Turnover Intention: A Case of Employee Working in the Fast-Food Industry

Naseebullah Langove¹, Khansa Masood² and Anum Iqbal³

Abstract

The restaurants are becoming increasingly popular as it is convenient and economical in Pakistan. However, the fast-food industry is facing a major problem of turnover intention, which directly affects its productivity and performance. Despite this, organizations also bear direct and indirect costs. The concept of turnover intention particularly in the fast-food industry of Quetta city is very limited. The purpose of the study is to examine the impact of job stressors (job insecurity, role conflict, interpersonal conflict) on the turnover intention of employees working in the fast-food industry of Quetta. In this study, the quantitative method is used to collect data from employees working in the fast-food industry of Quetta. The Questionnaire is distributed among (15) restaurants that are selected from (02), (03), and (04) star rankings. A total 150 of valid questionnaires were collected out of 160. The data were analyzed with help of SPSS and Smart-PLS to find out the relationship between job stressors and turnover intentions. The findings of the study revealed that job insecurity and role conflict have a positive and significant relationship with turnover intention, while interpersonal conflict has no relationship with turnover intention. These findings of the study will help the managers and practitioners to understand the employee’s behavior towards turnover intention to design new strategies for retention of the employees. This study is limited to remarks on the lack of generalizability inherent in convenience sampling.

Keywords: Job Insecurity, Role Conflict, Interpersonal Conflict, Turnover Intention

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1. Introduction

Restaurants are globally becoming popular day by day in Pakistan as people feel convenient to take food outside instead of having it at home (Memon 2016). Restaurants are working and operating in different major cities of Pakistan, where every cultural taste exists with different habits of people. Over time, people are now changing their lifestyles with different standards and tastes. According to (Memon 2016) Pakistani people are spending 42% of their expenses on food. In the food industry, there are four different parts namely: fine dining; unplanned fine dining; temperately priced dining, and quick service restaurants. Ahmed (2016) food industry in Pakistan is one of the largest industries having more than 180 million consumers but facing high turnover. According to (Ryan, Ghazali et al., 2011) 100% turnover rate exists among labor. Some studies have shown that 70% turnover rate is found in the food industry (Kumar, Ramendran et al., 2012). In an interview conducted with human resource managers where the turnover rate among non-managers was 93% while 30% among managers (Ryan, Ghazali et al., 2011). They further argued that 70% of employees working in the fast-food industry are thinking to leave the restaurant within two years.

Those employees who leave the organization that may directly affect the organization (Memon, Ghumro et al., 2018). Employees leaving one organization and replacing it with someone is called turnover of employees (Hee and Ann 2019). Such practice may create a big vacuum and challenges in terms of cost and hiring new employees. The fast food industry is fronting the most turnover ratio (DiPietro and Bufquin 2018). As turnover results in high indirect and direct costs as well as loss of efficiency (Mudor 2011). Leaving employees also affects the goodwill of the organization (Hee and Ann 2019). Turnover usually costs more or less 150% of the annual salary for the middle-level manager while 400% costs to high-level employees (Chikwe 2009). Besides these, organizations also spent a huge amount on an advertisement, recruitment, and later training. In such cases, organizations are trying their best to provide best services to their customers to improve business and generate maximum profit, but with all these such restaurants are facing high turnover intention. These studies clearly show that employees working in the food industry have a high turnover rate which in turn needs to be studied especially in Quetta amongst employees working in the food industry.

2. Literature Review

Employee turnover intention is one of the critical issues for every organization around the world. As organizations usually run their all activities smoothly to enhance the productivity and performance of organizations. Moreover, organizations’ cost is directly and indirectly involved when hiring a new employee. The cost might be an initial
advertisement for recruitment and training of new employees. Besides this, the employee takes the knowledge of the current organization to other organization which also affect the competitive edge.

Turnover intention is not only a major problem in the information technology (IT) industry but the Fast Food Industry is also facing a major problem of a high turnover rate (Ryan, Ghazali et al., 2011). The employees working in the Fast-Food Industry of Quetta need attention to study the turnover intention. As people are nowadays becoming dual-earners and they avoid cooking at home. In such conditions, people usually prefer to take meals of their own choice and prefer to bring guests as well. When people try to get their meal from restaurants then the number of restaurants may increase with different varieties and options. The increasing number of restaurants may bring tough competition in terms of varieties and tastes amongst restaurants. In such circumstances, the fast-food industry needs to more focus on employee retention to maintain the quality and performance of the organization.

2.1. Employee Turnover Intention

Employee turnover is one of the challenging and serious phenomena for employees working in the fast food industry that needs proper attention (Ghazali 2010). Iqbal, Kokash et al., (2011) defined employee turnover as the total number of employees who voluntarily leave the organization in a particular period. Turnover intention also refers to employee behavior or attitude towards turnover (Beehner and Blackwell 2016). Additionally, Adnan, Rahman et al., (2018) defines employee turnover intention as thinking and feeling to leave their job based on involuntarily or voluntarily. According to Kumar, Ramendran et al., (2012) employee turnover intention is further categorized into three main types:

2.1.1. Voluntary and Involuntary

When employee desires to quit the organization by their own choice is called voluntary turnover. Involuntary turnover means leaving the organization based on an unseen situation or ending up employment by the employer (Kumar, Ramendran et al., 2012).

2.1.2. Functional and Dysfunctional

The withdrawal of unskilled or less skilled and nonprofessional workers can easily be replaced with skillful workers is called functional turnover. While workers having highly professional and skilled are quite difficult to replace with skilled and knowledgeable workers which directly affects the company’s performance is called dysfunctional turnover (Kumar, Ramendran et al., 2012).
2.1.3. Avoidable and Unavoidable

Avoidable turnover means employees leaving the organization may easily be recovered by making different strategies due to fewer benefits, low job satisfaction, low supervision, etc. The unavoidable turnover means being unable to be controlled and handled by the organization (Kumar, Ramendran et al., 2012).

Besides this fact, much research has been carried out on such alarming study but still, the turnover rate of employees has not been reduced nor sustained. Most prior studies have been done on employee turnover intention due to being an actual turnover predictor. This is why most of the researchers focus on turnover intention instead of actual turnover (Beehner and Blackwell 2016).

2.2. Turnover Cost

In the field of human resource management (HRM), employee turnover intentions have been found one of the critical and challenging phenomena (Alha and Mat 2015). The HR managers usually recruit new employees and trained them according to the current market demand. The recruitment process and conducting pieces of training for newly hired employees may involve too much cost (Alha and Mat 2015). When organizations invest too much cost in recruitment and selection, organizations try to retain their employees at any cost to maintain productivity and performance. It may also cost too much when an employee leaves the organization. The turnover rate is categorized into two different forms direct and indirect cost (Mudor 2011). When an employee leaves the organization then the organization bears the recruitment process cost like an advertisement, scrutiny, selection, interviewing, hiring, and conducting orientation as well as training for newly appointed employees which may involve the form of direct cost. The indirect costs are involved having educational sessions for capacity enhancement, stress management and self-confidence (Adnan, Rahman et al., 2018).

Despite this, restaurant owners may think that empty tables are a big loss but losing an employee cost more than an empty table. Employee turnover is one of the major reasons why restaurants earn less revenue each year. A report by National Restaurant Association, the employee turnover rate in restaurants was 61% in 2016 and currently, it is almost twice. Additionally, this report also added that restaurants are losing 150000 Dollars on average per year due to employee turnover. Another study by Gillet, Gagné et al., (2013) pointed out that the employee turnover rate in restaurants is 30%.

2.3. Fast-Food Industry

Food is the basic necessity of the human body and people earn money to get necessities (Memon 2016). Fast food means preparing and serving food in a short period is called fast food. The fast-food industry is increasing very fast in Pakistan due to high
demand and number of customers which further shows future growth as well. Besides this, Pakistani people are fond of eating and love to taste any new thing that is being introduced (Memon 2016).

The Fast Food Industry is the 2nd largest in Pakistan and holds the eighth largest market in the world (Memon 2016). Additionally, he further argued that Pakistani on average spends 42% of his/her income on food. Pakistan hosted different cultural and western food chains which shows an increasing number of eating styles. According to Memon (2016), eating habits are getting an almost 21% increase on an annual basis which shows fast food growth in Pakistan.

3. Theoretical Framework and Hypotheses Development

Employee turnover remains an identical consideration for top management of diverse organizations completely around the world as it harms the whole performance of the industry considerably and produces operational difficulties for the industries which eventually affects productivity. Numerous organizations in Quetta are fronting problems associated with worker turnover as of shifting drifts in the current world. The main problem and issue for the industry are to sustain their labor as turnover affects productivity and organization performance. Hence, the previous part emphasizes deliberate the issue pleasing in consideration of earlier studies by researchers in the food industry.

Many organizations are facing internal and external turnover intention. Prior studies found some different factors like low wages, supervisors, biases of managers, lacking trust, job stress, and so on other factors. In this study, the most critical factor was found as job insecurity which leads to turnover intention amongst employees working in the fast-food industry of Quetta.

3.1. Job Insecurity and Turnover Intention

Job insecurity means the job is not secured or not permanent. The organization may terminate at any time without going for any documentation. Job security is a sense to know that his/her job remains in the future without any warning (Sanyal, Hisam et al., 2018). Employees feeling about job insecurity may create a threat in terms of losing their job (Tulangow, Saerang et al., 2018). Job insecurity has a positive relation with turnover intention (Ahmed, Sabir et al., 2016). Additionally, these studies also proved that job insecurity has a direct and positive relationship with employee turnover intention (Beehner and Blackwell 2016, Abolade 2018). Hence, this hypothesis is also confirmed based on the above justification that job insecurity has a positive relationship with turnover intention.

H1: Job insecurity positively related to turnover intention
3.2. Role Conflict and Turnover Intention

The role is a task where an employee faced diverse role expectations. According to Safrizal, Eliyana et al., (2020) role conflict arises when time and attention are more given to one role and other roles cannot be fulfilled adequately. Additionally, Hang-Yue, Foley et al., (2005) defined role conflict as a change between the assigned job and actual performance is known as role conflict. Conflict in the role may also arise when people are not assuring which tasks need to perform on a priority basis. Role conflict occurs when employees confront different expected performance and actual performance (Parayitam, Usman et al., 2020). In such conditions, the employee does not perform the expected tasks as per requirement. Role conflict may also occur due to the unavailability of resources and time (Safrizal, Eliyana et al., 2020). According to Kumara and Fasana (2018) role conflict is more likely to trigger due to base on differentiation and inconsistency in assigning tasks. Role conflict dissatisfies employees from the job and ultimately increases the chances of turnover intentions. Rizzo, House et al., (1970) connected role conflict with various consequences which are undesirable for employees and more likely to increase the high turnover rate. When any task or job requires more knowledge and effort then employee thinks he/she is not compatible with the job; hence they usually think to leave their jobs (Hang-Yue, Foley et et al., 2005). Qasim, Javed et al., (2014) also observed the direct relationship between role conflict and turnover intention. Hence, there is a relationship between both role conflict and employee turnover to propose the following hypothesis.

H2: Role conflict has a positive relationship with employee turnover

3.3. Interpersonal Conflict and Turnover Intention

Conflict is a dispute which usually occurs in every organization at every level among employees. Conflict may arise due to differences in opinion, wishes, and interpersonal clashes (Barki and Hartwick 2004). According to Haq (2011) conflict is a type of special interaction among groups that have compatible values. Conflicts usually arise when employees or people work together. Moreover, the conflict also arises based on liking and disliking in organizations. Conflict may also occur when people think that other people create hurdles in his/her interests. According to Onwuka, Chinenyeye et al. (2017), personal conflicts at organizations are not good for both groups. Personal conflicts might be among employees, between supervisor and employee or manager, or between employee and employer. Such types of conflict may contribute to employee turnover intention. In such conditions, when the employee does not solve their conflicts may feel uncomfortable about their job; hence they usually try to start thinking to leave their jobs. This behavior leads to employee turnover. Based on the above justification, this revealed that there is a strong relationship between personal conflict and turnover intention.
According to Al Mamun and Hasan (2017), when an employee does not manage or solve disputes between themselves, employees are more likely to leave their jobs. Hence, this study hypothesis the following relationship between interpersonal conflict and turnover intention.

**H3:** Interpersonal conflict has a positive relationship with employee turnover

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4. **Methods**

This study used the quantitative method to achieve the research objectives to find out the relationship. The quantitative method is the best approach to find out the facts and relationship between variables (Khalid, Abdullah et al., 2012), in terms of job insecurity, role conflict, and interpersonal conflict with turnover intention. In this context, the qualitative method is not appropriate to investigate the experience evading the portents in qualitative technique theories that emerged based on experience (Bernard and Bernard, 2013).

4.1. **Population**

This study population comprises employees working in fast food restaurants. The population only included the man due to the nature of the job and working context as females in Quetta don’t work in restaurants. The age of respondents falls between 20 and more than 40 due to the nature of the job. Naqvi, Ishtiaq et al., (2013), conducted a study in the Fast-Food Industry of Pakistan, where the age of 84% of respondents fell between 20-40 years. The respondent’s nature of jobs included cashiers, cooks, and waiters while the names of restaurants with ranking as given in Table 1.
### Table 1: Names of Restaurants with Ranking

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Names of Restaurants</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pyramid hut restaurant</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Wow fries</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Hot and pepper</td>
<td>2 stars</td>
</tr>
<tr>
<td>4</td>
<td>Ur’s café</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Hot and chili</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Optp</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Ice-cream Russian salad bar</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Hot n spicy</td>
<td>3 stars</td>
</tr>
<tr>
<td>4</td>
<td>Bbq home</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Café chill out</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Pizza hut</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>KFC</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Mc Donald</td>
<td>4 stars</td>
</tr>
<tr>
<td>4</td>
<td>Mr code</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Burger King</td>
<td></td>
</tr>
</tbody>
</table>

#### 4.2. Sampling Design

In this study, non-probability sampling is applied for the collection of data. In non-probability sampling, a convenience sampling method is used for data collection to minimize the cost and save time while non-probability sampling is used due to an unknown population. Probability sampling was not used due to lacking the list of respondents. The sample has 15 restaurants with employees from 2-star, 3-star 4-star rankings. The sample limited to 15 restaurants was due to studying a particular city (Quetta) in the country. From each restaurant, 12 respondents were approached for collecting data. The questionnaire was distributed amongst all employees where 150 valid questionnaires were received out of 180. Hair at el. (2014), the 10-time rule was used to determine the minimum sample size of the study. The maximum number of arrows pointed at the latent variable is 3, which means the minimum sample size is 30.

#### 4.3. Data Analysis: Structural Equation Model (SEM)

Smart-PLS is used to analyze the measurement and structural assessment model. This tool is used to examine the relationship between latent predictors and indicators.

#### 4.3.1. Measurement Model

In the measurement model assessment, the reliability of the data is tabulated in Table 2. The results revealed that most of the indicators are favorable with internal consistency. The range of composite reliability (CR) falls between 0.79 to 0.93. According to Wuryani, Rodlib et al., (2021), if the value of CR is more than 0.8, it can be considered...
as high reliability, or greater than 0.60 is considered to be quite reliable. The average variance (AVE) of each indicator is more than 0.50 which is an acceptable level (Al-Okaily, Alqudah et al., 2020).

**Discriminant Validity**

Discriminant validity is used to know the different variables between each other. The diagonal elements shown in Table 3, reflects the square root of AVE which is more than the other matrix in the Table which supports the discriminant validity.

<table>
<thead>
<tr>
<th>Table 2: Measurement Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constructs</strong></td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Interpersonal conflict</td>
</tr>
<tr>
<td>Job Insecurity</td>
</tr>
<tr>
<td>Role conflict</td>
</tr>
<tr>
<td>Turnover intention</td>
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</table>

<table>
<thead>
<tr>
<th>Table 3: Discriminant Validity (HTMT Criterion)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constructs</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>IC</td>
</tr>
<tr>
<td>RC</td>
</tr>
<tr>
<td>TI</td>
</tr>
<tr>
<td>JI</td>
</tr>
</tbody>
</table>

4.3.2. **The Structural Model**

The structural model of this study shows that the path coefficient is positive that reflects the predictable path. The measure of job insecurity path coefficient is statistically significant at p<0.05 as shown in Table 5, while the R-square value shows 30%, which means 30% of job insecurity impacts turnover intention.

<table>
<thead>
<tr>
<th>Table 4: Structural Model of Path Coefficient</th>
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</thead>
<tbody>
<tr>
<td><strong>Constructs Path</strong></td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>IC -&gt; TI</td>
</tr>
<tr>
<td>RC -&gt; TI</td>
</tr>
<tr>
<td>JI -&gt; TI</td>
</tr>
</tbody>
</table>
Table 5: Coefficient of Determination

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Std Beta</th>
<th>Std Error</th>
<th>T-test</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI</td>
<td>0.398</td>
<td>0.053</td>
<td>7.447</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 6: Cross Validation of Structural Model

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Std Beta</th>
<th>Std Error</th>
<th>T-values</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC -&gt; TI</td>
<td>0.000</td>
<td>0.009</td>
<td>0.013</td>
<td>0.990</td>
</tr>
<tr>
<td>RC -&gt; TI</td>
<td>0.017</td>
<td>0.019</td>
<td>0.938</td>
<td>0.348</td>
</tr>
<tr>
<td>JI -&gt; TI</td>
<td>0.023</td>
<td>0.020</td>
<td>1.188</td>
<td>0.235</td>
</tr>
</tbody>
</table>

5. Discussion

The fast-food industry is growing and becoming very popular at the global level. As people usually like to get easy service and desire to avail different cultural and western foods. In Pakistan, people are also fond of eating cultural and western food (Memon 2016). This is the main reason that international brands are enthusiastic to open franchises in Pakistan. The renowned fast food chains like Mcdonald's, Hardees and KFC are very successfully operating in Pakistan (Memon 2016). When the fast-food industry is growing rapidly at the local and global level then human resource management needs to overcome the alarming issue of turnover intentions. As human resources of any organization are the furthermore valuable and pivotal assets for the success of the organization (Soelton, Lestari et al., 2020). Employees are the backbone of the organization and without employees, the organization cannot run and operate its activities.

Very few studies or limited studies have been found among employees working in the fast-food industry of Quetta city. This gap increased the attention of the researcher to conduct a such study among employees working in the fast-food industry of Quetta. However, prior studies have been done in the fast-food industry while finding out different critical factors that significantly contribute to turnover intention (Kim, Im et al., 2015, De Clercq and Belausteguigoitia 2017, Shin, Hur et al., 2020). These studies found the internal and external factors that may contribute to turnover intention. Few studies also worked on low wages, low interactions, lack of trust etc., however, the researcher found the three most critical factors that drastically impact the turnover intention, particularly in the Quetta city context. These three factors are Job Insecurity, Role Conflict, and Interpersonal Conflict.

The researcher used SPSS and SMART PLS to analyze the data. The results of the study were interpreted and concluded, which clearly showed that there is a strong
positive and significant relationship between job insecurity and role conflict with turnover intention while interpersonal conflict relationship with turnover intention was not significant. The overall impact of these two factors was 30% on turnover intention which also shows that these two positive factors are critically affecting and contributing to turnover intentions. Based on these findings, prior studies also confirmed the positive and significant relationship between job insecurity and role conflict with turnover intention (Javed, Khan et al., 2014, Lee and Jeong 2017, Soelton, Lestari et al., 2020), while few studies found no positive and significant relationship of interpersonal conflict with turnover intention (Taylor, Daniel et al., 1990). As the concept of interpersonal conflict may vary depending upon the nature of the organization. The food industry might be different in terms of working and hierarchy positions. Interpersonal conflict may arise where the number of employees is too much and there are different hierarchical positions.

This study adds to the literature about the employees working in the fast-food industry of Quetta city (Balochistan), Pakistan. As per my best knowledge, no such studies have been done in Quetta city. This study will help the academician to further find out the critical factors that may cause turnover intentions amongst employees working in the fast-food industry of Quetta. Besides this, this study will also help managers to retain their employees while giving them long-term contract and assigning the roles according to their own skills or expertise.

6. Conclusion and Recommendations

The purpose of the study was to examine the impact of job stressors (job insecurity, role conflict, interpersonal conflict) on turnover intention among employees working in the fast-food industry of Quetta city. The findings of the study revealed that two critical factors (job insecurity and role conflict) have a positive and significant impact on the turnover intentions of employees working in the fast-food industry in Quetta. This study reveals a basic knowledge that why employees quit or think about leaving the organization.

Leaving an organization may directly affect the productivity and performance of the industry. As the food industry is very challenging and competitive in the market. In this context, the food industry managers need to design a very specific strategy to retain their employees and reduce the turnover intention among employees. Hence, organizational support is one of the critical factors that might overcome the turnover intention of employees in the fast-food industry of Quetta.

This study makes some recommendations and conclusions for the fast-food industry to lay out a proper strategy to retain employees for a longer time:
• The fast-food industry needs to look over the role of an employee where he/she is comfortable performing any task efficiently. Role conflict affects the efficiency of employees which may cause turnover intention.

• Personal conflict is also one of the critical factors in the turnover intention of employees, but this factor also needs to be considered by the fast-food managers to create a friendly environment where employees feel comfortable with their coworkers and colleagues. Providing such an environment may increase the commitment or loyalty level among employees.

• Employees usually search for other jobs when they feel that their job is not secure. When employees are more in doubt, they know they will lose their job anytime. This may cause stress and employees try to search for another job. In such conditions, managers need to issue long-term contracts to retain their employees. This usually gives the employee a sense of job security and they will more focus on their work rather than looking for another job.

• Managers should enthusiastically cultivate an environment of organizational support for the employee. Provide an effective reward and promotion system to increase employee commitment and retention.

7. References


