



UNIVERSITI PUTRA MALAYSIA

**FACTORS ASSOCIATED WITH THE INTENTION-TO-LEAVE
AMONG FAST FOOD WORKERS IN THREE SELECTED CITIES,
MALAYSIA**

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By

AZLINZURAINI BINTI AHMAD

**Thesis Submitted in Fulfilment of the Requirement for the Degree of
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June 2001



Abstract of thesis presented of Senate of Universiti Putra Malaysia in fulfilment of the requirement for the degree of Master of Science.

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Faculty: Agriculture

Fast food workers' competence is important in ensuring fast food efficient services. High employee turnover could inhibit the growth of the fast food industry. It was reported that 'others' sector in the 1999 Malaysian Economic Report, which included restaurants contributed 23.1% of new job vacancies annually. Therefore, it is of vital importance for managers and employers to identify and understand the factors which enhance the intention-to-leave among workers in the fast food sector.

The general objective of this study is to identify and analyse factors contributing to the intention-to-leave among Malaysian fast food workers. Specifically, it aims to identify the individual characteristics, the level of job satisfaction, the level of respondents' knowledge about alternative job opportunities and the respondents' levels of intention-to-leave; and to determine the relationships of research variables, namely the individual characteristics, alternative job opportunities, job satisfaction with the intention-to-leave.



A survey was conducted in Kuala Lumpur, Johor Bahru and Penang by using a validated instrument (questionnaire). The questionnaire comprised of three major parts which consisted of the profile of respondents, job satisfaction and intention-to-leave. A slightly modified version of the 72 items of Job Descriptive Index (JDI) and the 4-questions from Hunt *et al.* (1981) were used as measurements in the questionnaires. A total of 284 valid responses was obtained. Frequencies, descriptive and regression analysis were used in analysing the data.

The findings of this study reveals that the individual characteristics, alternative job opportunities, and job satisfaction were important factors in causing the intention-to-leave to rise among the respondents. The results also indicates that the factors job satisfaction, full-time workers, respondents' salaries, and higher salary offered by other industries were highly significant.

Based on the findings, the full-time workers tend to stay longer on their jobs as compared to part-time workers. Therefore, to reduce the rate of turnover, the industry should take in more full-time workers and perhaps provides them better salary and benefits. The industry should also conduct job analysis and employees' appraisals frequently to monitor job satisfaction levels of the workers. So that, appropriate and timely actions can be taken to reduce the turnover rate.



Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains.

**FAKTOR-FAKTOR BERHUBUNG DENGAN HASRAT UNTUK
MENINGGALKAN ORGANISASI DI KALANGAN PEKERJA-
PEKERJA RESTORAN MAKANAN SEGERA DI TIGA BANDAR
TERPILIH, MALAYSIA**

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Keupayaan para pekerja restoran makanan segera amat penting di dalam memastikan kepantasan dan kecekapan perkhidmatan. Pusing-ganti pekerja yang tinggi boleh menghalang perkembangan industri makanan segera. Laporan Ekonomi Malaysia 1999 melaporkan bahawa sektor 'lain-lain' yang turut mengambilkira industri restoran telah menyumbangkan 23.1% kepada kekosongan jawatan baru setiap tahun. Oleh yang demikian, adalah amat penting bagi para pengurus dan para majikan untuk memahami dan mengenalpasti faktor-faktor yang boleh meningkatkan hasrat untuk meninggalkan organisasi oleh pekerja-pekerja di sektor makanan segera.

Objektif umum kajian ini adalah untuk mengenalpasti dan menganalisa faktor-faktor yang menyumbangkan kepada hasrat meninggalkan pekerjaan oleh para pekerja makanan segera di Malaysia. Secara khususnya, kajian ini bertujuan untuk menentukan ciri-ciri individu, tahap kepuasan kerja, tahap pengetahuan



responden tentang peluang-peluang pilihan pekerjaan, dan tahap hasrat untuk meninggalkan organisasi dan, perkaitan-perkaitannya di antara angkubah-angkubah kajian seperti ciri-ciri individu, peluang-peluang pilihan pekerjaan, tahap kepuasan kerja, dan hasrat untuk meninggalkan organisasi

Satu bancian (survey) telah dijalankan di Kuala Lumpur, Johor Bahru, dan Pulau Pinang dengan menggunakan instrumen yang telah disahkan (borang soal selidik) Borang soal selidik tersebut mengandungi tiga bahagian utama iaitu profil responden, kepuasan kerja dan hasrat untuk meninggalkan organisasi Tujuh puluh dua perkara daripada Indeks Huraian Kerja (JDI) yang telah dibuat sedikit pengubahsuaian dan 4 soalan daripada Hunt *et al.* (1981)

sebagai pengukur di dalam borang soal selidik tersebut Sejumlah 284 yang lengkap telah diperolehi Analisis frekuensi, diskriptif dan regresi telah digunakan dalam penganalisan data

Penemuan-penemuan di dalam kajian ini mendedahkan bahawa ciri-ciri individu, peluang-peluang pilihan pekerjaan dan kepuasan pekerjaan adalah faktor-faktor penting yang menyebabkan hasrat untuk meninggalkan organisasi meningkat di kalangan responden Keputusan kajian ini juga menunjukkan bahawa faktor faktor seperti kepuasan kerja, pekerja sepenuh masa, gaji responden dan tawaran gaji lebih tinggi oleh industri-industri lain mempunyai perkaitan yang rapat dengan hasrat untuk meninggalkan organisasi

Berdasarkan penemuan penyelidikan ini, pekerja sepenuh masa didapati lebih cenderung untuk bekerja dalam jangka masa yang lebih lama dengan organisasi mereka jika dibandingkan dengan pekerja separuh masa. Oleh itu, industri dianjurkan agar membuka lebih banyak peluang kepada jawatan pekerja sepenuh masa bagi mengurangkan kadar pusing-ganti pekerja. Adalah diharapkan agar industri turut menawarkan gaji dan faedah-faedah yang lebih baik kepada mereka. Industri juga seharusnya kerap menjalankan analisis pekerjaan dan penilaian pekerja untuk memantau tahap kepuasan pekerja. Dengan itu, tindakan semasa yang sewajarnya dapat diambil untuk mengurangkan kadar pusing-ganti tersebut.



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CHAPTER 1

INTRODUCTION

1.1 Job Satisfaction, Motivation and Labour Turnover

For many decades, people around the world have developed a study on job satisfaction in many areas of the industry, and it is a famous field in studying employees' attitudes. This study is very essential in understanding employees' feelings about their jobs and it aids in improving quality and productivity of certain organisations. Fishbeine and Ajzen (1975) reported that the attitude-behaviour relationship has been investigated for many years.

The central idea of job satisfaction study is that a happy worker indicates a high level of job satisfaction and he or she would be a productive worker. Higher productivity would lead to the increase of payment for employees and organisational effectiveness for employers. An employer sets up a company to run a business and thus provides job opportunities for other people. A person who works for an employer is called an employee. Employees do their jobs in order to get paid by their employers who in turn rely on them to generate their business.

Thus, understanding employee job satisfaction is very important for every organisation, especially in a service-oriented business. In this kind of business,

the interactions between the employees and customers are very important as employees will have to face the customers in order to provide services, products, or both, at the same time

Previous studies on job satisfaction show that motivation is the key ingredients of employee's performance and productivity. Motivation refers to the forces felt by an employee, which affects his work value towards a better performance. Motivated employees normally indicate that they are satisfied with their jobs and tend to do their jobs effectively. Lam (1995) in his review on empirical studies of job satisfaction found that working conditions that help in attaining interesting work, reasonable workload, pay and promotions, and minimising the role conflict and ambiguity, lead to job satisfaction. Furthermore, we can measure the level of job satisfaction by using motivator factors to determine the employees' feelings on their jobs.

Many studies have proved that low job satisfaction is related to intention of leaving the organisation and it is a major indicator to employee turnover. There are many reasons that contribute to this final decision of leaving the organisation such as dissatisfied with payment, the working environment, supervision and co-workers. All the internal and external factors of motivation can lead to the intention-to-leave action. This respond lead usually to a high rate of employee turnover in many industries, especially hospitality and food service.

Weinstein (1994) reported that the annual turnover rate of food-service industry was reaching 300%. Go *et al.* (1996) stated in general, that the hospitality and tourism industry suffers from relatively high employee turnover. Hence the researchers defined that hospitality industry comprises a complex network of organisations, designed to provide a variety of services to the travelling customers. It includes restaurants, hotels, conference centres and marinas. Fast food restaurants were designed to meet its objectives by serving food in a short time and Royle (1999) also stated that the fast food industry was well known for its high level of employee turnover.

1.2 Fast Food Industry

Fast food is a well-established alternative chosen by most of the people in their diets. The fast food concept was commercialised by North American chains of fast food and was described by Euromonitor (1986) as fundamentally a US concept. The basic concepts of modern fast food revolves around convenience and speedy service that are, the food must be prepared in the shortest time possible and served as fast as possible. Hence, consistency and standardisation in operations are also the key features of fast food chains.

Ball (1992) defined fast food chain as more than one restaurant or outlet normally owned by a company and marketed on a corporate basis. Normally, it is typically a modern fast food operation using high-technology operation, produced standardised products and, designed procedures and schedule system

in work. Modern operations usually offer a combination of eat on-the-premises, take-aways, drive-ins and home-delivery service types.

Furthermore, Ball (1992) categorised pure fast food operations into two types of concepts, which are modern fast food and traditional fast food operations. The traditional fast food concept is defined as mostly owned by individual proprietors and ran as small single units. Low capital costs, the use of family labour and the no-necessity for qualifications are the key factors in aiding entries into such operations. Normally, this type of concept uses simple technologies and makes little use of marketing techniques.

Malaysian Department of Statistics defines fast food restaurants as shops serving 'fast food', a relatively recent introduction from the West. The shops serve food and drinks both for consumption on the premises as well as "take-away". They usually operate mainly on a self-service basis. Some of the examples of the types of food sold include hamburgers, fried chickens, French fries, hot dogs, pizzas and spaghetti. This Department also categorises any restaurant selling similar food and operating on similar principles should be included in the fast food concept. This classification has been identified as a kind of business including coffee shops, bars, pubs, lounges, karaokes, restaurants, food or food and drinks, stalls, drink stalls, cafeterias, cafes, canteens, and catering services.

The development of modern fast food chains in Malaysia started back in the year 1969 when A&W established its first restaurant in Malaysia. Since then,

consumers' acceptance of fast food concept has been on the upward trend (Azniza, 1997). A report done by the Malaysian Department of Statistics in a survey on fast food industry in the year 1993 shows that the industry contributed the highest average sales value per establishment or outlet at RM1.1 million compared to other kinds of catering business. This proves that there is a high acceptance of fast food concept among Malaysian consumers.

The trend of eating out among working parents and their children has been widely spread especially living in the city. A fast food restaurant is one of the places which usually chosen by customers to eat in. This factor contributes to the growth of fast food chains in big cities in Malaysia such as Penang, Johor Bahru and Kuala Lumpur. The Survey of Wholesale And Retail Trades and Catering (1993) reported that the highest establishment number of catering business type including fast food restaurants is in the urban area compared to the rural area. This can be seen in Table 1.1. The high population of people in the urban areas also causes the high growth of fast food chain as there are many job opportunities offered in those areas

Table 1.1: Distribution of catering establishments in urban and rural areas by state, 1993

State	Urban	Rural
Johor	5,918	3,634
Penang	5,681	831
Kuala Lumpur	8,644	-
Malaysia	54,590	26,544

In addition, the high acceptance of fast food concepts among consumers really aids in the rapid development of fast food chains in Malaysia. Eventhough the high-profile multinational chains have been at the forefront of our fast food industry development, this sector has contributed to the government revenues, economic growth and employment. With the increase in the growth of fast food chains, subsequently requires more workers who are skilful and familiar with the way to serve customers especially dealing with the counter service.

According to the Malaysian Economic Report (2000), the 'wholesale and retail trade, hotels and restaurants industry' represented the second largest contributor of the total new jobs created with 36,000 new jobs (19.4%). The strengthening economy in 2000 has improved employment prospects after a few years of slow growth in demand for labour and of sizeable retrenchments. It was stated that total labour force would expect to expand by 2% to 9.194 million persons (1999:

9.01 million persons). The unemployment rate was expected to decline further to 2.9% for the year 2000.

The latest report from the Department of Statistics in its Web Pages which was last updated on 26 June 2000, indicated that the number of employment rate was increasing from the period of September 1999 until March 2000. This can be seen in Table 1.2. Mid-year Malaysian population also indicated an increment from 22.71 million in the year 1999 to 23.26 million in the year 2000. These factors show that they are good signs for economic recovery. The Economic Report (1999) predicted that the 'wholesale and retail trade, hotels and restaurants industry' would face a positive impact in the year 1999 with the recovery of local demand tourist activities. The Government's efforts in boosting the tourism industry by giving two alternate Saturday off for civil servants and several campaigns to attract foreign travellers were expected to further generate demand for the hotel and restaurants industry. Hotel occupancy rates improved to 54% in the first half of 2000 in Kuala Lumpur. In addition, the Malaysian employment in this industry also predicted to increase further by 5.9% for the year 2000.

Table 1.2: Distribution of Malaysian employment by period

Employment	1999 September	1999 November	2000 March
Total Labour Force ('000)	9,206.8	9,286.7	9,594.9
Employed ('000)	8,937.3	9,010.3	9,303.2
Unemployed ('000)	269.5	276.3	291.7

People in the group of aged 20-24 showed the largest group of job seekers (43.9%) in Malaysia, and there was an increment of 10.6% to 37,315 job seekers at the end of July 1999. Employment market indicated a good recovery with a number of new vacancies reported to the Department of Labour Force. It has increased by 23.8% to 57,214 vacancies. Eventhough the Malaysian Economic Report (2000) stated that the total number of active job seekers which registered in the first seven month of 2000 was declined by 2.5% to 36,380 persons, the number of job vacancies (69,769) still outweighed job seekers by almost 2:1. This probably may be attributed to the growth of turnover problems among labour force because 7,321 job seekers or 20.1% were reported as those who already in employment but seeking better job opportunities.

In service-oriented business, however fast food crews have to give good services other than good products. This is to satisfy customers' needs. According to Mattila (1999), cultural factors might have caused greater influence on consumers' evaluation of service than on their evaluation of tangible goods.



Crews are very important in this sector because they are dealing with the customers. Thus, employment issue in fast food operation has to give serious attention since efficient operations and fast service solely depend on them rather than good management level. This study was actually trying to measure job satisfaction levels among fast food workers in Malaysia in order to find factors affecting intention-to-leave. This study could aid the understanding of the management people towards the high rates of employee turnover problem.

1.3 Employment in Fast Food Operations

According to Johnson (1992), the basic division of staff in a fast food restaurant comprised two major groups namely managerial staff and “crew” members. Normally, there is one member of the management team for every five to seven crewmembers. Consequently, the normal outlet would have a management team of five or six controlling a crew of approximately 30 to 35. Normally, modern fast food outlets will be staffed with a mixture of senior managers, junior managers and crewmembers. This can be clearly seen in Figure 1.

Royle (1999) reviewed the hierarchy of McDonald’s restaurants in UK and Germany. In his review, he realised that the majority of employees were called the “crew”. Crew’s jobs are fragmented into different station and according to Johnson (1992), the crewmembers could be split into front-of-house and back-of-house staff. The front-of-house workers are those whom the customers see, meet and interact with. In fast food, they are known as the service or counter