

STRATEGIC SOLUTIONS FOR MANAGING TURNOVER INTENTION IN THE QUICK SERVICE RESTAURANTS (QSR) INDUSTRY

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Abstract

The Quick Service Restaurant (QSR) sector is a rapidly growing segment of the fast-food industry, designed to offer efficient, affordable, and standardized food services. Despite its growth, the QSR industry faces significant challenges in managing human capital, particularly with high employee turnover intention. This study aims to identify the factors contributing to turnover intention among QSR employees in Kerala and propose strategic solutions to mitigate this issue. A mixed-method research design was employed, involving both qualitative and quantitative approaches. The research focused on key factors such as Organizational Culture, Organizational Justice, and Opportunities for Career Development. Findings reveal that these elements significantly influence turnover intention. The study also demonstrates that employees have a positive outlook on the proposed strategic solutions, with solution 3 emerging as the most effective in reducing turnover rates. The research concludes that addressing these factors through targeted strategies can enhance employee retention and improve service quality in the QSR sector.

Keywords:- Quick Service Restaurants, Employee Turnover Intention, Organization Culture, Organisational Justice, Career Development.

Quick Service Restaurants (QSR) area new addition to the existing food segment in Kerala, designed to offer specialized food services to customers. These establishments primarily focus on providing highly standardised and rapid services to ensure a high level of service quality that meets

customer expectations.

To ensure that, the employees' satisfaction plays a crucial role, as they are often the primary point of contact between the organization and its customers. However, if they are dissatisfied it can lead to increased turnover intentions and subsequently

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impact their service quality negatively. In this context, this study focuses on the strategic approaches adopted by QSRs for managing their employees and discusses turnover intentions, emphasizing that the success of this sector lies in the hands of its employees.

Background of the Study-Strategic Solutions for Managing Turnover Intention

The QSR industry faces significant challenges in managing human capital and retaining employees. Many workers view the sector as a temporary stopgap, leaving for better opportunities, which negatively impacts service quality. In addition to that, high turnover rates are a recognized global issue across the hospitality industry, and over time, these turnover intentions are likely to increase actual turnover, adversely affecting operating costs, profitability, and service quality (Davidson et al., 2010). Despite the significance of this issue, the literature survey reveals no specific studies addressing turnover intention among QSR employees in Kerala. However, discussions with employees and management confirm that turnover rates and intention to leave are very high. This research focuses on addressing employee turnover intention and identifying strategic solutions to mitigate it.

Significance of the Study

The QSR industry in India is undergoing rapid expansion, propelled by factors such as increased urbanization, a growing youth demographic, and rising disposable incomes. Despite this growth, the industry faces significant challenges due to high employee turnover rates and poor working conditions, including low pay and

job insecurity. This study, titled "Strategic Solutions for Managing Turnover Intention in the QSR Industry," focuses on identifying the factors that lead to employee turnover in major QSR chains in the Ernakulam District of Kerala. By analyzing these factors, the study aims to develop strategic solutions to enhance employee retention, improve overall work quality, and support the sustainable development of the QSR industry. The research findings will offer valuable insights for QSR managers, industry stakeholders, and policymakers, aiding in the creation of a more stable, satisfied, and productive workforce in this growing sector.

Scope of the Study

This study focuses on understanding employee turnover intentions within five major QSR chains namely, KFC, Domino's, Chicking, Pizza Hut, and McDonald's that specifically within the Ernakulam District of Kerala. Ernakulam has been chosen as the focus area because it has a high concentration of these QSR outlets, making it a representative region for the QSR sector in the state.

Literature Review

Turnover intention is a challenge faced by every organizational structure, and many industries have implemented various strategies to address this issue. However, in today's competitive market, this problem has not been fully resolved. A well-crafted strategic management plan can help mitigate the effects of turnover intention. Escalating turnover rates can severely impact the overall performance of QSRs, leading to a decline in service quality, increased operational costs,

financial strain from restaffing, higher training expenses, a tarnished brand image, reduced productivity, and the loss of revenue and competitive advantage (Shriedeh, 2019).

To continue, various scholars attempted to examine the influence of Organizational Culture, Organizational Justice, and Opportunities (Career Development) on turnover intention. For instance, Thatcher et al. (2002) investigated the influence of organizational climate on turnover intentions in an information technology firm and found a direct correlation between the two. Similarly, Stone et al. (2006) emphasized the strong connection between organizational climate and employees' intentions to leave. Likewise, Maharani et al. (2023) found that career opportunities and organizational culture have a great negative impact on turnover intention. Additionally, studies such as Özkan (2022) and Rusbadol and Mahmud (2018) uphold the view that the perceptions of organizational justice result in a decreased employee turnover intention.

Statement of the Problem

The review of prior research work explains that employee's role and organization structures are playing a vital role in the successful running of an organization. Based on the reviews mentioned in the previous section it evident that maintaining the employees' quality of work life, and arranging an organizational structure for the upgradation of employee's opportunities are very important elements which are enable them to product a better quality of work and that leads to the successful

running or an organization. Likewise, QSR sector needs to understand the value of their employees and develop a strategic solution for eliminating or reducing the turnover intention among employees. In this context, this study was framed following objectives to make a strategic planning approach to reduce the turnover intention among QSR employees in Kerala.

Objectives of the Study

1. To identify and assess the reasons behind the turnover intention among QSR employees.
2. To Develop strategic solutions to mitigate turnover intention in the QSR Industry.

Hypotheses

1. H_{01} : Organizational Culture, Organizational Justice, and Opportunities-Career Development are not statistically significant in behind the turnover intention among QSR employees.
2. H_{02} : Strategic Solutions 1, 2 and 3 are not statistically significant for reducing the turnover intention among QSR employees.

Strategic Solution for mitigating Turnover Intention:

Examining the reasons behind turnover intention among QSR employees reveals that key factors include organizational culture, organizational justice, overall job satisfaction, and opportunities for career development. Based on these factors, a strategic solution framework has been developed to address and reduce employee turnover intention.

Table 1
Strategic Solution for mitigating Turnover Intention

Turnover Intention Reasons	Variables	Strategic Solution
Organizational Culture	Poor Communication Poor Work Adjustment Cross-cultural adjustment Dissatisfaction of OC	Better Communication (Inside the Workplace), Better work Adjustment, Facilitate cross-culture communication through overseas training, Maintain organizational culture satisfaction
Organizational Justice	Poor Job characteristics Poor Pay levels and insufficient increments Poor Job Security Poor QWL Job Satisfaction	Increase pay levels and provide timely and sufficient increments, improve the job character by providing respectful position, provide better job security through stable contracts, provide better QWL, improve the Job satisfaction.
Opportunities (Career Development)	Poor career development Poor skill development facilities Poor training methods	Provide skills development training, provide career development options, Periodic assessment of training methods, provide scholarships for career advancement in the QSR sector, Provide overseas training facilities with scholarship

Source: Prior Literature

Research Design and Sampling Techniques

This research article employed a mixed-methods design, incorporating both qualitative and quantitative approaches. In total, 838 employees work in Ernakulam, distributed as follows: KFC (226 employees), Domino’s (194 employees), Chicking (228 employees), Pizza Hut (119 employees), and McDonald’s (71 employees). The appropriate sample size for this study was determined using the Krejcie and Morgan formula. The systematic Sampling Method was used to select the samples.

$$\text{Sample size} = \frac{x^2 NP (1-P)}{e^2(N-1) + x^2 P (1-P)}$$

$$= \frac{3.841 \times 838 \times 0.5 (1-0.5)}{0.05^2 \times (838-1) + 3.841 \times 0.5 (1-0.5)} = 264$$

Data Analysis and Interpretation

The study was used a pretested questionnaire for collecting the data from Quick services Restaurant employees. Before finalizing the questionnaire, a pilot study was conducted among randomly selected 50 respondents (those who were excluded from final data collection). The Cronbach’s Alpha test was used to validate the internal consistency of questions with 5-point Likert scale measurement. In detail organizational culture showed a Cronbach’s Alpha of 0.894, while organizational justice issues had a value of 0.824. In career development opportunities, the Cronbach’s Alpha value is 0.849. Standardized measurements of these variables explained variances of 57 per cent, 61.2 per cent, and 52.81 per cent, respectively, as extracted through factor analysis.

Table 2
Sample Distribution

QSR	EKM	P	RSS
KFC	226	0.27	71
Dominos	194	0.23	61
Chicking	228	0.27	72
Pizza hut	119	0.14	38
Mc Donald's	71	0.08	22
Total	838	1	264

EKM= Ernakulum, P=Proportional Distribution, RSS=Required Sample Size
Source: Field Study.

Table 3
Statistical Significance of Reason behind the Turnover Intention (OC)

	Mean	SD	T	p-v	MANOVA-1-Way
Poor Communication	4.52	0.248	6.884	.000	Pillai's Trace=.016, F (12,1123.25) =.833, P-v=.078>0.05
Poor Work Adjustment	4.78	0.278	11.345	.000	
Cross-cultural adjustment	4.91	1.584	13.287	.000	
Dissatisfaction of OC	4.21	0.895	8.965	.000	

Box's M-Plot= 144.589, F_(30,381025.32) =4.726, p-v=.000<0.05, (OC=Organizational Culture)
Source: Primary Data

The table 3 outlines the statistical significance of factors contributing to turnover intention related to organizational culture. It presents the results of descriptive analysis, one-sample t-tests, and a One-way MANOVA test. The findings indicate that the majority of respondents agree that poor communication within and outside the organization, inadequate work adjustment, challenges with cross-cultural adjustment, and overall dissatisfaction with organizational culture are key factors influencing their turnover intention. The one-sample t-test results confirmed that these associations are statistically significant.

Additionally, the table presents the results of the MANOVA test, which was conducted to determine whether the opinions of respondents varied significantly among the selected QSRs. The test results indicated no statistically significant difference among the selected QSRs (Pillai's Trace = .016, F_(12, 1123.25) = .833, p = .078 > 0.05), suggesting that turnover intention factors related to organizational culture are consistent across these QSRs.

The table highlights the statistical significance of factors contributing to turnover intention related to Organizational Justice. It includes results

from descriptive analysis, one-sample t-tests, and a One-way MANOVA test. The findings show that the majority of respondents agree that poor job characteristics, inadequate pay levels, insufficient increments or rewards, poor job security, poor Quality of Work Life, and low job satisfaction are key factors driving their turnover intentions. These associations were confirmed as statistically significant by the one-sample t-test.

Furthermore, the table details the MANOVA test results, which examined whether respondents' opinions varied significantly among the selected QSRs. The results indicated a statistically significant difference across the selected QSRs (Pillai's

Trace = .189, $F(15, 1358.02) = 4.876, p < .0005$). This suggests that turnover intention factors related to organizational justice are not uniform across these QSRs.

Additionally, the study conducted a Multiple Comparison Test (Tukey HSD), which revealed that the opinions of Chicking employees ($m = 4.12, p < .0005$) were significantly lower than those of employees at KFC ($m = 4.56$), Domino's ($m = 4.61$), Pizza Hut ($m = 4.58$), and McDonald's ($m = 5.62$).

The table 5 outlines the statistical significance of factors contributing to turnover intention related to Opportunities-Career Development. It

Table 4

Statistical Significance of Reason behind the Turnover Intention (OJ)

	Mean	SD	T	p-v	MANOVA-1-Way
Poor Job characteristics	4.36	1.574	13.247	.000	Pillai's Trace=.189, F (15,1358.02) =4.876, P-v=.000<0.05
Poor Pay levels and insufficient increments	4.23	0.893	12.115	.000	
Poor Job Security	4.87	1.004	8.248	.000	
Poor QWL	4.63	0.587	11.523	.000	
Poor Job Satisfaction	4.39	0.847	11.365	.000	

Box's M-Plot=187.5896, F_(32,325879.12) =6.547, p-v=.000<0.05 (OJ=Organizational Justice)
 Source: Primary Data

Table 5

Statistical Significance of Reason behind the Turnover Intention (O-CD)

	Mean	SD	t	p-v	MANOVA-1-Way
Poor Career development	4.92	0.926	11.364	.000	Pillai's Trace=.018, F (10,11345.32) =.950, P-v=.125>0.05
Poor Skill development facilities	4.87	0.854	13.789	.000	
Poor training methods	4.98	1.223	7.589	.000	

Box's M-Plot=228.113, F_(30,312548.20) =4.012, p-v=.000<0.05 (O-CD= Opportunities-Career Development)
 Source: Primary Data

presents the results of descriptive analysis, one-sample t-tests, and a One-way MANOVA test. The findings indicate that the majority of respondents agree that Opportunities-Career Development, Poor Skill development facilities, and Poor training methods are key factors influencing their turnover intention. The one-sample t-test results confirmed that these associations are statistically significant.

Additionally, the table presents the results of the MANOVA test, which was conducted to determine whether the opinions of respondents varied significantly among the selected QSRs. The test results indicated no statistically significant difference among the selected QSRs (Pillai's Trace=.018, $F_{(10,11345.32)} = .950$, $p-v = .125 > 0.05$), suggesting that turnover intention factors related to Opportunities-Career Development are consistent across these QSRs.

Hypothesis:

H_{01} : Organizational Culture, Organizational Justice, and Opportunities-Career Development are not statistically significant in behind the turnover intention among QSR employees.

Based on the test result of one sample t-test, it was found that result is statistically significant (Table 1, 2 and 3). Hence, the null hypothesis stands rejected and found that these reasons are significantly increasing the turnover intention among QSR employees.

The table presents QSR employees' opinions on the strategic solutions proposed to reduce turnover intention, including the combined mean opinion, standard deviation, and MANOVA test results. The findings indicate that the majority of respondents agree with all the recommended solutions, suggesting a

Table 6
Strategic Solution for Reducing the Turnover Intention

	Strategic Solution	Mean	SD	
OC	Better Communication	4.85	.879	Pillai's Trace= .029, $F_{(30,158743.36)} = .699$, $P-v = .089 > 0.05$
	Better work Adjustment			
	Facilitate cross culture communication through overseas training			
	Maintain organizational culture satisfaction			
OJ	Increase pay levels and provide timely and sufficient increments.	4.96	1.587	
	Improve the job character by providing a respectful position			
	Provide job security through stable contracts.			
	provide better QWL			
	Improve the Job satisfaction			
O-CD	Provide skills development training	4.63	1.879	
	provide career development options			
	Periodic assessment of training method			
	provide scholarship for career advancement in QSR sector			
	Provide overseas training facilities with scholarship			

$Box's\ M-Plot = 187.875, F_{(32,115896.25)} = 4.896, p-v = .000 < 0.05,$

Source: Primary Data

strong demand for these measures within the sector. Implementing these solutions is likely to help retain employees and encourage them to remain in the industry.

The study also utilized a MANOVA test to determine whether employees from different QSRs shared similar opinions regarding the proposed solutions. The results were not statistically significant (Pillai's Trace = .029, F (30, 158743.36) = .699, p = .089 > 0.05), indicating that while each QSR's employees had unique perspectives; they all supported the proposed solutions as effective means to reduce turnover intention.

Further Study was followed Multiple Regression Analysis along with Multicollinearity test to find the effect of suggested solutions for reducing the turnover intention among QSR employees.

In the collinearity diagnosis, the eigenvalue is close to 0 at 0.924, and the dimension value is 0.112. The Eigenvalue/ Dimension 4 is calculated as 8.25 (a value

below 10 is considered as no multicollinearity), resulting in a Square Root value of 2.872. This suggests an absence of multicollinearity in the data. Further, the regression result indicates that strategic solutions 1, 2, and 3 are statistically significant i.e., p-value is lesser at 5 per cent significant level. This indicates that the proposed strategic solutions are statistically significant for reducing the turnover intention of QSR employees.

Regression Equation:

Turnover Intention (TI) =

4.234-β.060ss1- β.147ss2- β.269ss3

H₀₂: Strategic Solutions 1, 2 and 3 are not statistically significant for reducing the turnover intention among QSR employees.

The results indicate that implementing strategic solution 1 will reduce turnover intention by 0.060 per cent, while strategic solution 2 will decrease turnover intention by 0.147 per cent. Additionally, applying strategic solution 3 will lead to a 0.269 per cent reduction in turnover intention.

Table 7

Significant effect of Strategic Solutions for Reducing the Turnover Intention

Model	Un-std. Coefficients		Std. Coefficients	t	Sig.
	B	Std. E	Beta		
1 (Constant)	4.234	.121		21.856	.000
Strategic Solution-1	-.060	.032	-.274	-11.855	.004
Strategic Solution-2	-.147	.036	-.251	-13.854	.001
Strategic Solution-3	-.269	.025	-.571	-18.254	.001
Dependent Variable: Turnover Intention R ² =.763, Adjusted R ² =.762, F (3,261) =15.147, p=.004<0.05					
Collinearity Diagnosis	Dimension	Eigenvalue	Condition Index		
	1	0.924	1.000		
	2	.076	3.486		
	3	.086	3.277		
	4	.112	2.872		

Source: Primary Data

Based on the test result the null hypothesis stands rejected.

Major Findings

1. The analysis reveals that issues related to organizational culture, organizational justice, and career development opportunities significantly contribute to the increased turnover intention among employees in QSR. Specifically, problems such as Poor Job Security and Poor Quality of Work Life are the primary factors within organizational culture driving turnover intention.
2. In terms of organizational justice, the study identifies poor work adjustment and challenges with cross-cultural adjustment as the key contributors to turnover intention among QSR employees. When examining career development opportunities, the study finds that limited career advancement, insufficient skill development facilities, and ineffective training methods are the main issues leading to employees' intention to leave.
3. The study further reveals no significant differences in the opinions of employees from various QSR chains regarding the impact of organizational culture and career development on turnover intention. However, when it comes to organizational justice, employees from some chains are more affected compared to those in others.
4. Regarding strategic solutions, the majority of employees believe that

the proposed solutions will effectively address their concerns and reduce turnover intention. Notably, the third strategic solution is the most favored among employees, a preference that is supported by the regression model.

Suggestions for Reducing the Turnover Intention among QSR Employees

Based on the study's findings, it is recommended that:

- The QSRs shall initiate skill development training programs in collaboration with food industry institutions, and regularly evaluate their effectiveness, making necessary adjustments based on employee feedback and industry best practices.
- Scholarship funds for higher education shall be provided to employees who wish to continue their careers in the organization.
- Employees should be offered opportunities to participate in training programs led by international trainers or exchange programs with other QSR branches in different states. This exposure will help employees gain a global perspective and adapt more effectively to cultural differences.
- A fair compensation package must be implemented, offering competitive pay levels. Moreover, ensure timely and sufficient salary increments based on performance and tenure.
- Employees should be provided with job security through stable contracts

and clearly defined policies on layoffs and terminations.

Conclusion

The study highlights the key factors contributing to turnover intention among QSR employees, identifying Organizational Culture, Organizational Justice, and Opportunities for Career Development as the primary reasons behind this issue. The findings also demonstrate that employees have a

positive attitude towards the proposed strategic solutions, believing that these measures will effectively reduce turnover intention. Notably, the results suggest that strategic solution three is the most effective in addressing turnover intention compared to solutions first and second. In conclusion, implementing these strategies, particularly solution three, could significantly enhance employee retention within the QSR sector.

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