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An Empirical Analysis of employee turnover intention among Employees of Fast Food Industry

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Abstract:-

This study was intended to investigate the determinants of turnover intention among employees working in fast food industry in Karachi. In order to confirm the purpose the 400 respondents were requested to fill the predesigned questionnaire. Structural equation modeling using AMOS 20 was used to analyze the collected data. Basic assumptions of SEM were ensured. It was found that working environment, employee empowerment and organizational culture plays significant role in predicting the turnover intention among employees. The management of fast food industry is required to develop congenial working environment, delegate some authority to employees to execute their every day responsibility.

Key-words: turnover intention, temporarily job, Lack of advancement, motivational strategies.

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1. Introduction

1.1 Background of the study

In the corporate arena, the productivity of any business has been significant issue. In this regard, the turnover of employees is in nexus with organizational outcome. The effective and efficient survival of the companies lays heavy emphasis on quitting and switching intention of the employees. The fast food industry in this regard is no exception. Thus, the investigation of turnover intention among people working in fast food industry constitutes the rationale of this study. Employee turnover is an assessment of quitting or switching attitude in the working environment. The frequency of replacing, hiring and firing is also exhibiting the existence of employee turnover. Quality of work depends on the motivational level of labor force working in the organization. Motivated employees can perform their tasks much better than de-motivated employees can. Success of an organization largely depends upon the level of performance of its employees. Understanding the needs of employees is not an easy task in the current globalization environment. Employees have different needs and expectation when they join any organization. Fast food industry management is trying to find out the reasons of employee turnover but still they are not clear (DiPietro & Bufquin, 2017). There can be many reasons of employee turnover just like temporarily jobs, less reward and job stress and unfair treatment, discrimination and low wages. In fast food industry there is high turnover in all over the world. The fast food industry culture is totally change in today's competitive environment, it is more essentials for the industry to meet employee's need and introduce new benefits, financial benefits and handsome salary to motivate employees. Relationship between employees and companies is an instrument for achieving the needs of changing work environment for both the parties.

This study will help to the fast food restaurants management by identifying the factors of employee turnover so it will be better for fast food industry, because employee turnover is not good for any organization or any industry. The study has focused on the Karachi based fast food industry. This study is therefore intend to investigate the causes of employee turnover intention among people working in fast food industry

As observed that the employees of fast food restaurants have many issues that are causing the high turnover. Like, temporarily jobs, less reward and job stress and inadequate behavior, lacking of professional growth, some kind of communication breakdown, between the employees and the owners or upper management of fast food restaurants.

2 Literature review

The attitude of employees in any particular working environment exhibits how they perceive various organizational practices. The quitting and switching intention among employees reflects something discouraging in organizational practices (Kashif, Zarkada, & Thurasamy, 2017). The higher the turnover, more the counterwork behavior (Cho, Rutherford, Friend, Hamwi, & Park, 2017). In modern organizational practices, the turnover issue continues to make the organizations suffer (Rizvi, Friedman, & Azam, 2017). Another study confirms that staffing and monitoring is much more effective in reducing the employee turnover. Because workers will be getting more attention through some motivation and they will perform their responsibilities in effective way (Bawa & Jantan, 2005). There has been mushroom growth in Malaysian fast food franchises

observed, however the compounding and persistent turnover problem found to be confounding. Eventually the employee commitment and organizational productivity has been suffering (Kumar & Ramendran, 2012). Rizwan, Arshad, Munir and Hussain (2014) concluded that the modern organizations are facing increasing turnover intention among their human capital, which eventually decrease level of job satisfaction, self respect and struggling job performance is emerged. The persisting turnover problem makes the employees show dissatisfaction while working. Some studies focusing job satisfaction and employee turnover intention documented negative strong relationship (Lu, et al., 2017; Asma & Faiza, 2014). Various studies also confirmed the cause and effect of turnover intention in various industries (Asela, Nasrudin, Hasifrafidee, Darweanna, & Simpong, 2017). Wilfred and Nnenna (2014) conducted empirical analysis to investigate the relationship between job performance and level satisfaction among employees working in various fast food restaurants in South Africa. It was revealed that lower level of job satisfaction among employees of fast food restaurants exhibited in various negative work behaviour, dissatisfaction and higher turnover intention among them. An other research suggests motivational factors affect the performance of fast food industry (KFC). The employees of KFC are highly motivated in financial terms, how however employees perceive gender inequality (Kamal & Anowar, 2012). The study regarding the relationship between job satisfaction, leadership style and turnover of employees documented the negative relationship between job satisfaction and leadership styles, which eventually causes higher turnover among employees (Choi & Yean, 2011). Malaysian study, regarding turnover intention and its determinants have concluded that lower level job satisfaction, higher order of job stress and low-level commitment as major factors (Hazrina, 2010).

The concept of turnover intention among employees working in fast industry of USA was studied and found that there is significant relationship between job satisfaction and turnover intention (Beb, 2016). The increasing turnover intention among employees makes the organization to suffer negatively particularly low level of commitment to work, counter work behavior, dissatisfaction among employees. Researchers recommended that through effective training and development programs motivation level can be increased, which may reduce the turnover intention among employees working in fast food industry (Alkahtani, 2015). The influence of higher order turnover intention has been investigated on managerial practices in Chinese context, it was found that social, economic and individualistic factors causes higher level of turnover intention among employees (Zhang, 2016). The study discussing the effect of turnover intention on business growth has been conducted by Henry (2007) who has concluded that the increasing turnover intention has negative significant influence on expansion of businesses. Further, it may also negatively influence the employee competencies required to carry out business tasks (Henry, 2007). Khan (2013) has studied that increasing turnover intention have been witnessed as very much visible because accelerated competition in education. Employees in an intention of career growth keeps upgrading their education and always looking for new avenues of growth hence the turnover intention increases (Khan M. , 2013). Fidalgo and Gouveia (2012) have suggested that organizations are required to allocate more on training and development programs to reduce the turnover intention among employees in fast food industry.

The organizational culture, low level of satisfaction may also cause high turnover intention. The employees with early years of career and younger age have been studied and found more vulnerable to the threat of turnover (Elizabeth, 2012). The organizations are required to continuously evaluate the needs of employees working with them failing which may cause the organization to face with the problem of increasing turnover intention, besides that the motivational strategies are required to be formulated to retain the talent with the organization (Holtom, Mitchell, Lee, & Eberly, 2008). The change is more permanent factor; the organizations are required to response positively, however this is also the factor that may cause employee turnover intention, because the change is always resisted, if the employees are not ready before bringing any change. Hence, training and motivational strategies found as most influential factors to accept change and retain the talent (Kevin, Loan, Clarke, & Wilki, 2004). The efficient managerial system should be integrated with strategies related to deal with the problem of turnover intention among employees, thus the efficient managerial mechanism having strategy related with turnover intention is inevitable (Hongvichit, 2015). The attitude of the employees while working in fast food industry influenced by several factors constituting working environment, hence it is essential that the congenial working environment should be ensured so that any negative attitude may not emerge like turnover intention (Ukandu & Ukpere, 2011). In knowledge-based organizations like construction business, fast food industry the problem of turnover intention multiplied the suffering intensities for the organization, because talent replacement is very harder job (Thomas, 2013). The service industry like hospitality required the highly motivated employees to work with them, the dissatisfied employees may intent to quit and switch the job (AlBattat, Som, & Helalat, 2013). The low level monitory issue may also cause the high level of turnover intention, more over dignified treatment in the working environment is also essential. According to this research, organization management should behave with their employees in a ethical way, and should avoid from discrimination gender wise or age wise (Moore, 2014). The supervisor's role also play significant role in reducing the employee turnover in fast food industry (Heather, 2005).

Based on the aforementioned literature the following hypotheses have been formulated for this study:

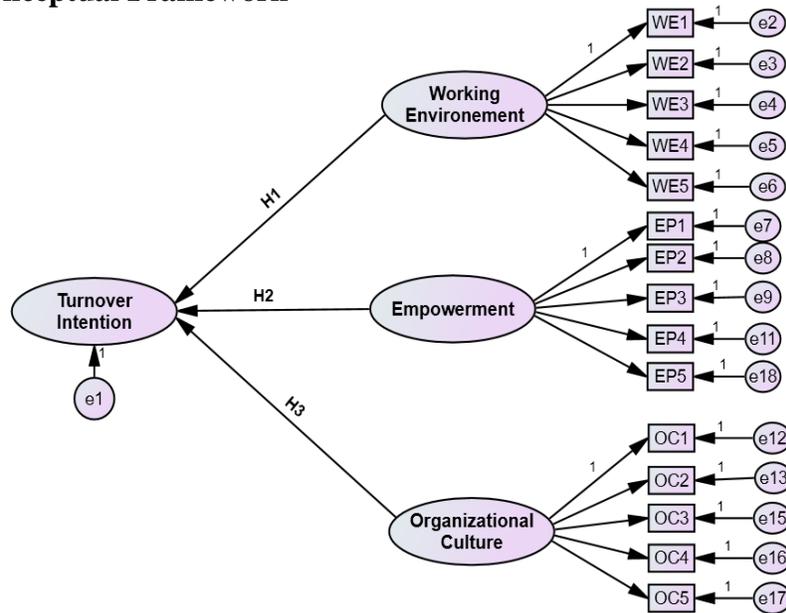
2.1 Hypotheses

H₁: There is significant relationship between working environment and turnover intention.

H₂: Employee empowerment and turnover intention are negatively related.

H₃: Organizational Culture and turnover intention is positively related.

2.2 Conceptual Framework



3 Methodology

3.1 Research Data

This study is quantitative in nature and having causal design. Primary data collection method is used. Through survey data was gathered from employees working in fast food industry at Karachi.

3.2 Variables

The study is based on four variables. Turnover intention is endogenous variable, whereas working environment, employee empowerment and organizational culture are exogenous variables shown in the conceptual framework.

3.3 Sample Size and sampling Technique

The sample size for this study is determined through the Krejcie and Morgan (1970) sample size-determining table. Thus, the sample size for this study was 346. Pre-designed measuring scale has been used to collect the data from the people working in Karachi based fast food industry. Convenient sampling technique is used to identify the respondents for this study.

3.4 Statistical tool and techniques

Structural Equation Modeling is used to analyze the data. In this regard, AMOS 20 is used. All the six steps of the SEM have been applied to analyze the data. For measuring turnover intention among employees, the scale developed by Bothma, and Roodt (2013) TIS-6 has been used in this study. The predesigned data collection instrument of (Kim & Fernandez, 2015) measuring employee empowerment is used in this study. In order to measure the working environment, the scale of Moos and Insel (1974) has been used. The organizational culture is measured through Pareek (2003) scale.

4. Results and Discussion

4.1. Demographic Profile

The demographic profile of the respondents for this study is shown in table 1. The table 1 shows that 70.2 percent of the respondents were male hence the food industry in Karachi is dominated by male workers. Most of them were married constituting 88.7 percent of total respondents. The majority of respondents were in 36 to 45 years age group.

Table 1: Demographic Profile

Variables		Frequency	Percentage	Total
Gender	Male	243	70.2	243
	Female	103	29.8	346
Marital Status	Single	39	11.3	39
	Married	307	88.7	346
Experience	5 to 10 years	72	20.8	72
	11 to 20 years	187	54.0	259
	21 years & above	87	25.1	346
Age	25 to 35 years	49	14.2	49
	36 to 45 years	191	55.2	240
	46 to 55 years	67	19.4	307
	56 years & above	39	11.3	346

4.2. Confirmatory Factor Analysis

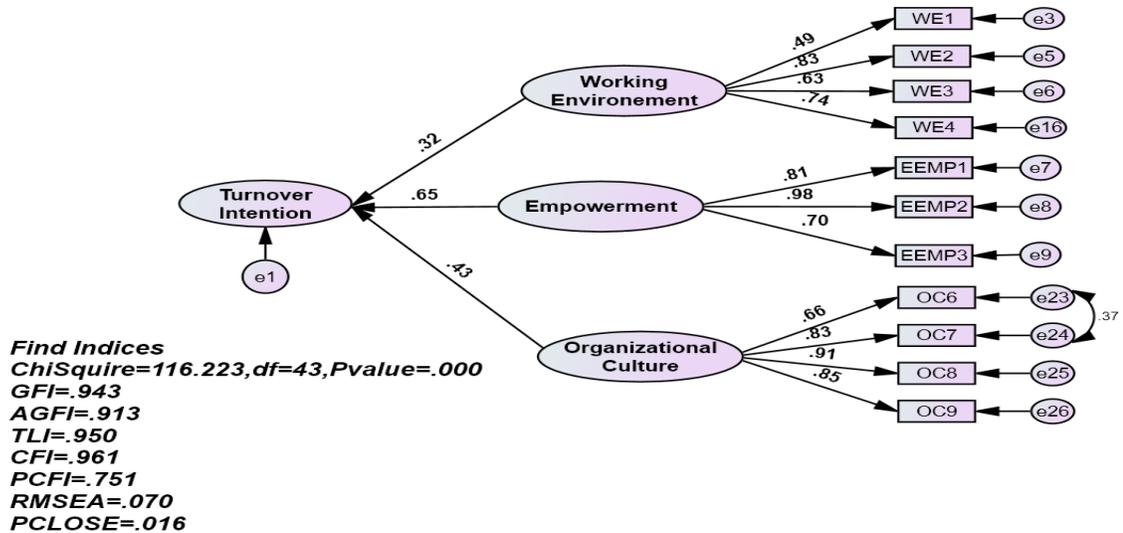
In an attempt to test the internal consistency among the items, Chornbach's Alpha test has been conducted using SPSS 20 (IBM, 2011). The findings confirm that all the items are fairly consistent (Table 2). The Composite reliability (CR) test for constructs used in study has been conducted using Microsoft Excel. The results are shown in table 2, authenticating the reliability of all constructs. The related average variance extracted (AVE) are also given in table 2. Confirmatory factor analysis (CFA) has been executed to test the validity of the constructs the results are shown in table 2.

Table 2: CFA, Reliability and Validity Analysis

Variables	Constructs	Factor Loading	Cronbach's Alpha	Composite Reliability	AVE
Working Environment	WE1	.49	.80	.773	.538
	WE2	.83			
	WE3	.63			
	WE4	.74			
Employee Empowerment	EMP1	.81	.78	.766	.526
	EMP2	.98			
	EMP3	.70			
	EMP4	.59			
Organizational Culture	OC1	.66	.81	.894	.668
	OC2	.83			
	OC3	.91			
	OC4	.85			

4.3. Structural model

The figure given below showing the structural equation model for the study along fit indices. The related fit indices in figure also shown in table 3 with related classifications.



The table 3 shows the Chi-Square 116.223, p value = .000, which were required to be insignificant. However, in this research it is significant, because the chi-square is sample size sensitive, means more the sample size higher the significance level will be. Hence, the other fit indices given in table 3 are taken into account to validate the fitness of the model. All the related indices are very much confirming the required threshold. Thus, our model in terms fit indices is fit enough.

Table 3 Fit indices

Model	Absolute Fit Indices					Incremental Fit		Parsimonious Fit	
	Df	χ^2	GFI	AGFI	RMSEA	TLI	PNFI	PCFI	
1	43	116.223	.943	.913	.072	.950	.735	.751	

4.4. Hypotheses Assessment

The hypotheses testing outcomes are show in table 4. The H₁: regarding working environment and turnover intention among employees working in fast food industry was formulated to be having significantly related, thus results shows that ($\beta = .391$, t-value = 4.83, $p > 0.01$), hence H₁ is retained. H₂ regarding employee empowerment and turnover intention was formulated to have negatively associated. The findings of the hypothesis shows that ($\beta = .651$, t-value = 8.37, $p > 0.01$), therefore hypothesis 2 is rejected. H₃ was also formulated to test the predictability of organizational culture in turnover intention among employees of fast food industry. The results exhibited in table 4 shows that ($\beta = .427$, t-value = 6.10, $p > 0.01$), authenticates that the organizational culture also predicts the turnover intention therefore the H₃ is accepted. The hypotheses summary is shown in table 4

Table 4: Hypotheses Assessment Summary

	Hypotheses Statements	Estimate	S.E	C.R	P	Results
H₁	there is significant relationship between working and environment and turnover intention	.319	.066	4.83	.000	Accepted
H₂	Employee empowerment and turnover intention are negatively related	.651	.078	8.34	.000	Rejected
H₃	Organizational Culture and turnover intention is positively related	.427	.054	6.10	.000	Accepted

5. Discussion

Employees are the assets of any organization. Company's performance relies on the employee hard work, when skillful employee leaves the organization it affects company. Employees have different needs and they expect some from the company but due to some negligence of company's management regarding the ignorance of employee, company bear the loss most of the time. The reason of the study is to find the factors of employee turnover. Many variables of employee turnover were taken for the research and according to research some hypothesis has proved. Like, working environment has significant impact on intention of employee turnover, as well as lack of employee empowerment has significant impact on employee turnover. The organizational culture, which is composite of several factors, also causes the increasing tendency to quit the job. The findings show that employees want that companies should make the motivational strategies for their betterment. The fast food industry is growing day by day and due to working styles and increasing working culture people do not find enough time to spend for cooking, hence this increasing tendency of life style is anticipation of increasing demands of fast food. Hence, the employees working with fast food industry will also be highly demanded.

6. Conclusion

This study was intended to find out the three important predictors of turnover intention among employees working in fast food industry. Through the analysis, it was revealed that the congenial working environment is essential to make the workers stick with the organizations. The employees are also intend to be empowered which can lessen the turnover intention among them. The organizational culture also plays significant role in turnover intention; hence, fast food industry is required to develop the culture where every employee is authorized to have words in important decisions.

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