A Study on Turnover Intention in Fast Food Industry: Employees’ Fit to the Organizational Culture and the Important of their Commitment

Ramesh Kumar  
Faculty of Business and Finance, University of Tunku Abdul Rahman  
Kampar, 31900, Malaysia  
rameshkl@utar.edu.my

Charles Ramendran  
Faculty of Business and Finance  
University of Tunku Abdul Rahman, Kampar, 31900, Malaysia  
charlesr@utar.edu.my

Peter Yacob  
Faculty of Business and Finance  
University of Tunku Abdul Rahman, Kampar, 31900, Malaysia  
petery@utar.edu.my

Abstract

The concept of employee turnover intention has become one of the most important topics in organization. Some of the scholars come up with a lot of factors that could give impact on turnover intention; however there are other factors such as organizational culture and organizational commitment, organizational person fit also could give impact towards turnover intention. However studies on organizational culture towards turnover intention specifically in fast food industry of Malaysia are very limited. The purpose of this research is to examine the influence of organizational culture, organizational commitment and person organization fit towards turnover intention in Fast food Industry. The total size of the sample is 278 respondents from top level until low level employees in Fast Food Industry, by using a multiple regression; it is found that organizational culture and organizational commitment, organization person fit give an impact on turnover intention in fast food Industry.

Keywords: Organizational Culture, organizational commitment, Person Organizational Fit, Turnover intention, Fast Food Industry.

1.0 Introduction

The fast food industry in Malaysia is wide and fast food restaurants open through franchising all over the country. Franchising, which contributed over 12% of the country's GDP, had been
Growing at a rate of 10% over the past few years with estimated annual sales exceeding RM 1.3 billion and estimated total sales at RM 1 billion in 1997 which increased to RM 1.3 billion in year 2000 (Franchising Market, 2005). Furthermore, according to Malaysia Economics Statistics – Time Series (2009), the National Accounts stated the wholesale and retail trade, hotels and restaurants at current prices was the second largest contributor after the manufacturing sector which contributed 14.08% from the total in 2009. In addition, throughout the 10 years from year 2000 to 2009, the GDP of the wholesale and retail trade, hotels and restaurants have been growing over 200% and over the years it was also always the highest contributor from its service sector which was 28.34% (National Accounts, 2009). Moreover, according to the Statistics Handbook Malaysia (2010), the GDP of wholesale and retail trade, accommodation and restaurant increased from 15.34% in 2008 to 15.83% in 2009. The latest updated also stated that it contributed RM 28458 million which was 14% to GDP according to the Economic and Financial Data for Malaysia obtained from Bank Negara Malaysia (2011). For these reasons above, the fast food industry is important for Malaysian economy and contribution to GDP as well.

Although no systematic report on exact turnover rates in the Malaysian fast food industry has been published, the study of Ghazali (2010) has shown evidence derived from the managers at head offices which show that the labor turnover rates exceeded 100%. Other information which was personally obtained from the human resource managers interviewed and the annual turnover rates were 93% for non-managers and 30% for managers. The researcher added that burger company’s 111% annual turnover for non-managerial staff. Personal Communication as cited in Ghazali (2010) also mentioned that the turnover rates for year 2006 in Malaysia, for managerial level is at 15% and non-managers is at 93%. Wildes, 2005 as cited in Ghazali (2010) revealed that 70% of employees from the food industry intended to leave the restaurant industry within two years of the interview date.

In addition, the latest research done by Ryan, Ghazali and Mohsin (2011), they took a sample of 806 from the workers from fast food industry and found that 20% were often thinking of leaving their occupation, and the intention to leave were found to be influenced by friends, and feeling stressed and burn out.

These studies were conducted in Malaysian Fast Food Industry from low level until top level employees. However studies on organizational culture towards turnover intention specifically in fast food industry of Malaysia are very limited. So this study will in the gaps in literature about influence of organizational culture, organizational commitment and person organization fit towards turnover intention in fast food industry of Malaysia.

The purpose of this research is to examine the influence of organizational culture, organizational commitment and person organization fit towards turnover intention in Fast food industry. This paper provides the readers with an insight to the research area. There is not much research has been done particularly in fast food industry Malaysia related to Organisational culture.
2.0 Problem Statement

The most hidden problem which would affect turnover intention in the most organization in the fast food industries of Malaysia is organizational fit organizational, commitment and organizational culture. These three factors may lead to increase turnover intention of the employees in the fast food industries if the organization does not manage well of these two factors.

Some new employees in the organization may not fit the culture in the new organization and decrease the motivation to work in the new environment (Maertz, Steven & Campion, 2003). Employees may not accept the new culture and will felt the new workplace is not suitable and withdrawal. Some employees are trying to learn and accept the new culture in the fast food restaurant. However the time of failure will lead to employee’s low motivation and rather choose to turnover (Aarons & Sawitzky, 2006). Organization should guide and explain to the employees about the culture of organization in order to enable employees learn and accept the new culture in the shortest time.

Clarke, Sloane & Aiken (2002) “Composition of the workforce. Over time, the people entering an organization may differ in important ways from those already in it, and these differences may impinge on the existing culture of the organization. For example, people from different ethnic or cultural backgrounds may have contrasting views about various aspects of behavior at work.

Another common problem of fast food industries of Malaysia that will affect turnover intention is organizational fit. This problem usually occurs among the newcomers in the Fast food restaurants because they do not fit in the new workplace. Newcomers are not familiar with the new workplace and turnover intention will be increase if newcomers find out them unable to fit and follow in the organizational (Kristof-Brown, Zimmerman & Johnson, 2005). Performance of newcomers will be poor if they cannot fit with the organizational (O’Reill, Chatman & Caldwell, 1991). Poor performance will lead to low motivation and less chance to get promote. Newcomers will choose to work in other organizations in order to perform better by the abilities they have.

3.0 Research Objectives

The objectives of this research is to test whether the three independent variables which are organization culture, organizational commitment and person organization fit are antecedents of turnover intention in Fast food industry. The dependent variable is turnover intention which will be tested with the independent variables.

a) To examine whether there are significant relationship between organizational culture and turnover intention in fast food industry.

b) To examine whether there are significant relationship between organizational commitment and turnover intention in fast food industry.
c) To examine whether there are significant relationship between person organization fit and turnover intention in fast food industry.

4.0 Significance of the Study

The number of the employees’ intent to quit has increased recently. Therefore, recruitment and selection costs are significant to organization (Bauer et al., 1998). This research would benefit and help most of the fast food industry to reduce the turnover rate so that can save the costs in hiring and time for retraining the new employees. Besides, it would help the organization to keep the talented and high skill employees to perform the better work.

From the individual perspective, when an employee is placed in a new environment with a new task, employee need to learn how to fit with their organization values, norms, culture, and politics. Person organization fit enables employee to get up speedy to fit with the environment and the culture. According to Porter (1974), it identified that organizational commitment has a strong belief and willingness of the employees to exert effort for the organization. A greater commitment exist, the more employees are making a value contribution to the organization rather than leave the organization. Furthermore, when an employee shows a high level of commitment, it reflects the employee is more likely to stay in the organization.

From the organization perspective, when an organization’s culture offer a good environment consistent with employee’s personal value and careers goals, employee can easily adapt to the organization culture and perform better. Besides that, employees have authority to make decision along with their supervisor. When the employees have more authority, employees will be more motivated as they had been given more autonomy in heavy task. It will encourage them to move forward in developing their careers and achieve organization goals.

5.0 Review of the Literature

5.1 Turnover Intention

Turnover intention is serious issues especially in the field of Human Resource Management. This is focussing on market clearing level on the costs associated with high labor turnover. Turnover costs consist of cost of recruiting and selecting new employees and as well as the cost of loss of sales due to the low experience new worker. If an employee intends to leave and contributed to turnover rate, the losses of a company bear is much greater than paying a high wage to the employee.

Bodla & Hameed (2008) suggested that the employees’ turnover will have substantial cost or risk of losing social capital. The research further examines the dimension on the employees’ turnover intention, which is a controllable and uncontrollable force. There are five variable that been identify, which is the satisfaction with pay, satisfaction with working conditions, satisfaction with supervision, organizational commitment, and Job stress.
According to Jeffrey (2007), if the distrust of management is pervasive and dissatisfaction among employees would lead to decreasing job tenure, increasing turnover and intention to quit. Therefore, employer shouldn’t lose sight of this factor.

Froese (2011) indicates that the five dimension of intercultural communication are used to be predicted the participants’ cross cultural adjustment and work attitudes. The different communication and conflict style are showed by the participants from Anglo-Saxon countries consistent with Korea culture. The first dimension is the participants must be proficiency in host country language, in order to reduce the negative influence on work related adjustment. The second is communication in English has a positive influence on expatriates’ work adjustment. Third, is the foreign workers with indirect communication styles may be more likely to show cross-cultural adjustment and job satisfaction and less likely to show turnover intentions than those with direct communication styles. Fourth is the, foreign workers with competing conflict styles may less likely to show cross-cultural adjustment and job satisfaction and more likely to show turnover intentions. Fifth, the foreign worker can have more frequent interact with host country workers in the workplace. This show differences in conflict and communication styles may lead to misunderstandings and conflicts in the workplace, leaving foreign workers dissatisfied with their jobs and consider leaving the organization.

Turnover intention can be classified into unpreventable turnover, desirable turnover and undesirable turnover. The unpreventable turnover is due to the illness, family issue or retirement. Moreover, the desirable turnover is due to the employee’s incompetence.

Last but not least, for undesirable turnover would include competent and qualified employees leaving due to such organizational issues as lack of supervision, poor support and role conflict. These issues need to be addressed because they are directly affect client service quality and organizational effectiveness (Shim, 2010).

5.2 Organizational Culture

According to Balthazard, Cooke and Potter (2006) organization culture has been characterized as the “glue that holds organization together and is not just one aspect of the aspect of the game- it is the game.” Besides, organizational culture can play as a vital role in determining the success or failure of mergers and acquisition. Organizational culture can influence how people set personal and professional goals, perform tasks and administer resources to achieve their objective. Thus, the way in which people make decisions and perceive, feel and act are also one of the behaviours being affected by organizational culture (Lok & Crawford, 2003). Besides, organizational culture can also under considerable to influence the organizations particular area such as performance and commitment.
Organizational culture acts as a system of social control and influence employees’ attitudes and behaviour through the values and beliefs operating in an organization. Thus, the employee’s satisfaction, commitment and turnover intention had influenced by the organizational culture (Macintosh & Doherty). Generally, organizational culture consider to be shared values, beliefs and assumptions that exist among employees within a company that help to guide and coordinate behaviour. Moreover, the core values of an organization will reflect the member behaviour and organizational practices (Macintosh & Doherty, 2010).

Organizational culture is defined as the way things are done in an organization, shapes employee behavioural expectations and norms. Besides, the organizational culture can be focusing on explaining its effect on organizational performance. The constructive culture consists of employees possess behavioural expectation and norms of achievement, innovation, competence, cooperation, supportiveness, responsiveness.

Organizational culture also defined as shared values, beliefs and assumption that exist among employees within a company that help guide and coordinate behaviour (Foon et al., 2010). The values and beliefs that emerge from the ongoing negotiation and practices among group members become a source of reference for what is deemed acceptable or unacceptable in an organization in term of right and wrong behavior (Silverthorne, 2004). The values and beliefs that underlie organizational culture likely reflect what is most important to the founders or the organization leader as they responsible for the vision and purpose of the organization and reinforce the core value and beliefs through their own behaviour (Macintosh et al., 2010).

Organizational culture has been identified as an important aspect of organizational behaviour and as a concept that is useful to understand how organizational functions (Liu et al., 2010). In addition, organizational culture helps determine how well a person fits within a particular organization because the fit includes feeling comfortable with the culture. Besides, organizational culture in several national cultures found that individual’ values and organizational practices need to be integrated in the demographic variables, such as age and gender impact the degree of person organizational fit (Silverthorne, 2004).

According to Carmeli (2005), organizational culture can be divided into five dimensions which are job challenge, communication, innovation, trust, social cohesion. Organizational culture defined as daily practices, they developed a model for organizational culture to reveal the relationship with turnover intention. This model is taken from the research by Zeitz, Johanneson & Ritchie (1997).

A first dimension is Job challenge; it refers to diversity and complexity in the work. Secondly, communication refers to effectiveness of communication between top management and employees, and between the employees themselves. Thirdly, innovation is the dimension which refers to a supportive environment for creativity,
problem solving, new ideas, and sustained improvement. Next, trust is the dimension refers to the trust that exists between employees and their managers and among the employees themselves, kind of trust, which enable free discussion, and an open-minded environment.

Last but not least, social cohesion acts as one of the dimensions refers to the substance of the interrelationships among the organization’s member, and to the extent this interrelationship is featured by a sense of cooperation.

Zohar (2000) “It has become increasingly popular to differentiate between strong and weak cultures. The argument here is that strong cultures have a greater impact on employee behavior and are more directly related to reduce turnover. Ina strong culture, the organizations core values are both intensely held and widely shared. The more members who accept the core values and the greater their commitment to those values, the stronger the culture is. Consistent with this definition, a strong culture will have a great influence on the behavior of its members because the high degree of shared ness and intensity creates an internal climate of high behavioral control. For example, Seattle-based Nordstrom has developed one of the strongest service cultures in the retailing industry. Nordstrom employees know in no uncertain terms what is expected of them and these expectations go a long way in shaping their behavior.

One specific result of a strong culture should be lower employee turnover. A strong culture demonstrates high agreement among members about what the organization stands for. Such unanimity of purpose builds cohesiveness, loyalty, and organizational commitment. These qualities, in turn, lessen employee’s propensity to leave the organization”.

5.3 Organizational Commitment

According to Shanker Ganesan, Borton a. Weitz & George John (1993) found that hiring from entry level and promotion from within increase salesperson’s trust and reduce sales force turnover and opportunistic behavior. When an employee notices that their commitment is appreciated by the organization, they will be motivated and stay in the company. Promotion from within policy can ensure that the management level know well about the culture and structure about the company but if the competition for promotion is too hard, it may lead to unethical or immoral incident for example bribing.

This research investigated the influence of psychological contracts on the adjustment and organizational commitment of expatriates. This study is to evaluate the relationships among the antecedent and outcome variables of expatriate adjustment by combined the theoretical constructs of psychological contract, psychological barriers to adjustment, psychological adjustment, and socio-cultural adjustment in organization. The result of this study has shown that there is positive significance of the fulfillment of expatriates’ psychological contracts on both their psychological and socio-cultural
adjustment to a foreign environment while the fulfillment of psychological contracts has a positive influence on their organizational commitment. In conclusion, this study is useful in providing new insight for expatriate management. Therefore, the appropriate human resource management measures should be implemented by international managers to meet expatriates’ expectations for fulfillment of their psychological contracts on oversea in order for them to adjust to the host countries organizational culture. (Huei Fang Chen & Yung Ho Chiu, 2009)

According to Min Soo Kim & Jin Nam Choi. (2010). psychological contracts influence employees’ attitudes toward the organization such as commitment, trust, loyalty and their efforts toward accomplishing organizational goals. Research has shown that breaches of psychological contract lead to negative outcomes such as increased turnover intention and decreased organizational commitment. Layoff may tread as a contract breach that can affect the individual’s relationship with a new employer. There was research found out layoff victims show less trust in employer and it the victims will less likely to fully commit to their new employers. In addition, individuals’ attitudes and behavior in their new jobs will be partially shaped by their past employment experiences. They tend to reduce their effort and actual contributions to the organization reason seek to adjust to new culture. This decline in expectations and efforts are most probably due to the negative experience again. In general once a relationship was damaged by perceptions of contract breach, the negative effect of such a perception seemed to carry over to the relationship with a new employer.

5.4 Person Organization Fit

There were few major components for organizational fit which was person organization fit, person environment fit and person job fit. The researcher addresses the relationship between these types of fit and individual level pre-entry outcomes such as applicant attraction, job acceptance, intent to hire and job offers. Post entry consequences such as attitudes, withdrawal behaviours, strain, performance and tenure. The concept of person environment fit has been described as “pervasive as to be one of, if not the dominant conceptual forces in the field” (Schneider, 2001). The management scholars have a sustained interest in the fit between individual and their work environment. There was a statistical interaction between the person and environment.

Personality maybe investigated as a moderator of environmental forces as in the case of growth need strength moderating the relationship between job characteristics and job satisfaction.

According to Sekiguchi, T. (2004) person job fit will be more important than person organization fit when organizations hire employees to form transactional psychological contracts, to obtain general human capital or who are categorized as cosmopolitans. On the other hand, it is suggested that person organization fit will be more important than
person job fit when organizations hire employees to form relational psychological contracts, to develop firm specific human capital who are likely to become locals.

The person job fit outlined two basic conceptualizations which are the demand abilities fit, in which employees’ knowledge, skills, and abilities are commensurate with what the job require. The second form of person job fit occurred when employees’ needs, desires, or preferences are met by the jobs that they perform (Edward, 1991; Kristof, 1996). This type of fit, often labelled needs and the several of theories for adjustment well being and satisfaction (Caplan, 1983; French, Caplan & Harrison, 1974, 1978; Locke, 1969; Porter, 1961, 1962).

According to Edwards, J.R. (2001) person job fit to match between the abilities of a person and the demands of a job or between the desires of a person and the attributes of a job. Person abilities refer to the education, experience, employee aptitude or knowledge, skills and abilities (Caldwell & O’Reilly, 2000). This concept involves the understanding that each employee has a desire to fulfil and abilities to contribute. If the organization can fulfil these desires and utilize the employee abilities, it will be a perfect person job fit (Phillips, 2009).

The person organization fit is addressed the compatibility between people and entire organizations. It is described as interest has centred on the idea of organizations which have cultures that are more or less attractive to certain types of activities in organizations (Wilkins & Ouchi, 1983). Person organization fit as the congruence of an individual’s beliefs and values with the culture, norms and values of an organization (Handler, 2008). They typically assess how well the climate matches participants’ personal characteristics or their needs, as much as the extent to which an individual’s perception concurs with other’s (Schneider, Salvaggio & Subirats, 2002). Person organization fit is the type of fit that lead individual will become more successful in organizations that share their personalities (Tom, 1971). Besides, person organization fit focused on attention primary on values based on instrument and value congruence became widely accepted as the defining operationalization of person organization fit (Chatman, 1989). In all the cases, the emphasis is on the compatibility between commensurate individual and organizational characteristic.

Moreover, two distinction have been raised that help clarify these multiple conceptualizations. The first distinction is supplementary and complementary fit. Supplementary fit occurs when a person possesses characteristic which are similar to other individuals in an environment (Muchinskt & Monahan, 1987). This congruence can be differentiated from complementary fit; it occurs when a person’s characteristics make a whole to the environment or add to it what is missing (Muchinskt et al., 1987). Complementary fit combines both the needs supply and demand-abilities perspectives. Complementary fit is operationalized as an individual or organizational comparison of resources, opportunities, knowledge, skills and abilities (Kristof, 1996). The second distinction is offered by the needs-supplies and demand abilities which is often raised in
discussion of other forms of congruence (Caplan, 1987; Edward, 1991). According to needs-supplies perspective, person-organization fit occurs when an organization satisfies individual needs or desires. For demand-abilities perspective, it is suggested that fit occurs when an individual has the abilities required to meet organizational demands.

6.0 Proposed theoretical/conceptual framework

Figure 1: Research framework

<table>
<thead>
<tr>
<th>Theoretical framework</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent variables</strong></td>
<td><strong>Turnover Intention</strong></td>
</tr>
<tr>
<td>Organizational Culture</td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td></td>
</tr>
<tr>
<td>Person Organization Fit</td>
<td></td>
</tr>
</tbody>
</table>

Source: Developed for research

7.0 Methodology

7.1 Research Design

Quantitative research has been used to conduct this research study due to the large number of respondents who participated and where evidence is evaluated and hypotheses are generated. The objective of using quantitative research in this study was to test the hypotheses from the questionnaires. Casual research was designed to describe the relationship between two dimensions (organizational culture, organizational commitment and person organization fit) will affect the turnover intention. So, this casual research design has been used in this research which seeks to identify cause and affect relationships.
7.2 Data Collection Method

7.2.1 Primary Data

The questionnaire method has been chosen as it made the quantification of the information possible. This because using questionnaire was the most inexpensive way to gather data from a potentially large number of respondents.

7.2.2 Secondary Data

In this paper, research has been done through the journals, online articles and text books as the proposal references and extra information. Therefore, research had done with the literature review evaluated to get the accurate information.

7.3 Sampling Design

7.3.1 Target Population

According to Zikmund (2003), the definition of population was identifiable total set of elements of interest being investigated by a researcher. The target population is defined as the entire group a researcher is interested in. The target populations in the research are covered from the top level of employees to lower level employees from fast food restaurants Ipoh city Malaysia of. It has been estimated 1000 of employees total up in Ipoh city.

7.3.2 Sampling Frame and Sampling Location

According to Malhotra and Peterson, sampling frame consists of a list or asset of directions for identifying the target population. Sampling frame may not be relevant to the non-probability techniques. This is because the research group did not have the name list of the respondents. So it is not suitable in this research. Sampling location is where study being conducted. The research has been conducted throughout Ipoh city only.

7.3.3 Sampling Elements

The respondents were staffs from top level management to low level in Fast food industry restaurants. Questionnaires are distributed to different ranges of respondents which are based on age, gender, education level, income level and race. As a result, it can help to generate different perception among the respondent to obtain the accurate result in the research.
7.3.4 Sample Techniques

Convenience sampling has been used as sampling technique. Convenience sampling is referred to the collection of information from members of the population who are conveniently available to provide it. Convenience sampling is most often used for research because it was the best way of getting some basic information quickly and efficiently.

7.3.5 Sampling Size

Sample size is the number of elements to be included in the study (Malhotra, 2006). The total size of the sample to conduct this research project is 278 respondents which were the staffs from top level management to low level employees from Ipoh fast food restaurants. The sample size is based on the target population and then only determines the sample size. The sample size for a given population size table are the source taken from Sekaran under Research methods for business: A skill building approach. The questionnaire consist a total of 278 sets of questionnaires. The questionnaire that we used is fixed alternative.

7.4 Research Instrument

The research has been done through distribution of questionnaire to Fast outlets in Ipoh state of peninsular of Malaysia. A brief introduction and purpose of the research will be attached in the questionnaire. Researchers will also include a statement about respondents’ identities being anonymous in order to protect their privacy and to ensure they will feel free to participate in the survey.

The questionnaire consists of two sections which are section A and section B. Section A consists of questions on demographic profile. The purpose of demographic question was acquired some basic information of the respondents. The questions included respondents’ gender, age, race, income level, education level and marital status.

Section B is formed by questions on the independent variables and dependent variable of survey. It consist the factors on turnover intention which are organizational culture, organizational commitment and person organizational fit. This section will help to identify the most significant factor with the employees’ turnover intention in the fast food industry. Lastly, the final part of the question was regarded the dependent variable which is turnover intention. This will help to identify the employees’ turnover intention in the fast food industry and further to examine the relationship between the factors and turnover intention.

In this study, a convenience sample of 30 sets of questionnaire is being distributed. The pilot test was conducted through the person who is working in the fast food industry. In addition, the whole process for data collecting it takes about 2 months time. The feedback collected will be tested by using SPSS (Statistical Package Social Sciences) to ensure the reliability figure.
(Cronbach’s alpha) is higher than 0.60. This is because if the Cronbach’s alpha is below 0.60 means that the reliability is weak.

7.5 Scale Measurement

Table 1: Scale Measurement for Pilot Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Alpha Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>0.936</td>
</tr>
<tr>
<td>Person Organization Fit</td>
<td>0.878</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.937</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>0.912</td>
</tr>
</tbody>
</table>

Based on the reliability pilot test result, for the organizational culture and organizational commitment the alpha from the reliability test were 0.936 and 0.937. The Cronbach’s alpha was dropped in between 0.80 to 0.95 its mean that the questions are very good reliability to collect the accurate answer from the respondents. Moreover, the reliability for person organization fit’s alpha was 0.878. The Cronbach’s alpha was same as organizational culture and organizational commitment. The alpha was dropped in between 0.80 to 0.95. Besides, for the turnover intention the alpha is 0.912 which categories in good reliability.

The pilot test’s reliability result for the variables are above alpha 0.60 which is fair reliability result and acceptable. So, this reliability result allowed the research team to use the questionnaire to conduct the research

RESULTS AND DISCUSSION

8.0

8.1 Multiple Regression Analysis

Regression is an equation to predict the dependent variable from several independent variables. Regression analysis is the most widely applied data analysis technique for measuring linear relationships between two or more variables. By using this analysis, the research group is able to discover which independent variables can be best influenced turnover intention in hospitality industry. In addition, regression analysis can help to find which variable is the most significant to affect turnover intention.

The multiple regression was conducted in the research to examine the relationship between turnover intention and the independent variables; organizational culture, organizational commitment and person organization fit.
Table 2: Model Summary for Multiple Regressions

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>3.818</td>
<td>3</td>
<td>1.273</td>
<td>107.270</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3.251</td>
<td>274</td>
<td>.012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.068</td>
<td>277</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Organizational culture, Organizational commitment, Person organization fit

b. Dependent Variable: Turnover intention

Table 3: ANOVA for Multiple Regressions

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.735a</td>
<td>.540</td>
<td>.535</td>
<td>.10892</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Organizational cultural, Organizational commitment, Person organization fit

b. Dependent Variable: Turnover intention
Table 4: Correlation Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.192</td>
<td>.055</td>
<td>-</td>
<td>21.679</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>-0.380</td>
<td>.187</td>
<td>-0.088</td>
<td>-2.026</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>-0.466</td>
<td>.149</td>
<td>-0.289</td>
<td>-3.132</td>
</tr>
<tr>
<td>Person organization fit</td>
<td>-0.878</td>
<td>.177</td>
<td>-0.447</td>
<td>-4.947</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Turnover intention

Source: Developed for the research

The equation for multiple regressions as below:

Equation:
Turnover Intention = 1.192 – 0.380 (Organizational Culture) – 0.466 (Organizational Commitment) – 0.878 (Person Organization Fit)
Where $r^2 = 0.540$
$F = 107.270$
$N = 278$

Multiple Regression Analysis

There is a significant relationship between organizational culture, organizational commitment, person organization fit and turnover intention.

Based on table 3 (ANOVA), p-value (Sig. = 0.000) is less than alpha value 0.05. The F-statistic is significant. The model of this study is a good descriptor of the relation between the dependent and predictor variables. Therefore, the independent variables (organizational culture and person organization fit) are significant to explain the variance in turnover intention. The alternative hypothesis is supported by the data.
R value
The R value is the correlation coefficient between the dependent variable and the independent variables taken together. The value of correlation coefficient (R value) for this study is 0.735. The R value is positive and high correlation between dependent variable (turnover intention) and independent variables (organizational culture, organizational commitment and person organization fit).

R square
The R square indicates the extent or percentage of the independent variables which can explain the variations in the dependent variable. In this study, independent variables (organizational culture, organizational commitment and person organization fit) can explain 54% of the variations in dependent variable (turnover intention). However, it is still leave 46% unexplained in this study. In other words, there are other additional variables that are important in explaining turnover intention that have not been considered in this study.

Interpretation

Is organizational culture (predictor variable) significant to predictor dependent variable (turnover intention)?

Organizational culture is significant to turnover intention in this study. This is because p-value for organizational culture is 0.044 which is less than alpha value 0.05.

Is organizational commitment (predictor variable) significant to predicted dependent variable (turnover intention)?

Organizational commitment is significant to turnover intention for this study. This is because p-value for organizational commitment is 0.002 which is less than alpha value 0.05.

Is person organization fit (predicted variable) significant to predicted dependent variable (turnover intention)?

Person organization fit is significant to turnover intention for this study. This is because p-value for person organization fit is 0.000 which is less than alpha value 0.05.
Interpretation for Level of Contribution

Highest Contribution

Person organization fit is the predictor variables that contribute the highest to the variation of the dependent variable (turnover intention) because Beta value (under standardized coefficient) for this predictor variable is the largest (-0.447) if compare to other predictor variables (organizational culture and person organization fit).

Second Highest Contribution

Organizational commitment is the predictor variables that contribute the second highest to the variation of the dependent variables (turnover intention) because Beta value (under standardized coefficient) for this predictor variable is the second largest (0.289) if compare to other predictor variables (organizational culture and person organization fit).

Lowest Contribution

Organizational culture is the predictor variables that contribute the lowest to the variation of the dependent variable (turnover intention) because Beta value (under standardized coefficient) for this predictor variable is the smallest (0.088) if compare to other predictor variables (organizational commitment and person organization fit).

This means that organizational culture make the least contribution to explain the variation in dependent variable (turnover intention), when the variance explained by all other predictor variables in the model is controlled for.

9.0 Discussion of Major Finding

Table 5: Summary of the Result of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Accepted / Rejected</th>
<th>Significant level</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a significant relationship between organizational culture and turnover intention</td>
<td>Accepted</td>
<td>0.001</td>
</tr>
<tr>
<td>H2: There is a significant relationship between organizational commitment and turnover intention</td>
<td>Accepted</td>
<td>0.000</td>
</tr>
<tr>
<td>H3: There is a significant relationship between person organization fit and turnover intention</td>
<td>Accepted</td>
<td>0.000</td>
</tr>
<tr>
<td>H4: There is a significant relationship between organizational culture, organizational commitment, and person organization fit</td>
<td>Accepted</td>
<td>0.000</td>
</tr>
</tbody>
</table>
9.1 Relationship between Organizational Culture and Turnover Intention

The relationship between organizational culture and turnover intention is significant. It is because the p-value 0.001 is less than alpha value 0.01.

The result shows that organizational culture will affect turnover intention. When the perceived organizational culture is high, turnover intention is low.

A positive organizational culture also supports motivated and positive behaviours, which tend to encourage employees to cooperate more fully with each other in performing their work tasks. Therefore, a positive organizational culture is expected to decrease turnover intention (Glisson et al., 2006).

According to Macintosh and Doherty (2010), organizational culture had a significant influence on job satisfaction, which strongly influenced intention to leave. The cultural dimension of connectedness had a significant influence on intention to leave.

The investigation of the relationship between the organizational culture and employees’ turnover intention and behaviours can make a unique contribution towards understanding of employee-organization behaviours. Many studies had explored the phenomena of employees’ turnover intention by investigating the influence of personal-related variables (e.g. job satisfaction, work commitment, job stress and others on turnover intention (Carmelli, 2005).

Baysinger and Mobley (1983), provided a powerful criticism regarding the research focus on the relationship between personal-related variables and turnover, arguing that it could be ineffective to deal with each individual feeling of withdrawal and final decision to quit. They argued that it would be more useful to move toward research that considers organization-related variables; research that can be controlled by an overall organization strategy. Researchers addressed the importance of organizational culture with respect to employees’ behaviours. Harris and Mossholder (1996) identified two research approaches regarding this relationship: an approach which focuses on the psychological/affective implications of the content of a particular culture; and an approach which focused on psychological/affective of the individual-organization fit.

9.2 Relationship Organizational Commitment and Turnover Intention
The relationship between organizational commitment and turnover intention is significant. It is because the p-value 0.000 is less than alpha value 0.01.

The result shows that organizational commitment will affect turnover intention. When the organizational commitment of an employee is high, turnover intention is low.

Research conducted by Batt et al. (2002) found that the extent of employee participation in problem solving teams (consultative participation) and self-directed work teams (substantive participation) is associated with lower turnover rates. This brief review underscores that allowing employees in solving skills blend them into the organizational culture and enhance their commitment. Consistent with this view, existence of a joint job evaluation scheme and a work council are associated with lower turnover rates (Wilson and Peel, 1991).

Knights & Kennedy (2005) indicate there is a negative relationship between psychological contract violation impact on both job satisfaction and organizational commitment. The concept explains of psychological contract violation and presents the results of a survey of executive management personnel from the Australian Public Sector. The feelings of betrayal, distress, anger, resentment, a sense of injustice and wrongful harm experience culminates in attitudinal and behavioral responses when employees perceives that the other has failed to fulfill its obligations or promises resulted in increases in absenteeism and turnover intention. Moreover, some dissatisfy employees may engage in counter-productive behaviors if they still remain in the organization. Therefore human resource activities are offered to assist management to clarify and sustain the psychological contract to ensure employees have the opportunity for on-going training and development and have effective channels of communication. It shows that workplace justice and effective communication need to become embedded in the organization’s culture and be reflected throughout all human resource activities.

Employees’ commitment is very important for an organization because they can help the organization to run their business more effective and efficient. Once the employees’ commitments reduce, the organization will face the difficulty in retaining the employees. It will cause the turnover intention rate will be higher. The consequences of the organization are losing the talented, capable and suitable employees.

Besides that, the commitment of employees which is high, they are more preferred to stay and work with the organization rather than leave the organization. Therefore, organizational commitment has a negative relationship to affect turnover intention.
9.3 Relationship between Person Organization Fit and Turnover Intention

The relationship between person organization fit and turnover intention is significant. It is because the p-value 0.000 is less than alpha value 0.01. The result shows that person organization fit will affect turnover intention. When the person organization fit is high, turnover intention is low.

According to Cable and Judge (1996), Judge and Cable (1997), and Saks and Ashforth (1997) the preferred person organization fit measure is Saks and Ashforth’s four item scale. It is superior to other measures in that it has a coefficient alpha of 0.92 and the items tap into the four definition most often associated with person organization fit which are supplementary fit, complementary fit, needs supplies perspective, and demand abilities perspective.

According to Vancouver and Schmitt (1991), the higher level fit for goal has negative relations with turnover intention, whereas the employees with low level fit show relatively high turnover intention. For instance, the analysis made by O’Reilly (1991) indicates that the value fit is a major factor to influence the flow of employees. The study by O’Reilly (1990) states the fit between the individual competencies in job tasks and the requirement job tasks for specific position within an organization. The analysis stated that the employee’s turnover trend can be predicted effectively within 2 years. The result shows that person organization fit is strongly related to job performance, satisfaction and turnover intention. Several findings have indicated that organizations that use the person organization fit in hiring will relate to have low rates of turnover and absenteeism. (Sagas & Batista, 2001). Therefore, employees hired under the person organization fit exhibit greater organizational citizenship behaviour which are behaviours exhibited by employees that go above and beyond the job requirements.

Likewise, it was also proved by Chatman (1991) that the new employee’s entry to an enterprise had undergone interviews and socialized process for one year, the employee’s turnover intention can be predicted effectively according to the fit level between the enterprise and the employee. And also, the Chinese scholars by Zhang Mian, Zhang De and Yu Dan (2003) discover that the expected fit has evident positive influence on job satisfaction, as well as organizational commitment while negative influence on turnover intention.

9.4 Relationship between organizational culture, organizational commitment, person organization fit and turnover intention

Based on multiple regression analysis result, it indicated the relationship between turnover intention and the independent variables; organizational culture, organizational commitment and person organization fit.
From table 3 (ANOVA), p-value (Sig. = 0.000) is less than alpha value 0.05. The F-statistic is significant. The model of this study is a good descriptor of the relation between the dependent and predictor variables. Therefore, the independent variables (organizational culture, organizational commitment and person organization fit) are significant explain the variance in turnover intention.

There are several models which link organizational commitment conceptually to turnover intention (Mobley, 1979; Steers & Rhodes, 1978). Empirical research on organizational commitment generally has shown commitment to be significant predictor of turnover. The quantitative summaries of findings (Mathieu & Zajac, 1990; Randall, 1990), have demonstrated that the relationship between organizational commitment and turnover have produce few large correlations. One explanation for commitment and turnover relationship is Wiener and Vardi (1980) has found that commitment had some effect on turnover intention. They revealed an inverse relationship between organizational commitment and turnover for nurses employed more than one year and had indicated that the relationship was stronger for employees in their early career stages (Werbel & Gould, 1984). It is further supported by Kristof-Brown et al., (2005) person organization fit are reported to have strong influence on job satisfaction, organizational commitment, turnover and performance.

For organizational culture, the multilevel structural equation models supported a partial mediation model in which organizational culture had both direct influence on work attitudes and indirect influence through organizational climate. Work attitudes significantly predicted one year staff turnover rates (Aarons & Sawistzky, 2006). These findings support the contention that culture impact work attitudes and subsequent staff turnover. Culture reflects behaviours, norms and expectation of an employee (Glisson & James, 2002; James, Hater, Gent & Bruni, 1978; James & Sells, 1981)). Organizational level constructs of culture and climate are proposed to influence individual level attitudes and behaviour, and the attitudes and behaviour will lead and affect the turnover intention of employees (Glisson & James, 2002; Schoenwald, Sheidow, Letourneau, & Liao, 2003). Organizational culture is characteristic of organizations that influence employees’ attitudes (Aarons & Sawitzky, 2006; Carmazzi & Aarons, 2003; Glisson & Hemmelgam, 1998) and work attitudes, in particular to predict staff turnover intention (Van Breukelen, Van Der Vlist, & Steensma, 2004). Sagas & Batista (2001) indicated that employees attitudes are enhanced when a fit between the organizations culture and the employee is met. These attitudes include greater job satisfaction, organizational commitment as well as greater team spirit among co-workers.

The variable of person organization fit may have the significant relationship with turnover intention. If a person does not have the abilities to meet the organization demands or need, overall and task performance are likely to suffer. Employees do not have adequate resource to engage in organizational citizenship behaviours because they are being stretched by task demands (Kanfer & Ackerman, 1989). Strain should be high
under such condition and turnover may result because of underperformance. According to Mitchell’s work which incorporates person organization fit with turnover Masterson and Stamper’s theory of perceived organization membership, they are measures of the fulfilment of needs between employees and organizations in social exchange relationship and examined a strong relationship between employees job fit and turnover intention (Mitchell & Lee, 2001; Masterson & Stamper, 2003).

Based on the finding support that, we can conclude that organizational commitment, organizational culture and person organization fit may affect the employee’s turnover intention in fast food restaurants. This shows that there is significant relationship among organizational commitment, organizational culture, person organization fit and turnover intention of an employee from Fast food Industry.

10.0 Managerial Implication

These are managerial implications for top management in organization regarding the control and management of the employee turnover process. This study encourages top management to access their organizational culture. It suggests that they should consider organizational-related factors such as organizational commitment and person organization fit while managing their employees’ intent to quit (Carmelli, 2005).

Nowadays, turnover intention rate among the employees are high. It is also a trend among them. Based on our research result, it shows that there is a relationship between the organizational culture, organization commitment and person organization fit with turnover intention.

Organizational culture is the most significant in this study that will affect turnover intention. Research group suggest that top management need to make sure that the employees and newcomers are fit into the organizational culture and feel that they are good match with the organization. When newcomers join the organization, top management can provide those guidelines, experience, organization story, and values in order to ensure that they can adapt the new environment.

The second higher independent variable that affects turnover intention is organizational commitment. Throughout this study, research group recommend that on-going training and development programs which will allow the employees to develop an inclusive understanding with the organization. Once they learn and adapt the culture of the organization, they are more likely to stay in the organization. Whenever their skill is enhanced, they will commit more to the organization and feel that their job are challenging. Therefore, when their have good skill, it will increase the performance and produce more effective and efficient task. Besides that, job rotation should be implemented in organization in order to let the employees know each of the roles very well.
Another implication in this study is that increased length of working hours with the organization has the greatest impact on an employee’s intent to stay with the organization (Cotton & Tuttle, 1986). The research group suggests an organization should use human resource strategy to recruit and retain employees. Recruitment and selection test is the initial progress to ensure that either the employee can fit into the organization or not. Interviewer can observe that the interviewee’s personality can match to the organization image. In order to reduce the turnover rate, research group suggest that an organization should provide good bonus and allowance to attract and retain the employees.

11.0 Conclusion

As the conclusion, this research is successfully conducted by referring to the model adopted and outcomes generated. Throughout this research, there are rooms for improvement and better and more effective research can be done to yield better representative results and also to obtain a better understanding on this subject. It shows that overall hypotheses and research objectives had been achieved. Nevertheless, this study had its limitations. Future researchers may take this research as their reference and look at this issue with their own point of view and coming up with a better research study.
REFERENCES


