THE INFLUENCING FACTORS OF EMPLOYEE TURNOVER
INTENTION IN HOTEL INDUSTRY IN CHINA

YANG HUAI

Master of Science (Management)
University Utara Malaysia
March 2015
THE INFLUENCING FACTORS OF EMPLOYEE TURNOVER INTENTION IN HOTEL INDUSTRY IN CHINA

By
YANG HUAI

Thesis Submitted to the
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the Degree of
Master of Sciences (Management)
PERMISSION TO USE

In presenting this dissertation/project paper in partial fulfillment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this dissertation/project paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor(s) or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my dissertation/project paper. It is understood that any copying or publication or use of this dissertation/project paper parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my dissertation/project paper.

Request for permission to copy or to make other use of materials in this dissertation/project paper in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
ABSTRACT

This research study about the most reason for quitting the job by exiting employees, work factors and its influence to employee turnover, the relationship between reasons for quitting the job and work factors and the relationship between demographic factors and reasons for quitting the job. In this study used 500 respondent of exiting employees. The tool of analyses used is correlation concept by Chi - Square test for testing of hypotheses. The results of this study are: the most reason for quitting the job is dissatisfaction with supervisor treatment (49.2%), it means in their company have poor relationship between the employees and managers. The second most frequent reason was salary (12%). This research found also that in term work factors, work environment are the highest level of agreement in all respondents. After that, supervision and communication are lower rated and similar in agreement. Job satisfaction was the lowest rated work factor. Thus, overall most of the employee who left tends to agree on the goodness of the work environment aspects. Most agreed that the work conditions are good and that adequate equipment was available. This study found that Chi - Square Test for all items of work factors are 0.001 (Assymp.Sig.2-sided) where it’s smaller than 0.05. It means there is relationship between the most frequent reason for quitting and work factors. This study found also that there is relationship between demographic factors and reasons for quitting the job. It seen from the result of Chi - Square Test for all items of demographic factors are 0.001 (Assymp.Sig.2-sided) where it’s smaller than 0.05. It means there is relationship significantly between demographic factors and reasons for quitting the job in hotel industry in China.

Key words: Employee Turnover, Work Factor, Hotel Industry, Demographic factor.
Kajian penyelidikan ini mengkaji faktor utama mengapa ramai pekerja sedia ada berhenti kerja, faktor-faktor kerja serta pengaruhnya terhadap pusing ganti pekerja, hubungan antara sebab-sebab untuk berhenti kerja serta hubungan antara faktor demografi dan sebab-sebab untuk berhenti kerja. Dalam kajian ini, seramai 500 orang responden telah ditemu bual. Alat kajian yang digunakan dalam penyelidikan ini adalah konsep kolerasi oleh Ujian Square – Chi untuk menguji hipotesis. Hasil daripada kajian ini ialah: sebab yang paling utama untuk berhenti kerja adalah kerana rasa tidak puas hati terhadap tindakan penyelia (49.2%), ini bermakna hubungan antara pekerja dan pengurus dalam syarikat mereka lemah. Alasan kedua pekerja berhenti kerja adalah kerana gaji (12%). Kajian ini mendapati juga bahawa dalam jangka faktor kerja, persekitaran kerja adalah tahap tertinggi dalam perjanjian semua responden. Namun penyeliaan dan komunikasi yang diberikan adalah rendah dan tidak sama seperti yang dijanjikan di dalam perjanjian. Oleh itu, sebahagian besar daripada keseluruhan pekerja yang berhenti kerja cenderung untuk bersetuju bahawa aspek persekitaran kerja yang baik sangat diperlukan. Kebanyakkan pekerja bersetuju terhadap suasana persekitaran kerja yang selesa serta semua peralatan yang lengkap dan mencukupi. Kajian ini mendapati bahawa Ujian Square – Chi untuk semua item faktor kerja adalah 0.001 (Asymp.Sig.2 berat sebelah) di mana ia adalah lebih kecil daripada 0.05. Ini bermakna terdapat hubungan di antara sebab utama untuk berhenti kerja dengan faktor kerja. Kajian ini juga mendapati bahawa terdapat hubungan di antara faktor demografi dan sebab-sebab untuk berhenti kerja. Ia dapat dilihat daripada hasil Ujian Square – Chi untuk semua item faktor demografi adalah 0.001 (Asymp.Sig.2 berat sebelah) di mana ia adalah lebih kecil daripada 0.05. Ini bermakna terdapat hubungan signifikan di antara faktor demografi dan sebab-sebab untuk berhenti kerja dalam industri perhotelan di China.

Kata Kunci : Pusing Ganti Pekerja, Faktor Kerja, Industri Perhotelan, Faktor Demografi.
ACKNOWLEDGEMENT

First and foremost, I would like to thank Universiti Utara Malaysia (UUM) and my supervisor, Dr. Agus Ridwan for his continuous support. I was very fortune to be under his supervision. I am very grateful for his advising, teaching and reading as well as give me many comments in my thesis. Without you, I could not complete my thesis on time. Additionally, I would like to thank all my UUM lecturers for their teaching in past two years.

A special words of thanks to my parents who always inspire me on my academy advancement. I would like thanks to my mother, An Xiulian for her loving and caring. Thank you for my father, Yang Wenhua for his teaching, advising and supporting. Thank you to my dear sister, Yang Xiaorong, she also given me many help during the whole studying period. Without their supporting, I could not study oversea for two years. Here, also thanks to my close friend, Liu Li and Han Xue.

Last but not least, thank you for all my friends who give me ideas and support on my study. Especially thanks for my local friend, Dr. shaharuddin not only for the study but also for everything.

In the end, once again thank you to all.
# TABLE OF CONTENT

**CHAPTER ONE** ................................................................. Error! Bookmark not defined.  
   1.1. Background of Study ........................................ Error! Bookmark not defined.  
   1.2. Problem Statement ............................................... Error! Bookmark not defined.  
   1.3. Research Questions ........................................... Error! Bookmark not defined.  
   1.4. Research Objective............................................... Error! Bookmark not defined.  
   1.5. Significance of Study ......................................... Error! Bookmark not defined.  
   1.6. Scope and Limitation of Study............................... Error! Bookmark not defined.  
   1.7. Organization of Thesis ....................................... Error! Bookmark not defined.  

**CHAPTER TWO** ................................................................. Error! Bookmark not defined.  
**LITERATURE REVIEW** ......................................................... Error! Bookmark not defined.  
   2.1. Introduction ...................................................... Error! Bookmark not defined.  
   2.2. Definitions of Employee Turnover ......................... Error! Bookmark not defined.  
   2.3. Calculating Employee Turnover Rate ....................... Error! Bookmark not defined.  
   2.4. Types of Employee Turnover ................................ Error! Bookmark not defined.  
   2.5. Causes of Employee Turnover ................................. Error! Bookmark not defined.  
   2.6. Reason Employees Quitting the Jobs ....................... Error! Bookmark not defined.  
   2.7. Factors Affecting Employee Turnover ...................... Error! Bookmark not defined.  
   2.8. Controllable Factors of Employee Turnover ............... Error! Bookmark not defined.  
   2.9. Uncontrollable Factors of Employee Turnover .......... Error! Bookmark not defined.  
   2.10. Factors Affecting Retention ................................. Error! Bookmark not defined.  

**CHAPTER THREE** ............................................................... Error! Bookmark not defined.  
**METHODOLOGY** ................................................................. Error! Bookmark not defined.  
   3.1. Introduction ...................................................... Error! Bookmark not defined.  
   3.2. Research Framework ........................................... Error! Bookmark not defined.  
   3.3. Hypotheses ....................................................... Error! Bookmark not defined.  
   3.4. Research Design ................................................ Error! Bookmark not defined.  
   3.5. Operational Definition ....................................... Error! Bookmark not defined.  
   3.7. Data Collection ................................................ Error! Bookmark not defined.  
   3.8. Sampling ......................................................... Error! Bookmark not defined.  
   3.10. Techniques of Data Analysis ................................. Error! Bookmark not defined.  

**CHAPTER FOUR** ................................................................. Error! Bookmark not defined.  
**RESULTS AND DISCUSSION** ................................................. Error! Bookmark not defined.  
   4.1. Introduction ...................................................... Error! Bookmark not defined.  
   4.2. Reliability Test .................................................. Error! Bookmark not defined.  
   4.3. Validity analysis ............................................... Error! Bookmark not defined.  
   4.4. Respondent Characteristic .................................... Error! Bookmark not defined.  
   4.4.1 Demographic Characteristics ............................... Error! Bookmark not defined.  
   4.5. The Most Reasons for Quitting the Job in Hotel Industry in China Error! Bookmark not defined.  
   4.6. The Most Work Factor for Quitting the Job in Hotel Industry in China Error! Bookmark not defined.
4.6.2 Supervision ............................................. Error! Bookmark not defined.
4.6.3 Communication ....................................... Error! Bookmark not defined.
4.6.4 Job Satisfaction ................................. Error! Bookmark not defined.
4.7 Relationship between the Most Frequent Reasons for Quitting and Work Factors ................................. Error! Bookmark not defined.
4.7.1. Relationship between Supervision and Reason for Termination Error! Bookmark not defined.
4.7.2. Relationship between Work Environment and Reason for Termination Error! Bookmark not defined.
4.7.3. Relationship between Communication and Reason for Termination Error! Bookmark not defined.
4.7.4. Relationship between Job Satisfaction and Reason for Termination Error! Bookmark not defined.
4.8. Relationship between Demographic Factors and Reasons for Quitting the Job ................................................. Error! Bookmark not defined.
4.8.1. Relationship between Genders with Reasons for Termination Error! Bookmark not defined.
4.8.2. Relationship between Age and Reasons for Termination Error! Bookmark not defined.
4.8.3. Relationship between Education and Reason for Termination Error! Bookmark not defined.
4.8.4. Relationship between Length of Service and Reason for Termination Error! Bookmark not defined.
4.8.5. Relationship between Employment Classification and Reason for Termination Error! Bookmark not defined.
4.9 Hypotheses Test ............................................. Error! Bookmark not defined.
4.9.1 Test of Hypotheses 1 .................................. Error! Bookmark not defined.
4.9.2 Test of Hypotheses 2 .................................. Error! Bookmark not defined.
CHAPTER FIVE ....................................................... Error! Bookmark not defined.
CONCLUSION AND RECOMMENDATION ............. Error! Bookmark not defined.
5.1 Introduction .................................................. Error! Bookmark not defined.
5.2 Conclusion .................................................... Error! Bookmark not defined.
5.3 Recommendations ......................................... Error! Bookmark not defined.
REFERENCES ...................................................... Error! Bookmark not defined.
APPENDIX ....................................................... Error! Bookmark not defined.
LIST OF TABLES

Table 1.1: the amount of hotel in china (2010-2014)... Error! Bookmark not defined.
Table 4.1: Reliability Analysis .................................................42
Table 4.2: Validity Analysis ......................................................... Error! Bookmark not defined.3
Table 4.3: Gender .................................................................. Error! Bookmark not defined.4
Table 4.4: Age group ................................................................. Error! Bookmark not defined.4
Table 4.5: Education level ......................................................... Error! Bookmark not defined.4
Table 4.6: Length of service ....................................................... Error! Bookmark not defined.5
Table 4.7: Employment classification ....................................... Error! Bookmark not defined.6
Table 4.8: Reasons for termination .......................................... Error! Bookmark not defined.7
Table 4.9: Summary of work factors ......................................... Error! Bookmark not defined.8
Table 4.10: Results for Work Environment Questions Error! Bookmark not defined.9
Table 4.11: Had Adequate Equipment to Do the Job well Error! Bookmark not defined.9
Table 4.12: Working Conditions are good ..................................50
Table 4.13: Results for Supervision Question ...............................51
Table 4.14: My Supervisor Followed Company Procedures and Policies 52
Table 4.15: My Supervisor Provided Appropriate Job Recognition 52
Table 4.16: My Supervisor Gave Fair and Equal Treatment .........53
Table 4.17: Results for Communication Questions .......................... Error! Bookmark not defined.4
Table 4.18: There was Cooperation and Communication within Department Error! Bookmark not defined.5
Table 4.19: Results for Job Satisfaction Questions .......................... Error! Bookmark not defined.5
Table 4.20: I am Satisfied with the Salary and Benefits Offered 6
Table 4.21: I am Generally Satisfied with my Work ... Error! Bookmark not defined.6
Table 4.22: I Feel that I am Valued by this Company Error! Bookmark not defined.7
Table 4.23: Association of Supervision with Reasons for Termination Error! Bookmark not defined.
Table 4.24: Chi-Square Tests ..................................................... Error! Bookmark not defined.9
Table 4.25: Association of Work Environment with Reasons for Termination Error! Bookmark not defined.
Table 4.26: Chi-Square Tests ..................................................... Error! Bookmark not defined.
Table 4.27: Association of Communication with Reasons for Termination Error! Bookmark not defined.
Table 4.28: Chi-Square Tests ..................................................... Error! Bookmark not defined.
Table 4.29: Association Job Satisfaction with Reasons for Termination Error! Bookmark not defined.
Table 4.30: Chi-Square Tests ..................................................... Error! Bookmark not defined.
Table 4.31: Composite Chi-Square Test of Relationship between The Most
Table 4.32: Association of Gender with Reasons for Termination Error! Bookmark not defined.
Table 4.33: Chi-Square Tests ..................................................... Error! Bookmark not defined.
Table 4.34: Association of Age Group with Reasons for Termination 70
Table 4.35: Chi-Square Tests ..................................................... 71
Table 4.36: Association of Education and Reasons for Termination 72
Table 4.37: Chi-Square Tests ..................................................... Error! Bookmark not defined.
Table 4.38: Association of Length of Service and Reasons for Termination Error! Bookmark not defined.
Table 4.39: Chi-Square Tests ..................................................... Error! Bookmark not defined.
Table 4.40: Association of Employment Classification and Reasons for Termination 76
Table 4.41: Chi-Square Tests .............................................\textbf{Error! Bookmark not defined.7}
Table 4.42: Composition of Chi-Square Test Result of Relationship between
Demographic Factors and Reason for Quitting the Job in Hotel Industry in China\textbf{Error! Bookmark not defined.8}
Table 4.43: Chi-Square Test of Hypotheses 1 ................\textbf{Error! Bookmark not defined.9}
Table 4.44: Chi-Square Test of Hypotheses 1 ..........................\textbf{80}
LIST OF FIGURE

Figure 3.1: Research Framework ........................................Error! Bookmark not defined.4
LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FE</td>
<td>Front of Employee</td>
</tr>
<tr>
<td>FBE</td>
<td>Food and Beverage Employee</td>
</tr>
<tr>
<td>HKE</td>
<td>Housekeeping Employee</td>
</tr>
<tr>
<td>AE</td>
<td>Accounting Employee</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

1.1. Background of Study

In recent years, China’s hotel has experienced meteoric growth, resulting in a $44 billion business with 2.5 million hotel rooms. The traditional view of employee turnover has been influenced by the increased growth in the hotel industry. The amount of hotel increase in China was associated with efforts to increase the China’s tourism industry.

According to industry size study, there are over 2.57 million hotel rooms and other lodging facilities in China. Additionally, hotel industry had exceeded hundred billion in sales also with a satisfied profit in each year. In 2014, the CEO of the intercontinental hotels and resorts estimated that the China’s hotel industry market will over U.S. hotel industry market in 2025 and the hotel rooms will increase to 6.10 million. The following table 1.1 show that the amount of hotel in 2010 to 2014.
The contents of the thesis is for internal user only
REFERENCES


Boxall P., Macky K. (2003). 'Labour turnover and retention in New Zealand; the causes and consequences of leaving and staying with employers', Asia Pacific Journal of Human Resources.


Hall, M. (2003). The nurse work environment, job satisfaction and turnover rates in rural and urban nursing units. Retrieved from:


http://smallbusiness.chron.com/


http://www.risingsunconsultants.com/


http://www.azimpremjiuniversity.edu.in/SitePages/index.aspx


Wilson SK (2000). Trophic status and feeding selectivity of blennies (Blenniidae: 91


