability and security significantly influence their turnover probability. Wages

also (sig. value of .000) have a significant influence on job turnover, emphasizing the importance of wages in forecasting changes in employment turnover. A statistical correlation exists between job turnover changes and the pay variable, which represents employees' income opinions.

According to Liu et al (2023), the equilibrium between work and pay level—rather than the amount of money—may have a greater bearing on the link between employee turnover intentions and pay level satisfaction. Liu et al (2023) also discovered that the strongest observable and persistent indicator of intentions to leave was pay level satisfaction. Negative workplace conditions brought on by interpersonal disputes can result in low job satisfaction among employees, inefficiency, and a stressful work atmosphere, which majorly contribute to job stress. According to the study's findings, job security significantly and favourably affects employee turnover (Ernes & Meilani, 2023).

Conclusion

The study finds a complex relationship between the desire to quit a job and factors including job satisfaction, security, and wages. Nevertheless, job satisfaction has a particularly notable function. When quitting their current employment, workers consider things other than only job happiness. This emphasizes how crucial it is to deal with pay, stress levels, and security in order to reduce intents to leave. To increase employee and job satisfaction, small and medium-sized enterprises (SMEs) should provide a better work environment with stable positions, opportunities for career advancement, competitive pay, and less stress. Staff wellbeing can be given priority in an organization and staff turnover can be decreased with effective management. Reduced turnover rates can result from a positive work environment that fosters mental and physical well-being. As a result, SMEs had to embrace a constructive management approach to reduce employee turnover.

Declaration of Conflicting Interests

The author declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author received no financial support for the research, authorship, and/or publication of this article

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