

## Factors Affecting Turnover Intention Among Gen Y in Hotel Industry

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### Abstract

Employing and retaining the best employees is a vital process to organizational success. Organizations that can effectively retain their workforces may strengthen their competitive advantage over organizations that cannot. Employee turnover is very costly and has become a crucial factor that can affect the organizational overall performance. Although studies on turnover intention has become a phenomenon in organizational research, restudying this phenomenon is vital in order to further understand factors that affecting employees' turnover intention. This study examines work value, quality of work life and safety as predictors of employee turnover intention among Gen Y employees working in hotel industry in Malaysia. 110 usable questionnaires were used in statistical analyses. The results indicated that all predictors have significant relationship with employee turnover intention. Finally, implication to body of knowledge, practitioners and future studies are discussed.

Keywords: Turnover intention, Work value, Safety, Quality of work life

### Introduction

The interest given by the researchers and employers on employee turnover intention arises mainly from the belief that this withdrawal behavior is considered detrimental to the organization especially in term of replacement cost and also works disruption. Because of this supposition, turnover intention has been the point of extensive researches in organizational behavior for the past few decades (Lee et al., 2010). Due to its complexity, many researchers have explored some determinants of turnover intention and have been published worldwide (Karsh et al., 2012).

The specific purpose of this study is to identify the effect of work value, quality of work life (QWL) and safety on turnover intention of Gen Y employees. Empirically, Downe et al. (2012) insisted that turnover issues among Gen Y employees in Malaysian context are very crucial. This study provides the alternative approach and new factors of knowledge in the field of turnover intention.

### Literature Review

#### *Turnover Intention*

An employee's decision to quit an organization is an undesirable outcome for the organization and the employee as it affects both of them in many ways (Rahman & Nas, 2013). Therefore, identifying and understanding the predictors toward this behavior is very important in order to minimize negative impact on overall organizational performance (Low et al., 2001). Among the factors that affect an employee's intention to leave include an employee's attitude and potential, appraisers, peers, management, organizational configuration, external compatible job demands, and self (Berry, 2010), job enrichment and job stability (Luna-Arocas & Camps, 2008), job prospects (Munasinghe, 2006), employee engagement (Macey & Schneider, 2008), pay compensation (Heckert & Farabee, 2006), growth and development (Grawitch et al., 2007), positive feelings and trust (Maertz et al., 2007), social support of the supervisor (Noe et al., 2005) and organizational politics (Byrne, 2005).

*Gen Y*

A generation can be defined as a unit of individuals grouped by its age and shares the historical and social experiences, behavior and beliefs that are common to that time (Cole et al., 2011). According to Rajan (2007), there are five generational groups, which are Traditionalist (1925-1945), Baby Boomer (1946-1964), Generation X (1965-1979), Generation Y (1980-1999) and Generation Alpha (from 2000). By 2015, the Gen Y are expectedly will be the leading group in labor market, followed by Gen X, which by that particular, most of the organizations need to understand how to employ and retain this heterogeneous unit into its current workforce (Lim, 2012). Gen Y has been grew up, and were exposed to a lifestyle that is basically different from its predecessors such as techno-savvy, persistent technology and internet revolution (Manaf et al., 2010).

*Work Value*

Employees' work values were related with the work values of the corporation as perceived by themselves, their team members or departmental and organizational citizens (Van Vianen et al., 2007). Instrumental work values are connected to gaining desired ends, and signify to work benefits, work safety, and achievement at work (Van Vianen et al., 2007). O' Reilly et al. (1980) stated that individuals' significantly vary in the way they perceive their occupations, even if their job description and the responsibilities they had to accomplish remain constant, which an individual differences must have an effect on work attitudes.

*Quality of Work Life (QWL)*

Numerous studies on QWL broadly aimed at getting an overview of job-related factors that affect individuals and groups at work (Sirgy et al., 2001). According to Edwards et al. (2009), the information obtained may help and guide organizations to adopt appropriate actions to improve working conditions, as well as their employees' attitudes towards work. This effort for instance, may reducing absenteeism and turnover, improving job satisfaction through increasing staff retention and productivity, morale and commitment (Efraty et al., 1991; Fuller, 2006; Sirin, 2009; Worrall & Cooper, 2006), and also encourage employee involvement and engagement in socially responsible activities (Razaq et al., 2011).

*Safety*

Work related accidents cause serious problems in any

organization and place enormous costs in industries and also the nation (Ali, 2009). Clarke (2003) defined safety culture as the core assumptions and beliefs that organizational members hold concerning safety issues. Cooper and Philips (1995) suggested that to improved safety performance and encouraging a safety culture, there must be a mutual relationship between safety management and safety behavior. Meanwhile, workplace bullying also considered as a part of safety at workplace. The effect of workplace bullying in whatever nature can directly or indirectly effect on the employees physically, emotionally and mentally (Khan & Khan, 2012). Bullying also has a huge impact on stress for many employees because of the employees having the fear of lodging a report to management as they might face the risk of being bullied further, thus they will feel not safe and secure any longer in the organization (Khan & Khan, 2012).

**Hypotheses Development**

Based on the above, the following research hypotheses are proposed:

- H1 : Work value has a significantly positive effect on turnover intention.
- H2 : Quality of work life has a significantly positive effect on turnover intention.
- H3 : Safety has a significantly positive effect on turnover intention

**Methodology**

According to Meier et al. (2010), Gen Y is those born between the years 1980 to 2000. Assistance from the human resource manager was obtained to identify a list of employees in this category. Out of 148 questionnaires distributed, only 110 questionnaires (74% response rate) were collected and usable for data analysis. Respondents in this study were working in selected star rated (3-5 star) hotel industry in Malaysia. Data were collected by distributing questionnaires directly to the selected employees and to be answered within a week.

The variables under investigation in this study were work value, safety, quality of work life and turnover intention. Items to measure this concept were adapted from related literature (e.g. Addae et al., 2006; Twenge, 2010; Roland & Jessica, 2011 and Ali, 2009). Correlation and regression analyses were used to analyze the data. Correlation analysis was used to determine the relationship between the study variables. Regression analysis was used to explore the total effect of the independent variables on the criterion variables.

Data analysis and results

The intercorrelations of the variables are also shown in Table 1. Internal consistency is stated in parentheses. The Cronbach-alpha range from .60 to .82. As can be seen from Table 1, three variables, which are work value .13 ( $p > 0.05$ ), QWL -.23 ( $p > 0.05$ ) and safety -.13 ( $p > 0.05$ ) were significantly correlated with turnover intention.

Table 1: Pearson Correlation Analysis

Variables	1	2	3	4
Turnover Intention	(.70)			
Work Value	.13*	(.74)		
QWL	-.23*	-.06	(.82)	
Safety	-.13*	.18	.28**	(.60)

\* $p < .05$  \*\* $p < .01$

Multiple regressions were used to test the hypotheses and the results are presented in Table 2. From the result, work value ( $\beta = .15$ ,  $p < .05$ ), QWL ( $\beta = .16$ ,  $p < .05$ ) and

safety ( $\beta = .21$ ,  $p < .05$ ) are significantly and positively related with turnover intention. Hence, hypothesis 1, 2 and 3 were supported.

Table 2: Multiple Regressions

Variables	$\beta$	Sig.
Work Value	.15	.040
QWL	.16	.030
Safety	.21	.010
F Value	: 1.602	
R Square	: 0.58	
Adjusted R Square	: 0.022	

Discussions

The objective of our research was to find the effect of independent variables (work value, safety and QWL) on the criterion variable (turnover intention). Results show that, all the three hypotheses developed for this study was accepted as there are significant relationship between predictors and criterion variables.

In this study, work value was significant with turnover intention. The 5-star rated hotel demand multi-tasking employees and high work load. Firth et al. (2004) recommended that to reduce turnover intention, managers need to actively monitor workloads and the relationships between supervisors and subordinates. In addition, QWL is also significant with the turnover intention in this study. This result align with the previous study conducted by Arif & Ilyas (2013), which found that better QWL leads to increased employee morale, minimizes attrition and checks labor turnover and absenteeism. The weaknesses of performance appraisal mechanism, reward system and lack of employees'

recognition were some of the factors that affect employee turnover intention in the organization. Management should concern more on employees' welfare to improve the quality of work life which could help to reduce turnover intention and preserve their knowledgeable and energetic Gen Y employees.

Finally, conducive and safety working environment are required for employees' retention in the organization. The use of chemical such as in housekeeping department for cleanliness may affect them as well. Thus, the safety handling procedure need to be improves for prevention and protects them from any chemical hazard. Mokaya et al., (2013) argued that employees may use poor working condition as an excuse to leave their organization because they may feel that organization does not appreciate or acknowledge their efforts or work done.

Therefore, by understanding the determinants of employees turnover intention among Gen Y may help the

practitioners to overcome turnover intention phenomenon. The results of this study may provide a new platform for future researchers in understanding

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