

A Research on Relationship between Generation Y Employees' Organizational Commitment and Turnover Intention*

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ABSTRACT: Through the questionnaire survey for 236 Generation Y employees, the main purpose of the thesis is to explore the relationship between organizational commitment and turnover intention of Generation Y employees. The results indicate that the overall level of organizational commitment of Generation Y employees is not high, while their turnover intention is at a relatively high level; emotional commitment, standard commitment, ideal commitment, and economic commitment show a significant negative correlation with turnover intention, among which standard commitment, ideal commitment and economic commitment have significant predictive influence on turnover intention. While for emotional commitment, there is not significant predictive influence on turnover intention.

KEYWORD: Organizational Commitment; Turnover Intention; Generation Y

1 INTRODUCTION

In the United States, Generation Y refers to the population group born from 1980 to 1995. Nowadays Generation Y has gradually made up the major pool in the job market and plays an increasingly important role in the workplace. At the same time, the voluntary turnover of larger numbers of Generation Y employees has been one of the major features of talent flow in today's society, which puts forward a new topic for theoretical research and management practice. How to reduce the turnover rate of Generation Y employees and lower the risk of talents loss have become important problems for managers in Chinese employers to pay attention and to find out solutions.

Hold the opinion that intention is a significant antecedent to behavior [1],[3]. Therefore, Turnover Intention (TI) should be discussed in order to understand the turnover of Generation Y employees. At present, many current researches in China and overseas have taken Organizational Commitment (OC) as one of the most important variables to explain employees' TI. A large number of empirical studies have proven that OC is a proper indicator to predict employees' TI. Many empirical studies have explored that OC is significantly negatively correlated with TI, in other words, if OC is higher, TI will be lower. Examples could be found at [2],

[4-6]; etc. The concept of OC was first put forward by Becker in 1960; it is used to reflect the attitude that individual accepts and participates in an organization. It can be used to explain why employees choose to stay in the company and as an indicator to test their loyalty to the company. The higher OC is, the stronger their sense of identity and belonging are. On the contrary, the lower OC, the weaker employees' sense of identity and belonging, and accordingly it will be easier to leave.

In the field of organizational behavior, the two popular topics, OC and TI, attract many researchers' attention. One of the important topics for research is to explore the relationship between OC and TI. Generally, in the previous research of the relationship between OC and TI, the main research objects aim at different occupation groups, such as doctors, nurses, polices, transportation workers, and so on. However, few studies discuss different age groups; especially the group of Generation Y. Generation Y is known as free, undisciplined, unrestricted, self-centered group who lack of collectivism value, as a result, the phenomenon of turnover appears constantly in the workplace. Therefore, with questionnaires, the thesis will explore the effect and influence between OC and TI for Generation Y employees under the context of current society, clarifying the key factors that influence the turnover of Generation Y employees,

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and providing the basis for employers to make corresponding human resource management strategies.

2 METHOD

2.1 *Sample*

This research selected employees born after 1980 in 9 companies of Beijing as sample by questionnaire survey. The industry of those companies, ownership distribution and the respondents' gender, age, length of service, education and other factors were also taken into consideration. 270 sets of questionnaires were distributed, and 262 sets of questionnaires were effectively returned. After eliminating some questionnaires in strictly accordance with the pre-decided principles, the number of effective questionnaires is 236, and the effective recovery rate is 87.4 percent. Among these respondents, there are 104 men, and 132 women, whose ages range from 19 to 34 ($M = 26.6$). Their working experience ranges from 6 months to 12 years ($M = 5.2$). 149 of them are unmarried, 86 are married and 1 is divorced or widowed. 12 respondents graduated from high school or technical secondary school, 42 graduated from junior college, 156 hold a bachelor degree and 26 hold a master or doctor degree. In addition, there are 130 respondents coming from private enterprises, 57 respondents coming from state-owned enterprises, and 49 respondents are from foreign enterprises.

2.2 *Measures*

Although the three-dimensional model scale put forward by Allen and Meyer has been widely recognized and used, due to differences from country to country and different cultural background, this research chose Chinese Employees' Organizational Commitment Questionnaire (COCQ). The scale contains 25 items, including 5 dimensions: emotional commitment, standard commitment, ideal commitment, economic commitment and chance commitment. It applies the measure of a 5-point Likert Scale, ranking from strongly disagree to strongly agree, which corresponds the score of 1 to 5. OC test scores are calculated by the sum of the scores of each item. The higher the total score, the higher the employees' OC is. In this research, the scale's internal consistency coefficient (Cronbach's α) is 0.78. Respectively, the internal consistency coefficient of five dimensions are as follows: 0.73, 0.61, 0.72, 0.63, and 0.71, all of them are above 0.6. The Turnover Intention Scale is founded by [1] whose research in Hong Kong showed that this scale contains higher internal consistency coefficient and test-retest reliability. The 4 items of the Scale are: "I often think of quitting my present job", "I may leave

this company and work for another company in the next year", "I plan to stay in this company to develop my career for a long time", "I may not have a good future if I stay with this organization". It applied the measure of a 5-point Likert Scale, among which the third one is scoring reversely, and the rest are scoring positively, ranking from strongly disagree to strongly agree. TI test scores are the mean of the sum score of each project. The higher the score, the higher the employees' TI is. The scale's internal consistency coefficient (Cronbach's α) is 0.77. In addition, the four items are studied by principal component analysis, the results produced only one principal component, and the convergent validity of the scale is well.

2.3 *Methods of Data Processing*

Data collected was input to the computer system. With SPSS20.0 software packets, data processing conducted descriptive statistics, reliability analysis, principal component analysis, correlation analysis and regression analysis.

3 RESULTS

After data processing to the OC scale, the results were calculated. As for the total scores of Generation Y employees' OC, the average score is 2.97, less than the medium level 3 points, which shows that the OC of Generation Y employees is not high. From the five dimensions of OC, the ranking of scores in descending order are standard commitment (3.42), the ideal commitment (3.37), emotional commitment (3.26), economic commitment (2.44), and chance commitment (2.38). Thus, among the 5 dimensions, standard commitment, ideal commitment, and emotional commitment, whose scores are relatively higher, are just at the medium level, and the economic commitment and chance commitment with relatively lower scores are below the medium level. It indicates that the overall level of OC among Generation Y employees is not high. In particular, the level of economic commitment and chance commitment is low.

Statistical analysis was performed on the Turnover Intention scale. The results show that the average score is 3.42, and the standard deviation is 0.61. Generation Y employees show higher level of TI.

In order to investigate the relationship between OC and TI, correlation analysis is conducted between OC (its various dimensions) and TI. As the Pearson correlation analysis describes, the correlation coefficients among emotional commitment, standard commitment, ideal commitment, economic commitment and TI are respectively: -0.539, -0.580, -0.490, and -0.387, P

values is less than 0.01 (as table 1 shows), with significant differences. It indicates emotional commitment, standard commitment, ideal commitment, and economic commitment have prominent correlation to TI. Since the correlation coefficient is below zero, it is negative correlation. Namely, the higher emotional commitment, standard commitment, ideal commitment, and economic commitment are, the lower TI would be. While the correlation between chance commitment and TI is not significant ($r=-0.134$, $P=0.110>0.05$).

Table 1. The Results of Pearson Correlation Analysis between OC and TI

	r	p
Emotional commitment	-.539**	.000
Standard commitment	-.580**	.000
Ideal commitment	-.490**	.000
Economic commitment	-.387**	.000
Chance commitment	-.134**	.110

* $P<0.05$; ** $P<0.01$

In order to further explore the degree of influence between OC and TI, emotional commitment, standard commitment, ideal commitment and economic commitment are treated as independent variables, and TI is the dependent variable, with the application of stepwise regression for multivariate regression analysis.

Table 2. The Results of Regression Analysis between OC and TI

Item	Constant term	Standard commitment	Ideal commitment	Economic commitment
Regression coefficient	5.353	-0.473	-0.215	-0.202
Standardized regression coefficient		-0.402	-0.192	-0.164
t	17.442	-4.759	-2.296	-2.263
P	0.000	0.000	0.023	0.025

* There is no multicollinearity in the equation with all variables.

4 DISCUSSION

This research demonstrates that the overall level of Generation Y employee s' OC is not high. Due to the short length of service since Generation Y employees start working, the degree of overall recognition and participation to an organization is not high. The employer should do pay more attention to this problem.

Among the dimensions of OC, standard commitment, ideal commitment and emotional commitment whose scores are higher are just at the medium level, while economic commitment and chance commitment are below the medium level. Through empirical research, Generation Y employees show the highest level of standard

The results of regression analysis indicate that three dimensions of OC enter into the regression equation, which is standard commitment, ideal commitment and economic commitment in turn. Emotional commitment (the sig. of F test >0.1) is excluded from the regression equation. With the independent variables entering into the regression equation, the adjusted R2 is rising and Std. Error of the Estimate of the regression equation is decreasing continuously. At the same time, the sig. of F test is less than the significance level 0.05, so independent variables have significant influence on the dependent variables, and independent variables should be retained in the regression equation.

From the results of regression, the value of F is 4.983 ($P=0.025<0.05$), and the regression equation is statistically significant. The regression coefficients of standard commitment, ideal commitment, and economic commitment are -0.473, -0.215 and -0.202 respectively, and its value of P correspondingly is less than 0.05, indicating that the regression equation has well statistical significance. As is shown in the regression coefficient (as table 2 shows), the three dimensions have greater predictive effect on TI. Among them, the effect of standard commitment ($\beta=-0.473$) is the most, followed by ideal commitment ($\beta=-0.215$) and economic commitment ($\beta=-0.202$). This shows that the standard commitment is the most important indicator for TI of Generation Y employees.

commitment, which shows that this generation is not as outsider said (self-centered behavior, uninhibited and not bear). On the contrary, they identify and agree with social norms (e.g. collectivism) and occupation moral (e.g. dedication, conscientious) and they believe they should perform responsibilities and obligations to the organization and their work. This could also describes that institutionalized management of the employer has important impact on them, which makes them willingly comply with the enterprise regulation and undertake clear job responsibilities. However, the score of chance commitment is the lowest, mainly because Generation Y employees have a relatively clear and rational cognition on the current employment situation. Considering their own experiences, they

have less confidence in finding out new satisfied workplaces after turnover.

Through statistical analysis, the level of TI in Generation Y employees is higher, which reveals relatively higher turnover risk in companies. In recent years, Generation Y employees change job frequently, which in fact was caused by strong TI. The high level TI in Generation Y employees relates to their value orientation, pursuit of goals. Certainly, it reflects that there are still some problems existing in the process of human resource management. As a result, in order to ensure the stability of employees and to build integrated talent echelon to support the sustainable development of organization, managers should investigate specific causes of TI in Generation Y employees, taking measures as soon as possible to reduce the risk of turnover.

The research describes that standard commitment, ideal commitment and economic commitment have significant predictive influence on TI. Among them, the standard commitment has the most predictable influence on TI of Generation Y employees. As mentioned, Generation Y has a strong sense of social norms, occupation moral, and corporate regulation and culture, so the commitment level for retaining in the organization is high, thus reduces the probability of TI. Therefore, in order to retain Generation Y employees, it is particularly important for the managers to take measures for the improvement of their standard commitment level. Secondly, the influence of ideal commitment in TI of Generation Y employees ranks the second. It shows that Generation Y employees are passionately concerned with personal growth and development. Moreover, they pay equal attention to whether their expertise could be realized in the organization. Once they find less promotion space and learning opportunities given by the companies and find it hard to realize career goals, it is very easy to quit their job. Therefore, employers should create opportunities for their growth and development to retain Generation Y employees. Furthermore, economic commitment will also have a certain impact on Generation Y employees' TI. Economic commitment is the employees' cognition on the losses for leaving the organization. To a great extent, because Generation Y employees are confronted with tougher economic pressure for the need of marriage, buying property and cars, and raise children, they value salary and compensation seriously. Accordingly, employers should apply appropriate compensation strategies to improve the level of economic commitment to retain Generation Y employees.

The research found that emotional commitment has less predictive effect on TI. It suggests that Generation Y employees' turnover is more rational and pragmatic. They often consider more economic factors and development opportunities, and fewer sentimental circumstances would happen. Of course, the shorter service period and fewer emotional connections with the employers should be taken into account, and fewer obstacles exist when they decide to leave. Hence for employers, in order to retain Generation Y employees, it is necessary to bring more positive advantages (e.g. compensation, development platform) for them.

5 CONCLUSIONS

Through the research above, the following conclusions are obtained: The overall level of Generation Y employees' OC is not high. Particularly the levels of economic commitment and chance commitment are low. TI in Generation Y employees is at higher level. Generation Y employees' emotional commitment, standard commitment, ideal commitment, economic commitment have a significant negative correlation with TI. Standard commitment, ideal commitment and economic commitment have significant predictive influence on TI. But emotional commitment does not show such significant predictive influence on TI.

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