

The Role of Management Pressure on Employees' Turnover Intention in the Hospitality Industry in Malaysia

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Abstract

Purpose: The paper aims to examine the relationship between the management pressure and employees' turnover intention in selected hotels in Langkawi Kedah. It specifically wants to understand to what extent the pressure from the managers can have an adverse effect on the employees' turnover intention which can influence employees' work quality and their daily job performance of the business as a whole.

Design/methodology/approach: This study utilizes a quantitative method of survey questionnaires distributed to 100 employees working in five hotels across Langkawi.

Findings: The finding shows that there is a significant positive effect of management pressure on employees' intention to resign. High pressure from the managers for example by giving excessive work load and high expectation on the quality and services performed by the employees are bound to adversely affect the performance of employees and the establishment's performance due to employees' turnover intention.

Research limitations/implications: Data was collected from supervisory, managers and rank and file employees only in selected hotels in Langkawi, Kedah.

Practical Implications: This paper can have a significant implication to hotels, resorts and other hospitality organisations as pressure from the management without any incentives and other benefits in return to buffer the effect can cause problems such as turnover among the employees.

Originality/value: This research gives evidence for understanding the significance of employee turnover in the hotel industry. Even though hotel staff have demanding tasks, it is vital for management to guarantee that they are supplied with the finest working circumstances possible, with as little stress as possible.

Keywords: Turnover; management pressure; hotel; Malaysia

1. Introduction

Hospitality industry is known as one of the major contributor for Malaysian economy which has been divided into few scopes such as hotel, resort, restaurants and other sub scopes (Salleh & Norzafir, 2010). Malaysia is a popular destination for tourism and the second most visited country in the Southeast Asia in 2019 after Thailand with 26.1 billion tourist arrivals (Statista Research Department, March 29, 2021). While the industry is growing towards the

demand, the turnover rate among its employees in general is also increasing significantly. If this situation is left to continue at its rate creating a loophole which can negatively affect the development of the industry.

The unemployment rate in Malaysia is also increasing (*please see Figure 1*) causing by employees' turnover from various industries including manufacturing, retail and hospitality. Particularly, the turnover rate of employees in the hospitality industry is among the highest contributors to the nation's unemployment size. However, the unemployment rate in Malaysia which is 4.8% in June 2021 is still relatively low and stable as compared as compared to global unemployment rate which is 6.4%. In 2014, the country's unemployment rate was 2.85 percent which shows the lowest rate. Before the Covid-19 pandemic, with years of political stability, Malaysia's economy was considered one of the strongest in Southeast Asia. Then, political scope been shielding such a low unemployment rate and good growth rates each year. However, with the pandemic affecting all countries including Malaysia, unemployment rate keeps increased exponentially especially the tourism industry.

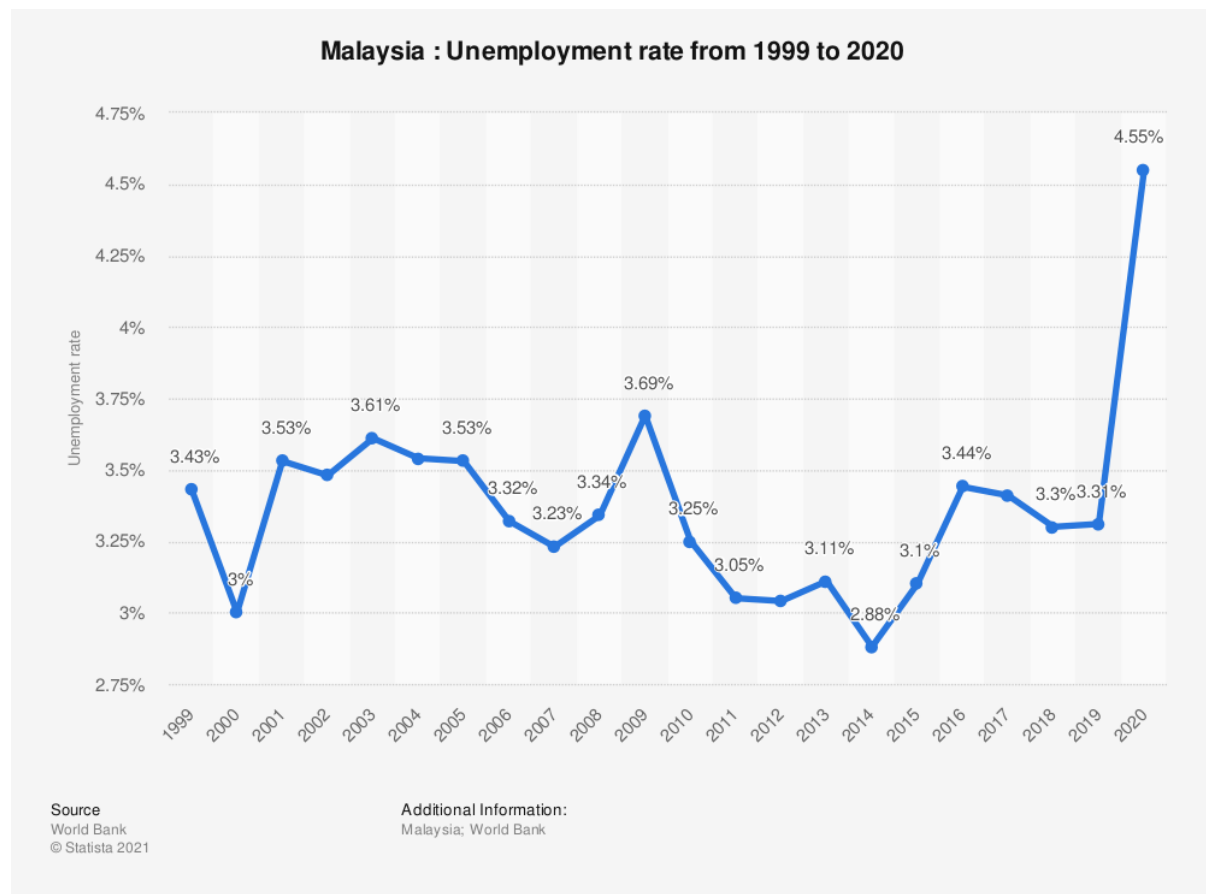


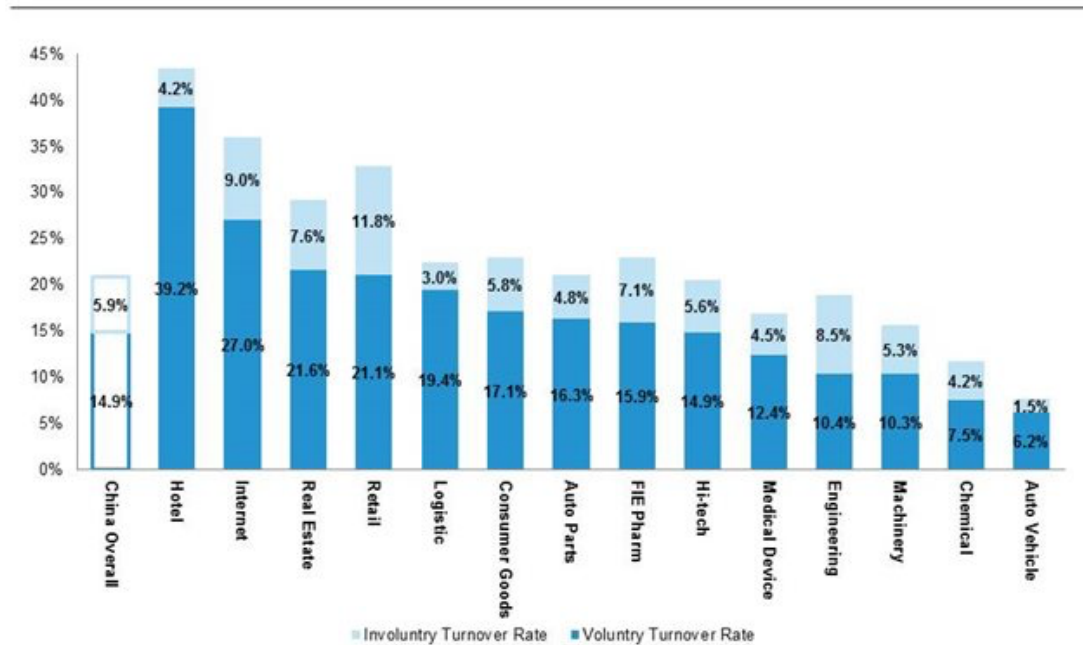
Figure 1: World Bank 2021

1.1 Problem Statement

Hotel industry relates closely to the hospitality and service industries. Employees working in hotel industry must provide good services with good hospitable and friendly environment to attract the customers, guests and tourists. Hospitality industry currently provides around 30% of employment opportunities and a strong contributor to GDP. However, 50 percent of GDP is leads by the services scopes. Thus, hotel industry plays an important role to generating higher income contributing further to the Malaysian economy. Hence, turnover rate among

employees in hotel industry should be an issue that needs immediate concern. Although almost all industries have experienced turnover, hotel industry showed the highest as based on Aon Hewitt China HCI Study (All Industry) 2016 (*please see Figure 2*) which is 43.4%.

Turnover Rate



Source: 2016 Aon Hewitt China HCI Study (All Industry)

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Figure 2: Aon Hewitt China HCI Study (All Industry) 2016.

As seen from Figure 2, the highest rate was contributed by voluntary (39.2%) and involuntary turnover (4.2%). When a workforce chooses to leave their job without the organization's influence, it is considered as voluntary turnover. Besides, involuntary turnover occurs when the organization ends the working relationship through either layoff or retrenchment. Voluntary turnover can and should be a prime concern for managers although not all workforce turnovers can be dominance by the establishment, (Price, 1997). The voluntary turnover also less likely to happen if employees were satisfied and happy with the organization (Davis-Blake, Broschak & George, 2003; Kim, Leong & Lee, 2005).

According to Department of Statistics Malaysia (September, 2020), employment rate continued to develop at a slower pace of 0.3 per cent (August 2020: 0.5%) to 15.19 million persons. However, year-on-year, the number of employed persons still on the declining trend posted negative 0.2 per cent (September 2019: 15.23 million persons).

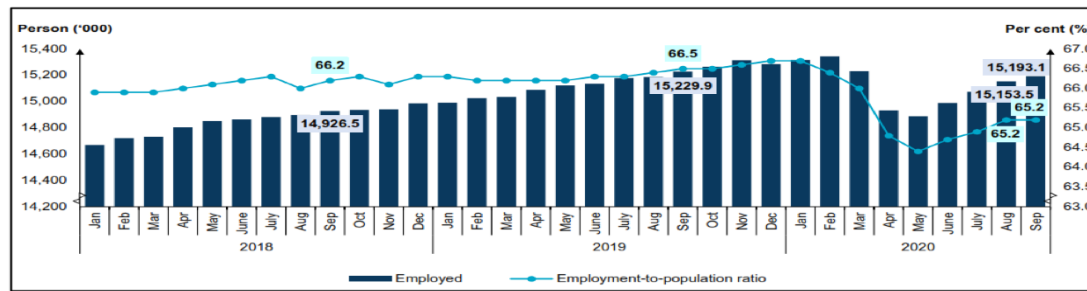


Figure 3: Department of Statistics Malaysia, 2020.

During the month, economy able to create a stable employment as the employment towards population ratio remained at 65.2 percent. However, employment-to-population ratio dropped from 66.5 percentage by 1.3 percentage points in terms of year-on-year, employment-to-population ratio.

The turnover rate within this industry also may reflect its image and reputation for future generations (whether encourage or discourage) for them to be in this industry. Overall, due to the lockdown (Covid-19 pandemic) employed persons in the tourism-related industry such as food and beverage, accommodation, transport and storage, arts, entertainment and recreational activities are still adversely affected (Unemployment rate up slightly in Nov) (The Star, 12 Jan 2021).

1.2 Significance of the study

This research will contribute beneficial comprehension to the hospitality industry especially the hotel and resorts. The result of the study will identify the factors which influence the employees' turnover intentions, creating awareness towards problem solving strategy. Furthermore, the finding of the study also provides a useful knowledge not only for the employees but also for the employers. In addition, the hotel or resort managers also can use the findings of the research as a guide to manage their employees and to provide some incentives and benefits or empowerment or flexibilities in performing their jobs in order to buffer the negative effect of management pressure on their employees such as turnover.

1.3 Research Objective

The aim of this research is to examine the relationship between management pressure and employees' turnover intention in selected hotels/resorts in Langkawi, Kedah, Malaysia.

2. Literature review

2.1 Turnover Intentions

Employees especially in hospitality establishment play a crucial role in sustain the business as they are dealing with guest through their service. However, there are several contributors which cause them to leave the organization which not only effect the employee but the industry as whole. According to Kerdpitak and Jermstittiparsert (2020), individuals' perceptions of their odds of changing jobs within a specific period of time are referred to as turnover intention. Employees' roles in the firm may be hampered if the turnover intention has influenced their minds, which will ultimately harm the company's working productivity. Various viewpoints on the primary motivations for researching turnover intention been extensively discussed by researchers (Nikmah, Wulan, & Seputro, 2018; Letchumanan, Apadore, & Ramasamy, 2017). Employee's intention to switch the job might have been

influenced by several aspects. According to Sattar and Ahmed (2014), lack of employee development, unfair compensation, poor career growth, improper working condition, job pressure and negative supervisory support caused the employee to leave the organization.

There are some hidden factors which really influencing employees' intention to leave the establishment whether it is due to external or internal factors. Turnover issue is one of the factors which contribute negatively to the nation's unemployment rate (Joseph et al., 2004). Not only hospitality sector facing this issue but other sectors are also facing it and they are still managing it according to their capability. Hospitality sector is a very important sector to the country economy and GDP, it has a promising future and has created many new career opportunities (Torres & Linkages, 2003). However, hospitality industry facing with the highest turnover not just in Malaysia but all over the world.

In addition, within a corporation or department, if the total number of yearly employee terminations is divided by the average annual number of personnel, employee resignation rates are considered problematic and high which might influence the organization, (Choi and Dickson, 2010). Employee turnover, as well as the concomitant loss of critical business resources and firm assets, jeopardises organisational success and profitability, (Guilding, Lamminaki, & Mcmanus, 2014).

Due to increased staff turnover rates, the hotel industry may risk company failure, unmotivated personnel, and a lack of talent attractiveness to competent professionals, (Surji, 2013). When skilled individuals leave and the workforce pool is dominated by inexperienced workers, the industry's output may suffer, (Utoro & Gustomo, 2014). Most of the hospitality industry are facing challenges when it comes to employees' turnover. Employees' intention to leave the establishment influenced by many factors which brings a huge impact not only for the employees but also for establishment itself. In addition, negative outcomes can be seen on the organization's performance and the economy due to high employee turnover (Duffield, Roche, Homer, Buchan, & Dimitrelis, 2014; Griffin, Hogan, & Lambert, 2014). Organization faces low satisfaction level and low performance on the working employee as their motivation level affected by high employee turnover (Mullins, 2000). Furthermore, employee resignation may have an impact on organisational financial performance due to pre-departure, recruitment, selection, orientation, and lost productivity, (Narayanan, 2016).

There are many factors affecting employees' turnover. Poor management is one of the contributors which affecting the resignation (Bertrand, Peters, Pérée & Hansez, 2010). Therefore, in terms of a preventative component for predicting employee turnover and affecting an organization's performance, managers must comprehend the scope that has a significant potential for employee turnover, (Hancock, Allen, Bosco, McDaniel, & Pierce, 2013). Turnover intention may also be due to employee factor. According to Nikmah, Wulan, and Seputro (2018), increased absenteeism, poor work quality, increased courage to break work rules, courage to oppose or protest superiors, or seriousness to complete responsibilities that are very different from usual are all consequences of turnover intention. Turnover intention refers to an employee's desire or intention to change jobs.

2.2 Management Pressure

There are various reasons which contribute to employees' turnover intention and one of the major factors is the management pressure (Ezaili, Hazieqah, Ismail, Koe, & Othman 2018). Besides, management pressure can be divided into few scopes which is time pressure, resources pressure and demand pressure (Moore & Tenney, 2012). Time pressure is considered as improper time frame which been set for the employees which contribute to pressure in handling their daily task. According to Gärling, Krause, Gamble and Hartig (2014), the more people are conscious of timeframe restrictions and feel like they have too much to do in too little time, the more they are under time pressure. In addition, employee

will be under pressure to cope with the demand, thus consequently it will affect the overall performance. The requirement to work quicker than usual in order to finish the assigned duties is referred to as time pressure, (Malik, 2015).

All the industries around the world facing severe socio-economic crisis and psychological distress due to the current coronavirus pandemic (COVID-19). It has had a significant impact on the economy, but the service sector, notably the hospitality industry, has been particularly hard impacted. In addition, employees' mental health, sense of insecurity, and perception of being unemployed are all negatively affected by the scenario, especially if they are subjected to excessive pressure from their supervisors. Managers receive pressure from the organization to stay resilient during the hard time, thus may put high expectation on their employees. In hospitality industry which depend on the quality of services, the pressure on employees for a better performance are even higher (Peidi, 2016). According to Proctor and Zandt, (2011) and Garling et al., (2014), pressure plays a crucial role in employees' performance which directly influence the organization as whole. As a result, employee may feel a strain which influence a person's thought process, condition and emotions, (Handoko, 2008). Workplace stress, as well as other factors such as a heavy workload and a work-life balance, have a significant impact on a person's decision to leave. Furthermore, these variables are elements that influence a company's intention to quit and likely turnover, (Omar, 2020).

H1. *There is a positive significant relationship between management pressure and employees' turnover intention*

3. Methodology

3.1 Method

This study employs a quantitative method of survey questionnaires. In analysing the data, the study uses Statistical Packages for Social Sciences (SPSS) version 25.

3.2 Sampling

This study will concern about the "The role of management pressure on employees' turnover intention in hospitality industry in Malaysia (Resort) in Langkawi, Kedah". The target population consists of employees at the hospitality establishment in Langkawi, Kedah. The employees from five hospitality establishments participated in this research with the numbers of employees range between 100 and 250.

3.3 Procedure

The web survey using Google form was used in collecting the data collection in this study. The questionnaire was distributed by a link that the researcher had provided to the Senior Manager of the Reward, Performance and HR Services and also to the associates in the human resource department. All data are analysed using SPSS. The reliability, correlation and regression analysis were also conducted. All the items for turnover intention and management pressure were measured using a five-point Likert scale (1 represents strongly disagree and 5 represents strongly agree).

3.4 Measure

The measurement for turnover intention was taken from Omar (2020). There are few factors which contribute to the employee's intention to leave the establishment and it may affect their productivity within the time frame. The turnover intention questionnaire was created using the turnover intention scale as a guide, Griffeth (1988). The researcher measured the

turnover intention using 5 items for the independent and dependent variable. Participants respond to the following items: “I will go find a new job”, “I have had the idea of leaving this organization”, “within a year, “If there is an opportunity, I will definitely accept a better job”, “I think the employment situation in this industry is very good” and “Currently, I agree to find a good job in the market”. The measurement for the management pressure was taken from Kerdpitak & Jernsittiparsert (2020). A sample of the items is “factors which affect employee’s performance due to direct pressure from management which consist of time, demand and resource pressure”. Besides, the continuous management pressure will affect the employee’s work quality and performance and create the intention to leave the establishment.

4. Result and Analysis

Employees at four well-known hotels in Langkawi, Kedah, were polled for the survey. The study's participants were chosen using a purposive sampling strategy. A total of 100 employees were invited to take part in this research. All of the participants are doing so of their own free will, and no one has been forced to contribute in any way. The results show that of 100 respondents, 46% were male and 54% were female. The majority (38%) has two years or less working experience, 26% has 3-4 years, 15% has 5-6 years and the rest have more than 7 years working experience. About 40% satisfied with the jobs, 34% were unsatisfied and 26% were occasionally satisfied (i.e. not always satisfied).

4.1 Reliability

The system in reliability analysis examination to research the inner consistency of scale Cronbach’s Alpha reliability coefficient is somewhere around 0 and 1. As indicated by Nuunnaly (1978) has determined that the adequacy of Cronbach’s Alpha quality is above 0.70. the nearest estimation of Cronbach’s Alpha to 1, the noteworthy of the scale would be. In this study, the result of the Cronbach’s alpha for items measuring the turnover intention was 0.84 and 0.91 for the management pressure.

4.2 Correlation

Pearson correlation result showed that management pressure correlates significantly with employee turnover intentions ($r = 0.78$). The result of the correlations is presented in Table 1.

Table 1:
Results of Pearson Correlation between Management Pressure and Turnover Intention

Variables	Mean	SD	1	2	3
MP	4.63	0.38			
TI	4.60	0.39	0.78**		

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

Note: MP=Management pressure, TI=Turnover intention

4.3 Result of Regression Analysis

Linear regression analysis was also performed to test the H1 that management pressure has a positive significant effect on employees’ turnover intention. The R^2 results showed that 67% of the variable in the model can be explained by the data. This shows that management pressure could cause employees to have an intention to resign as had been hypothesized (H1). The regression weight shows 0.82. Table 2 shows the result.

Table 2:

Results of Regression Analysis between Management Pressure and Turnover Intention

Hypotheses	Beta Coefficient (β)	SE	F^2	R^2	t-value	Sig
1. H1	0.82	0.28	199.63	0.67	14.13	0.00

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

5. Discussion

The independent variable of managerial pressure is found to have a substantial positive association with the intention of employees to leave the hospitality business, particularly among hotel employees in Langkawi, Kedah. From the findings also, it can be summarized that the employee's work quality and performance been influenced by management's strategy towards of them. Due to demand factors, the employee will face high pressure from the management in term of time, resources, and quality. Besides, when the employee could not be able to manage the pressure intake, they might leave the establishment which cost the organization. According to Goldstein and Ford (2002), there must be a good and proper employee management in every establishment to run their business smoothly. It is critical for the company to address the demands of internal employees in order to meet the expectations of external employees if it is to succeed.

The goal of this study is to concentrate on the hospitality business, particularly the hotel sector, on Pulau Langkawi, Kedah. The researcher approached employees (management, rank and file) from those selected hotels to perform the survey. From the responses of the participants, it was found that the employees working at the selected hotels, experience the highest management pressure which influence employees' turnover intention.

5.1 Conclusion

The primary purpose of this research was to identify the factors that influence employee intentions to leave a company, particularly in the hotel business. Each of the factor strongly influence the employees' decision for their future and career development within the hospitality industry. To be successful, hotels must ensure that their staff are happy with their jobs; only then can they work toward the establishment's long-term or short-term objectives. To be successful, hotels must ensure that their staff are happy with their jobs; only then can they work toward the establishment's long-term or short-term objectives.

The human resource especially in hospitality industry playing a crucial role to drive the business through a proper management. Hospitality industry is a special industry which dealing with guest through service and the whole productivity of the business is depends on the performance of the employees. To achieve the establishment's goal which is guest's expectational experience, employees will be the pillar for it and the establishment needs to focus on them as much as they focus on the guest. In the present market situation, where competition is increasing, it is vital for hotel businesses to give the finest available services in order to stay competitive.

5.2 Scope and Limitation

Several research limitations need to mention. Firstly, all the data been collected from supervisory, managers and rank and file employees only in selected hotels in Langkawi, Kedah. It is because of the researcher's goal to focus on a specific group of employees in the selected hotels.

Apart from online survey to complete the task the researcher has to meet the employees within a specific given time because the establishment really concern the employees' time management. The sample size is also quite small which consist of 100

respondents, thus decrease the applicability to generalize to the whole population of hotels or resorts industry.

5.3 Recommendations for Future Research

This research gives evidence for understanding the significance of employee turnover in the hotel industry. Even though hotel staff have demanding tasks, it is vital for management to guarantee that they are supplied with the finest working circumstances possible, with as little stress as possible. Following are the recommendations for future researcher in order to study on Hospitality industry which relates to employee's work quality and performance indeed. Firstly, ergonomic playing a crucial role in employee's daily work and poor ergonomic practice might lead to several issues especially to health scope. Besides, when the employee facing the health issue due to poor ergonomic practice, they might leave the establishment as they are not fit for the job and this issue can be rectified if there is a proper training and practice which been organize by the establishment indeed. In addition, nation's unemployment rate also might be influenced by the ergonomic scope.

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