EXAMINING THE INFLUENCE OF HUMAN RESOURCES PRACTICES ON TURNOVER INTENTION: A STUDY AMONG HOTEL EMPLOYEES

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By

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Abstract

While performing their duties in an organization, an employee tied up to a human resource practices which consists of internal career opportunity, training, result oriented appraisals, Employment security, participation and job description to retain in an organization. This research title is aimed to determine the influences of internal career opportunity, training, result oriented appraisals, employment security, participation and job description on turnover intention. The objective of this study is; to understand the influence of the selected human resource practices on turnover intention. A total of 169 questionnaires were distributed to one of the selected Telecommunication Company. Data were analyzed using both descriptive and inferential statistical analysis to interpret data. Research findings revealed there was turnover intentions exist among the respondents. Significant values for each element in independent variable which the item of reward such as result oriented appraisal, training, and participation. The higher significant value of independent variables are result oriented appraisal and item benefits, 0.538> 0.05.

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

An organizations performance deeply related with an employee's performance and productivity. Employee's turnover can give the strong impact towards the organizations overall productivity. An organization's productivity being measured by the workforce achieves the production target (Delery& Doty 1996). Various Human Resources Practices being implemented in the industry to retain an employee in an organization. High turnover is a major problem faced by most of the developed countries such as South Korea, Malaysia, Singapore and Taiwan. In a recent forum of Human Resources professional's bodies of Hong Kong, Malaysia and Singapore participants were unanimous in their view that job hopping had become a culture of an organization.

According to Whitener, (2001) turnover intention is defined as an employee's decision to leave an organization voluntarily. When turnover rate increases in an organization, it will reduce its reputation and increase the cost of rehiring new staff. The prospect of getting higher pay elsewhere is one of the most obvious contributors to turnover. This practice can be regularly observed at all levels of the economic ladder, from executives and generously paid professionals in high-stress positions to entry level workers in relatively undemanding jobs.

However, there is considerable evidence that money is often not the root cause of turnover, even when it is a factor in an employee's decision to quit. Most environmental contributors to turnover can be directly traced to management practices. Hemdi and Nasurdin 2006 argues that turnover tends to be higher in environmental where employees feel they are taken advantage of, where they feel undervalued or ignored and where they feel helpless or unimportant (Hemdi and Nasurdin, 2006).

They also argues that if managers are impersonal, arbitrary, and demanding, there is greater risk of alienation and turnover. Management policies can also affect the environment in basic ways such as whether employee benefits and incentives appear generous or stingy, or whether the company is responsive to employee's needs and wants. Management's handling of major corporate events such as mergers or layoffs is also an important influence on the work environment afterwards.

Some turnover is demographically specific particularly for women who are balancing significant work and family duties at the same time. There are employee may choose to leave a company instead of scarifying their other interests and responsibilities in order to make the job work out (Whitener, 2001). Some women select to quit their career paths might also be tinted by their awareness of the glass ceiling, which may lower their level of commitment to any particular firm, since they believe they are not in contention for top level jobs. These

factors translate into higher turnover rates for women in many companies.

According to Hemdi and Nasurdin 2006, retirement of experienced employees can cause high rates of turnover and extreme loss in productivity particularly in the industries where there is little competition. Turnover may also cause due to work stress. For example; childcare children, waiters dealing with demanding dinnertime customers, police officers in high crime areas, and truck drivers facing long hours and heavy traffic are all job categories experiencing high levels of turnover. Even seasonal changes such as the beginning of a school year can cause high turnover when part-time, school age employees return to their classrooms. Some of these reasons include such as unrealistic expectations, the characteristics of the job, the organizational culture and even the person characteristics.

When turnover rate increase in an organization, it will reduce its reputation and increase the cost of rehiring new staff. Turnover is very costly for an organization especially advertising, recruiting, selecting, hiring and training needed for the newcomers (Delery & Doty 1996). Turnover intention cause the organization spends significant sums of money to replace an employee who leave the organization. When an employee leaves an organization, the remaining employees need to do more task and responsible for the duties.

This will cause the employees to reduce their commitment and affect the overall performance and also will cause the organization to lose employees with high degree of knowledge, skill and abilities.

Moreover, the costs of employee's turnover are hard to measure, as the effect on organization's culture, employee morale and social capital.

While Huning & Thomsom 2010, argues that turnover intention will also be determined by self image, job and other roles as well as the predictability of future relationship inside the organization. Keeping staff turnover low is very important. An employer should be aware of the current practice work environment, choosing appropriate new hires and providing them proper keep communication lines open and support the entire staff and solving problems as they emerge is important to overcome or reduce the existence of turnover in reaching the desired stability of the company's productivity.

1.2 Problem Statement

Employee turnover is giving sleepless night to Human Resources managers in many organizations. Employees are believed job hop for no reason or even for fun. Unfortunately, despite employee turnover being such a serious problem. Here Human Resources practices can be used by the organization in shaping their employee's attitude and behaviours.

This is because human resources practices create conditions where employees become highly involved in an organization and work to accomplish the organization's goal or objective. According to Aizzat Mohd Nasurdin, (2008) how an organization manages its human resources (as reflected by its HRM practices) establishes the tone and conditions between the employee and employer relationship.

When such relationship is seen as that of a social exchange (Blau, 1964) where the norm of reciprocity is central, employees would be more inclined to engage in positive work attitudes and behaviours. In total, HRM practices affect organizational performance through its effect on individual employee performance. Previously a lot of studies been done by the researchers on the turnover intention.

The prediction and understanding of employee turnover intention has been studied from many different perspectives (Hemdi and Nasurin, 2006). In addition, previous turnover intentions studies also have focused exclusively on job-related variables (e.g. role conflict, role ambiguity, role overload, work conditions, job tasks, and autonomy) and demographic variables (e.g. gender, age, tenure, and

education) as determinants affecting employee attitudes or turnover intentions (Hemdi&Nasurin, 2006). These study extends few HR practices such as internal career opportunities, training, result oriented appraisals, employment security, participation and job description been choose in Hotel industry in Malaysia. Hotel industry is one of the organizations which widely engaged in managing the services to their customers thus one of the most challenging problem for the contemporary organization is on how to retain the valuable and skilled employees.

When HR practices are perceived as supportive, employees are likely to believe that their employing organization are committed to them by their high level of caring and concern, which in turn, is likely to stimulate them to reciprocate this kind deed by being highly involved in the organization and showing their willingness to work hard to accomplish the organization's goals or objectives.

1.3 Research Question

Research question will explore on how Human Resources practices can have a considerable impact on turnover intention among Hotel industry employees. The questions will be:

- 1. What is the level of turnover intention among Hotel employees in Klang Valley?
- 2. How the relationship between intention to leave and the human resources practices (Internal career opportunities, training, result oriented appraisals, employment security, participation and job description) among the Hotel employees in Klang Valley?

1.4 Research Objective

This replication study is intended to examine the influence of internal career opportunities, training, results- oriented appraisals, employment security, participation, and job descriptions on turnover intention. It will investigate the influence off actors on turnover intention. This investigation's specific objectives are;

- To examine the relationship between intention to leave and the Human Resources Practices (Internal career opportunities, training, result oriented appraisals, employment security, participation and job description)and employee turnover intention in Hotel industry employees in Klang Valley.
- 2. To identify the level of the intention to leave among the Hotel industry employees in Klang Valley.

1.5 Significance of the study

Turnover incurs significant cost for an organization. By having a proper structural programs will increase the ability of an organization. By providing proper training skills the individual will build great amount of socialization within the organization. An organization able to reduce the turnover by provides more opportunities to the individual who desire promotion to the potential position. The organization also must give bonuses to the individual based on the profit of the organization. By creating situation where the employee believes that job security is almost guaranteed to employees in the job will reduce the turnover among the baby boomers (Hemdi and Nasurdin, 2006).

The employers should update the job description which contains all the duties performed by the individual employee followed by the given duties the employee should allow to make decision and the performance must be measured with objective quantifiable results (Delery & Doty 1996). Thus it will help the individual to clearly identified their job and feel in comfort zone which reduce the turnover. Those organizations that adopt these practices are likely to gain a competitive advantage and enjoy superior performance. At the same time, high turnover of an organization makes an academician to study more on the factors influencing the high turnover and how to overcome this issue in future.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter the empirical studies by previous researches are reviewed and presented to serve as a foundation for this study. This section presents some empirical studies on intention to leave. While the second part consist of empirical studies human resource practices namely training, job security, result oriented appraisals, job description, and participation.

2.2 Empirical studies on intention to leave

Intention to leave conceptually defined as a conscious willingness to leave the organization, which includes a thought or idea of leaving, the behaviour of searching for a new job, and the behaviour of deciding to leave the job. Meanwhile Tett and Meyer (1993) defined turnover intentions as conscious wilfulness to seek for other alternatives in other organization. Reviews on the antecedents of turnover intentions have highlighted intent to leave rather than actual turnover as the outcome variable.

This is due to two reasons. Firstly, turnover is referred as an individual's estimated probability that they will stay an employing organization (Cotton & Tuttle, 1986). Meanwhile Tett and Meyer (1993) defined turnover intentions as conscious will fullness to seek for other alternatives in other organization.

Reviews on the antecedents of turnover intentions have highlighted intent to leave rather than actual turnover as the outcome variable. Overall turnover intention has emerged as the strongest precursor to turnover. There is a large body of research confirming the linkage between turnover intention and the actual behaviour of leaving. Highlighting turnover intention as a key element in the modelling are the single best predictor of turnover (Cotton & Tuttle, 1986). When turnover rate increase in an organization, it will reduce its reputation and increase the cost of rehiring new staff (Liu et al, 2010).

Literatures also defined turnover intention is a main problem which is common in every type and size of an organization and is serious issues especially in the field of human resource management. Furthermore, turnover is very costly for organization especially advertising, recruiting, selecting, hiring and training needed for the newcomers. So, when an employee leaves an organization, the remaining employees need to do more task and responsible for duties. This will cause the employees to reduce their commitment and increase the turnover intention in the organization (Foon, Leong & Osman, 2010). Moreover, the costs of employees' turnover are hard to measure, as the effect on organization's culture, employee morale and social capital. In addition, high turnover intention will cause the organization to lose employees with high degree of knowledge, skill and abilities (Liu et al., 2010).

Turnover intention causes the organization spends significant sums of money to replace an employee who leave the organization. According to Huning & Thomson (2010), turnover intention will also be determined by self image, job and other roles, as well as the predictability of future relationships inside the organization. Turnover intention is the problem faced by the human resource and organizational management. Besides, turnover not only increases the cost of employing staff but also diminishes the organization's knowledge capital and weakens its reputation (Silverthorne, 2004).

2.3 Training and intention to leave

Training is a planned initiative taken by the organization to impart the job knowledge and skills and also to modify the attitudes and behaviours of employees in ways consistent with the goal of the organization (Noe, 2002). Training programs may help to fill the competency gap between the existing and required competencies in order to accomplish the organizational goals in effective manner. Effective training programs result in increased production; reduce job turnover, and greater employee's satisfaction (Chew & Chan 2008). Contrary to our expectation, the relationship between training and intention to quit is not mediated by job embeddedness. Instead, training is directly related to employee's intention to quit. Previous research showed that training may help organizations to retain their employees (Hequet, 1993), but also that training may provide opportunities for employees to quit their current jobs (Lynch, 1991).

Empirical study states that training as an important aspect of HR practices which is considered to be different forms of human capital investment for individual and organizational improvements (Chew & Chan 2008). An area where training may be used isin the enhancement of job specific skills.

Another area of focus for training is in the correction of deficiencies in job performance and development that may be provided to employees with abilities the organization might need in the future (Chew & Chan 2008).

Although conventional wisdom states that trained individuals become more marketable and consequently might leave the organization at the first instance, contemporary studies have demonstrated that training and development affect job attitudes.

In addition, when the training and development needs of employee's and employers are met, the more likely employees will stay in their organizations. Organizations invest millions of dollars in training and retention strategies yet only a small group of researchers have empirically examined employee attitudes in relation to the intent to stay on the job. For example in service firms especially for the customer-sensitive hospitality industry, how can the firm decrease turnover and retain its most valuable asset, a productive workforce? Restaurant and foodservice companies require managers and chefs with specialized technical training and education, and in some cases, certification in the position (Delery & Doty).

The relationship between training and job turnover has been widely established in the literature, but the inconsistent results reported in literature discussing the role of training and its impact on job turnover makes the relationship complex and demands the horizon of the research to be expanded to establish the concrete and unified boundaries of the relationship (Noe,2002). For instance, dearth of proper training may lead to poor job performance, which in turn cause higher job turnover rate.

Organizations, which have realistic understandings regarding the essence of training, have a lower job turnover rate and a higher success ratio. Contradict to these findings, some researchers argued that training and development affect job satisfaction and organizational commitment, which in turn affect staff retention (Chew & Chan 2008). On the other hand, Sheng (2003) suggested that there is a relationship between job turnover and the availability of training programs, but the exact nature of this relationship is unclear. Table 1 summarises the relationship between training and job turnover based on the empirical studies found in literature.

Table 1: Summary of the Relationship between Training and Job Turnover

Author / year of	Positive	Negative	Significant	Non significant
study				
Lutchman (2008)			$\sqrt{}$	
Elias, Peter (1994)			$\sqrt{}$	
Ferris/ Urban (1984)		V	V	
Bishop (1991)		$\sqrt{}$		$\sqrt{}$

A careful survey of the contemporary literature on the role of training and its impact of employee turnover intentions provide no significant and concrete evidence to generalize the positive effect of training of employee turnover. The differences in results reported by leading researchers suggest that more careful analysis is needed through the expansion of research horizon in developing and under developed countries of the world.

2.4 Participation and intention to leave

Participation in decision making to all employees has opportunities to be involved in work related decision making and to voice their opinions. They will also be more informed about how and why the organization is doing the things it does. Therefore, these individuals will be better able to make sense of the organizational policies, procedures, implementations, and changes. Employee participation in decision making involves communication and fosters information flow to employees, thereby decreasing the potential for misunderstanding, dissatisfaction, and resistance to changes that can increase intent to leave the organization (Chew & Chan 2008).

2.5 Result oriented appraisal and intention to leave

Scholars have identified several uses for result oriented appraisal including support for, administrative decisions, feedback for and development of employees, organizational planning, layoff and retention decisions, human resource planning and replacement, safeguarding organizations against discrimination lawsuits, clarifying employee expectations, assessing employee strengths and weaknesses, and decisions about rewards and promotion (Cardy, 1998; Kozlowski, Chao, & Morrison, 1998).

Result oriented appraisal refers to the evaluation of subordinates' work performances by immediate supervisors. According to Delery and Doty (1996) and Tsui et al. (1997) conceptualized performance appraisal as the degree to which employees' perceived that the employing hotels have conducted formal performance evaluations and feedback systems for the purpose of employees' control and development. Konovsky and Cropanzano (1991) reported that perceptions of fair performance appraisal were significantly related to turnover intentions. Heathfield (2007) suggests eliminating some traditional process factors from the performance appraisal system and adding others.

Components she recommends eliminating include: numeric ratings, forced ranking of employees across the organization, imposed goals and objectives, the manager in a judge role with an appraisal document completely written prior to the meeting, and the tie between performance appraisal and employee raise.

Conversely, Heathfield (2007) recommends including in a performance appraisal system, the following: schedule update and discussion meetings quarterly with each employee, make performance development planning meeting interactive, negotiate and agree upon goals for both business an employee development, and keep any assignment or discussion of employee compensation completely separate from the performance development planning meeting, which should focus on employee development and business development goals.

2.6 Job security and intention to leave

Job insecurity can be conceptualised as the overall concern about the future of one's job. It comprises two components, namely the recognition of threats to job security and the concern about these threats. The likelihood of job loss refers to the cognitive aspect of job insecurity, while the fear of job loss is related to the affective aspect thereof (De Witte, 2000). The cognitive appraisal of the future situation, whether certain or uncertain, triggers emotions based on the meaning connected to the potential job loss (De Witte, 2000). Job insecurity is a chronic job stressor (Mauno,Leskinen & Kinnunen, 2001), which impacts on the well-being of employees (Hellgren, Sverke & Isaksson, 1999).

Employee job insecurity has a detrimental effect on the organisation (Holm & Hovland, 1999). Employees who experience job insecurity are less supportive of organisational goals and do not make an effort to deliver quality work (Greenhalgh & Rosenblatt, 1984; Sparks, Faragher & Cooper, 2001). Holm and Hovland (1999) pointed out that job insecurity results in an increased employee turnover rate. Leaving the organisation in search of more secure career opportunities is common among employees who feel insecure about their jobs (Ashford, Lee &Bobko, 1989). This appears to be true, especially among high performers who typically have an easier time securing new employment. The result of increased turnover is an increased cost in terms of the recruitment and training of new employees.

Organisations may consequently lose their most valuable employees – the ones they most want to retain (Ashford et al., 1989). The association between job insecurity and intention to leave has been well established in previous studies (Burke, 1998; Maunoet al., 2001). Job insecurity probably affects turnover through a reduced engagement on the part of employees (Maunoet al, 2001).

2.7 Job description and intention to leave

Job description referred to the extent to which jobs were clearly and precisely defined. The duties of this job are clearly defined. This job has an up-to-date job description. The job description for this job contains all of the duties performed by individual employees (Delery & Doty,1996).

Operational employees may not have a close interpersonal relationship with their top management since their job descriptions are more on performing operational tasks which require high customer contact and less supervision from the managers.

Contended that a trusting relationship develops through years of interpersonal relationship between two parties. The employees may not have high faith and confidence that their top managers will be fair and objective in their performance evaluations because of weak interpersonal relationships. (*Hemdi & Nasurdin*, 2006).

2.8 Conclusion

As a conclusion, the whole details in this chapter are about literature review from the item of Human resources practices and also the intention to leave. This includes definition of terminology; what is intention to leave, the theory of Human Resources Practices, such as result oriented appraisals, training, participation, job description, employment security and internal job opportunity. It is also explained how the practices influence intention to leave. Besides that, the all the terms in this chapter come from the previous study and research.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter has discussed related literatures on HR practices and the impact on employee turnover. This chapter covers the research methodology and procedures undertaken by this study. These include theoretical framework, data collection, research instrument, population, and sample and data analysis.

3.2 Research Framework

The research framework shows the interconnection of all the six facets of independent variables with the dependant variables of compliance with employee turnover as in Figure 3.1 on the next page. The six independent variables such as of internal career opportunities, training, result oriented appraisals, employment security, participation and job description.

Independent Variables

Dependant Variable

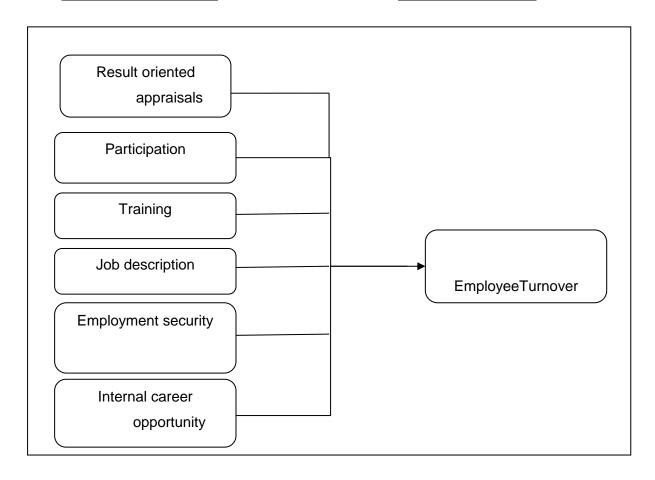


Figure 3.1

Research Framework

3.3 Conceptual Definition

The conceptual definitions of all the human resources scales are as follows: Appraisal is the degree to which performance appraisals focused on output or results measures rather than on behavioural measures. Followed by training which is refers to both formal and informal training.

Training being one of the main Human Resources practices, practised by most of the organization nowadays. Job description defines as jobs were clearly and precisely defined and employment security is the degree to which an employee could expect to stay in his or her job over an extended period of time. Whereby, employee participation or voice, is refers to the degree to which employees were allowed to have input into their work and the degree to which the organization valued their input. Finally, internal career opportunities refer to the extent to which a hank had an internal career ladder or internal career opportunities.

3.4 Operational Definition

All six facets of independent variables and dependent variable were measured using human resources scales developed by Delery and Doty (1996). The operational definitions are as listed below:

Internal career opportunities was measured using 4-items with example items; 'Do you agree or disagree that individual in this job have a clear paths within the organization?'

Training was also measured using 4-items with question such as; 'do you agree or disagree that extensive training programs are provided for individual in this job? Result oriented appraisals consist of only 2-items with question such as; 'Do you agree or disagree that the performance appraisals are measured more often or it's based on objective and quantifiable result?

Employment security comprise of 3-items which example items asked 'whether is the job security almost guaranteed to employee in this job or the employee in this job can expect to stay in the organization for as long as they wish?' and so on. Participation also contain 4-items which asked; 'Do you agree or not that the employee in this job are allowed to make decision? Or do they given any opportunity to suggest improvements in the way things are done?' and so on. Job description also consist of 4-items which example item; 'Do the duties given are clearly defined?' and do the duties has an up to date job description?'

Table 3.1: The internal consistency of previous study done by Delery and Doty (Modes of theorizing in strategic Human Resources Management: Tests of universalistic, contingency, and configurationally performance predictions)

Variables	Cronbach alpha
Internal career opportunity	.78
Training	.75
Result oriented appraisals	.85
Employment security	.56
Job description	.74
Participation	.80
Intention to leave	.60

3.5 Instrument Scales

For each item, respondents were asked to indicate the extent to which they agreed or not that the item described its respective content domain. The five-point rating liker scale was used for each of the independent variables items; where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = Agree, and 5 = strongly disagree. This summated rating method developed by Likert is widely used to measure attitudes because of its simplicity administered criterion (Zikmund, 2003).

3.6 Population

The populations of this hotel total up to 600 employees who working in various employment levels in different departments. They consist of junior employees, senior employees, managers, senior managers and senior executives. There are equally of males and females workers in Klang Valley Hotels.

3.7 Sample

Justified by Krecjie and Morgan (1970), for a population of 300 staffs, 169 samples are adequate to be used in the data analysis. Procedure involving the use of small number of items or portion of a population to make a conclusion concerning the whole population is defined as sampling (Roscoe, 1975). This subset portion if followed certain statistical procedures, could yield to good sample where the characteristics represent the similar population as a whole.

3.71 Sampling Procedure

Simple random sampling was used in this study. It randomly selected all the respondents throughout the samples. This type of sampling was chosen as equal chances to be included in the sample for each element in the population are guaranteed (Zikmund, 2003). All 300 population members were drawn 169 times to reach to the desirable sample proposed by Krecjie and Morgan (1970). Subsequent to the selection, the questionnaires were then sent to the respondents personally to get the fastest response. This process took almost two weeks to complete.

3.8 Pilot Test

Pilot test should be tested before the researcher using questionnaire survey to collect data. According to Zikmund (2003), pilot study will serve as a guide for larger study and it collected data from the definitive subjects of the research project in a small scale probing sampling technique without exact standard.

Approximately 40 individuals from the different division were selected to participate in the pilot study. Pilot test is able for the researcher to obtain some assessment of the questions of validity and reliability of the data will be collected (Saunders, M.& et al., 2012).

Table 3.2

Pilot study reliability test

Variables	Cronbach Alpha
Internal career opportunity	.302
Training	.768
Result oriented appraisals	.676
Employment security	.687
Participation	.613
Job description	.478
Turnover intention	.482

3.9 Data Analysis

This current study will utilize the statistical package for the social sciences (SPSS) version 20.0 for windows to perform the statistical analysis. It will be used to perform a variety statistical analysis such as descriptive and inferential statistics. SPSS is one of the easy and faster ways to help research guide decision making through data analysis.

Through the SPSS, the research enables to create highly visual classification trees that help to identify the market segments. On the other hand, SPSS is able to helps the researcher to save more time on prepare and transform data after key in all data collected. Examining the data will inclusive of reliability analysis, descriptive analysis or sample background, correlation analysis, and regression analysis.

To confirm whether all the six facets of HR practices measuring the same underlying constructs or the scales are said to have internal consistency, the reliability analysis will be used. Cronbach alpha coefficient will be the indicating tool to check for the consistency. According to Nunally (1978), the acceptable alpha coefficient should be more than 0.7 Zikmund (2003), explained reliability as the extent to which measures are error free hence, consistent and similar results can be obtained across circumstances and in excess of time.

Descriptive analysis for this study is use to describe the characteristics of the sample including the demographic sample. Since working experience and age are continuous variables, the mean, standard deviation, maximum and minimum values will be used to describe these particular demographic samples. For categorical variables namely on job title, gender, race, marital status and employment status, frequency analysis is more suitable.

Similarly, the descriptive statistic analysis will check the mean, standard deviation, minimum and maximum values of all the HR practices and also the compliance with intention to leave. The frequency percentage of all samples can also be obtained.

Pearson correlation two tail statistical analyses will determine the correlation significant between all independent variables and the dependent variables. The strength association among variables could also be computed and investigated. Finally regression analysis is use to examine how much of the variance in compliance with intention to leave can be explained by all the HR practices.

The answer to which of these six facets of the independent variables in hierarchical subsequent is a better predictor of compliance with HR practices scores, could be worked out. The variance will be determined from R square value and beta coefficient will verify the contributors ranking.

3.10 Summary

This chapter has explained all the methodological factors involved to carry out this study. It explains on the research framework, conceptual and operational definitions of the framework, the instrument used, the population and samples involved, unit of analysis, the pilot study and the method of analyzing all the collected data.

CHAPTER 4

RESEARCH FINDINGS

4.1 Introduction

This chapter will analyze the data findings of the study. All data were analyzed using statistical package for the social sciences (SPSS) version 17.0 for windows to perform the statistical analysis. The data were examined with reliability analysis, descriptive analysis or sample background, correlation analysis, and regression analysis. Frequency analysis was utilized for analyzing the respondents' demographic characteristics such as age, gender, and employment status, marital status and job title. The findings also were used to test the hypothesis and the relationship between the Intention to leave and the Human Resources Practices.

4.2 Response Rate

Simple random sampling was employed as it could guarantee equal chances of population to be included in the sample (Zikmund, 2003). Total 169 questionnaires has issued and returned for the further examination.

4.3 Profile of the Respondent

Since working experience and age are continuous variables, the mean, standard deviation, maximum and minimum values was used to describe these particular demographic samples.

 Table 4.1

 Demographic Descriptive Statistic variables

Variables	Mean	Std. Dev.	Min.	Max.
Working Experience	1.62	0.58	1	3
Age	27.54	3.64	21	42

The table above indicated the overall summary of the descriptive statistical analysis for working experience and age. The mean rating for working experience variables are M = 1.62 SD = 0.58 and age mean rating M = 27.54 SD = 3.64. From 169 respondents, the least working experience is 1 year and the longest wo

The table above indicated the overall summary of the descriptive statistical analysis for working experience and age. The mean rating for working experience variables are M = 1.62 SD = 0.58 and age mean rating M = 27.54 SD = 3.64. From 169 respondents, the least working experience is 1 year and the longest worker in service is 3 years ranging from less than 1 year to more than 3 years. This shows that most of the workers are seniors and had a lengthy possession in this company.

Table 4.2

Frequencies of Demographic variables

Variables	Frequency	Percent	
Job Title			
Junior employee	72	43	
Senior employee	56	33	
Manager	27	16	
Senior Manager	6	4	
Senior Executive	8	3	
Gender			
Male	97	57	
Female	72	43	
Marital Status			
Married	56	33	
Separated	10	6	
Single	113	61	
Employment			
Contract	89	53	
Permanent	77	47	

Table above explained the present position, gender, marital status and employment status of the respondents.

Out of 169 respondents, 72 of them are junior employee and senior employee which representing 43 % of the total respondents; managers total up to 27 responders which representing 16 % of the total; senior managers are the lowest responders who representing 4% total up to only 6 people. While the total number of senior executives is 8 people which representing 3 % of the total.

Most of the respondents are female i.e., 72 of them representing 43 % of the total, and 97 are male workers who representing 57 %. Out of 169 respondents, 89 of them are contract staff and 77 are permanent staff who representing 47% which less 6% from the contract staff. Most of the respondents, where 113 people from the total of 169 are single which representing 61% and followed by 33 % are married.

4.4 Reliability Analysis

Table 4.3

Reliability test for independent variable (HR practices)

Variables	Cronbach alpha		
Internal career opportunity	.78		
Training	.75		
Result oriented appraisals	.85		
Employment security	.56		
Job description	.74		
Participation	.80		
Intention to leave	.60		

According to Nunally (1978), for internal consistency scales to measure the same underlying construct, the Cronbach alpha coefficient of the scale should be above 0.70. From the above table 4.3, all the 6 facets of independent variables and dependent variable having the Cronbach alpha coefficient of higher than 0.7; thus, they are all reliable items.

4.5 Descriptive Statistic of main Variables

Table 4.4

Descriptive analysis of main variables

Variables	Mean	Std. Dev.	Min.	Max.
Internal career opportunity	3.30	1.04	1.67	5.00
Training	3.82	.626	2.50	5.00
Result oriented appraisals	3.41	.538	1.67	5.00
Employment security	3.07	.516	1.33	4.67
Participation	3.71	.441	2.50	5.00
Intention to leave	2.96	1.03	1.00	5.00

The table 4.4 above gives details on the overall summary of the descriptive statistical analysis for all the 5 facets of independent variables (HR practices) and the compliance with intention to leave as the dependent variable. The mean rating for Internal career opportunity are M = 3.30 SD=1.04 with minimum value of 1.67 and maximum value of 5.00. Training variables' mean rating are M = 3.82 SD = .626 with minimum value of2.50 and maximum value of 5.Result oriented appraisals mean rating variables' are M = 3.41 SD = .538 with minimum value of 1.67 and maximum value of 5. Employment security mean variables' are M = 3.07minimum value of 1.33 and maximum value of 4.67. SD = .516 with The participation mean variables' are M = 3.71 SD = .441 with minimumvalue of 2.50 and maximum value of 5. Finally, the mean rating for compliance with intention to leave variables are M = 2.96 SD = 1.03 withminimum value of 1.00 and maximum value of 5.

4.6 Correlation Analysis

Table 4.5

Correlation coefficient among variables

Variables	ICO	TR	ROA	ES	PR	ITL
Internal career opportunity	1					
Training	.035**	1				
Result oriented appraisals	.0425**	.355**	1			
Employment security	.436	.126**	.553**	1		
Participation	090	.028**	.186*	.134	1	
Intention to leave	168*	.188*	052	577**	164**	1

^{**}Correlation is significant at the 0.01 level (2-tailed). N = 200

Notes: ICO (Internal career opportunity); TR (Training); ROA (Result oriented appraisals); ES: (Employment security) PR: (Participation); ITL (Intention to leave).

The table 4.5 above depicted the relationship between intention to leave (ITL) with the 5 facets of human resources variables. The strongest linear relationship was found exist between ITL and HR practices where r=.188. The positive correlation coefficient of .188 indicates that as the score of ITL increases so do the rating for human management practices. The second highest was found between ITL and Result oriented appraisals where r=-.052 and the correlation coefficient indicates that there was quite a strong negative relationship between both variables.

Next highest score was between ITL and participation where r=-.164. Relationship between ITL and internal career opportunity also indicate negative linear coefficient where r=-.168. Finally, the relationship between ITL and Employment security was negatively correlated where r=-.577.

4.7 Regression Analysis

Table 4.6Estimates of coefficients for the model

Model	Unstandardized Coefficients		Standardized Coefficients	Т	Sig. Value
	В	Std. Error	Beta	_	C
(Constant)	4.457	.598		7.458	.000
Internal career opportunity	090	.085	073	-1.058	.292
Training Result	.310	.104	.187	2.965	.003
oriented appraisals	.417	.088	.350	4.728	.000
Employment security	870	.084	743	-10.379	.000
Job description	302	.126	141	-2.403	.017

Notes: R = 0.693; $R^2 = 0.481$; Adj. $R^2 = 0.465$

The R-squared of 0.481 implies that the 5 facets of HR practices variables explained about 48% of the variance in the compliance with intention to leave. As depicted in table 4.6 on the previous page, the largest beta coefficient is 0.350 which is for the result oriented appraisals with intention to leave.

This carry the meaning of result oriented appraisals variable makes the strongest contribution to explaining the dependent variable (ITL). It suggests that one standard deviation increase in result oriented appraisals is followed by 0.350 standard deviation increase in ITL. The second highest beta value falls on the training 0.187 values. These two HRM practices predictor variables are lower than the alpha value of 0.05 thus they are all significant values.

The three lowest beta values indicated that both made the least contributions to the ITL variance are employment security which is -0.743, followed by job description -0.141 and internal career opportunity which is -0.073The R adjusted value when minus by R squared value resulting in .021; when converted to percentage, the output score is 2.1%. This value is less than 5%, therefore it shows that this study could be generalized to other population and can also be tested in other sector (Zikmund, 2003).

4.8 Summary

This chapter had presented the findings analysis of this current study. Data was analyzed using SPSS version 17.0.for Windows and captured the most applicable method of analyzing data including reliability test, descriptive statistic test, correlation test, and regression test. The discussion of the findings will be presented in the subsequent chapter.

CHAPTER 5

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction

This chapter discusses the findings obtained in the present study. The results of regression analysis, relating to each of the independent variables that were tested in previous chapter are examined to provide detailed explanation based on the analysis of the research data. Finally recommendation to management and HR practitioner as well as directions for further future research are presented.

5.2 Summary of major findings

The study on the intention to leave among Hotel sector employees in Klang Valley shows that the strongest contribution is result oriented appraisals. The result revealed that result oriented appraisal is the main factor among the employee because it is an indicator to fix their salary package and also provides them a lot of benefits (Delery& Doty 1996). The second greatest contribution falls on training and followed by participation. On job training attract more employees to stay longer in the organization because they would learn more and it will contribute a brightest career path (Lutchman, 2008). On the other hand, internal career opportunity, employment security and job description is the lowest contribution in these study. These variables are not taken into consideration because all the organization has an almost same structure and its not gives any extra benefits to the employee (Noe,2002).

5.3 Discussion

The findings of this study brings important indicators to the management that managing Human Resource practices in the company is crucial. This is also alerted that management should react towards the inspiration of the employees. The management should look into this findings seriously to achieve the organization long term objectives and to retain talent employees in the current market competitiveness.

5.3.1 Result oriented appraisals

According to Delery and Doty (1996) and Tsui et al. (1997) conceptualized result oriented appraisal as the degree to which employees' perceived that the employing hotels have conducted formal performance evaluations and feedback systems for the purpose of employees' control and development. From this research we found that there is a strongest significant relationship between results oriented appraisals and intention to leave.

A result oriented appraisals is important because it plays a formal review of employee performance. It's become the main indicator for the employee to choose their career for long term. This is because the performance appraisals discuss about the salary, promotion, transfer and also help the employee to plan their future development in the particular organization.

Performance appraisals play a direct connection with the employee's salary package. He or she who perform well in the organization are being rewarded in term of salary increment, bonuses on the end of year, allowances which motivate the employee to stay longer and become loyal to the company (Delery& Doty 1996).

The employee also receiving a time off award based on the result appraisals. This becomes very helpful to those who married and has kids. They able to plan their off days according to the children's schooling schedule (Delery& Doty 1996). With all these benefits the employee feels that there are in the comfort zone whereby they being fixed with all the needs. Its make them to retain in the organization longer even forever until their retirement age. At the same time, Heathfield (2007) also recommends including in a performance appraisal system, the following: schedule update and discussion meetings quarterly with each employee, make performance development planning meeting interactive, negotiate and agree upon goals for both business an employee development, and keep any assignment or discussion of employee compensation completely separate from the performance development planning meeting, which should focus on employee development and business development goals.

5.3.2 Training

Training is a planned initiative taken by the organization to impart the job knowledge and skills and also to modify the attitudes and behaviours of employee's in ways consistent with the goal of the organization (Noe, 2002). Training has a significant relationship with intention to leave. Training categorized as an important factor to retain an employee in a firm. The fresh graduate or the new comers become acquainted with the duties and responsibilities of his or her new position when the management focus on the training. It's being a good start for the graduates.

They being trained with all the latest products and promotions, new market trends, self development, and other trainings make them understand more on the sectors wants and needs. Training makes the employee become literate or expert in this sector, which make them to continue their career path in the same field (Hemdi & Nasurdin, 2006). They would like to stay because if they jump to other organization or sector they need to start all over again, and the salary package will not be attractive to them. The poor performers would like to stay longer in the organization because of the training.

Occasionally inefficient, ineffective or incorrect performance by an employee requires a change in the way an employee does something. Training may be the vehicle used to make this change easier. Specifically, on job training being very help to the poor performers.

By providing training to the poor performers rather than eliminate them, makes them to stay longer and satisfied with the job (Hemdi&Nasurdin, 2006). They believe that will being guided by the supervisor through training and being treated in a proper way when they need it. According to Chew & Chan 2008, an area where training may be used is in the enhancement of job specific skills.

Another area of focus for training is in the correction of deficiencies in job performance and development that may be provided to employees with abilities the organization might need in the future.

Sheng, 2003 argues that dearth of proper training may lead to poor job performance, which in turn cause higher job turnover rate. Organizations, which have realistic understandings regarding the essence of training, have a lower job turnover rate and a higher success ratio. Contradict to these findings, some researchers argued that training and development affect job satisfaction and organizational commitment, which in turn affect staff retention

5.3.3 Participation

Participation in decision making to all employees has opportunities to be involved in work related decision making and to voice their opinions. They will also be more informed about how and why the organization is doing the things it does (Tett and Meyer 1993).

There is a significant relationship between participation and intention to leave. Participation was defined as joint decision-making or as influence-sharing between supervisors and subordinates. The employees feels comfort and satisfied when then involve directly in the organizational goal and task strategy formulation. The employee feels that their participation is being one part of the organization's achievement. The employee being very committed to the work when they given more change to participate and to voice out their opinion. They feel the important of their participation in the firm.

The employee chooses to be in an organization longer when the communications becomes more open and transparent and enrichment of decision-making processes (Tett and Meyer 1993). These reduce the conflict, uncertainty, and also ambiguity between the employees and employer. The chance to leave the organization is very less when each and every employee has a good communication with their supervisors even with the management.

5.3.4 Job Description

Job description referred to the extent to which jobs were clearly and precisely defined. The duties of this job are clearly defined. This job has an up-to-date job description. The job description for this job contains all of the duties performed by individual employees (Delery& Doty,1996).

There is no significant relationship between Job Description and intention to leave. Job description is not viewed as an important factor to stay or to leave the organization. Job description is important to the employer and also organization but not to the employee. Other perspective such as salary, working location, transportation is given highest priority by the employee to choose their job or career.

An individual be become an efficient employee when he familiar or good at all the perspective as stated in the job description when the employee wants to decide to stay longer in an organization. The job description does not give any direct advantage to the employee and they are also not getting anything in term of pay, bonus, and also other benefits such as free vacation, time off even the employee become more familiar or good at all the perspective as stated in job description(Foon, Leong &Osman, 2010).

Most of the time the employee or staff must follow the instruction and perform any other related duties managers. However, the job description will not be given greater weight than other relevant evidence. Even employee goes extra mile on the duties alike stated in job description, he or she not getting pay on that. They are fixed to the basic salary and there are no evaluation based on the job description.

5.3.5 Employment Security

Job insecurity can be conceptualised as the overall concern about the future of one's job (De Witte, 2000). There is no significant relationship between employment security and intention to leave. Employment security does not mean that the organization retains people who don't perform or work effectively with others.

Employment security makes very high turnover for employees on the job, because the employee does not as the employee don't fit in the organization's culture and work environment leave. Employment security is one of the factor which is not considered by the employee to when they choose their career. They give more important to other factors such as salary.

Particularly, in these Hotel industries the employee knows on the stability of the sector and there are wider chances in other organization if they are fired. They willing to jump from one to another organization within the same sector according to the pay level because the chance to shut down the company is very less. The policy focuses on maintaining total employment, not on protecting individuals from the consequences of their individual behaviour on the job. Providing employment security in today's competitive world seems somehow impossible and very much at variance with what most firms. According to Mauno, Leskinen & Kinnunen, 2001, job insecurity is a chronic job stressor which impacts on the well-being of employees.

Employees who experience job insecurity are less supportive of organisational goals and do not make an effort to deliver quality work (Greenhalgh & Rosenblatt, 1984; Sparks, Faragher & Cooper, 2001). Employee job insecurity has a detrimental effect on the organisation (Holm & Hovland, 1999). Holm and Hovland (1999) pointed out that job insecurity results in an increased employee turnover rate. Leaving the organisation in search of more secure career opportunities is common among employees who feel insecure about their jobs (Ashford, Lee & Bobko, 1989). This appears to be true, especially among high performers who typically have an easier time securing new employment.

5.3.6 Internal career opportunity

The relationship between internal career opportunity and intention to leave is not significant because an employee will not consider the internal opportunity when he or she chooses their job. In most of the organizations, only current full and part-time benefits eligible employees and their spouses and partners may apply to internal vacancies. This may not attract the employee to stay in an organization for longer period. If the salary package is not attractive and employee being transfer from one department to another internally, it will not encourage the employee to stay longe, Tett and Meyer (1993).

The employee willing to stay in the same department as long as he or she satisfied with the current package even the organization does not provide and internal vacancies to their employees. The internal career opportunity viewed as a minor factor when the employee chooses to stay in an organization. This being the one of the main reason why the employees decided to quit.

5.4 IMPLICATIONS

These finding has important implications to Human Resources managers with respect to the implementation of any type of human resources practices within the service sector. The finding has also revealed that the human resources practices are should take into consideration to faced with certain situation. By taking care of certain human resources practices, it will be able to motivate employees and in return it also will help to reduce the total percentage of quitting among the employee. There are theoretical and practical implication s, discuss as follows;

5.4.1 Theoretical Implications

Basically, this study is able to contribute to the service sector as hotel on how to improve the leaving or quitting among the employee. The finding of this study revealed that result oriented appraisals, training and participation influenced the intention to leave the most in the context of the Hotel industry. It is true that the notion of result oriented appraisals, training and participation having a significant relationship with intention to leave.

The implication of this study suggested that there is a need to have further studies done solely on the Hotel industry; analyze on it and evaluate in order to increase the percentage of retention where there are only studies been done in product base industry. It is also hoped that this study will pave the way for other similar studies to be done, thus increasing the factors involved by helping to establish causal

relationships between the factors involved, be it personal or organizational factors with intention to leave.

5.4.2 Practical Implications

On the other hand, practical implications may be more significant in applying the findings of this study. Having close correlation between the performance appraisals and intention to leave. The organization should give employees some form of performance appraisals training as they enter the organization.

Furthermore, it should be thought about implementing regular feedback-checks with regard to performance appraisal. This is especially important before developing and implementing a new component. Otherwise one learns not until it is in practise that money and time spend were actually useless. Such negative after-effects could be overcome with the help of surveys, good ideas and suggestions could be gathered and employees feel that the target organization attaches great importance to their opinion.

Thus, the quality of the performance appraisal and the acceptance of its users could easily be improved. The organization should be more focus on training and participation too to retain the employee's or to make the employees to stay longer.

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well.

Each employee contributes to an organization's overall function. Only, not everyone sees how that occurs. Employees with specific and limited scope jobs can easily come to feel they are just a cog in the wheel whose work may not be that important. Training can help employees understand how their work fits into their company's structure, mission, goals and achievements.

Training is given on few basic grounds such as a newly join candidate are given training to familiarizes them with the organizational mission, vision, rules and regulations and the working conditions. In the same time the existing employees are trained to refresh and enhance their knowledge. The employee's are also will be updates on the all the amendments which take place in technology, new products, promotions to cope up with those changes.

When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job. Employees often know as well or better than managers when their work, processes or productivity could be better. In many cases, employees are missing the tools, education or organization to achieve their potential. Training particularly for departments, workgroups and teams will be much helpful to get things on track and to improve the work quality and outcomes.

As a result, people feel happier in their work and more excited about the prospects of success

Training also helps employees realize their goals by giving them the education they need not only to do their jobs better but to learn about new aspects of business and even higher-level managerial skills they can use down the line. On the same time training also can be classify as an investment by the employers make in their work force. When companies offer training and education to their employees, they indicate that they value their people and the contributions they make. They also send a message that the organizations values progress, the organizational achievements as well in the careers of its people. Naturally, this creates attachment, loyalty and enthusiasm among staff. As a result, employees can become more motivated and excited about their work as they understand how what they do matters to the success of the organization.

Employee participation refers to work structures and processes that allow employees to systematically give their input into decisions that affect their own work such as continuous improvement within their teams, formal quality of work life, and labour management problem solving efforts. According to Jones, Kalmi, & Kauhanen, 2010, employee participation increased employee productivity across industries, even for low-skilled employees that do routine tasks.

In certain organization employee involvement programs are long term investments, but one that leads to increased plant performance over time. On the same time employee participation also improve the employees attitude regarding work, and leads to employee creativity, empowerment, job satisfaction, commitment, and motivation, as well as intent to stay. In order for an employee involvement process to be effective, there are few things need to be present by the employer such as, Employees need to be given the authority to participate in substantive decisions, Employees need to have the appropriate decision-making skills and also Incentives to participate (whether implicit or explicit) must be present. As per result this will motivate the employee to be loyal to the organization as well as there are no intention to leave.

5.5 Limitations

There were many researchers have been conducted on HR practices in relations to intention to leave. However, from the researcher's knowledge there was no research on HR practices in relation to intention to leave, particularly in hotel industries.

Other than the six variables that have been discussed in this study, researcher believes that there were many other HRM practices factors that may contribute to employee intention to leave or quit. Factor such as supervisor's support, level of job stress, job motivation, and the economic impact may also become the potential factors to contribute to the employee intention to leave which is not covered in this study. This study is only focusing on one department as they became the main contributor in hotel industry. The overall organization who are supporting the organization's vision and mission achievement, due to time limited they were not included in this study.

5.5.1 Future studies

Based on the literature review on human resource practices and intention to leave, six facets of human resource practices were used as independent variables of this study, while intention to leave was used as dependent variable.

However there are many other variables such as safety and health management which may also influence the relationship between these two variables, but was not included in the study. Therefore future researchers should include the variables in their attempt to study HRM practices. From the scope of study discussed in chapter 1, this research only executed in one particular Hotel company. Future researcher may examine the relationship between HRM practices and intention to leave for other organization in service industry. This can produce a vast view on the HRM practices in service sector.

5.6 Conclusion

The commitment of any organizations and firms is to achieve the higher productivity whereby the employees as functioning organizational system. The idea that motivated and committed workers are the essential condition for accomplishing the organizational goal. The human resource management practices or HRM practices have to be addressed in this position, in order to examine the behavior and performance of the employees. This research saysthat the certain human resource management practices create the favorable approach on the job retention which will be explicated reversely on the turnover. Three main variables of HRM practices namely performance appraisals, job training and employment security have play a crucial role to retain the employees.

The positive relationship between HRM practice and intention to leave provide a wisdom way on how an organization could retain employees longer. In addition, the negative relationship of HRM practice and turnover is clearly enlighten the important of improve their performance, training, and employment security in order to reduce turnover rates of employees. Besides, performance appraisals are directly effect on turnover with negative relationship. Thus, the organization needs to take a consideration about the performance appraisals apply HRM practice in the workplace in order to reduce turnover and gain the organization goals.

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