

THE RELATIONSHIP BETWEEN COMMUNICATION SATISFACTION AND PROCEDURAL JUSTICE WITH EMPLOYEE RETENTION

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ABSTRACT: Retention level has been an issue in most organizations. Many strive to keep their employees to stay for an extended period. On the other hand, the little retention could harm the sustainability of the organizations. This study aimed at investigating the relationship between communication satisfaction and procedural justice associated with employee retention. Specifically, we looked at the communication satisfaction and procedural justice in an institution. A total of 195 academic staffs from Higher Education Institution in Selangor participated. Correlation analysis, T-Test, and ANOVA used for this study. Results: We found that both communication satisfaction and procedural justice significantly contributed to employee retention. Additionally, the retention was similar to gender and year of service. The results concluded that employees perceived that their retention in an organization determines by the communication process as well as the procedures implemented in the workplace.

Keywords: Communication Satisfactions, Procedural Justice, Employee Retention, Gender, seniority, Private Higher Learning Institution.

1. INTRODUCTION

Employees play a critical role in the sustainability of an organization. Previous research showed that the role of employees is crucial for achieving organization business goals [1], effectiveness [2-3], as well as for the sustainability of the organization [4].

A critical issue currently face by employers is retaining highly motivated, skilled and committed employees, 78% organizations, struggle to keep their employees around [5]. 2,000 U.S and U.K. employees' and HR leaders' reported that almost half (49%) of the HR leaders agreed that retention was their top priority [6].

Literature shows that change of career and workplace is now a trend. U.S. Bureau of Labor Statistics reported, by March 2016, 3.0 million or 2.1% of employees quit their jobs and only 1.7 million were laid-offs and discharged [7]. Additionally, in Singapore, the turnover rate in Singapore in 2015 was 2.2% [8].

In Malaysia, mainly, it was reported that employees are likely to leave their organization within two years; 2015, 36% versus 29% in 2012 [9]. Due to this high increase in a job change, it suggests hat talent competition also increases across industries [10].

To prevent this trend to take place in an organization, organizations should focus on the factors that affect retention toward the growth and success of organizations [11]. The factors include communication, coaching, and establishing clear performance metrics, holding employees accountable for delivering their jobs [12], procedural justice [13], career development [14], Talent Management [15], time, money, and commitment [16] as well as learning and working climate [17].

Importantly, emphasizing the importance of conducting regular survey identify employees' satisfaction, hence, indirectly the organization will be able to retain them [18].

Since the retention issues become critical, therefore, this study intends to investigate the relationship between communication satisfaction and procedural justice with employee retention. The study examined the correlations between communication satisfaction, procedural justice, and

employee retention. This research also aimed to identify the differences among genders and seniority.

The results are expected to provide an overview of the role of the communication satisfaction and procedural justice on employees' motivation to remain in an organization and to contribute to the sustainability of the organization. It also hopes the study would fill the gap in the literature and contribute to the existing research in the Malaysian context.

2. PERIMENTAL DECILES

A questionnaire containing measures of communication satisfaction, procedural justice, distributive justice, and employee retention used.

The study's hypothesized model shown in Figure 1. This study predicted that communication satisfaction and procedural justice correlate with employee retention. Furthermore, we hypothesized that age and seniority influence the links between the variables.

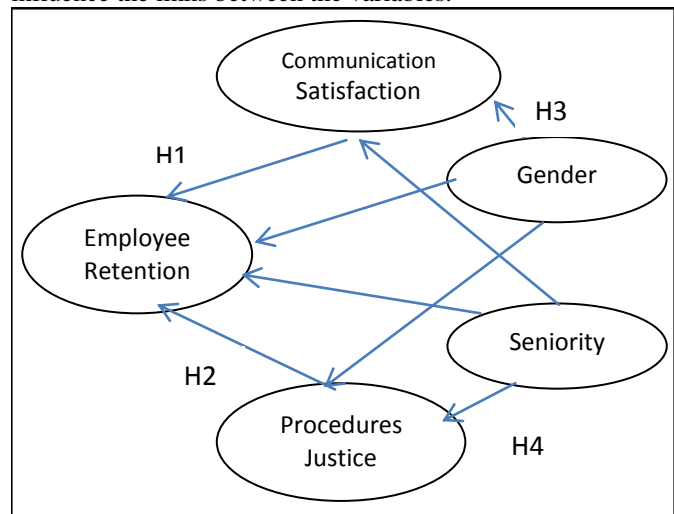


Figure 1: Research Model

The method uses in this study are a questionnaire containing measures of communication satisfaction, procedural justice, distributive justice, and employee retention used.

The sample of the survey is 195 academic staff from a private higher learning institution in Selangor, Malaysia. For the

purpose of statistical analysis and hypotheses testing, the researcher computed Cronbach's alpha to examine the reliability of each survey instrument. Descriptive statistics calculated for each variable. Meanwhile, the correlation coefficient was calculated to identify the correlation among variables and to test the hypotheses. Finally, T-Test and ANOVA was computed to evaluate the hypotheses.

3. RESULTS AND DISCUSSION

The pilot study was done to 20 employees to identify the reliability of the variables; the result shows that all variables were reliable as the Cronbach's Alphas were greater than 0.7 as shown in Table 1.

Table 1

Items	Cronbach's Alpha	N of Items
Communication Satisfaction	0.856	8
Procedural Justice	0.869	8
Employee Retention	0.901	8

Demographic Profiles

Table 2 shows that majority (66.7%) of the respondents was female and most of them (81.5%) were married and had a master's degree (83.1%). More than half of them (62.1%) were in the middle age (30-39 years old). The respondents were from various faculties, with Faculty of Business leading with 26.2% and most of them were lecturers. A majority (66.2%) of the respondents had 6-10 years of experiences, and finally, nearly half of them (48.7%) had 11-21 years of experiences.

Table 2: Demographic Data of the Respondents

	Frequency	Percent (%)
GENDER - Male	65	33.3
Female	130	66.7
MARITAL STATUS		
-Married	159	81.5
	28	14.4
Single	8	4.1
Level of education		
Bachelor Degree	23	11.8
Masters	162	83.1
PHD	10	5.1
AGE -		
20 – 29	7	3.6
30 – 39	121	62.1
40 – 49	55	28.2
50 – 59	8	4.1
> 60	4	2.1
POSITION		
	21	10.8
Senior lecturer	159	81.5
Lecturer	15	3.3
Assistant Lecturer		
EXPERIENCE		
10 years or below	83	42.6
11 – 21 years	95	48.7
22 – 32 years	9	4.6
32 – 42 years	8	4.1

Correlation Analysis

To evaluate the relationship between variables, we computed Pearson's correlation coefficient (r). The T-test was used to indicate whether there is a significant correlation between communication satisfactions, procedural justice on employee retention. Specifically, we tested the following hypotheses:

Hypothesis 1: Communication satisfaction positively correlated to employee retention

Hypothesis 2: Procedural justice positively correlated to employee retention

Table 3 illustrates the correlation results. The results showed that communication satisfaction was significantly positive correlated with employee retention ($r = .391, p < .000$) and procedural justice ($r = .348, p < .000$). Since both correlation links were statistically significant, therefore, H1 and H2 were supported. It can conclude that communication satisfaction and procedural justice influence employees to stay in the organization.

Table 3: Correlation between Communication Satisfaction, Procedural Justice, and Employee Retention

Communication Satisfaction	Person Correlation
	Sig. (2-tailed)
Procedural Justice	Person Correlation
	Sig. (2-tailed)
	N

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

To examine the effect of gender and seniority on communication satisfaction, procedural justice, and employee retention we performed two-way ANOVA. The results indicate the differences in the means of communication satisfaction, procedural justice, and employee retention between male and female. Specifically, we tested the following hypotheses:

Hypothesis 3a: There is a significant difference in mean of communication satisfaction between female and male

Hypothesis 3b: There is a significant difference in mean of procedural justice between female and male

Hypothesis 3c: There is a significant difference in mean of employee retention between female and male

Hypothesis 4a: There is a significant difference in mean of communication satisfaction and seniority

Hypothesis 4b: There is a significant difference in mean of procedural justice and seniority

Hypothesis 4c: There is a significant difference in mean of employee retention and seniority

To test the above hypotheses, two-way ANOVA used: The effect of gender and seniority examined in the same model for each variable. Table 4 shows that there was no significant difference in gender for communication relationship, procedural justice, and employee retention. Further, seniority also did not differentiate the employees' responses on communication relationship, procedural

justice, and employee retention.

Table 4. Two-way ANOVA results for Gender and Seniority

Variables	Gender		Seniority	
	F	p	F	p
Procedural Justice	.702	.403	2.529	.082
Communication Relationship	.001	.982	2.445	.089
Employee Retention	.223	.637	1.991	.139

The correlation analysis results indicated that communication satisfaction and procedural justice positively correlated with employee retention. These positive correlations were in line with the study by [19] who documented that interpersonal dimension of communication satisfaction had a positive correlation with retention among Generation Y's insurance agents in Malaysia. Similarly, [20] discovered that the dimensions of communication satisfaction (personal feedback, supervisory communication, and communication climate significantly linked to turnover intention.

However, the positive, significant correlations found in this study contradicted by the survey done by [21] who found a negative correlation. Furthermore, [22] and [23] also found Procedural justice to had a negative correlation with turnover intention. Also, [24] proved that perceptions of procedural justice were negatively associated with intention to quit. The same finding was also reported by [25- 26] where they documented a significant negative correlation between procedural justice and turnover intention; and importantly procedural justice was the second strongest variable in predicting turnover intention. Moreover, [27-28] studies revealed that the communication satisfaction negatively correlated with turnover intention.

Further, the results indicated that gender and seniority did not have any effect on the employees' perceived of communication satisfaction, procedural justice and retention. In other words, there is no difference between male and female employees across all three measured variables. Additionally, we also documented there was no difference between employees who have served longer and shorter in the organization. The non-significant results pointed that the retention nature is similar across gender as well as years of service.

The detailed results highlight that retention was above average for both male and females. As for seniority, our finding contradicted previous literature in which they found that tenure significantly associated with turnover intention.

This opposite result could be due to the nature of the employees we surveyed. Our respondents were mostly junior teaching staff; a majority of them were pursuing their doctoral degrees. Also, the university where the data collected was a private institution in which it mostly used as a stepping stone by young lecturers. Once they have their tenure, they move to a public institution where career advancement is better offered.

This study provides theoretical and practical implications. First, the results contribute to add to the literature in this area. Second, the results of the survey can inform employers about the critical factors influencing employees to remain in the

organization: employees perceived that communication satisfaction and procedural justice as important factors that make them stay in the organization.

Therefore it is recommended that employers should put more attention and focus on improving communication satisfaction with their employees. For instance, the management should be transparent in communicating with employees regarding pay and benefit such as promotion exercise. Employers should communicate with their employees how they handle conflicts and invite employees as a decision maker.

Finally, employers should consider revising their performance appraisal by consulting the employees on the key criteria to include in the assessment. Moreover, this study highlighted the importance of the procedural justice on employees' retention. Therefore, to increase retention level, organizations need to consider revising the procedures. Finally, it recommended that the management team of an organization should involve employees in the decision-making process regarding the evaluation of their performance and regarding implementing new procedures.

4. CONCLUSIONS

It can conclude that respondents perceived that communication satisfaction and procedural justice play important roles for them to retain in an organization. How employees observed communication satisfaction and procedural justice were similar across gender and indifferent despite their years of service in the organization.

The above results and interpretations, however, are bound to limitations of the study. Due to the limitation that our respondents were mostly lecturers from a private institution in Malaysia, readers need to be cautious in generalizing our results on other types of employees. Therefore, we highly recommend future research in look into another area of jobs and include various types of organizations. The present study, importantly, has concluded one model to show the relationships between communication satisfaction, procedural justice, and retention. Therefore, this contribution could use as a base for future studies.

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