

Explaining Generation-Y Employees' Turnover in Malaysian Context

Abdelbaset Queiri¹, Wan Fadzilah Wan Yusoff¹ & Nizar Dwaikat¹

¹ Graduate School of Management, Multimedia University, Malaysia

Correspondence: Abdelbaset Queiri, Persiaran Multimedia, 63000 Cyberjaya, Selangor, Malaysia. E-mail: basset11519@gmail.com

Received: September 22, 2014 Accepted: December 26, 2014 Online Published: April 20, 2015

doi:10.5539/ass.v11n10p126

URL: <http://dx.doi.org/10.5539/ass.v11n10p126>

Abstract

Among the various speculation published in media reports about the reasons why generation-Y workforce in Malaysia changes job frequently include dissatisfaction with pay and fringe benefits, seeking work-life balance, perceived status work-values fit, normative commitment, perceived availability of alternative job and job hopping. This study aims to empirically justify or refute some of the anecdotal information about generation-Y employees' decision to leave an organisation in the context of Malaysia. Using structural equation modelling with a sample size of 150 respondents, this study revealed that satisfaction with payment and fringe, perceived availability of alternative job and job hopping are significant to generation-Y employees' intention to quit. Additionally, normative commitment as part of employees' loyalty is insignificant to generation-Y employees' intention to quit. This study provides implication to human resource (HR) managers that generation-Y employees' intention to quit may not be entirely due to HR strategies. Instead, cultural and economic factors play an important role in such decisions. However, there are other reasons that are widely held about generation-Y employees' intention to quit, which may not be held true or empirically validated. Lastly, normative commitment does not influence their intention to stay or to leave an organisation, as their loyalty is to their personal lives.

Keywords: generation-Y employees, intention to quit, pay and fringe benefits, work-life balance, status-work-values-fit, normative commitment, job hopping

1. Introduction

Employee turnover continues to be a perpetual issue in any organisation. However, this issue has been described as being unprecedented and acute within the latest group of employees entering the workforce, the generation-Y (Yusoff, 2013; Sujansky & Ferri-Reed, 2009). The high turnover stemming, particularly from generation-Y employees, has been the concern of HR managers within the Asian Pacific region; Malaysia is among them in highlighting this issue in its major newspapers (*New Strait Times*, *The Star* and *The Edge*, among others) and to convey the HR practitioners' concerns that the turnover among this group is becoming prevalent.

To further highlight the extent of turnover among generation-Y employees, several surveys reported that generation-Y employees in the Asian Pacific region have the shortest job tenure compared with other generational workforces (i.e., generation-X and baby boomers); generation-Y employees have eighteen months of average job tenure, compared to 4 years for the other generational workforces (Sheahan, 2008).

The issue of the increased job mobility among generation-Y employees is not only problematic to the organisational effectiveness, in terms of the incurred financial and non-financial costs associated with a high turnover rate; but more importantly, posing a threat to the economic growth of the country in several different ways. As statistics show that Malaysia's youngest employees have been immigrating to neighbouring countries. Approximately three hundred thousand of them belong to the generation-Y workforce, and have immigrated to different countries with approximately 62% of those immigrants are absorbed by Singapore and Australia. Most of these immigrants were once employed in Malaysian organizations (Choong et al., 2013). Such a trend of immigration will inhibit the economic growth in the long run, since generation-Y employees constitute over 50% of the total workforce (Malaysian Statistical Department, 2011).

Generation-Y employee's turnover becomes more problematic in the context of Malaysia, as the country is encountering the issue of talent crunch, or alternatively called the shortage of talents (Downe et al., 2012). During the last few years, most job positions remained unfilled due to the absence of qualified candidates who lack the required technical skills rather than attributing unemployment to the economical shrank (Manpower,

2012). This impeding shortage of technical skills and qualified candidates to fill specific positions have increased management's effort to retain their talented employees.

Given the issue of generation-Y employee's turnover, with its detrimental consequences on organisational effectiveness and the overall economy, several HR practitioners have attempted to address this issue based on subjective opinions that stem from their own expertise. They had prolonged interviews with major newspapers identifying the reasons and how to possibly overcome the situation from an HR perspective. Since generation-Y employees are the latest workforce group, many of their characteristics, preferences and what influence their attitudes and behavioural intentions are speculative in nature and regarded as an uncharted territory.

Although anecdotal information describing generation-Y employees' attitudes and their reasons to quit are countless, such anecdotal information does not fulfil any scientific inquiry (Kim et al., 2009). In Malaysia, there is a need for sound empirical justification in order to confirm or to refute the reasons behind generation-Y's intention to quit that has been widely believed and circulated in the media (Angeline, 2011; James et al., 2008).

This study, being the few that attempt to empirically verify the antecedents of intention to quit among generation-Y employees in the Malaysian context, distinguishably focuses on major themes that are deemed to be behind generation-Y employee's turnover that have been propagated in the media and shared by HR expertise. These themes have not substantiated in the literature as the causes of generation-Y employee's intention to quit. The themes are economical in nature, culturally related and due to the organisational inappropriate strategies. For instance, as part of economical themes, pay and fringe benefits and the availability of alternative jobs enabled by the remarkable and resilient growth were considered to be major reasons of generation-Y's turnover, as explained in The Star newspaper, under the title of *why job-hoppers hop?* (Gohlisagoh, 2012).

Apart from the economic factors, the same article of *why job-hoppers hop?* Suggested based on HR expertise, that generation-Y's turnover could be an entirely cultural decision that irrespective of good HR practices, turnover still occurs. Such theme is referred to as job hopping (Khatri et al., 2001). Besides, there is a strong belief that this group of employees is not loyal to their organisations and any tempting offers will lead to their resignations. They are the group of employees who are loyal to their own lives and not to their organisations (Solnet et al., 2012; Twenge et al., 2010). In this context, loyalty is expressed in terms of normative commitment that a person develops an obligation to their work, and hence, continues membership in their organisation. Such an attitude is formed during their formative years, and is highly influenced by the norms and what this group has been exposed to during the formative years.

Additionally, other views believe that organisational level strategies are inadequate for the retention of generation-Y employees, given their distinctive characteristics. Generation-Y employees prefer and desire different aspiration at the workplace that guide and direct their attitudes and behavioural intentions (Twenge & Campbell, 2008). In this regard, two themes are discussed, namely: availability of work life-balance and the perceived status-work values fit, since these two dimensions have been emphasised as some of the most preferred aspects at workplace, hence, they could be major causes of turnover intention among generation-Y employees at the organisational level (Twenge, 2010).

In view of the limitation of anecdotal information pertaining to generation-Y employees' turnover and to the relative economic benefits in retaining them, this study seeks to provide an empirical justification for the reasons behind generation-Y employee's intention to quit, giving specific attention to satisfaction with pay and fringe benefits, availability of work-life balance, perceived status-work-values fit, normative commitment, perceived availability of alternative job and job hopping, as reasons for generation-Y employees' turnover. Thus, it would become more feasible to tailor specific HR strategies to retain them by first identifying their reasons for intending to quit.

2. Literature Review

2.1 Generation-Y Workforce

The generational theory maintains that, as cohorts of individuals are born into a particular political and social moment, they will eventually develop unique values, belief systems, and peer personalities, resulting in patterns strong enough to support a measure of predictability (Howe & Strauss, 2007). Events can include major political events or threats, socio-economic transitions, industry trends, unemployment rates, and feelings of scarcity or security (Macky et al., 2008). Additionally, family rearing practices and compelled messages received by the different cohorts have an influence on shaping their expectations, values and developing their personnel traits (Sausser & Sims, 2012).

The current workplace in Malaysia consists of three different cohorts, namely, the baby boomers, who were born

between the years 1946 and 1964, the generation-X, who were born between the years 1965 and 1979, and generation-Y, or interchangeably coined as GenMe, Millennials and Generation Next (Lamm & Meeks, 2009).

It would not be expected that the generational workforce will have absolute differences in what they value, or expect, from the workplace (Markert, 2004). However, Twenge and Campbell (2008) argued that, even if the differences in work values are limited, they still require the management's attention.

The literature is inconsistent with regards to when generation-Y starts or ends. Nevertheless, there is a general consensus that a generation is born within a same time span of two decades. It is perceived that during the two decades, fundamental life events are experienced at the developmental stage. Besides, two decades are deemed sufficient to notice a decline in birth rate in generation-X, which signifies the start of a new generation (Angeline, 2011). In this study, generation-Y could be defined as those who were born from 1980 to 2000 (Hess & Jepsen, 2009). This definition of generation-Y's birth range is approximately compatible with the classification given by the Department of Statistics in Malaysia, as the first classification ranges from 15 to 34 years old.

2.2 Research Model and Hypotheses

2.2.1 Intention to Quit

The intention to quit is defined as willingness, attempt, or desire to leave the current workplace voluntarily. It is further defined as the intention of an employee to terminate his/her organisational membership (Hassan, Akram, & Naz, 2012).

The intention to quit is found to be a strong indicator of the actual quitting behaviour, as several studies found a strong weighted average correlation between the intention to quit and actual quitting (Firth et al., 2004). According to Price (1997), the intention to quit is the strongest predictor of the actual behaviour of turnover, as the attitude theory posits that the best single predictors of one's behaviour is a measure his/her intention. In addition, most researchers adopted the intention to quit as an indicator of the actual quitting behaviour, due to the absence of the actual turnover rate. Sometimes, the turnover rate is treated confidentially (Moynihan & Pandey, 2007). Also, measuring the intention to quit instead of actual quitting is more practical from a researcher's perspective, since there is a small chance to communicate with employees after quitting for understanding their prior situation (Firth et al., 2004). Thus, this research sets the intention to quit as a predictor instead of actual turnover.

2.2.2 Satisfaction with Pay and Fringe Benefits

The values fulfilment theory propounded by Locke (1976) who proposed that job satisfaction arises as a result of the comparison of what employees value at work and what has actually been supplied by organisations. In this aspect, work values serve as the basis to judge a situation at the workplace, and unmet work values could result in either job satisfaction or dissatisfaction. Further, Chatman (1989) concluded that the congruity between employees' work values and the communicated organisations' work values has a direct influence on employees' job satisfaction.

Guided by the principle that employees' attitudes are shaped by what they value at workplace, generation-Y employees are found to be of a different paradigm (Lee et al., 2012). From the perspective of generational theory, each generation is exposed to particular life events that shape their preferences for certain work values; these particular life events are influential during the formative years (Twenge & Campbell, 2008).

Twenge (2010) provided a comprehensive review of the differences among three generational workforces; the review suggests empirical evidences on the increased preference for extrinsic rewards among the generation-Y workforce. Particularly true in Malaysia, Lee et al. (2012) concurs that extrinsic rewards are more favourable to generation-Y. Extrinsic rewards are the tangible rewards, such as salary and fringe benefits. Additionally, Ching and Kee (2012) conducted a study to examine generation-Y teachers' work values in Malaysia. Their study affirms that generation-Y is in favour of intrinsic rewards over extrinsic rewards. Besides, the media describes generation-Y employees as being materialistic and contribute to increased job mobility in an attempt to find a better salary and fringe benefits to cope with sophisticated life style and economic inflation (Gohlisagoh, 2012).

Given the potential preferences for extrinsic rewards (e.g., salary and fringe benefits), the attitudes of generation-Y employees (i.e., satisfaction with pay and fringe benefits) is a possible outcome once their extrinsic rewards are fulfilled; this concept is rooted in the theory of values fulfilment.

The influence of satisfaction with pay and fringe benefits on the behavioural intention to quit has been widely investigated in the existing literature, and a consistent negative relationship between them has been revealed in numerous studies.

However, the impact of satisfaction with pay and fringe benefits on intention to quit, exclusively for generation-Y employees, has received modest attention. In contrast, the work of Munusamy (2012), who conducted a study on the factors influencing generation-Y employees to quit in the ICT industry in Malaysia; found a negative relationship between job satisfaction facets (based on Smith et al.'s (1969) scale) and intention to quit for generation-Y employees. The downside of this study is that more than 20% of the sampled generation-Y employees were not Malaysian, which serves as a direct contradiction to generational theory premise, since 20% of the selected sample may not have spent their childhood in Malaysia, thus, making their values different. In respect to this discussion, the following hypothesis is proposed:

H₁: Satisfaction with pay and fringe benefits negatively influences generation-Y employees' intention to quit.

2.2.3 Perceived Availability of Work-life Balance

Apart from the preferences for extrinsic rewards and its impact on the intention to quit, if such work values are not adequately fulfilled, other evidences suggest that generation-Y employees are not materialistic. Instead, they value other aspects at the workplace or they equivalently require other aspects along with extrinsic rewards. Indeed, there is anecdotal information which places an emphasis on providing freedom work values for the generation-Y workforce in order to retain them and manage their attitudes successfully (Eisner, 2005; Gordon, 2010).

In line with this anecdotal information, a series of time lag studies conducted by Smola and Sutton (2002) and Twenge et al. (2010) confirmed an increased trend towards freedom-related work values in comparison to their counterparts. Freedom work values include, but are not limited to, independence from supervision, autonomy and balance between life and work. This study refers to the freedom work values as the balance between life and work, since balancing between life and work becomes a fundamental value to generation-Y (Deery, 2008).

Twenge (2010) argued that work centrality within generation-Y employees has declined, her reasons were that generation-Y witnessed their parents dedicated their lives to their work to fall victim to retrenchment or unappreciated work, and this particularly shifted generation-Y's attention to value life over work. However, this does not necessarily mean that the generation-Y workforce is not hard working; it just means that they value balancing their work with their life to better manage their lives.

In this respect, Elfenbein and O'Reilly (2007) contend that the willingness of employees to remain with their organisation is subjected to the extent of being able to fulfil their work values through HR functions. Moynihan and Pandey (2007) found that employees have less intention to quit when they experience better fit with their organisation.

Deery (2008) recognised work-life balance as a stressor that would result in job stress or job burnout prior to the turnover intention. However, the generation-Y workforce has a low threshold of tolerance, and if their work values are not fulfilled, it will result in resignation (Kim et al., 2009). Therefore, it could be argued that, if the work-life balance that is preferred by the generation-Y workforce is not fulfilled, it may promptly and directly influence the decision to quit. Thus, it could be hypothesised as following:

H₂: The perceived availability of work-life balance negatively influences the intention to quit for generation-Y employees.

2.2.4 Perceived Status Work-values Fit

Status work values contain aspects such as, but not limited to, advancement, recognition, prestige and authority (Lyons, 2004). Such work values are much appreciated by generation-Y as affirmed by cross-sectional studies conducted by Cennamo and Gardner (2008). Lyons (2004) set forth status work-values as a distinguished dimension apart from extrinsic rewards. Furthermore, the increased preference towards status related work-values within generation-Y is attributed to the increase of core values represented by power values.

Nevertheless, Weyland (2011) subjectively argued that generation-Y is not placing an emphasis on status-related work-values, and status work-values are not in the priority list of generation-Y. Such an argument was based on generation-Y witnessing their parents dedicating their lives to their work (work-centric) merely for a slight increment in salary that does not outweigh the effort made, or to fall victim to retrenchment, instead of being promoted in their career or receive adequate recognition at the workplace.

In response to Weyland (2011), the empirical study of Ng et al. (2010) found significant preferences towards status-related work-values, and such preferences were explained in light of the personal traits of the generation-Y workforce, as this generation has a high sense of entitlement, which indicates that generation-Y searches for a rapid advancement in organisations. This high senses of entitlement propels them to claim for advancements in

the organisation irrespective of their performance.

In reality, generation-Y employees often quit their jobs if the organisations do not match or supply their preferred work values; this is due to the impatience and eagerness of generation-Y to achieve their goals very rapidly, otherwise, unmet preferred work-values will be manifested at a higher level of turnover (Kim et al., 2009). The person-environment fit theory has detailed the mechanism of how adverse job attitudes and behavioural intention could arise due to the incongruity between supplied work-values and demanded or preferred work-values (Cennamo and Gardner, 2008).

Theoretically, the mismatch between supplied work-values and demanded work-values would result in intention to quit. However, in Malaysia, the influence of perceived status work-values fit on generation-Y's intention to quit has not been empirically justified. If the Malaysian generation-Y employees have any preferences towards status work-values, this, in turn, may affect their intention to quit, especially with the increased mobility and impatience of generation-Y. Hence, if these status work-values are not realised, it could result in an intention to quit. Consequently, it could be hypothesized:

H₃: Perceived status work-values-fit negatively influences generation-Y employees' intention to quit.

2.2.5 Normative Commitment

Since the work of Meyer and Allen (1990), three different types of organisational commitment exist, namely, continuance, normative and affective commitments. Unlike continuance and affective commitments, normative commitment is referred to as an employee's sense of obligation to continue their membership in organisations, and an employee remains with the organisation because they must remain (Alniacik et al., 2013).

Anecdotal information and cross sectional studies have reported that the generation-Y workforce is considered to have the lowest organisational commitment compared to its counterparts, specifically in terms of normative commitment (Kapoor & Solomon, 2011). Others question their loyalty to organisations and conclude that capitalising on generation-Y loyalty is not feasible in retaining this group of employees (Kim et al., 2009).

More often, normative commitment is developed and acquired before entering the workplace; it is the result of familial and societal norms. Consequently, normative commitment is argued not to be of generation-Y workforce norms. Solent and Hood (2012) provided evidence on this matter by reporting that generation-Y scored the lowest in terms of their normative commitment. In addition, a description of generation-Y workforce characteristics indicates that normative commitment is not of generation-Y's attitudes (Myers & Sadaghiani, 2010).

In light of the above discussion, it is reasonable to argue that the normative commitment for the generation-Y workforce would not impact their intention to quit, since generation-Y employees will not decide to remain in the organisation from the loyalty perspective, but rather, their decision will be influenced by other factors and their loyalty to their lives. Therefore, it is hypothesised as following:

H₄: Generation-Y employees' normative commitments are not associated with their intention to quit.

2.2.6 Perceived Availability of Alternative Job

Several studies reported mixed results with regard to the impact of the perception of available alternative employment on an intention to quit. Some studies affirm the positive relationship, while others found no effect. The mixed results could be attributed to the perceived demand on labours on each country. For instance, the perception of alternative job opportunities decline when the economy is undergoing unemployment (Khatri et al., 2001).

In Malaysia, the service sector passes through unprecedented growth during recent years, and it is deemed to be the largest growing sector in the country. Usually, such a growth is accompanied with great job opportunities for the new generation workforce (Downe et al., 2012). In view of the ample opportunities of employment, the intention to quit could be due to the perceived available alternative employment. Hence, it is hypothesised that:

H₅: The perceived availability of alternative jobs influences the intention to quit for generation-Y employees.

2.2.7 Job Hopping

Lastly, several studies conducted in Malaysia confounded the term of job-hopping with intention to quit. These studies regard intention to quit as an interchangeable meaning to job hopping, such as in Manickam et al. (2012). The distinction between both of them was articulated explicitly in Khatri et al. (2001), as job hopping was measured through an independent constructed scale. They further set forth the notion of job-hopping and described it as an attitude or behaviour where employees migrate from one job to another irrespective of any

rational motives or better alternatives. It emerges due to personal characteristics or social influence.

The impact of job hopping on the intention to quit has received little attention for the generation-Y workforce in Malaysia, as most of the time, job hopping was described as no more than a turnover. Moreover, the decision of turnover within generation-Y has been explained as more of a cultural decision, as generation-Y employees were once described as having job mobility in their blood (Raman et al., 2011). Hence, it is worthy to investigate the following hypothesis:

H₆: Job hopping positively influences generation-Y employees' intention to quit.

3. Methodology

3.1 Sample and Data Collection

A quantitative cross sectional survey method is used in this study. A paper and pencil survey was administrated to employees who belong to the generation-Y workforce during office hours and breaking times in different companies within the Kuala Lumpur area and its vicinity. The respondents were initially approached by asking them about their date of birth to ensure that they actually belong to the generation-Y workforce. The targeted generation-Y's birth year is between 1980 and 2000, as defined by Kupperschmidt (2000). Such an age range is consistent with the Malaysian statistic department classification of labour workforce ages.

Furthermore, this study focuses on generation-Y employees in general, since this group shares common characteristics and values. Specifically, those with specific qualifications or with an educational background were approached. Accordingly, several companies belonging to different sectors, such as IT & telecommunication, banking, business process outsourcing and etc., that mainly depends on qualified employees, were approached. The rationale behind the choice of generation-Y employees with specific qualification and educational background is that such employees are a very important segment for organisations to retain them, in view of a shortage of talents that is currently taking place in Malaysia. Hence, a purposive sampling method is adopted for the aforementioned reason. Besides, due to the absence of a sampling frame of generation-Y employees in Malaysia, this study uses the convenience sampling method. Ultimately, the purposive-convenience sampling technique is used in the current study.

In total, 200 sets of questionnaires were distributed, either during office hour after obtaining permission from the HR director, or during break hours in different companies and locations within the vicinity of Kuala Lumpur area. A total of 150 sets of questionnaires were deemed to be useable and retained for further analysis, which account for a 75% response rate. The questionnaire is divided into two parts. The demographic part was designed to solicit information about the respondents. Table 1 summarizes the demographical profile of the respondents.

Table 1. Demographical profile

Gender (%)		
Male: 42	Female: 58	
Marital status (%)		
Single: 46	Married: 51	Other: 3
Tenure (%)		
0-2 years: 43	3-5 years: 19	6 years and above: 38
Educational level (%)		
Diploma: 69	Degree: 24	Master: 7
Job Categories (%)		
Non-executive: 58	Managers: 42	

3.2 Measures

The second part of the questionnaire requires the indication of respondents' level of agreement on the factors under investigation:

Satisfaction with pay and fringe benefits: an 8-item job satisfaction survey (JSS) was used to measure satisfaction with pay and fringe benefits. The constructs were developed by (Spector, 1994). The response on these items was on a 5-point Likert scale.

Perceived availability of work life balance was measured using the Work Interference with Personal Life (WIPL) scale developed by Fisher-McAuley et al. (2003), which consists of seven items, and the response was on a 5-point Likert scale. The WIPL scale was an appropriate scale, since it was relevant to the respondents who do not have family responsibilities but may still experience work impinging on their personal life.

Perceived status work-values fit was adopted from Lyons' (2004). For work-values scale (WVS), however, the 6-item of status work-values fit was modified to reflect the measurement of perceived fit (direct subjective measurement; Scroggin & Allen, 2003). The response on these items was on 5-point Likert scale.

Normative commitment: Allen and Meyer's (1996) 6-item measurement was used and the response was on a 5-point Likert scale.

Perception of available alternative job was measured using 3 items adopted from Peters et al. (1981), and the response was on a 5-point Likert scale.

Job hopping was measured using 3 items, based on Khatri et al. (2001), and was based on a 5-point Likert scale.

Intention to quit was measured using 3 items on a five-point Likert scale (Cumman et al., 1979). We used turnover intention, because it has been found to be a strong predictor of actual turnover (O'Reilly et al., 1991; Spector, 1997; Mobley, 1977; Arnold and Feldman, 1982).

3.3 Analysis

This study relies on the two-step approach suggested by Anderson and Gerbing (1988) to perform the analysis stage; measurement and structural models. With aid of confirmatory factor analysis (CFA), the measurement model was assessed using the AMOS 18 software application to ensure the uni-dimensionality of constructs. The model has appropriate fit indices (i.e., the data fit the model well). To ensure the goodness of fit, two types of validities were further assessed: convergent and discriminant validities. On the other hand, the proposed hypotheses were tested simultaneously on a structural model, using maximum likelihood estimation in the AMOS 18 software application (Arbuckle & Wothke, 1999). Further, prior to determining the significant paths using the structural equation model, multivariate assumptions were checked to justify the use of the maximum likelihood estimator technique. Three multivariate assumptions were examined, normality of data, linearity among the constructs and multi-collinearity (Barbara & Byrne, 2013).

Since the questionnaires were designed as a cross sectional study in which data was collected from common raters (i.e., same raters), the concern of common method effects could be raised. Common method effects pose a threat to our measurement validity, that is, the relationship between the proposed hypotheses could be inflated or deflated due to measurement error (Podsakoff et al., 2003). Therefore, the analysis stage incorporated statistical remedies to cope with the potential existence of common method variance. Harman's single factor technique was used to assess the presence of common method variance prior to the structural analysis stage.

4. Results

4.1 Measurement Model

The measurement model consists of 36 items that represent 7 constructs. The goodness of fit of the proposed theoretical model was assessed based on different fit indices, following the recommendation of a related work (Bentler, 1990), such as: CFI, TLI, RMSEA and SRMR, which are known by their reliability to indicate a goodness of fit, as argued in Sharma et al. (2005).

In terms of goodness of fit, the 36 items that represent 7 constructs show a poor overall fit to the data. Table 2 provides the recommended fit indices and the estimated fit indices of the measurement model. As shown, CFI and TLI are below the accepted threshold, while SRMR is above the accepted threshold. This is an indication of poor overall fit of the measurement model.

Table 2. Goodness of fit for measurement model

Fit index	Recommended values	Original values
X^2/df	≤ 3	1.76
CFI	≥ 0.90 or closer	0.79
TLI	≥ 0.90 or closer	0.77
RMSEA	≤ 0.08	0.07
SRMR	≤ 0.08	0.11

In response to the poor fit, a critical inspection of the measurement model was developed using confirmatory factor analysis (CFA), whereby 8 items with loading below 0.5 were excluded from further analysis in an attempt to improve the overall fit of the model. Four of the removed items belong to *satisfaction with pay and fringe benefits* construct, one item belongs to *availability of perceived work life balance*, two items belong to the *perceived status work-values fit* and one item belongs to *normative commitment*. For additional fit improvement of the measurement model, partial covariance was introduced between two error terms for two items that reflect the construct of perceived availability of work life balance. This is achieved based on the maximum modification indexes.

After dropping items with loading below 0.5 into their respective factors and introducing the partial covariance, the measurement model shows a better fit to the data, which is indicated by the following fit indices: CFI = 0.94, TLI = 0.93, RMSEA = 0.05 and SRMR = 0.06.

The convergent validity was assessed by two criteria; composite reliability (CR) of constructs (CR > 0.6), and the average variance extracted for each construct should be above 0.5 (Hair et al., 1998; Fornell & Larcker, 1981). Table 3 provides the indicators of the convergent validity represented by composite reliability and average variance extracted. Table 3 shows that each of the constructs has a composite reliability within the acceptable value range (i.e., above 0.7). Besides, each of the constructs has an average variance that exceeds 0.5. Exceptional are the constructs of satisfaction with pay and fringe benefits and perceived status work-values fit, which have an average variance above 0.4. This could be a measurement issue. Nevertheless, if the composite reliability of the construct is above 0.7, the average variance is deemed to be acceptable (Fornell & Larcker, 1981). Hence, the two constructs do not pose a threat to the measurement model.

Table 3. Constructs' composite reliability and average variance extracted

Constructs	Composite Reliability	Average variance extracted
Sat. P&F	0.76	0.44
AWLB	0.88	0.55
SWF	0.73	0.41
NC	0.84	0.52
PAJ	0.77	0.54
JH	0.86	0.68
IQ	0.87	0.7

Finally, the discriminant validity of the constructs were assessed using Fornell and Larcker's (1981) method; discriminant validity exists if the shared variances between a pair of variables are all less than the AVE for that variable. Table 4 reveals that the discriminant validity of constructs achieved, since all the shared AVEs are less than the AVEs of those constructs.

Table 4. AVEs and shared AVEs

	Sat. P&B	AWLB	SWF	NC	PAJ	JH	IQ
Sat. P&B	0.438						
AWLB	0.010	0.55					
SWF	0.000	0.294	0.405				
NC	0.395	0.070	0.000	0.516			
PAJ	0.000	0.018	0.184	0.019	0.538		
JH	0.000	0.021	0.000	0.000	0.000	0.68	
IQ	0.195	0.028	0.000	0.075	0.043	0.167	0.7

Sat. P&F: satisfaction with payment and benefits, AAWLB: availability of perceived work life balance, SWF: perceived status work values fit, NC: normative commitment, PAJ: perceived availability of alternative job, JH: job hopping, IQ: intention to quit

4.2 Structural Model

Multivariate assumptions were assessed for the structural model. Each of the constructs had a univariate normal distribution, with skewness and kurtosis within the recommended range to indicate for univariate normality (skewness and kurtosis are below absolute 1 (Barbara and Byrne, 2013). The test of linearity indicates that there is no significant deviation from the linearity between dependent variables and independent variables. Lastly, multi-collinearity is not an issue, as all independent variables have a VIF of less than three.

Further, the Harman's one-factor test (Harman, 1967; Podsakoff & Organ, 1986) to detect the presence of common method variance was used. Podsakoff et al. (2003) noted that common method variance is indicated if a single factor emerges from the factor analysis or if one general factor accounts for a majority of the variance. A Harman's one-factor test indicates that a single factor accounts for 27% of the variance, which is not a majority. Therefore, common method variance is not an issue in the model.

In this study, six hypotheses were examined using SEM in the Amos 18 software application. Hypotheses H₁, H₄, H₅ and H₆ have received the support. Table 5 shows the paths coefficient with corresponding significant values. As can be seen from Table 5, satisfaction with pay and fringe benefits (H1) has a negative influence on the intention to quit, the perceived availability of alternative job (H5) has a positive influence on the intention to quit, and job hopping (H6) positively induces the turnover intention for generation-Y employees. Normative commitment (H4), as proposed, does not have any influence on the decision to quit for generation-Y employees.

Table 5. Direct effects on Intention to quit

Dependent Variable	Independent Variable	Direct Effects
Intention to quit	Satisfaction with payment and fringe	-0.382**
	Perceived availability of work life balance	-0.108
	Perceived status work values fit	0.066
	Normative commitment	0.001
	Perceived availability of alternative job	0.204*
	Job hopping	0.355**

** p < 0.001, * p < 0.01

Additionally, the standardized paths coefficient indicate that satisfaction with pay and fringe benefits has the strongest effect on the decision to quit among generation-Y employees, followed by job hopping and perceived availability of alternative job. Last, the proposed model was able to explain 35% of the variation of the decision to quit among generation-Y employees.

5. Discussion

The overall objective of this study is to determine the antecedents of the turnover intention among generation-Y employees in Malaysia. Based on the anecdotal information that suggests several factors to be relevant to the turnover decision, this study empirically seeks to justify such reasons with aid of the theoretical background. Accordingly, six hypotheses were derived from HR manager's opinions and media reports that require empirical validation. The empirical results of this study have confirmed some of the anecdotal information, while other anecdotal information has been refuted as the reason for generation-Y employees' intention to quit.

Firstly, the impact of satisfaction with pay and fringe benefit has been the most influential factor, among others, to induce the decision to quit for generation-Y employees. Such results are a strong indication that generation-Y employees strongly prefer extrinsic rewards, and if these rewards are not sufficiently provided, they will have adverse effects on employees' satisfaction, which ultimately drives them away in search of jobs with better extrinsic rewards. This finding contradicts the claim that generation-Y employees seek intrinsic rewards over simply making money or payback, as this group of employees is looking for more challenging and meaningful work (Solnet & Hood, 2008). However, the result indicates that intrinsic rewards do matter for generation-Y employees, either equally to, or more than, intrinsic rewards, and it is sufficient enough to impact the decision to quit. Indeed, salaries have modestly increased during the last few years across different industries, according to the Malaysian Employers Federation (MEF) in 2010, whereby the most educated employees seemed to receive the lowest increment. Generation-Y employees currently face challenges to cope with increased cost of living, especially since this generation has different patterns of living and financial commitments to fulfil. Therefore,

they continue to shift from one job to another for better salary and benefits.

Secondly, this study has confirmed that the decision to quit is not solely due to HR practices, as two noteworthy findings have confirmed that the decision to quit among generation-Y employees are influenced by economic situations (i.e., perceived availability of alternative job) and cultural factors represented by job hopping trends. These two factors are deemed to be uncontrollable and beyond management control (Khatiri et al., 2001).

It is likely that the resilient growth of the Malaysian economy has created the perception among the new generational workforce that there are ample job opportunities in the market (Downe et al., 2012). Such a perception has influenced the decision to quit positively among of them. However, the reality of the Malaysian labour market is just the opposite, and many positions remain unfilled due to the gap between skills demand and applicant qualifications (Manpower, 2012).

On the other hand, when tailoring HR strategies to retain generation-Y employees, the management should note that their decisions to quit are not mainly due to unsuitable practices. Instead, the finding of this study suggests that, irrespective of potential good HR practices, generation-Y employees still quit due to culturally influenced decisions, such as mimicking their friends or switching their jobs with no apparent reason. In other words, anecdotal information that attributes increased job mobility among generation-Y employees as cultural trends has received empirical validations in this study.

Contrary to the claim of Ng et al. (2010) that the generation-Y workforce strives for rapid advancement, prestigious jobs and more authority at the workplace, which in reality may not be provided by the employers that soon, this study found that perceived status work-values fit is irrelevant in influencing the decision to quit for generation-Y employees. Such findings are consistent with the explanation of Weyland (2011), who argued that, like other generations, generation-Y employees are realistic in their demands in terms of rapid advancement and authority, as they do not have an aggressive sense of entitlement. Hence, generation-Y employees and their decisions to quit are not based on the mismatch of status work values. Besides, the perceived availability of work-life balance was found irrelevant in influencing the decision to quit among generation-Y employees. It seems that generation-Y employees in Malaysia have an adequate opportunity of balancing between working hours and their lives; this is probably because organisations are not imposing extra work outside the working hours.

On the other hand, normative organisational commitment was found to be irrelevant to decision to quit for generation-Y employees. This implies that generation-Y is loyal to their life, and their loyalty to their organisations is unreliable. Such results contradict with other findings that found a significant impact of normative organisational commitment on the turnover intention, such as in Abd Aziz and Ramli (2010) who found that normative commitment was a significant predictor for Malaysian lecturers. It is notable that the majority of sample includes lecturers from the older generational workforce, these group of employees are known to be more loyal than generation-Y workforce, thus older generational workforce loyalty could impact intention to quit negatively.

6. Managerial Implications

This study brings timely implications to cope with generation-Y employees' turnover intention that is currently occurring in Malaysia. This study stresses that, while some anecdotal information regarding generation-Y employees' turnover is true, others require reconsideration. For instance, extrinsic rewards critically matter for generation-Y employees to cope with rising prices, life style and future obligations. In this vein, management that wish to retain generation-Y employees should satisfy this group extrinsically. However, such a decision requires additional financial resources that may not be available to organisations.

In addition, managers should realise that generation-Y employees are realistic in their demands; the availability of status work-values are not in their priority list, such as extrinsic rewards, as their decisions to quit are not affected by the availability of such status work-values (i.e., more authority and rapid advancement). Therefore, managers should not emphasise on supplying status work-values, which may not be realistic to supply newly or recently hired employees from the generation-Y workforce.

On the other hand, this study carries a significant contribution to managers, which is, investing in generation-Y's loyalty is not worthwhile, as generation-Y's loyalty is to their life and not to their organisations. Such a character has been the norm for generation-Y.

As another contribution, this study shows that the decisions to quit for generation-Y employees are not solely due to inappropriate HR functions. There are other reasons beyond management control, such as, the perceived availability of alternative job and the cultural trend to quit job. This implies that, even though generation-Y

employees are satisfied with extrinsic rewards, job mobility will still occur subject to the perception of employment or due to cultural trends. Hence, organisations should strive to keep their talented employees longer than their competitors, as there is no lasting organisational membership.

References

- Alinacik, E., Alinacik, U., Erat, S., & Akcin, K. (2013). Does person-organization fit moderate the effects of affective commitment and job satisfaction on turnover intentions? *9th International Strategic Management Conference*, 274-280. Procedia-Social and Behavioral Sciences.
- Anderson, J. C., & Gerbing, D. W. (1988). Some methods for specifying measurement models to obtain unidimensional construct measurement. *Journal of Marketing Research*, 19, 453-460. <http://dx.doi.org/10.2307/3151719>
- Angeline, T. (2011). Managing generational diversity at the workplace expectations and perceptions of different generations expectations and perceptions of different generations. *African Journal of Business Management*, 5(2), 249-255.
- Arbuckle, J. L., & Wothke, W. (1999). *AMOS 4 User's Reference Guide*. Small waters Corporation, Chicago, IL.
- Bentler, M. (1990). Comparative fit indices in structural models. *Psychological Bulletin*, 107(2), 238-246. <http://dx.doi.org/10.1037/0033-2909.107.2.238>
- Cennamo, L., & Gardner, D. (2008). Generational differences in work values, outcomes and person organisation values fit. *Journal of Managerial Psychology*, 23(8), 891-906. <http://dx.doi.org/10.1108/02683940810904385>
- Ching, S., & Kee, D. (2012). *Work Values-Career Commitment Relationship of Generation-Y Teachers in Malaysia*. Singapore, International Conference on Economics Marketing and Management.
- Choong, Y. O., Keh, C. G., Tan, Y. T., & Lim, Y. H. (2013). *Propensity to Work Abroad Amongst Generation-Y Working Adults in Malaysia* (pp. 695-705). Penang, Malaysia, World Conferences.
- Deery, M. (2008). Talent management, work-life balance and retention strategies. *International Journal of Contemporary Hospitality Management*, 20(7), 792-806. <http://dx.doi.org/10.1108/09596110810897619>
- Downe, A., Loke, S. P., Ho, J., & Taiwo, A. (2012). Corporate Talent Needs and Availability in Malaysian Service Industry. *International Journal of Business and Management*, 7(2), 224-235. <http://dx.doi.org/10.5539/ijbm.v7n2p224>
- Eisner, S. (2005). Managing Generation-Y. *Sam Advanced Management Journal*, 4-15.
- Elfenbein, H. A., & O'Reilly, C. A. (2007). Fitting in: The effects of relational demography and person-culture fit on group process and performance. *Group and Organization Management*, 32, 109-142. <http://dx.doi.org/10.1177/1059601106286882>
- Firth, L., Mellor, D., Moore, K., & Loquet, C. (2004). How can managers reduce employee intention to quit? *Journal of Managerial Psychology*, 19(2), 170-187. <http://dx.doi.org/10.1108/02683940410526127>
- Fornell, C., & Larcker, F. (1981). Evaluating structural equation models with unobservable. *Journal of Marketing Research*, 18(1), 39-50. <http://dx.doi.org/10.2307/3151312>
- Gohlisagoh, L. (2012). *Why job-hoppers hop*. Retrieved from <http://www.thestar.com.my/News/Nation/2012/02/19/Why-jobhoppers-hop>
- Gordon, S. (2010). Once you get them, how do you keep them? Millennial librarians at work. *New Library World*, 111(9), 391-398. <http://dx.doi.org/10.1108/03074801011089314>
- Hair, F., Anderson, E., Tatham, L., & Black, C. (1998). *Multivariate Data Analysis with readings*. Englewood Cliffs, NJ: Prentice-Hall.
- Hassan, M., Akram, A., & Naz, S. (2012). The Relationship between Person Organization Fit, Person-Job-Fit and Turnover Intention in Banking Sector of Pakistan: The Mediating Role of Psychological Climate. *International Journal of Human Resource Studies*, 2(3). <http://dx.doi.org/10.5296/ijhrs.v2i3.2286>
- Hess, N., & Jepsen, D. (2009). Career stage and generational differences in psychological contracts. *Career Development International*, 14(3), 261-283. <http://dx.doi.org/10.1108/13620430910966433>
- Howe, N., & Strauss, W. (2007). The next 20 years: How customers and workforce attitudes will evolve. *Harvard Business Review*, 85(7), 41-52.

- James, J., Bibb, S., & Walker, S. (2008). *Generation-Y: Comparison between Asia and the rest of the World*. Talent smoothie.
- Kapoor, C., & Solomon, N. (2011). Understanding and managing generational differences in the workplace. *Worldwide Hospitality and Tourism Themes*, 3(4), 308-318. <http://dx.doi.org/10.1108/17554211111162435>
- Khatri, N., Fern, C., & Pudhwar, P. (2001). Explaining Employee Turnover in an Asians Context. *Human Resource Management Journal*, 54. <http://dx.doi.org/10.1111/j.1748-8583.2001.tb00032.x>
- Kim, H., Knight, D., & Crutsinger, C. (2009). Generation-Y employees' retail work experience: The mediating effect of job characteristics. *Journal of Business Research*, 62, 548-556. <http://dx.doi.org/10.1016/j.jbusres.2008.06.014>
- Kupperschmidt, B. R. (2000), Multigenerational employees: strategies for effective management. *The Health Care Manager*, 19(1), 65-76. <http://dx.doi.org/10.1097/00126450-200019010-00011>
- Lamm, E., & Meeks, M. (2009). Workplace fun: The moderating effects of generational differences. *Employee Relations*, 31(6), 613-631. <http://dx.doi.org/10.1108/01425450910991767>
- Lee, C., Hung, D., & Ling, T. (2012). Work values of Generation-Y pre-eservice teachers Malaysia. *Procedia-Social and Behavioral Sciences*, 65, 704-710. <http://dx.doi.org/10.1016/j.sbspro.2012.11.187>
- Locke, E. A. (1976). The Nature and Causes of Job Satisfaction. In M. D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology*. Chicago: Rand-McNally.
- Lyons, S. (2004). *An exploration of generational values in life and at work*, *Dissertation Abstracts International*.
- Macky, K., Gardner, D., & Forsyth, S. (2008). Generational differences at work: Introduction and overview. *Journal of Managerial Psychology*, 28(8), 857-861. <http://dx.doi.org/10.1108/02683940810904358>
- Manickam, G., Dhanapal, S., Hwa, E., Alwie, S., & Vashu, D. (2012). Identifying Trends in Job Hopping' in Private Institutions of Higher Learning. *2nd annual summit on business and entrepreneurial studies*, 63-81. Kuchang.
- Manpower. (2012). *Talent Shortage Survey*. Manpower Group.
- Markert, J. (2004). Demographics and age: Generational and cohort confusion. *Journal of Current Issues in Research and Advertising*, 26(2), 11-25. <http://dx.doi.org/10.1080/10641734.2004.10505161>
- Moynihan, D. P., & Pandey, S. K. (2007). Finding workable levers over work motivation: Comparing job satisfaction, job involvement, and organizational commitment. *Administration and Society*, 39, 803-832. <http://dx.doi.org/10.1177/0095399707305546>
- Munusamy, M. (2012). *Factors influencing job hopping intention among gen-y employees in the ICT industry in Malaysia*. Selangor: Unpublished thesis MMU.
- Myers, K. K., & Sadaghiani, K. (2010). Millennials in the workplace: A communication perspective on millennial's' organizational relationships and performance. *Journal of Business Psychology*, 25, 225-238. <http://dx.doi.org/10.1007/s10869-010-9172-7>
- Ng, E., Schweitzer, L., & Lyons, S. (2010). New Generation, Great Expectations: A Field Study of the Millennial Generation. *J Bus Psychology*, 25, 281-292. <http://dx.doi.org/10.1007/s10869-010-9159-4>
- Podsakoff, M., Mackenzie, B., Lee, Y., & Podsakoff, P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903. <http://dx.doi.org/10.1037/0021-9010.88.5.879>
- Price, J. (1977). *The Study of Turnover*. Ames, IA: Iowa State University Press.
- Sauser, W., & Sims, R. (2012). *Managing Human Resources for the Millennial Generation*. Information Age Pub.
- Sheahan, P. (2008). *Generation-Y In Asia*. Sydney: The University of Sydney.
- Smith, M., Kendall, L., & Hulin, C. (1969). *The Measurement of Satisfaction in Work and in Retirement: A Strategy for the Study of Attitudes*. Rand McNally, Chicago, IL.
- Smola, K., & Sutton, C. (2002). Generational differences: Revisiting generational work values for the new millennium. *Journal of Organizational Behavior*, 363-382. <http://dx.doi.org/10.1002/job.147>
- Solnet, D., & Hood, A. (2008). Generation-Y as Hospitality Employees: Framing a Research Agenda. *Journal of Hospitality and Tourism Management*, 15, 59-68. <http://dx.doi.org/10.1375/jhtm.15.59>

- Solnet, D., Kralj, A., & Kandampully, J. (2012). Generation-Y Employees: An Examination of Work Attitudes Differences. *Journal of Applied Management and Entrepreneurship*, 17(3), 36-54.
- Twenge, J. (2010). A Review of the Empirical Evidence on Generational Differences in Work Attitudes. *J Bus Psychology*, 25, 201-210. <http://dx.doi.org/10.1007/s10869-010-9165-6>
- Twenge, J., & Campbell, S. (2008). Generational differences in psychological traits and their impact on the workplace. *Journal of Managerial Psychology*, 23(8), 862-877. <http://dx.doi.org/10.1108/02683940810904367>
- Twenge, J., Campbel, S., Hoffman, B., & Lance, C. (2010).Generational Differences in Work Values: Leisure and Extrinsic Values Increasing, Social and Intrinsic Values Decreasing. *Journal of management*, 26. <http://dx.doi.org/10.1177/0149206309352246>
- Weyland, A. (2011). Engagement and talent management of Generation-Y. *Industrial and commercial training*, 43(7), 439-445. <http://dx.doi.org/10.1108/00197851111171863>
- Yusoff, W. W., Queiri, A., Zakaria, S., & Hisham, R. (2013). *Generation-Y Turnover Intention in Business Process Outsourcing Sector*. Kota Kinabalu, ICMEF.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/>).