CAUSES OF VOLUNTARY LABOUR TURNOVER: A CASE STUDY OF A FIVE STAR HOTEL IN MAURITIUS

Roopnah Moushmi¹, Sanmukhiya Chintamanee²*

¹MSc Managerial Psychology in progress, MAURITIUS, moushmiroopnah@yahoo.com
²Associate Professor, Greenwich University Pakistan, MAURITIUS, drchintamanee@greenwich.ac.mu

*Corresponding author

Abstract

With the fast changing economic climate and openness to labour mobility, the concept of labour turnover has been a forefront issue in Human Resources Management. Several occupational psychologists, motivational theorists and academic scholars have carried out research in this area. These professionals have realised that labour turnover is a serious issue in terms of costs and profitability and needs to be addressed.

This research thus investigated into the causes of voluntary labour turnover in a five star hotel in the island of Mauritius. This resort forms part of a conglomerate group with over 30 years of existence in the tourism sector and has generated a record of sustained excellence and accomplishments. It employs around 500 employees and comprises of 255 rooms. For the purpose of this study, questionnaires were randomly distributed among 122 of its employees who were willing to participate in the survey. Non-parametric tests such as Mann-Whitney U test, Kruskal Wallis H test were deemed to be most relevant because of the categorical nature of the outcome variable. Pearson Chi-Square tests and odds ratio were also calculated.

The findings show that those who are satisfied with their pay are 16 times more likely to be satisfied with their jobs than those who are dissatisfied with their pay. Age (p<0.05), pay (p<0.05), financial security (p<0.01), recognition for achievement (p<0.05), opportunity to work in teams (p<0.05) and good working conditions (p<0.05) affect a person’s decision to resign whereas leadership style and external factors do not seem affect voluntary labour turnover. The insignificant impact of leadership style on voluntary resignation may be explained in terms of Herzberg’s hygiene factors (1923-2000) whereby supervisory style do not affect job satisfaction and eventually has no contribution in the retention of employees. Also findings suggest that factors other than those external to the hotel seem to be more important determinants of voluntary labour turnover. This study proposes a novel theoretical framework which may contribute towards the retention of effective performers and reduce organisational costs of hotels by decreasing the need of continuous selection, recruitment and training of new employees.

Keywords: Voluntary labour turnover, employee retention, career development, job satisfaction, supervisory style, financial incentives, non-parametric tests.
1. INTRODUCTION

The Organisation for Economic Co-operation and Development defined labour turnover as individuals moving into and out of jobs over a certain period (OECD, 2003). Loquercio, Hammersley and Emmens (2006) observed that labour turnover is the proportion of staff leaving an organization in a given time period but prior to the anticipated end of their contract. Moreover, labour turnover may be expressed as the relative rate at which a business enterprise gains or loses its employees (Marisoosay, 2009). Kazi and Zedah (2011) defined labour turnover as the regular change of employees around the employment market among organizations, professions and career; and between the conditions of full employment and that of being without a job. In addition, labour turnover may be understood as a measure of the number of employees leaving and being replaced within a particular period, usually a year, expressed as a percentage of the total labour force at the beginning of the period (Abbasi & Hollman, 2000; Adeniji, 2009).

Labour turnover in the hotel industry involves significant costs to the organisation, reduced service quality and lower profitability. The objectives of this research are to diagnose the factors that cause voluntary labour turnover in the hotel industry in Mauritius, to discuss the practical implications of high voluntary employee turnover and to make some recommendations to halt the process of effective performers leaving their jobs. Data was randomly collected among employees at a specific hotel. This particular hotel was selected because of its prestigious brand and excellent reputation both in Mauritius and abroad, and due to its large number of employees which facilitated data collection under one roof. This is a pioneer study on voluntary labour turnover in the hotel industry in Mauritius which proposes an updated theoretical framework and an innovative way of examining data on voluntary labour turnover. The results will inform human resource managers and related professionals on the factors that cause employees to resign. They will have adequate information and be better prepared to remedy the situation to keep productive labour. The findings of this research may thus help the organisation to retain its employees, especially those who might carry valuable knowledge to a rival firm (Urbancová & Linhartová, 2011).

1.1 Statement of Problem

Mauritius being part of a global economy and highly dependent on the tourism industry cannot continue to ignore the effect of its high labour turnover on organisational profitability. Over the last 3 decades, Mauritius has seen a huge structural change with a remarkable growth in the number of tourists (Gunputh, 2013). This industry supports 62000 jobs (around 11% of total employment) and is predicted to rise to 83000 by 2024 (Central Statistics Office, 2014). In order to maintain its competitive edge on the international tourism market, Mauritius must continue to offer world class quality of services. Hospitality firms must be willing to undergo massive investment on human capital and most importantly protect their human assets, that is, promote workers’ retention by lowering voluntary labour turnover. Staff turnover which is at least 66% of turnover costs (Hinkin & Tracey, 2008) has a hidden component for lost skills, inefficiencies and costs associated with replacing employees (Lashley & Chaplain, 1999) and this affects service quality (Lynn, 2002). Replacing the lost worker amounts to around half of his/her annual salary (Johnson, Griffeth, & Griffin, 2000) thereby seriously burdening hotel cost structure and affecting workplace productivity (Deery & Shaw, 1997). Thus labour turnover incur direct costs as well as indirect costs which are significantly high (Karsan, 2007; Ronra & Chaisawat, 2014). At initial stages of this research, an informal interview with the HR Manager of the case study revealed that its Food and Beverages department had a voluntary labour turnover of 32% annually, resulting in Rs6.65m for the rehiring and retraining of new employees. Thus it is important to diagnose and understand what factors cause voluntary labour turnover in that department to halt this process of effective performers leaving their jobs.

1.2 Research Questions

The following research questions seek to investigate into different aspects that lead to voluntary labour turnover at the hotel and that may be subsequently generalised to the hotel industry as a whole and to other fields related to labour turnover.

- What workers’ characteristics cause voluntary labour turnover?
- Do work related factors such as financial aspects, job satisfaction, leadership styles and career development influence an employee’s intention to resign?
- Do external factors determine voluntary labour turnover?
2. LITERATURE REVIEW

Voluntary turnover refers to termination initiated by employees while involuntary turnover is when employee has no choice in the termination as it might be due to long term sickness, death, moving overseas, or employer-initiated termination. Turnover in hospitality industry may be more than 120% per year (Woods, Sciarini, & Heck, 1998). Dalton, Krackhardt and Porter (1982) observed that voluntary turnovers can be further distinguished into functional and dysfunctional turnovers. Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refer to the exit of effective performers. Dysfunctional turnover is of greatest concern to the management due to its negative impact on the organization's general performance (Taylor, 2002).

Employee turnover as a research stream can be traced back to the work of March and Simon (1958) which was primarily based upon the level of job satisfaction and organizational commitment. Also Marsh and Mannari (1977) commented that Japanese employees who supported lifetime commitment norms in 1969 did not necessarily stayed in the organisation by 1973. Other theorists such as Pettman (1975), Mobeley (1977), Price (1977), Muchinsky and Morrow (1980), and Price and Muller (1986) identified a range of other variables such as demographic variables, financial incentives, supervisory style, job satisfaction, career development and external factors as having a significant impact upon turnover. In a study conducted by Booth and Hamer (2007) in relation to 'labour turnover in the retail industry', the above mentioned elementary causes of labour turnover were equally highlighted.

Koch and Steers (1978) opined that personal characteristics are vital in the study of turnover and this includes age, length of service, education, marital status and sex. The age of employees has been observed to play a key role in an individual's decision of whether to stay or leave an organization. Mobeley, Griffeth, Hard and Meglino (1979) found a consistent negative relationship between age and employee's turnover rate, that is, younger employees have a higher rate of turnover than older ones. In a study carried out by Blomme, van Rheede, and Tromp (2010), age was a significant variable that influences the decision to leave an organisation as younger respondents were more eager to leave. Recent studies shows a significant relationship between age and labour turnover (Agyeman & Ponniah, 2014; Lavoie-Tremblay, Paquet, Marchionni, & Drevniok, 2011; Rosen, Stiehl, Mittal, & Leana, 2011). However, in a meta-analysis conducted by Borman and Dowling (2008), there seems to be cut off point as those who are 51 years of age or older were nearly 2.5 times more likely to quit teaching than teachers who were 50 or younger.

Some researchers found no single pattern between the sex of the employees and turnover in their labour turnover studies (Price, 1977; Mobeley, Griffeth, Hard, & Meglino, 1979). Other several research studies have concluded that the relationship between gender and turnover intention are inconsistent (Smith & Calasanti, 2005; Kim, 2005; Khatri, Budhwar, & Chong, 2001; Byrd, Cochran, Silverman, & Blount, 2000). Also Price (1977) in his studies noted opposing results in the literature on the relationship between marital status and turnover. Salami (2008) stated that marriage has negative impact over the turnover intentions of employees whereby it will be costly for employees' family to relocate for jobs. Akintayo (2010) indicated that singles have considerable higher turnover intentions than married ones. Married respondents have family responsibility and especially married male employees have higher sense of family obligations.

Several academic literatures project a consistent negative relationship between length of service and turnover, that is, at the early stage of employment, turnover is likely to be high and at the mature stage of employment, turnover is likely to be low (Muchinsky & Tuttle, 1979). This negative relationship equally corroborated with the findings of Gambino (2010) where it was found that nurses with a higher length of service were less likely to leave. It is however postulated that the highly educated were more likely to quit their jobs. Education is regarded as a key component in an individual's career advancement prospects. It was difficult to establish a relationship between turnover and education (Boxall, Macky, & Rasmussen, 2003) because turnover studies were based on individuals with similar education (Mobeley, 1982). However, other studies found that the more highly educated employees were, the more likely they were to leave an enterprise (Kash, Naufal, Cortes, & Johnson, 2010; Larrabeen, et al., 2010).

Various studies have revealed that there is indirect relationship between financial rewards and turnover rates, that is, if the level of earnings rise, the rate of employee's turnover will fall (Armknecht & Early, 1972; Howell & Stewart, 1975). F.W Taylor - one of the pioneer Motivational Theorist - in his study, the Scientific Management Theory (1856-1915) observed that people are 'economic man' and that 'man was driven or motivated by money alone and hence it is the only factor that could stimulate further efforts' (Stimpson & Farquharson, 2015, p. 138). Abraham Maslow, another well-known motivational theorist, recognized in his study, the 'Hierarchy of Needs' (1908-1970) where pay helps to satisfy an individual physical needs i.e. food, shelter, clothing. Similarly, A'yuninnisa and Saptoto (2015) suggested that pay level dimension has a higher
correlation with intention to leave than other dimensions. On the other hand, famous motivational psychologist Herzberg in his ‘two factor theory’ (1923-2000) argued that financial reward is a hygiene factor which prevent job dissatisfaction rather than create job satisfaction and retain employees (Stimpson & Farquharson, 2015; Ngo-Henha, 2017). However, a study conducted by Onen and Maicibi (2004) on 267 non-academic staff of Makerere University in Africa indicated that one of the hygiene factors remuneration (financial rewards) was a motivator and not just a dissatisfier as determined by Herzberg. In addition, despite a limited amount of research in this area, it has been observed by Human Resources professionals and scholars that employees are looking for a secure and fixed source of financial rewards such as salary rather than any other financial rewards (Mustapha, 2013).

Job satisfaction is defined as the difference between the volume of some respected consequences a person obtains and the amount of that outcome the person thinks he/she should obtain. According to Spector (1997) job satisfaction is the extent to which individuals like their jobs. It is widely believed among HR professionals and scholars that job satisfaction leads to employee retention and prevents labour turnover. Herzberg’s two factor theory (1923-2000) is the pioneer research on factors leading to job satisfaction. Herzberg’s findings demonstrate that motivating factors (motivators) such as achievement, recognition for achievement, the work itself, responsibility and advancement lead to job satisfaction whereas hygiene factor such as company policy and administration, supervision, salary, relationships with others and working conditions do not lead to job satisfaction. However Maidani (1991) argued that research results indicated hygiene factors as well as motivation factors were sources of satisfaction. Tan and Washeed (2011) found that salespeople in Malaysia place greater emphasis on hygiene factors than on motivators such as working condition, money factor and company policy. But recognition is the only significant motivator that has positive impact on job satisfaction.

According to Danso (2012) supervision involves technical knowledge, human relations skills and coordination of work activities. Elton Mayo, a well-known motivational theorist recognised for his study in human relations (1880-1949) found that when supervisors consult with workers and take an interest in their work, then motivation is likely to improve and hence encourage labour retention (Stimpson & Farquharson, 2015). With positive supervision, supervisors show appreciation for workers activities and solicit inputs from them. The positive supervision corroborates with motivational theorist Mc Gregor’s Theory X approach (Stimpson & Farquharson, 2015) and prevent employee’s turnover. However supervision of workers activities takes both positive and negative aspects (Bacharach, Bamberger, & Conley, 1991). Supervisors applying negative supervision maintain a critical orientation to workers and their work by criticizing their work, refusing to help, or being generally unavailable. The negative supervision supports Mc Gregor’s Theory Y approach and encourages workers to leave an organization. Similarly, Kreisman (2002) believes that a kind and thoughtful leader generates high worker satisfaction. Hence supervisors who adopt compassionate approach of leadership towards workers turn to have the more highly satisfied work groups and prevent labour turnover. Also with a low degree of supervision and where workers are encouraged to take initiatives, the level of job satisfaction rises (Bowen, Cattell, Distiller, & Edwards, 2008). Psychological contact may also reduce voluntary labour turnover. A supervisor acts as an agent of the firm and if he/she gives better support and favourable treatments to subordinates, the latter would retain their jobs and fulfil their dues to the employer (Son 2014).

Career can be defined as the succession of work experiences in an individual’s lifetime (Arthur 2014) and hence career development can be understood as one’s advancement chances within an organisation (Jans, 1989). Poor career developments are associated with higher rates of turnover (Lawler, 1973). Kidd, Hirsh and Jackson (2004) observed that career development helps employees understand how to identify and access work roles which suit them well and opportunities for improving their skills and developing their potential and hence avoiding employee’s turnover. According to Nouri and Parker (2013) career growth opportunity is particularly appealing to lower level employees. They respond positively and strongly whenever they see prospects for career development and thus exhibit lower voluntary turnover intention. Gangaram (2016) reported a negative association between career growth and labour turnover in Nepal where promotion speed and remuneration growth had large and direct influence on employees’ turnover intentions. Moderators such as age, position, education, gender and marital status did not influence this relationship.

External factors are those factors that exist beyond the organisation over which it has no or little control. A proactive human resource manager may anticipate the likely effects of existing and potential threats from the outside environment. The state of a country’s economy can be measured in a number of ways, including unemployment levels, job vacancies, gross national product, economic growth, balance of trade, rate of inflation and other economic indicators. If an economy is booming and its economic growth is increasing, there is no doubt that there will be alternative avenues of employment and hence affecting worker’s...
decisions to quit an organization for others (Miller & Van Der Merwe, 1982). This concept was equally observed by Steers and Mowday (1981) who confirmed a direct relationship between the availability of alternatives and turnover. These variables are further supported by various studies (Henry, 2004; Van Wassenhove, 2006; Richardson, 2006; Roth, 2012; Korff, Balbo, Mills, Heyse, & Wittek, 2015). A study carried out by Moleby (1982) revealed that there is a strong negative aggregate relationship between unemployment levels and turnover rates, that is, unemployment level is low, the turnover rates is likely to be high and vice-versa.

Based on the above extensive literature review, this study proposes a novel theoretical framework that synthesises all causes of voluntary labour turnover as identified by leading researchers in the field. This is illustrated in Fig 1. The theoretical framework illustrated in Fig 1 is proposed for the purpose of assessing the causes of voluntary employee turnover. It includes all the identified causes in the literature on labour turnover. It is postulated that voluntary labour turnover depends on personal traits of the worker, financial incentives associated with the job, leadership or supervision style, job satisfaction, prospects for career development in actual job and factors beyond the control of the organisation.

![Proposed Theoretical Framework](image_url)

Fig 1: Proposed Theoretical Framework

3. METHODOLOGY

A resort was selected to serve as case study for the current research on voluntary labour turnover in the hotel industry. The Resort forms part of a conglomerate group with over 30 years of existence in the tourism sector and generated a record of sustained excellence and accomplishments. The Resort employs around 500 employees and comprises of 255 rooms.

After an intensive literature review, a questionnaire was designed to investigate into the concept of voluntary labour turnover. Initially as required by methodological ground rules, a pilot study was conducted to check for comprehensibility, language used and other aspects that the researchers might have unintentionally overlooked. The final questionnaire was developed after adjusting for feedback following the pilot study. All data was kept confidential and all participants remained anonymous. Only those who had accepted to participate in the survey were asked to fill in the questionnaire. All questionnaires were administered on a face to face basis to allow the participants to express themselves freely and discuss about any item on the questionnaire or any other issue pertaining to voluntary resignation. They gave information pertaining to their actual job. Throughout the data collection process, the researchers ensured good quality of data and a very rich data set was collected.

Employees’ turnover intention was captured through a 5 point scale for Likert-type items ranging from 1(strongly disagree) to 5 (strongly agree) where a higher score showed higher turnover intention. Pearson Chi-square tests, Cramer’s V and Odds ratio were calculated. Also non-parametric tests were conducted because of the categorical nature of the dependent variable to examine whether voluntary labour turnover intention differed by workers’ characteristics, work-related factors and external factors (Field, 2013). Mann-Whitney U tests, Kruskal-Wallis H tests which are similar to the parametric tests: independent T tests and
ANOVA were used.

3.1 Characteristics of Employees in the Sample

Table 1 summarises important information about each employee in the sample. These characteristics were deemed to be important in the literature of labour turnover.

Table 1: Characteristics of participants

<table>
<thead>
<tr>
<th>Demographic factors</th>
<th>Number of employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender: Male</td>
<td>73</td>
<td>59.8</td>
</tr>
<tr>
<td>Female</td>
<td>49</td>
<td>40.2</td>
</tr>
<tr>
<td>Marital status: Not in a union</td>
<td>60</td>
<td>49.2</td>
</tr>
<tr>
<td>In a union</td>
<td>62</td>
<td>50.8</td>
</tr>
<tr>
<td>Age group: 18 to 25 years</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>26 to 35 years</td>
<td>40</td>
<td>32.8</td>
</tr>
<tr>
<td>36 to 45 years</td>
<td>27</td>
<td>22.1</td>
</tr>
<tr>
<td>46 years and above</td>
<td>27</td>
<td>22.1</td>
</tr>
<tr>
<td>Education: Up to form 3</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>Up to ‘O’ level</td>
<td>43</td>
<td>35.2</td>
</tr>
<tr>
<td>Up to ‘A’ level</td>
<td>29</td>
<td>23.8</td>
</tr>
<tr>
<td>Vocational education</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Tenure: Up to a year</td>
<td>23</td>
<td>18.9</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>45</td>
<td>36.9</td>
</tr>
<tr>
<td>6 to 9 years</td>
<td>26</td>
<td>21.3</td>
</tr>
<tr>
<td>10 years and above</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Turnover intention: N</td>
<td>43</td>
<td>35.2</td>
</tr>
<tr>
<td>Yes</td>
<td>79</td>
<td>64.8</td>
</tr>
<tr>
<td>N</td>
<td>122</td>
<td>100</td>
</tr>
</tbody>
</table>

The sample contained a roughly equal proportion of married and unmarried people. The majority of the sample (around 33%) was aged between 26 to 35 years and around 60% were men. Around 37% had been working at the hotel between 2 to 5 years and the majority (around 35%) had done up to ‘O’ level. This sample is a representative of the employees at the hotel who report directly to lower level of management. Around 65% of the sample collected within the Food and Beverages department were contemplating to resign and this is a major cause of concern. Voluntary labour turnover may be triggered by factors such as lack of proper promotion and compensation channels (Emiroğlu, Akova, & Tanrıverdi, 2015; Chen, Su, Lo, & Chi, 2014) combined by low salary, injustice, bad working conditions and job stress (Albattat & Som, 2012).

3.2 Research Hypothesis

Following an extensive literature review, the following research hypotheses were formulated in an attempt to understand the causes behind voluntary labour turnover intention.

H1: Workers’ characteristics influence a person’s decision to quit a job
H2: Lower financial incentives encourage a person to quit a job
H3: Higher job satisfaction has a negative impact on a person’s decision to quit a job
H4: Improved supervision reduces voluntary labour turnover
H5: Prospects for career development reduce a person’s decision to quit a job
H6: External factors increase voluntary labour turnover
4. ANALYSIS

H1: Workers’ characteristics influence a person’s decision to quit a job

Workers’ specific traits were studied through independent variables such as age group, gender, marital status, highest education level and years of service in the current job. However a Mann-Whitney U test revealed that voluntary labour turnover intention did not differ between men and women. This is in line with (Lee, 2012) who did not report higher propensities of women to quit their jobs. This may be attributed to the inclusion of personal traits and job characteristics in the model. The same was reported for marital status, education level and tenure at the hotel in Mauritius. Similarly Kruskal-Wallis H tests revealed that an employee’s intention to resign did not differ based on his/her education level and length of time he/she had been working at the hotel. These imply that gender, marital status, qualification and tenure do not determine an individual’s intention to quit his/her job at the hotel.

As illustrated in Fig 2, initially the intention to resign rises until the employee reaches 35 years and then turnover intention declines continuously afterwards. There seems to be a cut-off point at 35 years which may be attributed to their dissatisfaction with pay in the initial years of their service at the hotel but later settle on their pay. A Pearson Chi-square test and Cramer’s V reveal a moderate and significant relationship between satisfaction with pay and age group at 1% level ($X^2(1)= 9.24, p=0.002$). Looking at the odds ratio, it was revealed that employees who were aged up to 35 years were about 3.3 times more likely to resign than those aged 36 years and above.

![Intention to leave job vs Age group](image)

Fig 2: Voluntary turnover intention by age group

While the Pearson Chi-square test only reveals a relationship between two variables, it does not differentiate between dependent and independent variables. Thus a Kruskal-Wallis H test was done. It showed that an employee’s intention to resign differed based on his/her age group, $X^2(3)=9.336, p=0.025$, with a mean rank of 69.93 for those aged between 18 to 25 years, 67.75 for those aged between 26 to 35 years, 53.63 for those aged between 36 to 45 years and 51.37 for those aged 46 years and above. As an employee gets older, his/her intention to resign is reduced. This complements the findings of Emiroğlu, Akovab and Tanrıverdi (2015).

H2: Lower financial incentives encourage a person to quit a job

When the number of employees who ticked ‘strongly disagree’ and ‘disagree’ on the items under financial aspects were added, an extremely negative picture of the hotel’s pay policy was revealed. Around 84% did not feel that there was timely payment of their salaries and 73% stated that they were not satisfied with their pay out of which 72.1% said that these were not enough to cover for their basic needs. According to the respondents, pay was not related to job performance (84.1%), the amount of work done (83.6%), qualifications (74.5%) and work experiences (82.8%). Around 76% did not feel that their salary acted as a source of financial security. To determine which of the following have significant impacts on the employee’s intention to leave his/her job, Kruskal-Wallis H tests were done. Salary as a financial source of security was highly significant ($p=0.000$), thus explains the reason behind the retention of their jobs. Satisfaction with pay
was significant at 5% level. This is in line with A'yunininsa and Saptoto (2015) who concluded that amongst other factors, low pay was strongly correlated to the employee’s intention to resign. Al Mamun and Hasan (2017) also believed that a good pay retains and rewards highly productive labour in the organisation and strongly influences job satisfaction.

H3: Higher job satisfaction has a negative impact on a person’s decision to leave a job

When the responses on the ‘strongly disagree’ and ‘disagree’ options were summed up, the results gave a stunningly damaging image of job satisfaction at the hotel. Around 80.3% said they were not satisfied with their job, 83.6% did not find their job fun, 71.3% stated that team work was not encouraged and 77% felt that the hotel did not provide adequate training to its staff. Moreover 52.5% did not have a sense of achievement, 53.5% found their job too difficult and 61.5% experienced bad working conditions. Around 57% said that the job gave them more responsibility. Nevertheless only three items were statistically significant. Encouraging team work and having a sense of achievement negatively affect voluntary labour turnover. The effect is reverse for bad working conditions and this is in line with Singh (2008) who argued that workers, for instance, would not keep up with poor lighting for too long. Job satisfaction reduces employees’ turnover intention especially among young workers (Medina, 2012).

Job satisfaction also improves job performance and organisational productivity but job satisfaction is mainly determined by pay (Al Mamun and Hasan, 2017). A Pearson Chi-square test was done and Cramers’ V coefficient was computed to investigate the association between pay and job satisfaction. The variable pay was transformed to meet the Chi-square minimum requirement of 5 observations per cell. It was revealed that there is a strong (Cramér’s V = 0.509) and positive relationship between pay and job satisfaction at 0.1 significance level ($X^2(2)=31.659$, $p=0.000$). Also an odds ratio was calculated to estimate the impact of pay on job satisfaction. Employees who were satisfied with their pay were about 16 times more likely to be satisfied with their jobs compared to those who were dissatisfied with their pay. Also job satisfaction is argued to be the main predictor of labour turnover intention (Parry, 2008).

H4: Improved supervision reduces voluntary labour turnover

As highlighted by Alkahtani (2015) the Perceived Supervisor Support (PSS) is negatively associated with labour turnover and turnover intentions. PSS is about the extent to which supervisors look after the welfare of employees and value their contributions. When workers are satisfied with supervision, they are more likely to retain their job (Shahzad, Bashir, & Ramay, 2008). Hence for the purpose of this paper some items were included to test this hypothesis. The majority of respondents disagreed that their supervisors admired their work (53.3%), provided feedback (49.2%) and assistance (52.5%) to them. Around 57% expressed their disagreement when asked if higher level management provided feedback to them. The majority agreed that they faced lots of pressures (50.8%) and conflict with their supervisors (55.7%). Also around 53% agreed that there was no proper channel of communication between the management and workers. These raise serious issues about the leadership style at the hotel. Nonetheless none of these items were statistically significant and thus there is inadequate evidence to suggest that they affect voluntary labour turnover. This aligns with the study conducted by Long, Thean, Ismail and Jusoh (2012) who reported an insignificant correlation between turnover intention and leadership styles. The insignificant impact of leadership style on voluntary resignation may also be explained in terms of Herzberg’s hygiene factors (1923-2000) whereby supervisory style do not affect job satisfaction and eventually has no contribution in the retention of employees.

H5: Prospects for career development reduce a person’s decision to quit a job

Some items were also included in the questionnaire to capture employees’ perceptions on prospects of career development at the hotel. Most of the respondents (82.8%) felt that prospects were rather bleak. Around 48% believed that there was favouritism and 73% stated that promotion procedures were unfair. According to 73% of the sample, chances of promotion were low. It was further believed that promotion did not depend on tenure (77%) and job performance (84.4%). Around 71.3% said that their achievements were not recognised by the Management. A Kruskal-Wallis H test ($X^2(4)=11.847$, $p=0.019$) revealed that employees differed in their opinions to resign based on their different perceptions on achievements recognition by the Management. Tan and Washeed (2011) also reported a similar finding. None of the other items that measured employees’ perceptions on opportunities for career development at the hotel could significantly explain their intention to resign. Other factors such as a reward system (Mendis, 2017) and training (Kuria, Ondigi, & Wanderi, 2012) might be more important in retaining workers or slowing down voluntary labour turnover. Besides reward system and training affects organisational commitment (Akanbi & Itiola, 2013). Recognition programs may include employee of the month and long service award.
Alternatively the employer can postulate that the firm is the best place for work in the industry (Mosley 2016).
Nevertheless it must be pointed out that job satisfaction fully mediates career development’s impact on turnover intention (Chen, Hou, Lovelace, Liu, & Wang, 2015).

H6: External factors increase voluntary labour turnover

None of the external factors included in the study are statistically significant. The majority of participants agreed that competitors offered better pay (47.5%), non-financial packages (39.3%), more training (67.2%), higher possibility of working in branches abroad (58.2%) and better career prospects (54.9%). Nevertheless none of these factors seem to predict voluntary labour turnover at the hotel. All Pearson Chi-square tests and Kruskal-Wallis H tests were statistically insignificant. This could be attributed to the fact that internal factors were more likely to affect their decisions to leave their jobs. As argued by Shaw, Delery, Jenkins and Gupta (1998), maximising an employee’s psychological and financial interests are not beyond an organisation’s capability. Also voluntary labour turnover do not necessarily occur because workers experience job dissatisfaction instead they may be facing personal or family problems (Lee, Gerhart, Weller, & Trevor, 2008), especially in the case of women (Lee, 2012). The current study omitted two external factors which might have significantly affected voluntary labour turnover: the unemployment rate (Al Mamun and Hasan, 2017) and how likely participants thought they could get a job elsewhere.

5. CONCLUSION AND POLICY IMPLICATIONS

This study concluded that amongst all demographic factors, age has a significant impact on voluntary turnover intention whereby as an employee grows older, he/she exhibits lower intention to find another job.
Tenure contrary to what has been reported in the literature does not affect voluntary labour turnover. Under financial incentives, the more satisfied an employee was with his/her pay and the more his/her salary was perceived as a source of financial security, the lower was his/her intention to quit a job. Sense of achievement, team work and good working conditions under the job satisfaction category, could significantly prevent voluntary turnover. If achievements are recognised at the organisation, workers tend to retain their current job as they see good prospects for career development. These findings are in line with the study conducted by Agyeman & Ponniah (2014).

Leadership styles and external factors have no significant effect on voluntary labour turnover intention. Although their effects on an employee’s decision to leave a job have been largely documented in the literature, it is possible that they turn out to be insignificant when other factors are included in the study. These suggest that age and internal factors were more important determinant of turnover intention. Also the majority of employees at the hotel have expressed their disagreements with internal factors especially with items relating to pay and job satisfaction which are believed to be major reasons for a worker to retain or leave his/her job. In line with studies carried out elsewhere, this study reports a positive and strong association between how employees felt about their pay and their level of job satisfaction.

Long, Thean, Ismail and Jusoh (2012) argue that employers would probably prefer to retain those employees who leave on a voluntary basis as they were not dismissed from their jobs. The current research highlighted that those aged between 18 to 35 years are more prone to leave the hotel and thus leading to a fall in labour productivity and cause losses to the business. Some losses may be in terms of the knowledge that the employees had brought into the business (Alkahtani, 2015) and will eventually carry to the rivals. One way to deal with this problem is an increase in pay and non-financial benefits associated with the position. Alternatively discussing prospects for career advancement in the near future and establishing channels for career growth that are transparent and fair might slow down the rate of voluntary labour turnover. The organisation must encourage a culture of team work, Perceived Supervisor Support and employee recognition. It must simultaneously provide good working conditions to its employees (Kuria, Ondigi, & Wanderi, 2012).

Retaining the best is an essential pre-requisite for a firm’s source of creative ideas in the pursuit of excellence (Mobley, 1982). Regular surveys on employees’ satisfaction should be conducted. As argued by Frederiksen (2016), it is best to delegate surveys on job satisfaction to external consulting firms so that employees remain anonymous and give reliable answers which are important to predict and halt voluntary turnover of effective performers. Also all organisations should conduct exit interviews to understand specific shortcomings in selection, training, employment conditions, quality of supervision and the rivals’ competitive advantage.

Organisational justice is about the fair and equitable treatment of workers (Rafei-Dehkordi, Mohammadi and Yektayar, 2013). Employees show job satisfaction and commitments to the organisation when they feel that they are given fair treatments by the firm (Karimi, Alipour, Pour and Azizi, 2013; Malik and Naeeem, 2011).
Organisational justice affects both organisational trust and organisational commitment (Zhou, Gollan, & Brooks, 2017). Organisational justice affects both organisational trust and organisational commitment (Zhou, Gollan, & Brooks, 2017). Although the current study included some items on fairness on its questionnaire, the notion of organisational justice was not addressed. Thus, future studies may include organisational justice as an additional factor and investigate its effects on labour turnover.

6. ACKNOWLEDGEMENT

We thank Mr PRAVESH NUCKCHEDDY for his valuable comments and for proofreading this paper.

REFERENCES


