Scholars have recognized various factors that influence the motivation of employees. However, there is still insufficient research into what determines employees’ intention to stay in the organization. Using survey data from private sector employees in Kota Kinabalu, Sabah, this study investigates the mediating role of organizational support in employee motivation and the decision to stay. To investigate whether the perceived organizational support mediates the influence of extrinsic and intrinsic motivation on the intention to stay, the study uses Model 4 of Hayes’ PROCESS macro in SPSS. The results show that employees’ extrinsic and intrinsic motivation significantly impact their decisions to stay in the organization. In addition, the effect of extrinsic and intrinsic motivation on the intention to stay is partially mediated by the level of perceived organizational support. The study’s results contribute to understanding the importance of employee motivation for the intention to stay in an organization and highlight organizational support’s role in employees’ intention to stay. The study discusses practical implications and directions for future research.

**KEYWORDS:** millennials, extrinsic motivation, intrinsic motivation, intention to stay, perceived organizational support, Malaysia

**1. INTRODUCTION**

The COVID-19 pandemic is a crisis that has greatly impacted people’s lives worldwide. In Malaysia, the crisis has led to an increase in the unemployment rate to 5.8% and a decline in gross domestic product from 0.8% to 1.2%, with an estimated loss of RM17.3 billion (Department of Statistics Malaysia, 2020). In 2019, there were around 9.4 million young workers or millennials in Malaysia. This generation is projected to account for about 75% of the labor force participation in 2025 (Khidhir, 2019). Employees’ motivation level determines whether they choose to stay with the company. The term “intention to stay” refers to an individual employee’s decision to continue working for their current employer in the long term (Miliiman et al., 2018). Employees’ intention to stay in organizations is influenced by factors such as remunerations, flexible working arrangements, job stability, workplace environment, unhealthy communication with colleagues, leadership, organizational trust, job satisfaction, and workplace spirituality (see Oyetunde...
& Ayeni, 2014; Dawson et al., 2014; Cleary et al., 2009; Basit & Duygulu, 2018; Milliman et al., 2018). However, the intention to stay among millennials is quite concerning, as 45% of young graduates will stay in one organization for only two years, and 25% to 75% will change jobs five times before they are 35 (Landrum, 2017). In the context of millennials in Malaysia, Chia (2019) identified three financial goals as important factors influencing their intention to stay: the ability to buy a house, start a family, and travel. These financial goals greatly impact millennials’ intention to stay (Pikri, 2017). However, understanding the intention to stay and the specific impact of organizational support in a highly uncertain situation, including the global health crisis, is still unclear (Al-Sharafi et al., 2018). The present study fills this gap by investigating how perceived organizational support could influence employees’ motivation and intention to stay.

The topics of motivation and perceived organizational support have gained a growing interest in research related to millennials (Holtschlag et al., 2020; Hughes, 2019; Priskila et al., 2021; Tang et al., 2020). Numerous studies have shown that extrinsic motivation and perceived organizational support are essential for all employees at all job levels. In addition, the study has shown that low-paid employees need extrinsic motivation in the form of compensation, bonuses, and incentives (Gillet et al., 2013). These findings are consistent with Chen and Shaffer’s (2017) study, which found that financial benefits are associated with perceived organizational support and can positively influence employees’ job satisfaction and motivation.

To conceptualize the relationships between employee motivation, perceived organizational support, and intention to stay among millennials in Malaysia, the study uses Herzberg’s Two-Factor Theory (1959) and Organizational Support Theory (1986). According to Herzberg’s Two-Factor Theory (1959), hygiene and motivators are critical to the relationship between job performance and satisfaction (Berl et al., 1984;). In the study context, organizational motivators refer to monetary and non-monetary aspects such as remuneration packages, education level, and job title. However, Herzberg’s Two-Factor Theory (1959) could not comprehensively explain how extrinsic and intrinsic motivation influence millennials’ perceived organizational support and intention to stay. Therefore, the study also draws on organizational support theory to comprehensively understand the topic. The theory argues that perceived organizational support reflects the organization’s practices and policies that show they care about their employees because they feel their organization is more likely to recognize their efforts and meet their socio-emotional needs by respecting, considering, and acknowledging their efforts and commitment (Gaudet & Tremblay, 2017). Supportive organizational practices and policies are important because they can strengthen employees’ efforts in completing their daily tasks and additional tasks, improving their intention to stay (Dai et al., 2017).

When examining the context of the millennial employees in Malaysia, both theories are crucial as this generation of employees is motivated by intrinsic and extrinsic motivations such as career advancement, supportive employers, and work flexibility (Malay Mail, 2019). In addition, this generation also values personal ambition at work, opportunities to learn new skills to be competitive employees, career stability, and educational opportunities (Ram, 2020). Millennials see these initiatives as perceived organizational support that could significantly impact their loyalty and intention to stay in the organization. The study provides several contributions to the literature. At the highest level, we contribute to the field of human resources by expanding the understanding of the interplay between employee motivation, perceived organizational support, and intention to stay among the millennials in Sabah, Malaysia. The study’s findings aim to contribute to the growing literature on human resource management in the context of millennials by providing a comprehensive insight into millennials’ characters, motivations, and challenges. Furthermore, Herzberg’s Two-Factor Theory (1959) and Organisational Support Theory (1986) are integrated to hypothesize the relationship between extrinsic and intrinsic motivation, perceived organizational support, and intention to stay.

The paper is organized as follows. The next section provides an overview of the relevant literature for developing research hypotheses. We then present our quantitative research design and the results of the hypotheses tests. Finally, we conclude by summarizing the discussion and contributions of the study.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Employee motivation refers to the intrinsic process that influences an individual’s behavior in a psychological way, apart from their inner strength, which leads to the direction and level of effort they put into their work (Adzei & Atinga, 2012). To explore the concept, the study examines the concept of motivation from two angles: extrinsic and intrinsic. Extrinsic motivation is defined as an individual’s behavior in anticipation of external rewards (i.e., monetary benefits) and to avoid punishment, while intrinsic moti-
Extrinsic motivation refers to individual behavior and actions that are driven by internal rewards (Feng et al., 2016; Adzei & Atinga, 2012). Extrinsic motivational tools such as allowances, bonuses, salaries, financial incentives, and other employment benefits are crucial to improve employees’ intention to stay (Chinyio et al., 2018; Adzei & Atinga, 2012). Therefore, we hypothesize the following:

**H1:** There is a significant relationship between employees’ extrinsic motivation and intention to stay in the organization.

In addition, intrinsic motivation initiatives are also crucial to improving employee retention. Several studies have emphasized that personal elements such as individual abilities and a sense of enjoyment in completing a task are crucial for employee retention (Ryan & Deci, 2000; Feng & Qin, 2016). Organizational practices such as job flexibility, safety, supportive supervisors, career growth, and work environment are also crucial to ensure job satisfaction, which ultimately improves employees’ intention to stay (see Schlechter et al., 2015; Dousin, 2017; Dousin et al., 2021; Kultalahti & Viitala, 2014). In addition, Smith and Galbraith (2012) found that meaningful work and growth opportunities are key factors for millennials to stay in their jobs. Meaningful work for millennials refers to elements of work-life balance and the organization’s corporate social responsibility, which could positively influence their behavior and retention at work (Kultalahti & Viitala, 2014; Supanti & Butcher, 2018). Furthermore, one of millennials’ most important intrinsic motivations is to feel that their knowledge and skills have been put to good use in accomplishing their tasks at work (Garcia et al., 2019). Consequently, these discussions led to the development of the following hypothesis:

**H2:** There is a significant relationship between employees’ intrinsic motivation and intention to stay in the organization.

Only a few studies currently investigate how perceived organizational support influences employees’ motivation and intention to stay. A study by Benton (2016) highlights the importance of supervisor support in improving work consistency and supervisory effectiveness in an organization. Supervisor support is an important element of perceived organizational support to improve employee work motivation (Dai et al., 2017; Benton, 2016). This will lead them to engage in out-of-role behaviors to achieve task objectives, improving their intention to stay in the organization. Gaudet and Tremblay (2017) also found that affective commitment is a mediating variable between perceived organizational support, extra-role performance, and turnover intention.

Similarly, extra-role performance refers to the performance of tasks that go beyond job requirements. This reciprocity means that employees who feel connected to their organization are assumed to actively contribute by putting in more effort to help the organization achieve its goals and are less likely to leave their jobs. Therefore, we hypothesize the following and illustrate the study’s conceptual framework in Figure 1 below. We hypothesize that perceived organizational support may mediate the relationship between employee motivation and intention to stay.

**H3:** Perceived organizational support mediates the relationship between employees’ motivation and intention to stay in the organization.

![Diagram](image-url)
3. METHODS

3.1. Research strategy

A quantitative cross-sectional study was conducted using an online survey with participants working in the private sector in Kota Kinabalu, Sabah, between May and July 2020. Convenience sampling (Sekaran & Bougie, 2013) was used to recruit participants for the study. The target participants are millennials aged between 25 and 35. Millennials, also known as Generation Y, were born between 1982 and 2000 (Arsenault, 2004; Hart & Brossard, 2002; Kultahlati & Vittal, 2014). The Research Committee of the Faculty of Business, Economics, and Accountancy at the University of Malaysia Sabah approved this study on ethical grounds. The researcher informed the Human Resource (HR) managers of the participating organizations about the purpose of the study. The participants then received copies of the informed consent forms, a letter from the university approving the research, and a link to the online survey from the researcher. Their HR managers then informed the participants that they needed to complete both the online survey and the informed consent form. A total of 210 participants took part in the research.

3.2. Survey development

The study uses a 7-point Likert scale ranging from 1 to 7 for all measurement scales, with 1 indicating strong disagreement and 7 indicating strong agreement. Extrinsic motivation (9 items) was adopted from the measurement of Kulchmanov and Kaliannan (2014), Altindis (2011), and Kennedy and Daim (2010), and the Cronbach alpha was 0.87. An example of an item was, “I am well-satisfied with my salary.” The measurement of intrinsic motivation (11 items) was adapted from Altindis (2011) and Kennedy and Daim (2010). The following is an example of an item: “I believe that I have full authority to carry out my job,” Cronbach alpha was 0.93. Intention to stay (9 items) was adopted from Salman et al. (2014) and Iqbal & Hashmi (2015), while perceived organizational support (8 items) was adopted from Eisenberger (1986). The Cronbach alphas for both factors were 0.92 and 0.97, respectively. “I see my future in this company” and “The organization values my contribution” are two examples of sample items.

3.3. Data analysis

SPSS version 23.0 was used for all statistical analyses. We used standardized scores to conduct our analysis. IBM SPSS 25.0 and the PROCESS macro version 3.5 for SPSS were used to analyze the data, with \( p < 0.05 \) as the statistical significance level (Lee et al., 2021). We examined the participants’ demographics, validity, and reliability and conducted a Pearson correlation analysis. To determine whether perceived organizational support served as a mediator in the relationship between extrinsic and intrinsic motivation and intention to stay, we used model 4 of the PROCESS macro in SPSS (Hayes, 2017). Bootstrapping (5000 samples) and a 95% confidence interval were used to assess the statistical significance of the indirect mediation impact on each outcome variable (Hayes, 2017; Lee et al., 2021). The data analysis reporting follows the structure of Dousin et al. (2021). In the study, the validity and reliability of the measured variables are discussed, followed by the characteristics of the participants. The results of the hypothesis tests are then discussed.

3.4. Validity and reliability

We applied Harman’s single-factor test to address the common method variance (Podsakoff et al., 2003). According to the percentage value of the sample variance for this study, which was 48.32% (Podsakoff et al., 2003, Podsakoff & Organ, 1986), there are no common method variance concerns. The 37 items of the four variables were first tested with a factor analysis using varimax rotation. The Kaiser-Mayer-Olkin (KMO) test was then used to assess the sample adequacy for each variable. The results show that it was acceptable and followed the recommendations of Hair et al. (1998) and Nunnally and Bernstein (1994). The result shows that all factor loadings for the items were above 0.5, which meets the requirements of validity analysis; all research variables met or exceeded the Kaiser-Meyer-Olkin’s acceptable threshold of 0.6, were significant in Bartlett’s test of Sphericity and eigenvalues was greater than 1 (Hair et al., 1998). In addition, all research variables met the acceptable standard of reliability analysis of 0.6 (Nunnally & Bernstein, 1994). As indicated in Table 1, these statistical analyses confirmed that the measurement scales used in this study met the acceptable validity and reliability analyses standard.

4. RESULTS

4.1. Characteristics of the participants

Table 2 shows that most of the participants are female (61.9%), between 25 and 30 years old (50.5%) and have 1-5 years of work experience (46.7%). Most participants hold an executive or officer position (48.5%) and have an average monthly income of RM3001 to RM4000 (23.3%).
TABLE 1. Analysis of validity and reliability

<table>
<thead>
<tr>
<th>Measure</th>
<th>Items</th>
<th>Factor loadings</th>
<th>KMO</th>
<th>Bartlett’s Test of Sphericity</th>
<th>Eigenvalue</th>
<th>Variance Explained</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extrinsic Motivation</td>
<td>9</td>
<td>0.53 – 0.72</td>
<td>0.80</td>
<td>993.51</td>
<td>4.56</td>
<td>50.71</td>
<td>0.87</td>
</tr>
<tr>
<td>Intrinsic Motivation</td>
<td>11</td>
<td>0.51 – 0.68</td>
<td>0.92</td>
<td>1553.95</td>
<td>6.64</td>
<td>69.38</td>
<td>0.93</td>
</tr>
<tr>
<td>Intention to Stay</td>
<td>9</td>
<td>0.61 – 0.81</td>
<td>0.89</td>
<td>1265.30</td>
<td>5.22</td>
<td>57.94</td>
<td>0.92</td>
</tr>
<tr>
<td>Perceived Organisational Support</td>
<td>8</td>
<td>0.72 – 0.82</td>
<td>0.93</td>
<td>2191.88</td>
<td>6.65</td>
<td>83.07</td>
<td>0.97</td>
</tr>
</tbody>
</table>

TABLE 2. Characteristics of the participants (N=210)

<table>
<thead>
<tr>
<th>Characteristics of the Participants</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of respondents</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>18 years old and younger</td>
<td>1</td>
</tr>
<tr>
<td>19-24 years old</td>
<td>27</td>
</tr>
<tr>
<td>25-30 years old</td>
<td>106</td>
</tr>
<tr>
<td>31-35 years old</td>
<td>49</td>
</tr>
<tr>
<td>36 years old and older</td>
<td>27</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>79</td>
</tr>
<tr>
<td>Female</td>
<td>131</td>
</tr>
<tr>
<td>Length of service</td>
<td></td>
</tr>
<tr>
<td>&lt;1 year</td>
<td>32</td>
</tr>
<tr>
<td>1-5 years</td>
<td>98</td>
</tr>
<tr>
<td>6-10 years</td>
<td>56</td>
</tr>
<tr>
<td>11-15 years</td>
<td>24</td>
</tr>
<tr>
<td>Job position</td>
<td></td>
</tr>
<tr>
<td>Junior Assistant</td>
<td>36</td>
</tr>
<tr>
<td>Senior Assistant</td>
<td>24</td>
</tr>
<tr>
<td>Executive/ Officer</td>
<td>102</td>
</tr>
<tr>
<td>Assistant Manager</td>
<td>24</td>
</tr>
<tr>
<td>Manager</td>
<td>24</td>
</tr>
<tr>
<td>Monthly income</td>
<td></td>
</tr>
<tr>
<td>&lt;RM1,200</td>
<td>12</td>
</tr>
<tr>
<td>RM1201-RM2000</td>
<td>45</td>
</tr>
<tr>
<td>RM2001-RM3000</td>
<td>47</td>
</tr>
<tr>
<td>RM3001-RM4000</td>
<td>49</td>
</tr>
<tr>
<td>RM4001-RM5000</td>
<td>21</td>
</tr>
<tr>
<td>&gt;RM5000</td>
<td>36</td>
</tr>
</tbody>
</table>
4.2. Hypotheses testing

At the individual level, Table 3 shows the correlations among all the research constructs.

Table 4 shows the results of the Hayes (2017) PROCESS macro Model 4 (mediation analysis). Hypotheses 1 and 2 predicted that extrinsic and intrinsic motivation would significantly correlate to stay. As shown in Table 4, the study results revealed a significant indirect impact of extrinsic and intrinsic motivation on intention to stay ($\beta = 0.3445$, $t=11.6222$; $\beta = 0.3318$, $t=16.0756$), thus supporting H1 and H2.

Furthermore, the direct effect of extrinsic and intrinsic motivation on the intention to stay in the presence of the mediator (perceived organizational support) was also found to be significant ($\beta = 0.6276$, $p<0.001$; $\beta = 0.8104$, $p<0.001$). Thus, perceived organizational support partially mediated the relationship between extrinsic and intrinsic motivation and intention to stay, supporting H3. A summary of the mediation analysis summary can be found in Table 4.

5. DISCUSSION

This study analyzed whether perceived organizational support mediates the relationship between extrinsic and intrinsic motivation in terms of intention to stay among millennials in Malaysia. Our study provided three key findings. The study showed a positive and significant relationship between strong extrinsic motivation and employees’ intention to stay. In addition, our study found that employees’ intention to stay has a direct, significant, and positive impact on intrinsic motivation. The result aligns with most previous studies (Chinyio et al., 2018; Dill et al., 2016; Alajmi & Alasousi, 2019; Supanti & Butcher, 2018). Our study suggests that extrinsic motivational factors such as monthly salaries, bonuses, allowances, employment benefits, and other financial incentives could improve millennials’ retention (Adzei & Atinga, 2012). In addition, the study also emphasized the importance of non-financial incentives such as work flexibility, meaningful work content, a positive work environment, and work practices as intrinsic rewards that could improve employees’ intention to stay (Kultalahti & Viitala, 2014; Alajmi & Alasousi, 2019).

<table>
<thead>
<tr>
<th>TABLE 3. Correlation analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1. Extrinsic Motivation</td>
</tr>
<tr>
<td>2. Intrinsic Motivation</td>
</tr>
<tr>
<td>3. Intention to Stay</td>
</tr>
<tr>
<td>4. Perceived Organisational Support</td>
</tr>
</tbody>
</table>

Note: N=210, ***p<.001

<table>
<thead>
<tr>
<th>TABLE 4. Mediation analysis results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship</td>
</tr>
<tr>
<td>Extrinsic Motivation → Perceived Organisational Support → Intention to Stay</td>
</tr>
<tr>
<td>Intrinsic Motivation → Perceived Organisational Support → Intention to Stay</td>
</tr>
</tbody>
</table>

Note: N=210, ***p<.001
Furthermore, the study suggests that perceived organizational support positively mediates the relationship between motivation and intention to stay in the organization. Our analysis shows that this fact must be explained, although few studies have examined these relationships. In this study, employees’ perceived organizational support can be explained by the fact that perceived supervisor support is instrumental in improving millennials’ motivation levels and work behaviors, ultimately improving their retention (Dai et al., 2017). Furthermore, this positive work behavior and attitude could encourage millennials to take on additional tasks besides their main duties. Perceived organizational support can be observed as supportive supervisors, organizational anchoring of the supervisor, and positive leadership, which could increase employee engagement and intention to stay (Dai et al., 2017; Gaudet & Tremblay, 2017).

5.1. Theoretical implications

In terms of theoretical significance, the study extends the understanding of the relationships between motivation, intention to stay, and perceived organizational support by integrating Herzberg’s Two-Factor Theory (1959) and Organisational Support Theory (1986) in the context of the millennial workforce in Malaysia. The study emphasizes extrinsic and intrinsic motivational factors such as remuneration packages, learning opportunities, and financial and lifestyle support to enhance employee loyalty (Chia, 2019; Malek, 2020; Nazari, 2019). In addition, the study thoroughly explains how millennial employees value supportive organizational practices such as supportive supervisors, career growth and advancement, and a positive work environment. Therefore, organizations should explore current and attractive organizational practices such as work-life balance, supportive supervision, a collegial work environment, and flexible work arrangements that promote motivation and improve job satisfaction, performance, and intention to stay (see Dousin, 2017; Dousin et al., 2021; Dousin et al., 2021).

5.2. Practical implications

In terms of practical importance, the study highlights several key organizational practices to improve millennials’ intention to stay. First, organizations could incorporate financial and non-financial motivators into their human resource policies and practices to create attractive remuneration packages. The study also highlights various modern HR practices, such as flexible working hours, meaningful work content, and Corporate Social Responsibilities to improve employees’ intention to stay (Dousin et al., 2021; Kultalahhti & Viitala, 2014; Alajmi & Alasousi, 2019). Furthermore, supportive managers could improve the trust between them and their subordinates, enhancing their commitment and retention (Rodwell et al., 2016). This perceived organizational support could reduce employee dissatisfaction and disappointment, leading to a harmonious work environment and enabling the organization to maintain a good image in the eyes of the public while improving its ability to attract and retain millennials to work in the organization.

5.3. Limitations of the study and recommendations for future research

First, the results of this study were limited to working millennials in the private sector in Sabah, so the results may not be representative of the overall population in Malaysia. Future studies could be extended to other regions in Malaysia. In addition, most respondents hold managerial positions, which do not reflect other professional positions. Therefore, a comprehensive picture of millennials based on occupational positions could be explained by an increase in the number of participants in all occupational positions. Third, the survey did not include organizational factors such as company culture and its differences, management expectations and financial performance. Future studies could include these factors to provide a comprehensive overview of millennials’ work motivation and expectations. Finally, an EFA was conducted in this study to examine the correspondences between the factors and measurement items. Nonetheless, Confirmatory Factor Analysis (CFA) could be an option to verify the correspondence and investigate whether other conclusions can be obtained. In addition, researchers may choose both CFA and EFA to validate the validity of the scales for future studies.

6. CONCLUSION

The study has shown that perceived organizational support and extrinsic and intrinsic motivation are crucial to employees’ intention to stay. In the context of the millennial workforce in Malaysia, this generation of employees is in the stage of starting a family and acquiring assets, so financial incentives are seen as an important element of extrinsic motivational tools. At the same time, intrinsic motivation refers to organizational practices such as work flexibility, supportive supervisors, and a positive work environment. These elements are important because of their lifecycle stage. The millennial population is growing, and they will be the future workforce. Therefore, organizations need to improve their human resource policies and practices to increase employee retention, which could ultimately boost organizational performance.
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