

## THE STUDY OF FACTORS AFFECTING RESIGNATION OF YOUNG EMPLOYEES IN HOTEL BUSINESS, THAILAND

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### ABSTRACT

The contrast facts and figures of 'Retention Policies' and 'Young employees Turnover' rate lead researchers to evaluate factors affecting resignation of young employees of hotel business in Thailand with the aim to reduce the problem of turnover as well as the costs of investment caused by the high rate of turnover. A quantitative approach using 500 questionnaires was distributed to the young employee age range between 18-36 years old who are working in Hotel Business in 5 regions of Thailand. Data were analyzed by using descriptive analysis. The findings shown 1( the demographic information of the respondents are: 60.20% is female while 33.60% is male, 45.20% is age range between 21-23 years old, most of them 55.20% obtained diploma, 45.20% working as a supervisor and have 3 months - 2 years of work experience. 2( The high rate of factors affecting resignation is strive for achieving their life goals. )Hygiene Factor( whilst the less influencing factor of resignation is the aim not to expect the lifelong employment. )Motivation Factors(. Furthermore, the study of causes of resignation and existence of the young employees found that the unclear career paths and assigned unimportant job are the paramount of resignation relating to the young employee resignation factors that are regularly promoted and being assigned important duties or job that can raise their prides. These findings contribute the organizations to realize the factors of resignation and existence of the young employee leading to improve the retention strategies in the Hotel Business in Thailand.

**Keywords:** 1( Affecting Factors of Resignation 2( Young Employee 3( Hotel Business in Thailand

### 1. Introduction

One of the challenges in managing human resources within the organizations in Thailand in the twenty-first century is, the development of human resources, regarded as one of the main forces in driving the organization progress. All enterprises have a desire to employ quality and efficient staff to drive enterprise with successful outcomes; on the other hand the organization experiences the staff turnover. Such employee turnover affects the organization in many ways. The employee turnover or resignation will be considered as a losing cost of the firms (Bartal and Martin, 1983; Karatepe and Ulodag, 2007). When the employees quit or resign from the designated job, to employ new employee (Deery and Iverson, 1996; Manley, 1996). The huge cost invests to recruit new employee will negatively impact the business, the investment to recruit new employee will ultimately lead business to dry out and discontinue. Sometimes the business performance level could lack efficiency and quality of work in the organization. The quality and performance may reciprocate until a new employee replace and operate

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equivalently like the former employee who resigned. This process however, may take a long time. Moreover, the organizations have to spend a lot to develop a new employee. (Lee, 2010).

One of the businesses that are critical to the growth of Thailand economic is Hospitality Industry. Hotel Business generates large amount of revenue to Thailand. (Deloitte-Travel Tourism and Leisure, 2004). Data from the Tourism Authority of Thailand (TAT) estimated 36 million inbound tourists in 2018, increase of 7.35 % from the previous year whilst the revenue from foreign tourists reached to 2 trillion baht. The income is thus distributed among the local stakeholder responsible for transport, restaurants, souvenirs and other services and the rate of employment drastically increases with lodging business. (Getz and Petersen, 2005). According to the National Statistical Office (2016), there were 12,654 hotels and guest houses (approximately 481,529 rooms) operated throughout the country and served to 117.8 million visitors which generated more than 175,016.9 million baht. In term of hotel employment, we found approximately 253,771 people were employed with an average income of 204,867 baht per person per year. The growth of hospitality industry requires the qualified employees who can work efficiently and are skillful to fill in the hotel industry. However, not only the quality of employee it also quantity is required. According to the survey, although the number of hotel and guesthouses has increased, but the number of employees decreased in the same year. The heart of hotel business is the service; the profit of the hotel relies on the ability of human resources within the organization to meet the needs of customers through efficient service. If employees can excel and overcome turnover rate, the organization will effectively last for longer in hotel business. On other hand, if the HRM cannot take care of the turnover rate, it will result in inability to maintain, care and be attentive staff thus the organization would be greatly affected (Hackman and Suttle, 1977).

Recruiting new staff is still in demand for existing and new properties. The staff turnover is the main problem of the business. For filling this gap and stay in competitive environment, the hotels try to attract or even steal the talented and versatile employees from other organizations. For instance, if the other business provided certain benefit and staff welfare where the one organization does not offer, the probability of staff turnover is certain. Sometimes the current labor in the lodging is often unavoidably unpredictable. (Hom and Griffith, 1995; Susskind, 2000; Kim and Leong, 2005; Karatepe and Uludag, 2007; Cho, 2009; Yang, 2010).

The literature reviewed associated with employees' behavior issues is about labor turnover. (Gardner, 2008) found that studies on generation of the hotel employees are gaining profound attention in businesses and organizations. Many studies focus on managing diversity in the workplace. There are at least three generations working in the same organization which are Baby Boomer, Generation X and Generation Y. Generation Y (aged in range of 1980 - 1997 or between the ages of 18 - 35 years old). Generation Y are generally considered as a people who are high self-confident, capable of availing latest technology, and multi-tasking. (Berger, 2004; Bhatnagar, 2007). However, in another point of view, Gen Y have a lack of patience, politeness, respect and spend time using technological gadgets without social interaction. Most of young employees' age fall in the same range of Y generation (18-36 years old) who has high expectations, high self-confidence and do not expect to be the employee forever (Queensland Tourism Industry Council, 2012). This cause the attention to resign and high turnover rate in Hotel industry.

As baby boomers are entering the age of retirement, they need to replace these vacancies are filling up by Gen X and Gen Y (Young employee). The organization is facing challenges to invite the young employees to work in organizations and maintain them for longer periods. Among the different generations and positions in the Hotel, the majority is in Operational level; the Receptionists, the Food and Beverage staff, the room attendants etc.

Moreover, these operational staff is Y generation. Who is fast and easily decide to attend or quit the job.

Understanding, factors affecting the resignation of young employees are crucial. The study of factors affecting resignation of young employees in the hotel business in 5 regions of Thailand show the correlation between intention to resign and high rate of turnover. It implies that if we can cut off the intention to resign from the decision process we can keep people to stay longer.

The research aims to explore the factors affecting resignation of young employee in hotel business in Thailand by using motivation theory including two factor and seven attributes as shown in conceptual framework.

## **2. Objectives**

This research aims to study the factors affecting resignation of young employees in the hotel business in 5 regions of Thailand.

## **3. Research Methodology**

The research methodology used quantitative methodology. The survey instrument used in this study was a structured-questionnaire, divided into four sections. The first section contained the questions relating demographic characteristics of the respondent, researcher strictly maintained the anonymity of the respondents. The second section focused on the Motivation and Hygiene factors. The third and fourth sections of the questionnaire related to the young employees' perception towards causes of resignation and persistence. The sample was distributed to young employees working in 3-5 stars hotels. The data were gathered by a non probability convenience sampling approach. A field survey was chosen as our data collection method. The convenience sampling method, which is broadly used in diverse consumer behavior, marketing, and tourism studies, is considered to be the most effective particularly when the total population of interest is excessively large (Han and Hyun, 2012 and Song et al., 2012). The 500 questionnaires were distributed in 5 provinces around Thailand. The data collection period was about months (June 25, 2018–July 30, 2018). Data analysis tools i.e. SPSS and descriptive analysis were used for analyzing the data.

## **4. Scope of Research**

Since the research aims to study the factors that influence the resignation of the young employees in Hotel Business in Thailand, the scope of area therefore practiced in 5 provinces: Phranakorn Sri Ayutthaya (Central region), Chiangmai (Northern region), Khonkaen (Northeaster),Phuket (Southern) and Bangkok. The samples are young employees who are 18-35 years old. The area of content focused on:

- 1) Motivation factor including 3 attribute variables. Employees who:
  - 1.1) Do not expect the lifelong employment.
  - 1.2) Seeking for their self-employment.
  - 1.3) Have to decide whether they quit their jobs since the first date.
- 2) Hygiene factors containing 4 attributing variables which are
  - 2.1) Strive for achieving their life goals.
  - 2.2) Set the high bar for the feedback of their jobs.
  - 2.3) Do not tolerate difficulties found in their organizations.
  - 2.4) Owe their high self-confidence working with their colleagues in certain organizations.

## 5. Conceptual Framework

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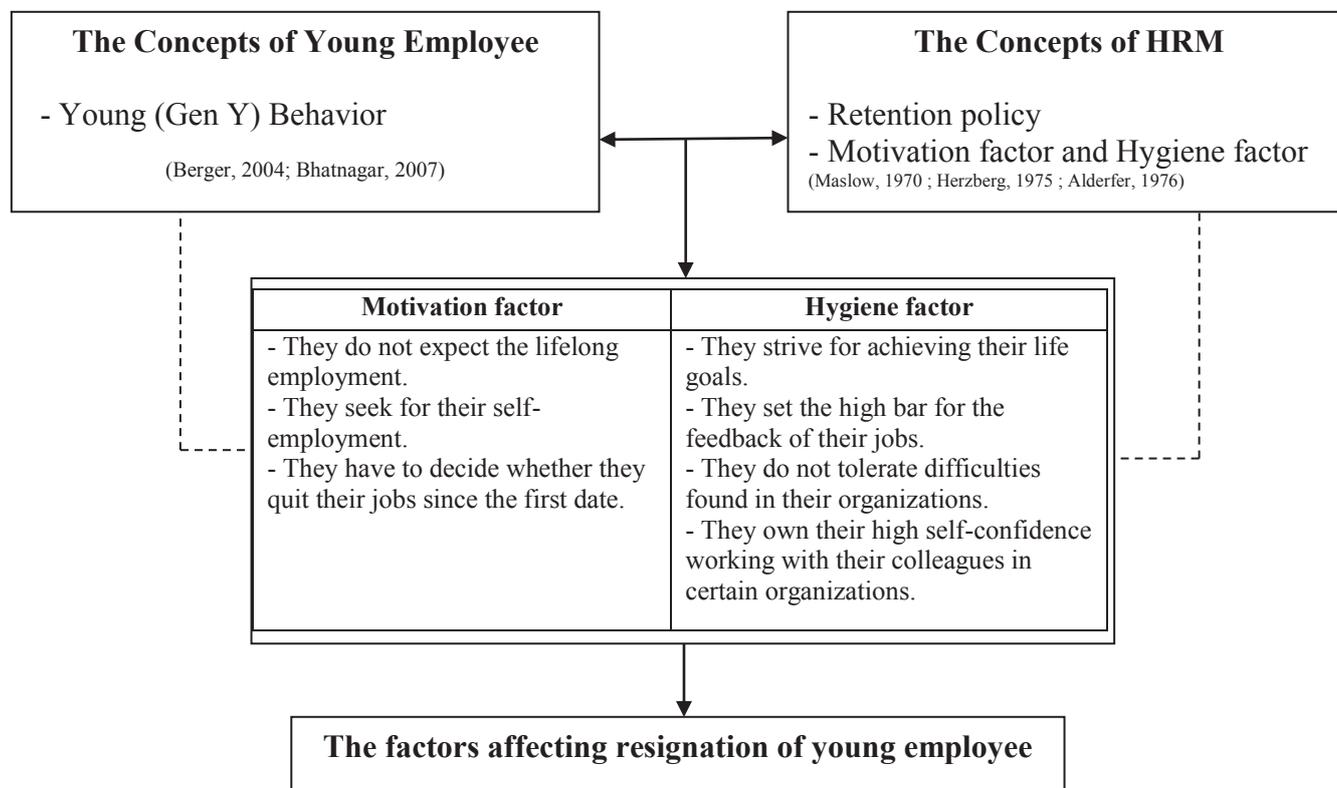


Figure 1: Conceptual Framework

Table 1: Demographic characteristics of the respondent.

#### Results

SEX	Percent
Female	60.20
Male	33.60
Other	6.20
AGE	Percent
18 – 20	10.00
21 – 23	45.20
24 – 26	15.20
27 – 29	15.40
30 – 32	14.20
EDUCATION	Percent
Vocation	3.20
Diploma	55.20
Bachelor	41.60

<b>POSITION</b>	<b>Percent</b>
Operational	42.00
Supervisor	45.20
Manager	12.80
<b>DURATION OF WORK</b>	<b>Percent</b>
Under 3 month	12.80
3 month – 2 year	28.20
3 – 5 Year	17.20
6 – 8 Year	16.40
9 – 11 Year	20.60
12 – 14 Year	1.60
15 – 17 Year	3.20

**Table 2:** Data of resignation rate.

<b>Motivation factor</b>	$\bar{x}$
- Do not expect the lifelong employment.	2.56
- Seek for their self-employment.	3.14
- To decide whether they quit their jobs since the first date.	2.89
<b>Total</b>	<b>2.86</b>
<b>Hygiene factor</b>	$\bar{x}$
- Strive for achieving their life goals.	3.72
- Set the high bar for the feedback of their jobs.	2.88
- Do not tolerate difficulties found in their organizations.	2.89
- High self-confidence working with their colleagues in certain organizations.	2.73
<b>Total</b>	<b>3.05</b>

**Table 3:** Data of Cause of resignation and Cause of persistence.

<b>Cause of resignation</b>	<b>Level</b>
The job can't move up.	1
Assigned duties are not important Comply.	2
Carrying too much about workload.	3
Injustice in the workplace.	4
Low salary.	5
<b>Cause of persistence</b>	<b>Level</b>
The achievement of the job is likely to be promoted.	1
The duties assigned are important and honorable.	2
It's right job.	3
An impressive colleague.	4
There is justice in the workplace.	5

The research showed that the demographic information of the respondents was

1) 60.20% females while 33.60% males, 45.20% age range between 21-23 years, 15.40% age range between 27-29 years, 15.20% age range between 24-26 years, 14.20% age range between 30-32 years and 10.00% age range between 18-20 years. Most of them 55.20% obtained diploma, 41.60% got Bachelor degree and 3.20% is vocational graduates. 45.20% work as supervisors, 42.00% work as an operational and 12.80% work as managers. 28.20% are 3 months - 2 years of work experience, 20.60% are 9 - 11 years of work experience, 17.20% are 3 - 5 years of work experience, 16.40% are 6 - 8 years of work experience, 12.80% are under 3 months of work experience, 3.20% are 15 - 17 years of work experience and 1.60% are 12 - 14 years of work experience.

2) The factors affecting high rate of resignation strive for achieving their life goals. ( $\bar{x} = 3.72$ ) in Hygiene Factor. Whilst the less influencing factor of resignation is the aim "Do not expect the lifelong employment". ( $\bar{x} = 2.56$ ) in Motivation Factor. And the study of relationship between causes of resignation and cause of persistence found that the factors of young employees' resignation are the jobs that do not assign duties which young employees want to do. That is the factor emotions and job satisfaction.

## 6. Conclusion

This research found and differentiated the factors affecting resignation are Motivation factors and Hygiene factors. Two factors have an influence on decision making process of young employees in hotel business in Thailand, which is not relevant to a research of Yang (2010) who has studied about strategy for retention employee. The result shows that factors like benefits and money influence to retain the employee.

But this research shows that benefit and money do not influence on retention of young employees in hotel business in Thailand because the result of this paper leads to highlight some important key factors, which support the Emotional Intelligence of young employees in hotel business in Thailand. The results will be contributing for theoretical and managerial implication on HRM in business hotel of Thailand.

It is noticed that the emotion of young employee in business hotel in Thailand are not yet well studied, and it has not many papers published about the emotion of young employees in hotel business in Thailand especially, focusing on retention of young employees by Emotional Intelligence theory.

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