Factors Affecting Generation Y Employees' Intention to Quit in Malaysian's Business Process Outsourcing Sector

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Abstract

This paper investigates the factors contributing to Generation Y employees' intention to quit in the business process outsourcing sector (BPO) in Malaysia from four different perspectives: personnel dimensions (work overload, role ambiguity and job stress), job attitudes (satisfaction with pay and organizational commitment), work-life conflict and organizational strategies (training, career planning and empowerment). A structural equation modelling approach was employed to identify the variables that significantly affect the intention to quit. Using Amos 18, data collected from 164 Generation Y employees in the BPO sector were used to test the hypotheses. The results showed that intention to quit one's job is explained by lack of training, lack of empowerment, organizational commitment, and lack of career planning. Also, role ambiguity and satisfaction with pay exert negative indirect effects on the intention to quit one's job through organizational commitment. Additionally, job stress has no impact on the intention to quit one's job. This study is considered to be among the few attempts to address the reasons behind Generation Y employees' intention to quit.

Keywords: generation Y, intention to quit, job attitudes, organizational strategies, personnel dimensions

1. Introduction

A global consensus exists on the difficulty to retain Generation Y employees because this group has the tendency to switch jobs (Wan Yusoff, Queiri, Zakaria & Hisham, 2013). A global study shows that 61% of managers have difficulty in retaining Generation Y employees (Baba & Sliong, 2012). According to Sujansky and Ferri-Reed (2009) and Wan Yusof et al. (2013), the Generation Y workforce significantly contributed to the high turnover experienced by various industries. Similarly, several cross sectional studies have revealed that Generation Y employees are significantly more likely to think about quitting their job when compared to other generational workforces (Solnet, Kralj, & Kandampully, 2012). According to Malaysian human resource practitioners, Generation Y employees change jobs frequently and the average tenure of the youngest employees is estimated to be 18 months (Sheahan, 2007). Generation Y employees constitute more than 50% of the Malaysian workforce (Price House Water Coopers, 2012). This statistic implies that Generation Y in Malaysia is soon becoming the main pillar of the workforce, and the transition towards a knowledge based economy as a goal of the 2020 vision lies on their shoulders.

The great interest of retaining the Generation Y workforce in Malaysia is not solely due to the financial cost associated with Generation Y employees' turnover, but additionally to the fact that: a) The Malaysian labor market experiences a shortage of talent (competency gap) as affirmed by (Marthandan, *Jayashree,* & Yelwa, 2013; Downe, Ho, & Taiwo, 2012), and b) The brain drain becomes an increasing trend for Generation Y employees. Malaysia is among the Southeast Asian countries that experiences a high rate of skilled employees' immigration. A favorite destination for Malaysian adults to pursue their career is in Singapore. The emigration of educated adults from Malaysia in 2010 was 276,558 of which Singapore absorbed 44% of this group (Choong , Keh, Tan, & Lim, 2013)

Eisner (2005) anticipated that the chasm of conflict between younger and older workers will increase over the years if the generational differences are not well addressed at the workplace. Such conflicts will arise because Generation Y enters the workplace with a different preference of work values that distinguish them from other generations. Besides, most supervisors and managers who hold senior positions in organizations belong to other cohorts (baby boomers, Generation X) who might have difficulty in understanding Generation Y's work values.

In view of these issues, the Malaysian institutional system of labor market should consider revising its human resource policies to retain the Generation Y workforce more effectively. Additionally, cultural values play an important role in forming the management styles. Malaysians score very high in power distance dimension as found in Hofstede's (1984) study and affirmed 30 years later by (Ting & Ying, 2013). This indicates that employees may be distanced from their supervisors and direct manager, have less authority at the workplace and the availability of a large number of supervisors, which, in return, could be viewed as unfavorable practices by the Generation Y workforce (Twenge, 2010).

This research investigates Generation Y employees' intention to quit from four perspectives: job attitudes, organizational strategy, personnel dimensions and work life balance issues, as recommended by Robyn and Preez (2013) and Deery (2008). Previous studies did not consider distinguishing generations from work value perspectives, or the impact of work values on attitudinal outcomes, such as in (Twenge, Campbell, Hoffman, & Lance, 2010; Josiam, Crutsinger, Reynolds, & Vi Dotter, 2009). Other studies, Calisir, Gumussoy and Iskin (2011) approach the intention to quit issue from the perspective of all employees at the organization, despite Generation Y being a distinctive group in the workforce. Thus, this research contributes to the literature by further expanding the issues that are relevant to the decision to quit, and it enhances HR managers' ability to develop resonated strategies to retain this group in the workforce.

The study focuses on the Business Process Outsourcing Sector, emerged rapidly emerging service sector in Malaysia, that depends heavily on the talented Generation Y workforce. However, retaining Generation Y in this sector has not received much interest by researchers despite the industry being regarded as one of the top outsourcing destinations in Southeast Asia and the world (Tholons, 2013).

Despite that, Generation Y cohort in Malaysia has exposed to unique fundamental life events, related to the country particular economic, cultural and historical events that have shaped its preferences towards different aspects of work values, as generational theory describes it. Yet, in borderless world, there is a general consensus that Generation Y shares common characteristics around the world that are affected mainly by globalization and similar rearing practices. For instance, Generation Y has grown up in the era of internet and frequent access to technology and its country is affected by global economic issues (Myers & Sadaghiani, 2010). Moreover, Generation Y is the most coddled by parents, and it is described as the *"Trophy Kids"* (Alsop, 2008). Accordingly, it would be expected that Generation Y will have some characteristics in common around the world due to globalization and rearing practices.

2. Literature Review

2.1 Organizational Commitment

Organization commitment refers to "the feelings of employees about shared norms and employees' willingness to exert effort on behalf of the organization" (Calisir et al., 2011). This concept, as one aspect of job attitudes, has been found to have a consistent negative impact on the intention to quit one's job (Deery, 2008). Committed employees are less likely to think about quitting their jobs.

Despite the consistent negative relationship between organizational commitment and intention to quit, researchers have recently found that organizational commitment differs between generational workforces. Generation Y employees are said to have the lowest level of organizational commitment. For instance, Slonet Kralj, and Kandampully (2012) reported that Generation Y employees' organizational commitment was the lowest and significantly different from non-Generation Y employees' commitment. In contrast, Cenammo and Gardner's (2008) cross sectional study reported no differences between generational workforces in terms of their commitment to organizations. It is rather the ability of organizations to supply values that fit the needs of each generational workforce, and otherwise the commitment from the generational workforce will not be attained.

Twenge (2010) confirmed Cenammo and Gardner's (2008) findings by implementing a time lag study (longitudinal study). However, she demonstrates that any attempt to separate generational workforces' job attitudes should be reached on the basis of a time lag study outcome rather than a cross sectional study, as the latter will confound generational effects with career effects. Therefore, generational workforces have similar job attitudes and it is likely that committed Generation Y employees in the BPO sector are more attached to their organizations and show less motivation to quit their jobs. Accordingly it is hypothesized:

H_1: Organizational commitment will influence intention to quit negatively for Generation Y employees at the BPO sector.

2.2 Stressors and Job Stress

Deery (2008) suggests ameliorating employees' turnover by outlining industry/sector attributes. Price (1997) divides stressors (range of factors causing job stress) into four categories: role ambiguity, work overload, role conflict and resource inadequacy. The BPO sector is known for its work related stress. This work related stress is represented by work life conflict as a consequence of the long or unusual working hours and assigning tasks to employees that are more than their capacities (Pathak & Sarin, 2011).

The impact of three facets of stressors (work overload, work life conflict and role ambiguity) on job stress are examined. role ambiguity is defined as a sense of uncertainty about what is expected, how to achieve expectations or the consequence of job performance (Rutner, Hardgrave, & McKnight,2008). On the other hand, work life conflict refers to the general interference of work life in employees' personal life (Calisir et al., 2011). Such a conflict prevents employees from balancing between work demands and their personal life matters. Indeed, the only three time lag studies on generational work values differences (Kowske et al., 2010; Smola and Sutton, 2002; Twenge et al., 2010) have confirmed that the emphasis on work centrality has declined within Generation Y employees, as this cohort is family-centric rather than work-centric. In other words, Generation Y employees' place more emphasis on freedom work values (work life balance) from the workplace. They further explained that Generation Y witnessed their parents dedicate their lives to their jobs, only to fall victims to downsizing and retrenchment. This event causes Generation Y employees to be less work-centric and prefer to make life over making a living.

Consequently, the work life conflict emerges as a stressor in a contemporary management (Deery, 2008). Apart from that, work overload refers to the heavy workloads given to employees with tight deadlines (Allen, Armstrong, Reid & Rimenschneider, 2008). Calisir et al. (2011) found a positive relationship between the three aforementioned facets of stressors and job stress for professionals in the Turkish IT industry. Therefore, it could be hypothesized as follows:

H_{2a}: Work overload influences job stress positively for Generation Y employees at the BPO sector.

H_{2b}: Work life conflict influences job stress positively for Generation Y employees at the BPO sector.

H_{2c}: Role ambiguity influences job stress positively for Generation Y employees at the BPO sector.

In addition to the potential influence of the stressors on job stress, these stressors were found to exert a significant negative influence on organizational commitment (Calisir et al., 2011). Thus the following is hypothesized:

H_{3a}: Work overload influences organizational commitment negatively for Generation Y employees at BPO the sector.

H_{3b}: Work life conflict influences organizational commitment negatively for Generation Y employees at the BPO sector.

H_{3c}: Role ambiguity influences organizational commitment negatively for Generation Y employees at BPO the sector.

Ultimately, the experience of work related stress results in job stress (Love & Irani, 2007). Job stress is defined from the relational perspective as an "individual's reaction to a situation or aspect of the environment that is perceived as stressful and a threat to one's overall well-being" (Lazarus, 1991, p. ?). Similar to other generational workforces, when Generation Y employees experience stress at their jobs, it is likely that such feelings would result in triggering the intention to quit the job. Job stress is considered one of the major personal attributes that is consistently found to be positively related to the intention to quit (Firth, Mellor, Moore, & Loquet, 2004). Hence, we hypothesize;

H_4: Job stress is positively related to the intention to quit for Generation Y employees at the BPO sector.

2.3 Satisfaction with Pay

Smith, Kendall, and Hulin (1969) set forth the job descriptive index (JDI) to measure the level of satisfaction of employees with aspects, such as: work itself, co-workers, supervisions and pay. According to Lock (1976) employees utilize their work values to evaluate the status of the job. Work values serve as the basis to judge a situation at the workplace. In essence, job satisfaction emerges as the result of evaluating the differences between one's preferred work values and what is actually being delivered by organizations.

Twenge (2010) extensively reviewed the generational work values differences based on empirical cross sectional and time lag studies, and found that the majority of time lag studies affirm the increase in valuing the extrinsic rewards (high salary and material possessions) by the Generation Y workforce compared to the noGeneration Y

workforce. Similarly, Ching and Kee (2012) and Lee, Hung, and Ling (2012) investigate Generation Ys' work values of teachers and pre-service teachers respectively in Malaysia. Their analysis confirmed that the targeted sample prefers extrinsic rewards (pay) over intrinsic rewards. Chatman (1991) concluded that the congruity between employees' work values and the communicated organizations' work values has a direct influence on the employees' job attitude.

However, Khatri, Fern, and Pudhwar (2001) reported a direct negative relationship between satisfaction with pay and intention to quit for Singaporeans' younger employees at various sectors. Besides, numerous anecdotal reports assume that satisfaction with pay is a reason that drives Generation Y away from their organizations. Accordingly, it could be hypothesized that:

H_{5a}: Satisfaction with pay has a negative influence on intention to quit among Generation Y employees at the BPO sector.

Apart from the direct influence of pay satisfaction on intention to quit, the role of organizational commitment as a mediator between pay satisfaction and intention to quit is well recognized (Luna-Arocas & Camps, 2008). Their study confirmed that organizational commitment plays a full mediating role in explaining the relationship between satisfaction with pay and intention to quit. Yet, such a relation for generational Y employees at the BPO sector has not been established, and it could be hypothesized that:

H_{5b}: Organizational commitment mediates the relationship between pay satisfaction and intention to quit among Generation Y workforce at the BPO sector.

2.4 Human Resource Organizational Strategies

Three human resource functions, namely, training, career planning and empowerment are discussed in terms of their relevancy to Generation Y employees, and how likely these HR functions influence the decision to quit among them.

Traditionally, training and career planning are deemed to be potential HR strategies to retain employees from different generational workforces. Deery (2008) examined several studies to find substantial support for the assumption that training and career planning influence intention to quit through job satisfaction and organizational commitment. In contrast, Johari, Yahya, & Ahmad (2012a) found that career planning and training have a significant direct impact on the intention to quit for employees (non Generation Y employees) in the Malaysian manufacturing industry. Nevertheless, in the latter study, neither job satisfaction nor organizational commitment as a mediator was investigated. In another study, Johari et al. (2012b) found that training and career planning were not significant predictors of intention to quit. Their findings are explained in view that most respondents belong to the Generation Y workforce, and this cohort favors other HR practices (e.g., compensation).

In response to Johari's et al. (2012b) findings, it is argued that training and career planning are extremely important retaining strategies for the Generation Y workforce. Martin (2005) and Kim, Knight, and Crutsinger (2008) claim that Generation Y members often leave organizations if they do not receive appropriate training development and career planning. Such emphasis on training and career planning could be attributed to Generation Y employees distrusting job security and strive to increase their employability in the time of boundary-less organizations (similar to BPO sector characteristic) (Eisner, 2005).

Twenge et al. (2010) attributed the emphasis on training and career planning by Generation Y employees to the increasing trend of valuing extrinsic rewards. Indeed, Generation Y employees seek prestigious positions in organizations (higher status) with higher salaries that could be attained by focusing on improving their skills and abilities via appropriate training and career planning .They are assumed to be the generation that desires to climb the hierarchal ladder of organizations rapidly (Ng, Schweitzer, & Lyons, 2010). values are useful indicators of an individual's decisions and actions (Rokeach,1973). Additionally, work values help shape employees' perception to prefer one organizational strategy over another (Dose, 1997). Consequently, it could be hypothesized:

H_{6a}: Lack of training is positively associated with Generation Y employees' intention to quit at the BPO sector.

H_{6b}: Lack of career planning is positively associated with Generation Y employees' intention to quit at the BPO sector.

Empowerment of employees is thought to be essential in developing their commitment as an effort to retain them. Such a negative relationship between empowerment and intention to quit is established in several studies (Gill, Mathur, Sharma, & Bhutani, 2011; Avey, Hughes, Norman, & Luthans, 2008).

Empowering subordinates is not merely allowing them to participate in management decisions, but rather the power and the authority that are given to the subordinates in tandem with such participation (Savery & Luks,

2001). Moreover, Ford and Fottler (1995) distinguish empowering employees from conventional participation in making a management decision at the workplace on the basis of providing the mechanism by which the responsibilities of this decision is rested in employees. Despite the different conceptualizations of empowerment in the literature, commonly, empowerment is viewed as structural managerial practice to increase employees' power level (delegation, participation, involvement and freedom from supervisors at workplace).

It could be argued that Generation Y employees need empowerment at the workplace, similar to other generational workforces. However, the need for empowerment has grown substantially with the Generation Y workforce. This conclusion is explained by valuing freedom aspects more than other non-Generation Y employees (Cennamo & Gardner, 2008).

Furthermore, Eisner (2005) characterizes the Generation Y workforce as more demanding of autonomy, and they expect to participate in making decisions. Twenge (2010) concluded that members of the Generation Y workforce value freedom from their supervisors, although Generation X values freedom slightly lower than Generation Y. However, disparity is high when compared with baby boomers. Such findings are reached from a critical review of Generation work values' differences.

As stated earlier, given the significant of freedom work values to Generation Y employees, in addition to the role of preferred work values on exerting an influence on attitudes and behaviours, it is reasonable to expect that empowerment plays a role in explaining the decision made by Generation Y employees to quit. Nevertheless, such a relationship has not been established for Generation Y employees at the BPO sector.

H_{6c}: The lack of empowerment has a positive influence on the intention to quit among Generation Y employees at the BPO sector.
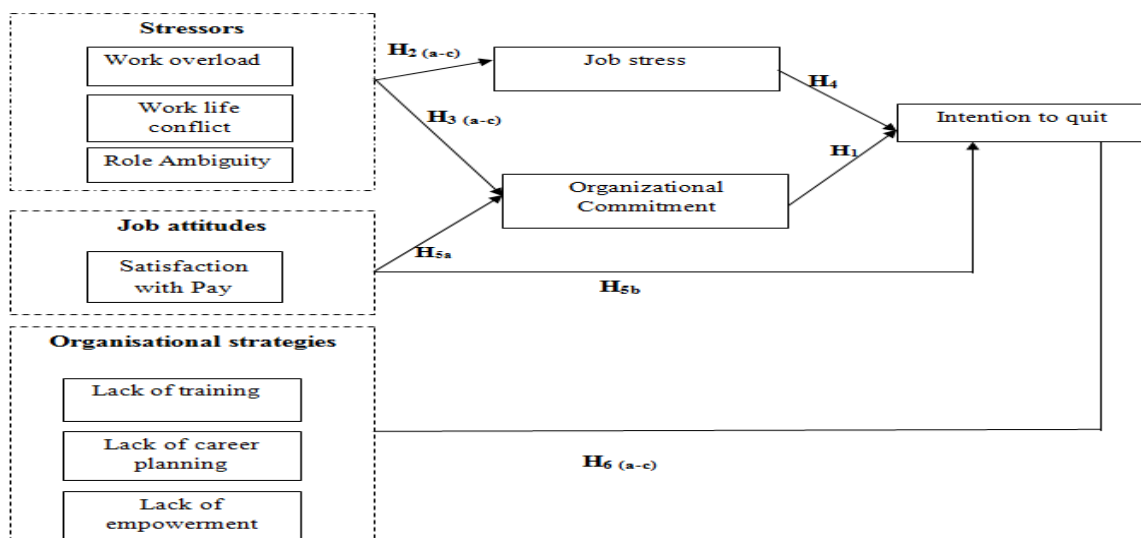

Figure 1. Theortical research model

3. Methodology

A quantitative cross sectional survey method was used to gather data. The target population was Generation Y employees in the BPO sector in Malaysia. In total, 240 questionnaires were distributed to BPO companies in Malaysia. Out of 240 distributed questionnaires, 164 were retained for further analysis providing a response rate of 61%).

Many organizations at the BPO sector were approached to get their approval to distribute the designed questionnaires. Although many showed their interest towards the scope of the study, only a few accepted to participate. Indeed, BPO organizations are fully engaged in outsourcing activities. Their employees' heavy work requirements prevented them from the participation in this study. Figure 1 depicts the theoretical research model under investigation.

The questionnaire is divided into two parts. First, the demographic part is designed to solicit information about the respondents. Table 1 summarizes the demographical profiles of the participants. The second part of the questionaire requires the indication of respondents' level of agreement on the factors that are under investigation. Table 2 provides a summary of the constructs' names, number of items to measure each construct, and the

references of these measures.

Table 1. Demographic profiles of respondents

Gender (%)		
Male: 40%	Female: 60%	
Ethnicity (%)		
Malay:75%	Chinese:18%	Indian:7%
Tenure (%)		
0-2years: 51%	3-5years: 28%	6 years and above: 21%
Educational level (%)		
Diploma: 48%	Degree:48%	Master:4%
Job Categories (%)		
Non-executive:53%	Executive: 41%	Managers:6%

Table 2. Constructs' names, number of items and references

Constructs	Number of items	Reference
Work overload	3	Calisir et al., 2010
Role ambiguity	3	Calisir et al., 2010
Work family conflict	3	Firth et al., 200
Satisfaction with pay	3	Spector,1994
Organizational commitment	5	Firth et al., 2004
Job stress	8	Firth et al., 2004
Lack of training	4	Dhiman & Mohanty 2010
Lack of career planning	5	Dhiman & Mohanty 2010
Lack of Empowerment	3	Dhiman & Mohanty 2010
Intention to quit	3	Cumman et al., 1979

4. Results

This study relies on the two-step approach suggested by Anderson and Gerbing's (1988) measurement and structural models. However, prior to the implementation of the two step approach, an exploratory factor analysis (EFA) was employed. The implementation of EFA generated 32 items, instead of the initial 40 items, which represent 10 latent factors. Items with loading factors less than 0.4 were removed. Furthermore, items cross loading on different latent factors were potential candidates for removal (Kim, Knight, & Crutsinger, 2009). Table 3 shows the extracted factors and their corresponding items.

4.1 Measurement Model

The measurement model consists of 32 items that measure 10 constructs, which are: work overload, work-life conflict (WLC), role ambiguity (RA), organizational commitment (OC), satisfaction with pay (PSAT), lack of training (LT), lack of career planning (LC), lack of empowerment (LE), job stress (JS), and intention to quit (IQ). Initially, the original measurement model indicated a poor goodness of fit. We assessed the goodness of fit of the measurement model through utilizing different statistical indices, as shown in Table IV. The statistical fit indexes of our measurement model and the recommended values are based on the suggestion of previous research (Bentler, 1990).

As shown in Table 4, three statistical indices fall within the range of the recommended values, namely: x^2/df, RMSEA and SRMR. CFI and TLI were below the threshold values, and they are regarded as a good indicator of goodness of fit, since they are less sensitive to sample size when compared with other indices.

Table 3. Extracted factors and corrosponding indicators

	Items									
	1	2	3	4	5	6	7	8	9	10
*WO1									-.408	
*WO2									.830	
*WO3									.446	
*WLC1					.850					
*WLC2					.931					
*WLC3					.425					
*RA1				.968						
*RA2				.658						
*RA3				.642						
*OC1										.522
*OC2										.436
*PSAT1						.515				
*PSAT2						.809				
*PSAT3						.751				
*LT1								.449		
*LT2								.701		
*LT4								.846		
*LC1			.679							
*LC2			.950							
*LC3			.858							
*LE1							.803			
*LE2							.839			
*IQ1		.764								
*IQ2		.686								
*IQ3		.948								
*JS1	.819									
*JS2	.807									
*JS4	.897									
*JS5	.867									
*JS6	.899									
*JS7	.936									
*JS8	.915									

**Retained items: (WO1…WO3: work overload items; WLC1…WLC3: work life conflict items; RA1…RA3: role ambiguity items; OC1…OC2: organizational commitment items; PSAT1…PSAT3: satisfaction with pay items; LT1, LT2, LT4: lack of training items; LC1, LC2,LC3: lack of career planning items; LE1, LE2; lack of empowerment items; IQ1…IQ3: intention's to quit items; JS1, JS2, JS4…JS8: Job stress items)*

Table 4. Fit statistics of confirmatory factor analysis (Measurement model)

Fit index	Recommended values	Original values
x^2/df	≤ 3	1.91
CFI	≥ 0.95 or closer	0.87
TLI	≥ 0.95 or closer	0.85
RMSEA	≤ 0.08	0.08
SRMR	≤ 0.08	0.067
GFI	≥ 0.9	0.75
AGFI	≥ 0.8	0.68

WO1 (first item in the work overload construct) was dropped and excluded from further analysis as this item loaded poorly on the work overload construct (its loading was below 0.5). Besides, the fit of the original model was further improved by introducing partial covariance between error terms of items in the same construct. In the model *error 30 & error 31*, *error 31 & error 32* and *error 36 & error 37* were co-varied for the job stress construct based on the modification indices' highest values. Ultimately, the re-specified model showed a reasonably good model of fit. The overall fit indices; x^2/df = 1.44, CFI = 0.94, TLI= 0.93, RMSEA = 0.055 and SRMR = 0.061.

Construct validity was examined through two dimensions: convergent and discriminant validity. As shown in Table 5, the conditions of convergent validity were satisfied. The entire Cronbach alpha (α) and composite reliability (CR) of the constructs had the recommended value of above 0.7, except WO (work overload), which had α and CR in the acceptable moderate range. Moreover, the average variances extracted of the constructs are all above the suggested value of 0.5. Besides, all the retained items are loading significantly to their corresponding constructs (t-value > 1.96). In addition, the majority of the items have the recommended loading value of above 0.7, and a few items have the acceptable loading of above 0.5 (Hair et al., 1998).

Finally, the construct validity of the constructs was assessed through the discriminant validity using Fornell and Larcker's (1981) method. Table 6 reveals that the discriminant validity of constructs is achieved, since all the shared AVEs are less than AVEs of those constructs. For instance, AVE of satisfaction with pay (PSAT) = 0.51, which is larger than any of the AVEs that is shared with PSAT construct.

Table 5. Constructs' Composite Reliability and Average Variance Extracted

Constructs	Cronbach Alpha	Composite Reliability	Average Variance Extracted
WO	0.692	0.962	0.53
WLC	0.84	0.85	0.65
RA	0.73	0.74	0.5
OC	0.72	0.73	0.58
PSAT	0.73	0.75	0.51
LT	0.75	0.75	0.51
LC	0.86	0.86	0.67
LE	0.88	0.88	0.78
JS	0.96	0.96	0.72
IQ	0.87	0.87	0.68

Table 6. AVEs and shared AVEs

	PSAT	WLC	RA	OC	LT	LC	LE	JS	IQ	WO
PSAT	**0.510**									
WLC	0.010	**0.650**								
RA	0.095	0.012	**0.500**							
OC	0.210	0.015	0.370	**0.580**						
LT	0.000	0.230	0.010	0.000	**0.510**					
LC	0.000	0.230	0.012	0.014	0.400	**0.670**				
LE	0.000	0.200	0.021	0.000	0.453	0.340	**0.780**			
JS	0.010	0.275	0.035	0.065	0.130	0.190	0.085	**0.720**		
IQ	0.010	0.160	0.010	0.100	0.380	0.310	0.330	0.153	**0.680**	
WO	0.090	0.230	0.200	0.033	0.160	0.080	0.090	0.044	0.205	**0.530**

Since the research questionnaires was designed as a cross sectional study with data collected from common raters (i.e. same raters), the concern of a common method effects is raised. This study followed Podskoff's et al. (2003) "*common method factor*" to investigate the presence of common method effects. This implies: "Items are allowed to load on their theoretical constructs, as well as on a latent common methods variance factor, and the significance of the structural parameters is examined both with and without the latent common methods variance factor in the model" (page ?).

Accordingly, the competing models (with and without common method factor was compared), a common method effects will exist if a significant improvement is shown in Δx^2, as a result of comparing the model. It was possible to calculate $x^2 = 552.3, df = 384$ for the measurement model without introducing the common method factor, and $x^2 = 494, df = 353$ for the measurement model with introducing common method factor. It was also found that Δx^2=58.3 and Δdf=31 was significant at P < 0.005. Initially, this implies the common method effect is significant in the data. However, by referring to previous research (Elangovan and Xie, 1999), it was suggested to examine whether a significant improvement occurred in one incremental fit indices post introducing common method factor. In this case, post introducing a common method factor, the model merely improved by 0.008 (ΔCFI <0.01), which indicates the model improved insignificantly , thus no common method effect is present.

4.2 Hypothesizes Testing

The proposed research model depicted in Figure 2 had a decent model fit. The overall model had the following fit indices $(x^2 = 30, df = 17)$ CFI = 0.97, RMSEA =0.072 with p-close = 0.18; a p-close higher than 0.05 along with a RMSEA below 0.08 indicates a very good goodness of fit.

Prior to determining the significant paths using the structural equation model, multivariate assumptions were checked to justify the use of the appropriate estimators and the use of the SEM technique in general. The three multivariate assumptions examined were the normality of the data, linearity among the constructs, and multi-co-linearity (Byrne, 2010).

Each of the constructs had a univariate normal distribution, even under the use of stringent cutoff to indicate a divergence from normality, and each construct had skewness and kurtosis within the recommended range to claim for normality (skewness and kurtosis are below absolute 1). Moreover, Mardia's coefficient of our data is below 5, which indicates that the data was multivariate normally distributed (Byrne, 2010). With normally distributed data, the use of maximum likelihood estimator to examine the significant paths in Amos is justified.

Second, the relationship between the proposed paths shown in Figure 1 is sufficiently linear. Hence, linearity exists between the proposed paths. Consequently, the use of Amos to conduct the analysis is further justified. Third, the analysis indicates no sign of multicolinearity as the exogenous variables have VIF < 3. Figure 2 shows the standardized path coefficients that were found to be significant as a result of testing the theoretical proposed model.

The model was able to explain 28.5% and 41.2% of the variance in organizational commitment and in intention to quit respectively. The results indicate that organizational commitment, lack of training, lack of career and lack

of empowerment have a direct influence on intention to quit. However, their strengths and explanatory power were different from each other. Ironically, job stress exerted no influence on intention to quit, but the job stress is mainly predicted by the work life conflict. In addition, our results found no support for the direct influence of satisfaction with pay on intention to quit. On the other hand, organizational commitment was predicted by role ambiguity and satisfaction with pay.
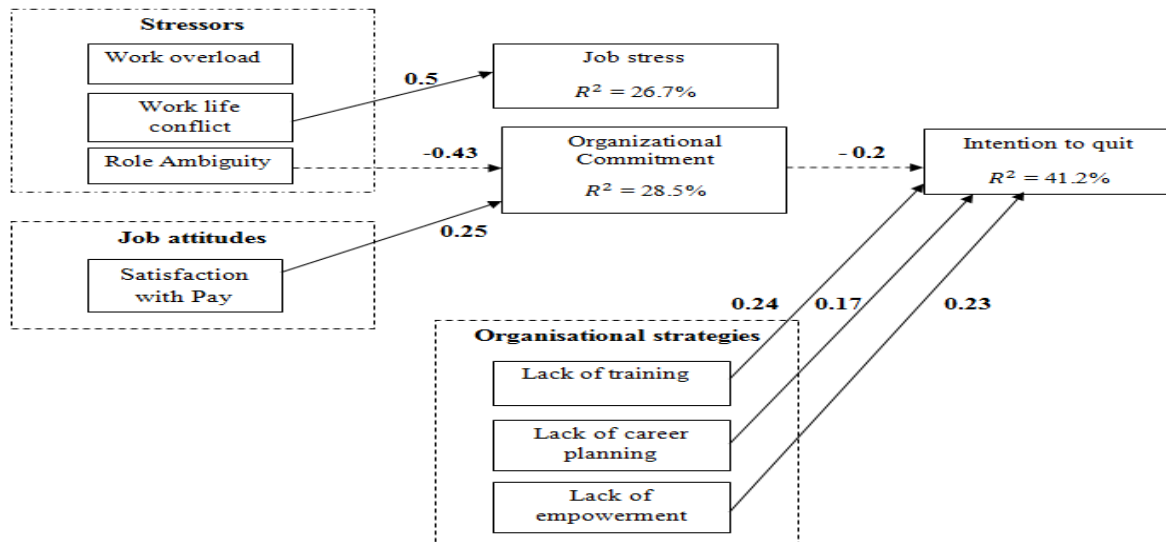

Figure 2. Restructured research model

Table 7 shows the direct, indirect and total effects of the constructs on the intention to quit. It is shown that satisfaction with pay indirectly influences the intention to quit through organizational commitment. Although role ambiguity influences intention to quit indirectly, two possibilities are that the indirectly influence the role ambiguity is either mediated by job stress or by organizational commitment. Moreover, it is found that role ambiguity was mediated by organizational commitment, since no direct effects were found of job stress on intention to quit.

Table 7. Dircet, indirect and total effects on intention to quit

Dependent Variable	Independent variable	Direct effects	indirect effects	Total effects
Intention to quit	**Work overload**	-	0.014	0.014
	Work life conflict	-	0.06	0.06
	Role ambiguity	-	0.1[**]	0.1[**]
	Satisfaction with pay	0.013	-0.05[**]	-0.037
	Lack of training	0.24[**]	-	0.24[**]
	Lack of career planning	0.17[*]	-	0.17[*]
	Lack of empowerment	0.23[**]	-	0.23[**]
	Organizational commitment	-0.2[**]	-	
	Job stress	0.09	-	0.09

5. Discussion

This study examined thirteen hypothesizes of which H_1 and $H_{6\ (a-c)}$ were supported. Thus organizational commitment, lack of training, lack of career planning and lack of empowerment have direct effects on intention to quit for Generation Y employees in the BPO the sector. Of the four constructs, lack of training and empowerment were respectively the highest in terms of exerting direct effects on intention to quit, followed by organizational commitment and lack of career planning.

The findings of this study contradict other findings in several ways. First, Johari et al.'s (2012a) study reported no significant impact of training on intention to quit. Their explanation of such findings were subjectively based on the fact that the majority of their respondents belonged to Generation Y and they prefer instant rewards rather than other extrinsic rewards; however, such an explanation requires further empirical justification. Moreover, Zheng and Lamond (2010) reported training was not negatively related to employee's turnover. They explained this finding in light of average expenditures spent on training employees. The higher the expenditure, the higher employability that would result in employees' seeking other jobs.

In contrast, this study found that lack of training is the highest predicator of intention to quit among Generation Y employees in the BPO sector. It seems that Generation Y employees in the BPO sector rely heavily on receiving adequate training; otherwise, they may leave their organizations to remain employable in the long term. This finding could be attributed to Twenge's (2010) explanation that the Generation Y workforce strives to increase their employability in an economy where a secured job is not guaranteed.

Organizational commitment was not the highest predictor of intention to quit among Generation Y employees in the BPO sector. This finding contradicts Calisir et al. (2011), Firth et al. (2004), and Luna-Arocas and Camps (2008), who reported organizational commitment to be the highest predictor of intention to quit for Information Technology professionals. While developing Generation Y employees' organizational commitment is an important retention strategy, priority should be given to improving their training and feeling of empowerment.

On the other hand, satisfaction with pay ($H_{5a)}$) and job stress (H_4) were found to be insignificant predicators of intention to quit for Generation Y employees at the BPO sector. Instead, organizational commitment played a role in fully mediating the relationship between satisfaction with pay and intention to quit. This resulted in supporting H_{5b}. Therefore, Generation Y employees at the BPO sector who are not satisfied with their salaries are less committed to their organizations and eventually leave their organizations. The role of mediating of organizational commitment, at least in the BPO sector, refutes the anecdotal information which claims that salary is the most important criteria for the Generation Y workforce to remain at or leave their organizations. Furthermore, organizational commitment is mainly predicted by role ambiguity, which supports H_{3c}. Similarly, organizational commitment mediated the relationship between role ambiguity and intention to quit.

Though work life conflict was the only predictor of job stress (H_{2b}), despite this, the role of job stress in mediating the relationship between stressors and intention to quit was not supported. In other words, H_{2a} and H_{2c} were not supported. This finding is due to the absence of a significant relationship between intention to quit and job stress (H_4). Accordingly, it could be said that Generation Y employees in the BPO sector may not decide to quit based on their level of job stress. However, this raises the question of the possibility of the stressors (WO, WLC and RA) directly exerting influence on the intention to quit rather than being mediated through job stress, or job stress is mediated by other job outcomes, and this remained untested in this study. Several studies found that job stress and intention to quit is mediated through job satisfaction instead of a direct influence (Maudgalya, Wallace, Daraiseh, & Salem; Calisir et al., 2011; Firth et al., 2004). Lee and Shin (2005) found that stressors such as cynicism and emotional exhaustion had a direct impact on intention to quit.

6. Managerial Implication

HR functions are vitally important to retain Generation Y employees in the BPO sector. Organizations should provide appropriate training for their Generation Y employees through close monitoring and coaching. In addition to training, organizations in the BPO sector should consider empowering their Generation Y employees. Such empowerment could be induced by allowing them to participate in decisions with a degree of authority, allow them to be responsible over decisions, and they should be kept engaged at the workplace. Besides, an organization's management that wishes to retain their Generation Y employees should also focus on proper career planning. This focus is achieved through formal/informal regular discussions with offering a rich variety of opportunities to advance their careers. However, opportunities should be realistic and could be fulfilled. Otherwise, unmet expectations and promises have negative ramifications on Generation Y employees' job outcomes.

Indeed, Generation Y employees place significant importance on the supplied organizational strategy, and this group cares about increasing their employability and advancing their careers. Such a goal is seen to be achieved through the appropriate training and career planning. Otherwise, Generation Y employees will quit their current job to join another organization that gives priority to increasing their employability.

Another important finding is that Generation Y strives to be empowered at the workplace, and empowerment becomes a substantial antecedent for Generation Y's intention to quit. It is likely that Generation Y looks beyond extrinsic rewards at workplace. This group values status rewards (i.e., empowerment) to the extent that it triggers

their intention to leave, thus providing a true sense of empowerment at the workplace will be an important aspect to consider.

Organizational commitment is another concern that requires management attention due to its influence on the intention to quit. Feeling of commitment could be induced through clearly identifying the job description for Generation Y employees in the workplace; they expect constant feedback from their bosses. Besides, commitment of employees is further induced through maintaining a high level of job satisfaction, especially satisfaction with salary. If not, other compensations and unique reward systems such as "gain sharing scheme" would probably increase their commitment.

Lastly, organizations that need to retain Generation Y employees should give consideration to clarifying the role of the job. Otherwise, the intention to quit will arise through effecting organizational commitment. Giauque et al. (2013) cited that organizational variables are the most powerful predictors of organizational commitment, specifically if Generation Y is known to be in need of constant feedback. If not, this group will lack the direction towards achieving organizational tasks appropriately, and this in return results in triggering the intention to quit.

7. Conclusions & Limitations

Lack of training, lack of empowerment, organizational commitment, lack of career planning and satisfaction with pay are relevant in explaining Generation Y employees' intention to quit in the BPO sector. Unlike the traditional existing findings related to employees' intention to quit, organizational commitment was not the strongest predictor, at least for Generation Y employees' intention to quit. Other more relevant factors weighing on the decision to quit for Generation Y employees are the availability of training and empowerment. Therefore, Generation Y employees are more committed to their careers and look forward to develop it through training and empowerment, otherwise, their eagerness and impatience will lead to their decision to quit. The sample population used to draw this conclusion is relatively small, but the sample size was an adequate to perform the major analysis in this study. Accordingly, this study does not seek to generalize the findings to all Generation Y employees. Yet, Generation Y as indicated have some similar characteristics and values around the world and replication of this finding could be possible.

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