

# Factors Affecting Turnover Intention of Three-Star Hotel Industry in Malaysia

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**Abstract:** In this era of modernization, turnover has become one of the most common problems that affect all sizes, types, and levels of organizations. In any organization, particularly the department of human resource management, employee turnover is regarded as a critical matter. Past studies indicated the lack of available studies on turnover intention involving a three-star hotel industry in Kota Bharu, Kelantan. Therefore, this study aimed at investigating the determining factors that made the employees of three-star hotel industry in Malaysia changes their jobs. A total of 162 valid responses from the samples were obtained. For this purpose, a convenience sampling technique of a three-star hotel staff in this study was adapted. A self-administered distribution technique of questionnaires was adopted as the data collection instrument for the study. The data were then analyzed using the IBM SPSS version 24. The findings revealed that organization commitment has strongly influenced the turnover intention of staff at a three-star hotel in Kota Bharu, Kelantan.

**Keywords:** Turnover Intention, Three Star Hotel, Hotel Staff, Malaysia.

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## I. INTRODUCTION

In this era of modernization, turnover becomes one of the continuous problems that commonly occur in all sizes, types, and levels of organizations. Particularly in the department of human resource management of every organization, employee turnover has become a critical matter. All organizations will have to endure exorbitant expenses from the termination, advertising, recruitment, and selection of employees (Abbasi & Hollman, 2008). Employees' turnover has become a serious problem for many organizations out there. Hence, this situation is perceived by scholars as a

continuous issue for the entire organization (Ahmad & Omar, 2010). Enormous turnover can be considered as a danger to an entire organization which can weaken its whole efficiency and productivity. In addition, in several instances, the organization's survival in the long-run will be threatened (Brereton, Beach & Cliff, 2003). Stress is defined by Michie (2002) as one's psychological and physical state as a result of his or her ability or inadequate source to deal with the present situation's demands as well as pressure. Tongchaiprasit and Ariyabuddhiphongs (2016) defined job stress as a circumstance characterized by an employee's attributes being in contact with

work factors that realize changes in his or her psychological or physiological state, which influences the work performance in a negative way.

There are many types of major stress sources that can lead to turnover intention including high job demands with regards to the worker's abilities, inadequate resources, lack collegiality, insufficient pay, limited involvement in decision-making, little control over work, excessive responsibility and lack of power, biased human resource practices, bad social support, lack job stability, poor job descriptions, as well as deficiency in administrative and personality types (McCann, Hughes, Adair & Cardwell, 2009). Tracey and Hinkin (2008) identified that one of the causes of employee turnover rate in a working environment can be attributed to the declining contribution of dissatisfied employees. Bharwani and Butt (2012) appraised the tasks of the hospitality industry and their entire effects on labor. The causes in relation to turnover mainly revolve around three major classifications, such as economic or the surrounding, personal, and organization (Mobley, Griffeth, Hand & Meglino, 1979; Selden & Moynihan, 2000). Previous scholars have studied the consequences of employee dissatisfaction within job environment as a result of the possibility that a worker has been forced into a turnover or opted for leaving the job (Selden & Moynihan, 2000).

It has been discovered that job satisfaction has an inverse relationship with the turnover intention (Trevor, 2001). Not only that job satisfaction has a positive strong impact on turnover intention, but also a positive direct impact on motivation to transfer learning (Toby, Baiyin, & Kenneth, 2004). According to Schwepker (2001), job satisfaction is significantly related to organizational commitment which causes turnover intention. Job satisfaction is displayed as one of the contributing aspects for the employees to

turnover or leave the organization. Also, the turnover intention is often perceived as an issue of affective factors like job satisfaction instead of the actual turnover, which could be influenced by other factors like age and tenure (Coomber & Barribal, 2006). Thus, based on the above reasons, it is very crucial to understand the factors that make the employees change their job in an organization, particularly in the hotel industry. Besides, there is a limited number of studies that focus on the turnover intention in a three-star hotel industry in Kota Bharu, Kelantan. To address these gaps, this paper aimed to examine the turnover intention in a three-star hotel industry in Malaysia. Such an approach can help to develop a more effective strategy in response to the turnover rate in the hotel industry.

## II. LITERATURE REVIEW

### Turnover Intention in Hotel Industry

Employee acquisition is one of the topics that has gained a great interest amongst hotel managers and researchers as having direct financial costs (Jang & George, 2012). The loss of competent employees is an important issue because it involves the organization's reputation and a high cost to train new staff to replace the competent employee due to his or her intention of getting ready to leave the organization (Hwang, Lee, Park, Chang, & Kim, 2014). Hence, turnover intention is defined as an individual's mindfulness in the possibility of leaving their companies soon (Kang, Gatling, & Kim, 2015).

In the organizational behavior pool of studies, the turnover intention has been extensively investigated. The debates revolve around employees who have a high degree of turnover intention as being morally low and lacking organizational commitment (Kang et al., 2015).

Employees who possess a low degree of organizational commitment are bound to display poor work results, for instance, job-quest conduct, turnover intention, and actual turnover (Kang et al., 2015). Employees who intend to leave their present career happen when they begin to think about remaining or quitting. Regardless that it is in a brief period, they may possess a great desire to resign from the job in the current company. The turnover intention may cause the employees to decide between their present and their potential career or organization. Eventually, this intention will cause them to resort for the actual turnover (AlBattat & Som, 2013).

Labor turnover harms the consistency of the standardized practices offered by the hotels (Singh & Amandeep, 2017). The high rate of staff turnover will lead to the decreasing of organization productivity resulting in poor accomplishment for the organization. Employee turnover becomes the unspoken issue of the human resources as it negatively impacts the organization itself greatly. For an organization, the cost for employee turnover is high due to the decline in the quality of services as its result. Turnover intention too causes a decrease in the morale of the staff who are working in the company. This results in the employees becoming disheartened hence providing poor services. Eventually, this can cause the dwindling number of customers. Employee turnover causes a great loss to the organization due to advertising cost, interview time, administrative expenses, supervision, and training. The great amount of employee turnover will affect the level of motivation among the working staff, resulting in the company having to endure poor staff achievement as well as performance (Singh & Amandeep, 2017). Increase in cost involving the staff, recruitment, and training will result in significant losses to the organizations resulting from the high turnover rates that affect the service quality. Consequently, the quality of the hotel services will be absolutely influenced by the high

turnover rate in the hospitality industry (Amin & Akbar, 2013).

Extreme employee turnover rate is being noted as one of the most terrible matters and unfavorable to the hotel industry, in particular, around the world. This is proven by the consistent empirical studies which ranged about 60% annually (Amin et al., 2013). According to a survey conducted by the Human Resource Development and Training Center of China Tourism Association, in 23 cities with 33 domestic 2- to 5-star hotels in 2005, the hotel industry turnover rates were 25.64%, 23.92%, 24.2%, 22.56%, and 23.41%, accordingly, throughout the previous five years, at an average rate of 23.95%. No specific empirical evidence on the staff turnover rate of hotels in Bangkok had been discovered, yet the amount of turnover rate in the hospitality industry was 27.6% in 2014 (Tongchaiprasit & Ariyabuddhiphongs, 2016). Nevertheless, it has been proven through a study conducted by the researchers that the hotel industry also experiences troubles in turnover intention among workers.

### **Turnover Intention among Staff of Three-Star Hotels in Malaysia**

Turnover intention has become one of the popularly researched areas in organization analysis (Özbağ, Ceyhun, and Çekmecelioğlu, 2014). It is also implicated with a higher cost just to recover from it in terms of introduction and training, developing, maintaining, and retaining (Tnay, Othman, Siong, & Lim, 2013). In fact, the hotel industry has contributed a remarkable economic growth in Malaysia by undergoing a process of transformation (Lahap, Said, Rose, Sumarjan, & Mohi, 2014). This is due to the global transformations that impacted all industries which compelled them to offer superior services to the consumers all around the world. According to AlBattat and Som (2013), the turnover crisis does not only occur at the international level, but also at the national level. The service industry such as hospitality and tourism industries are

extremely significant to Malaysia's economy. It is indispensable to human labor as it must satisfy the consumers for the purpose of winning their loyalty and retention. In a past research by Salleh, Nair, and Harun (2012), they stated that the increasing turnover rate is a critical matter to the hospitality industry. In addition, there was an indication where the employees who work at hotels in the category of three-, two-, and one-star are likely to quit or leave their jobs, which leads to higher rate in turnover intention compared to those who work at five- and four-star hotels (Altarawmneh & al-Kilani, 2010).

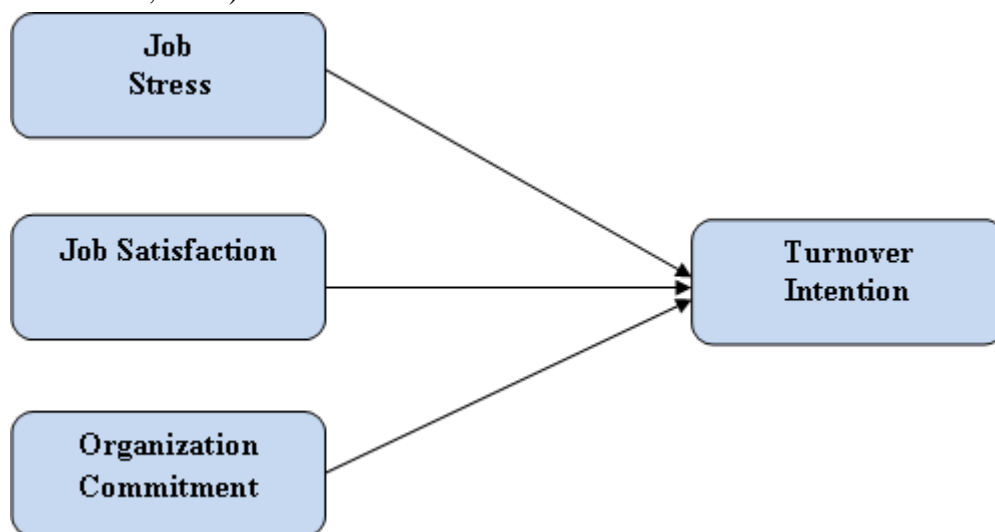


Fig: A conceptual framework

#### IV. HYPOTHESES

From the conceptual framework of the study, three main hypotheses were formulated as the following:

H1: Job stress has a significant relationship towards turnover intention among staff in three-star hotel industry.

H2: Job satisfaction has a significant relationship towards turnover intention among staff in three-star hotel industry.

H3: Organization commitment has a significant relationship towards turnover intention among staff in three star-hotel industry.

#### III. CONCEPTUAL FRAMEWORK

Figure 1 below shows the conceptual framework of this study. Turnover intention among staff in the three-star hotel industry in Kota Bharu, Kelantan was the dependent variable in this research while the job stress, job satisfaction, and organization commitment were the independent variables. The figure below shows the relationship between the independent variables and the dependent variable.

#### V. METHODOLOGY

##### Research Design

This study was meant to identify the factors that affect the turnover intention in a three-star hotel in Kota Bharu, Kelantan. Therefore, the most suitable approach for this study was quantitative research, which carries systematic empirical enquiry of observable phenomena via statistical, mathematical, or computational methods by using a cross-sectional study. As stated by Kumar, Talib, and Ramayah (2013), the descriptive research approach is a basic study method that shows something that may be relevant to the recent situation.

## Population and Sampling

The study population are the three-star hotel staff in Kota Bharu. According to the Malaysia Hotel Association (2018), the total number of population for all hotels were 271 people. Hence, following the rule of thumb by Krejcie and Morgan (1970), about 162 questionnaires were distributed to the hotel staff.

## Data Collection

This study used a set of questionnaires, with the data collection process taking place from September, 2019 to October, 2019. The questionnaire was separated into three sections, namely Section A, Section B, and Section C. All the questionnaires were distributed to potential respondents at a three-star hotel in Kota Bharu. Therefore, the questionnaire was written in English and Malay for them to get a better understanding from both languages. The questionnaires were collected face-to-face by the researchers to ensure the privacy of the information is received from the respondents.

## Instrumentation

The questionnaire used in this study is separated into three sections, which are Section A, Section B, and Section C. Section A consists of demographic data which require background information of the respondents, such as their gender, age, race, and status. Next is Section B. In this section, the researchers enquired about the respondents' consideration regarding the factors that influence the turnover intention of the staff in the three-star hotel, such as job stress, job satisfaction, and the organization commitment.

Lastly, Section C is to find out how the three-star hotel employees rated the relationship between the factors that influence them toward the turnover of the job in the hotel in Kota Bharu, Kelantan. In short, Section A discusses the personal data of the respondents, Section B contains questions about the

independent variables, and lastly Section C seeks the relationship between the independent variables and the dependent variable. Table 1 shows the details of the instrument adopted by this study.

Table 1: Research instrument for the study

Section	Variables	No of item	Sources
A	Demographic	-	-
B	Job Stress	5	Karatepe & Karatepe (2010); Elçi, Şener, Aksoy, & Alpkan (2012)
	Job Satisfaction	5	McCann, Hughes, Adair, & Cardwell (2009)
	Organization Commitment	5	Alavi, Mojtahedzadeh, Amin, & Savoiji (2013)
C	Turnover Intention	5	Kang, Gatling, & Kim (2015)

## Data Analysis

Utilizing IBM SPSS version 24 software, the data were examined. IBM SPSS is a software that can show the relationship between independent and dependent variables depending on the descriptive and correlation analysis. IBM SPSS is a basic Window program that can be used for data and analysis. IBM SPSS is a multifaceted software package that primarily helps researchers run intricate statistical analysis of quantitative data sets. Therefore, this software is suitable for researchers to analyze data correctly. To study the factors that influence turnover intention in a three-star hotel industry in Malaysia, descriptive analysis and Pearson correlation coefficients were conducted.

## VI. RESULT AND DISCUSSION

### Demographic Profile

The demographic of respondents' profile is depicted in Table 2. There were about 62 female respondents and 100 male respondents. In terms of age, most of the respondents aged between 18 to 27 years old, representing a total of 78 respondents.

Subsequently, the lowest percentage of respondents were 38-47 years old, where it accumulated to 10.5%. In terms of race, the highest number of respondents were Malays with a total of 96 persons. Indian race was represented by 12.3, respectively. The highest percentage of group that answered the questionnaire was the singles representing 61.7%. Meanwhile, divorced people represented 2.5%. The highest percentage of respondents was from the income of RM 1,000 to RM 2,999.99 which scored 61.1%. The least group of income, with a tabulated income of above RM 5,000.00, made a total of 26 respondents. remainder of the procedure to pursue – prompting the most ideal finished result.

Table 2 Respondents' Demographic Profiles

Profile	Categories	Frequency	Percentage
Gender	Male	100	61.7
	Female	62	38.3
Age	18-27 years old	78	48.1
	28-37 years old	67	41.4
	38-47 years old	17	10.5
Race	Malay	96	59.3
	Chinese	46	28.4
	Indian	20	12.3
Marital Status	Single	100	61.7
	Married	58	35.8
	Divorce	4	2.5
Income	RM 1,000.00- RM 2,999.99	99	61.1
	RM 3,000.00 – 4,999.99	37	22.8
	> RM 5,000.00	26	16

### Pearson's Correlation

Pearson correlation is an appropriate analysis to examine the strength of each dimension's

relationship. According to Cohen (1983, pp.79) the strength of the relationship is measured or evaluated between two associations. The numbers representing the Pearson correlation are to be referred to as the correlation coefficients (Hair et al., 2007). Bigger correlation coefficients depict stronger relationships for every variable. Variable analysis provides information regarding the relationship between every variable, i.e., whether a positive or negative relationship has been found (Pallant, 2007). Table 3 below lists the correlation coefficients.

Table 3 Rule of thumb on correlation coefficient size

	Strength of association
$r = .10 - .29$	Small
$r = .30 - .49$	Medium
$r = .50 - 1.0$	High

Table 4 revealed that all independent variables possessed a high correlation coefficient toward the dependent variable. Evidently, there was a high correlation between the job stress, job satisfaction, and organization commitment and the turnover intention. The job stress score was  $r = .721^{**}$ ,  $p < 0.05$ . This stipulated that the correlation between job satisfactions and turnover intention was related significantly. The job satisfaction score was  $r = .686^{**}$ ,  $p < 0.05$ . This result indicated that job satisfaction had a strong relationship with turnover intention. Organization commitment score, i.e.,  $r = .725^{**}$ ,  $p < 0.05$  also indicated that the result was highly correlated and revealed a strong relationship between organization commitment and turnover intention.

Table 4 Correlation Coefficient Analyses of All Independent Variables towards Dependent Variable

Correlation	
Variables	Turnover Intention
Job Stress	.721**
Job Satisfaction	.686**
Organization Commitment	.725**

- a. Predictors: (Constant), job stress, job satisfaction, organization commitment  
 b. Dependent Variable: turnover intention  
 c. \*\* Correlation is significant at the 0.05 level (2-tailed).

### Multiple Regressions

From the assessment of the turnover intention model, the multiple regression analysis revealed that all independent variables had a strong relationship and the confident interval was stated at 95%. The statistical results also showed the organization commitment was the highest score, which was at  $r^2 = 0.563$ ,  $\beta = 0.753$  and at the significant level ( $p < .005$ ). The second highest regression analysis showed the job satisfaction towards to the turnover intention. The statistical scores were  $r^2 = 0.523$ ,  $\beta = 0.726$ , which was at the significant level ( $p < .005$ ). Next, the job stress statistical results scores were at  $r^2 = 0.510$ ,  $\beta = 0.725$ , which was at the significant level ( $p < .005$ ). The results presented in this research showed that job stress, job satisfaction, and organization commitment significantly influenced turnover intention.

Table 5 Summary of Multiple Regressions of Independent Variables towards Turnover Intention

Variables	Regression (R <sup>2</sup> )	Regression Correlation (β)	Regression Statistical Significance	Results
H1 Job Stress	0.510	0.725	*.000	Supported
H2 Job Satisfaction	0.523	0.726	*.000	Supported
H3 Organization Commitment	0.563	0.753	*.000	Supported

## VII. CONCLUSION

The current study had limitations that may potentially influence the explanation of the outcomes. Due to time constraints and costs, a convenience sampling technique was adopted for the data collection procedure. Although there are biases that may be connected to convenience sampling, it is difficult as well as almost impossible to apply a different method, for instance, a random sampling method. Therefore, there is a limitation in the results of the study, i.e. it does not reflect the whole community, particularly the workers from other states in Malaysia. From the summary of the research findings in Table 5.1, it shows the factors that mostly impacted the turnover intention among the 3-star hotel staff at Kota Bharu, Kelantan. Among the three factors, organization was selected as the most influencing factor toward turnover intention among the staff in the three-star hotel in Kota Bharu, Kelantan. In conclusion, the employee intention towards the turnover was influenced by a factor that showed a strong relationship (organization commitment) and the other two factors (job stress and job satisfaction) which showed a weak relationship toward turnover intention among the three-star hotel staff in Kota Bharu, Kelantan. All factors exhibited a positive relationship between the independent and the dependent variables. Management, product management, and risk management. Fifteen project managements were recognized and arranged under these fundamental zones.

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