

# FACTORS AFFECTING EMPLOYEE TURNOVER INTENTION AMONG GENERATION Y WORKERS IN FAST-FOOD INDUSTRY

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## 1. INTRODUCTION

In a more advanced technology era, employees remain an important asset and component in operating an organization. However, employee turnover is still a prevalent problem, although most organizations implement appropriate action to prevent employees from quitting their jobs (Arshad & Puteh, 2015). The turnover rate among Gen Y also known as Millennials employees is higher as opposed to Gen X (Hassan et al., 2019; Othman et al., 2017; Queiri et al., 2015). Employee turnover brings negative implications to the organization in terms of expensive HR costs involving processes in replacement employees that leave the organization (Alkahtani, 2015). The National Employment Returns (NER) reported a 20% of turnover rate for the years 2018 and 2019 in various sectors. In addition, accommodation and food activities, a subsector in the service industry shows the highest turnover rate with 30% and 45% in 2018 and 2019 respectively. This means that nearly one in every two employees in the sector quit within a year (Institute of Labour Market Information and Analysis (ILMIA), 2019). The fast-food restaurant is one of the important contributors to Malaysia's economic growth (Bakar, Anuar, Alias, & Mohamad, 2017). Beverages and accommodations, subsectors under the service industry which represent hospitality is the essential economic contributor globally as well as in Malaysia (Kamaruddin & Shamsudin, 2021); are greatly affected by employee turnover (Abo-Murad & AL-Khrabsheh, 2019; Shah & Beh, 2016). Therefore, reducing employee turnover is the main priority, as it disrupts the growth of Malaysia's economic landscape.

Past studies have shown mixed findings regarding employee turnover intention among Gen Y workers. This study applied work-related factors derived from Herzberg's two-factor theory that explains how job satisfaction and job dissatisfaction variables affect employee turnover intentions. It implied that if employees' job satisfaction which are achievement or quality performance, recognition, responsibility, work-itself, and progress and growth increases, the turnover intention should decrease. If job dissatisfaction variables which are corporate policy, supervision, interpersonal connections, working circumstances, and remuneration increase, the turnover intention should increase as well (Herzberg et al., 1959). This study also looking into differences between males and females as moderating effects. Previous studies have shown contradictory findings regarding employee turnover intention. Hsiao et al. (2020) show males are more satisfied than females, while Emmanuel & Agaha (2021) & Thompson (2020) reveal that females are more likely to contribute to turnover than males. However, Hashemi et al. (2015) and Hundera (2014), found no significant gender differences in turnover intention.

Thus, the aim of this study is (1) to identify the relationships between compensation, working environment, job stress and person-organization fit (independent variables) and employee turnover intention (dependent variables) among Gen Y workers in the fast-food

industry; (2) to determine the major factors that contribute towards employee turnover intention; and (3) to explore the effect of gender between compensation, work environment, job stress, and person-organization fit and employee turnover intention.

## 2. METHODOLOGY

This paper intends to discover variables that influence employee turnover intentions among Gen Y workers in the fast-food sector in Negeri Sembilan. To achieve this purpose, this study utilized a quantitative approach which quantifying and evaluating variables to obtain findings. The population of the study comprised Gen Y working in the various sector is about 123,000. A sample of 383 was selected for the study using a table of sample size by Krejcie and Morgan (1970). A simple random sampling technique was used to distribute questionnaires to 383 samples of respondents representing the population. This sampling technique is considered most appropriate because it gives everybody in the population an equal chance of being selected. Items of the study were adapted from Choong et al. (2013), Yarinbab and Mezgebun (2019), Alias et al. (2018), Tepeci (2014), and Charpia (2018). The survey forms were distributed manually to 383 respondents after the random selection process. The study was analyzed using both correlation and multiple regression analyses to answer the research objectives of this paper.

## 3. RESULTS AND DISCUSSION

This section outlines the study's findings. This study used correlation and regression analyses to achieve the research objectives. Table 1 shows the correlation analysis between factors and employee turnover intention.

**Table 1: Results of Correlation Analysis**

Variable	Mean	Standard Deviation	1	2	3	4	5
Employee Turnover Intention	4.3227	.8129	1				
Compensation	1.7507	.7892	-.361**	1			
Working Environment	1.8227	.7210	-.558**	.361**	1		
Job Stress	3.8987	.8631	-.479**	.376**	.135*	1	
Person Organization Fit	2.0340	.7571	-.557**	.198**	.390**	.284**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed). \* . Correlation is significant at the 0.05 level (2-tailed).

Table 1 indicates that compensation, working environment, job stress, and person-organization fit showed significant negative correlations with employee turnover intention. The strongest significant negative relationship between variables is the working environment, followed by person-organization fit. The third independent variable that has a significant negative correlation is job stress and lastly is compensation. This indicates that there are negative relationships between determinants and employee turnover intention. To further explain the findings, if (1) compensation given by the organization is adequate, (2) high satisfaction on working environment, (3) low job stress that leads to high satisfaction; and (4) person-organization fit which describe values of the employees and the organization fit is high, employee turnover intention decreases among Gen Y workers in the fast-food industry. Concerning the significant determinants of turnover intention, Table 2 below summarized the results of the regression analysis.

**Table 2. Results of Regression Analysis**

	Standard Coefficient		t	Sig.
	Beta			
Constant			43.867	.000
Compensations	-.041		-.915	.361
Working Environment	-.380		-8.504	.000
Job Stress	-.325		-7.507	.000
Person Organization Fit	-.308		-7.061	.000
R <sup>2</sup>	.554			
Adjusted R <sup>2</sup>	.548			
Sig	.000			
Durbin Watson	.642			

Table 2 depicts the results of regression analysis. It shows the most significant determinant that predicts employee turnover intention. The value of the coefficient explains the relative importance of IV (determinants) towards DV (turnover intention). The effect of the independent variables on the dependent variable is moderately high. The model indicated 55.4%, which explains employee turnover intention was determined by these factors' compensation, working environment, job stress, and person-organization fit. Based on the above table, the findings show that working environment, job stress, and person-organization fit. On the other hand, the compensation we found insignificant impacts on employee turnover intention. This finding is like the previous study where Gen Y emphasises the work environment especially the enjoyment of working at the workplace and job security leads to producing happy employees and will bring a better outcome for the organization (Steiner, 2016). Furthermore, job stress also is one of the factors that influence turnover intention, when stressors or strains in the organization influence the job satisfaction of employees which in turn leads to the intention to turnover (Lu et al., 2017). Person-organization fit is the factor that has the least significant impact on employee turnover intention. It proved that Gen Y seeks for fitness of his or her values in working and those values must be compatible with the organization's culture (Tuulik et al., 2016). Table 3 below depicts the findings of moderating analysis of gender between compensation, working environment, job stress, and person-organization fit (P-O) fit towards employee turnover intention.

**Table 3: Results of Moderating Analysis**

Variable	Employee Turnover Intention							
	Model 1		Model 2		Model 3		Model 4	
	$\beta$	t	$\beta$	t	$\beta$	t	$\beta$	t
Gender	-0.358	-1.534	-0.124	-0.497	0.663 <sup>†</sup>	1.692	-0.320	-1.394
Compensation	-0.576*	-2.329						
Gender x compensation	0.137	0.997						
Working Environment			-0.396 <sup>†</sup>	-1.655				
Gender x Working Environment			-0.132	-1.014				
Job stress					-0.118	-0.791		
Gender x Job stress					-0.216*	-2.196		
Person-organization fit							0.595**	-3.213
Gender x Person-organization fit							0.005	0.042
F-value	16.034 ***		56.233 ***		33.311 ***		52.005 ***	
R <sup>2</sup>	.140		.363		.252		.345	
Adjusted R <sup>2</sup> ( $\Delta R^2$ )	.003		.002		.012		.000	

Note: N = 300;  $\beta$  = standardized coefficient; <sup>†</sup>  $p < .1$ , \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$ .

This study also suggested gender moderated the relationships between independent variables and dependent variables. Table 3 shows mixed findings of interaction effects in all models. The overall model is significant as shown by the significance of the F-value, however, there is non-significant interaction between gender and compensation, working environment as well as person-organization fit in predicting employee turnover intention like the study by (Hashemi, Kiumarsi, Jusoh, & Hashemi, 2015). Therefore, this shows that there is no moderating effect of gender toward these independent variables to predict employee turnover intention. However, there was only one significant interaction confirmed namely, gender x job stress. The interaction between gender and job stress was significantly negative. Overall, the results indicated gender moderated the relationships of job stress in slightly different ways. This is confirmed by research, which indicates that gender is a demographic feature that influences stress (Olonade & Famolu, 2020).

#### 4. RECOMMENDATION AND CONCLUSION

The study has certain limitations. Firstly, limited generalizability because this study only covers within a limited sample of Gen Y workers in the fast-food industry in Negeri Sembilan and as a result, it may not reflect the entire Gen Y population way of thinking, beliefs, needs, and other factors that influence their intention to leave the organization. Secondly, this study also lacked depth in explaining the influence factors towards turnover intention as it utilized a quantitative method that restrict in-depth analysis. Future studies might consider using a qualitative approach to gain a more in-depth explanation or important clues that relate to employee turnover intention. This study contributes a better understanding of the causal model related to factors that influence turnover intention among Gen Y workers in the fast-food industry. Additionally, it adds to the literature on employee turnover in the context of Gen Y workers in the foodservice sector. The findings highlighted the major predictors and moderating effect of gender towards turnover intention for the new generational workforce in the fast-food sector. It serves as a strategy guide for the organisation to reduce employee turnover. Organisations and policymakers can also evaluate current HR policies to be more adaptive with the new generation workforce. As for the recommendation, organisations particularly in the foodservice industry need to review monetary or non-monetary benefits to fit the need of the new generation of workers. Employers should improve and provide a better working environment by providing job security and engagement for the employees. These changes will increase the productivity of the employees and leads to organisation success. The organisation should pay attention to these factors, which are compensation, working environment, job stress, and person-organization fit so that organizations do not lack credible employees. It will help in retaining skilled and competent employees and reduce employee turnover.

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