

Consequences of Work-Life Quality on Employee Retention in the Quick Service Restaurant Industry: An Empirical Study

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Abstract

This study looks into how employee retention in the quick service restaurant (QSR) sector is affected by quality of work-life (QWL). The research focuses on various QWL factors including job satisfaction, workplace stress, job environment, work-life balance, and financial reimbursement. Using a quantitative approach, data was collected from 165 employees across 16 QSR outlets in Chennai, India. The findings reveal significant relationships between QWL factors and employee retention, with job environment and financial reimbursement showing the strongest positive correlations. The study provides insights for QSR managers to develop effective retention strategies by enhancing QWL aspects.

Key words: Quality of Work-Life, Employee Retention, Quick Service Restaurant, Job Satisfaction, Work-Life Balance

I. Introduction

The Quick Service Restaurant (QSR) industry is characterized by fast-paced and challenging work conditions, which can significantly impact employee satisfaction and retention rates. Understanding the influence of Quality of Work-Life (QWL) on employee retention is crucial for developing strategies to improve working conditions and reduce attrition in this sector (Nguyen, 2021).

Employee retention is an important problem for quick-service restaurants because it has a direct impact on operational efficiency, customer service quality, and overall profitability. Employee turnover can raise recruiting and training expenses, alter team relationships, and ultimately affect customer service quality (Shanker, 2020). As a result, recognizing and treating QWL-related issues that lead to employee turnover is critical for retaining a stable and successful staff.

The purpose of this study is to investigate the link between QWL and staff retention, especially in the QSR business. It looks into a variety of QWL issues, including financial compensation, work-life balance, workplace stress, job satisfaction, and work environment. The objective is to identify the critical factors influencing employees' decisions to stay or leave their positions in QSR businesses.

II. REVIEW OF LITERATURE AND HYPOTHESES

Job Satisfaction

Nguyen (2021) explored how job satisfaction, employee performance, and training and development affect the retention of young workers in Vietnamese firms. Multiple Linear Regression analysis of data from 351 respondents revealed a favorable relationship between employee performance, job satisfaction, retention, and training and development.

Aman-Ullah et al. (2022) investigated the effects of job security, work satisfaction, and job embeddedness on employee retention in Pakistan's healthcare sector. Using partial least squares structural equation modeling, they discovered that employment security might increase doctor retention rates.

Based on these findings, we suggest the following hypothesis:

H1: Increased satisfaction with job leads to higher retention rates for employees.

Workplace Stress

Mukherjee et al. (2020) researched variables impacting talent retention in Indian public sector organizations, with an emphasis on job security, autonomy, work-life balance, culture, career advancement, leadership, training, and compensation. Their study, which used multistage sampling procedures and analysed 472 replies, discovered that defining the position to be kept is more crucial than a standard retention strategy.

Drawing on this study, we hypothesize:

H2: Higher levels of workplace stress result in decreased employee retention rates.

Job Environment

Bangsu et al. (2023) investigated variables impacting employee retention, concentrating on salary, procedural fairness, and work environment at a Surabaya-based manufacturing business. Their quantitative assessment of 120 workers revealed that these criteria had a substantial influence on staff retention and workplace productivity.

Ushakov and Shatila (2021) investigated the effects of workplace culture on employee retention in Lebanon's private sector. Their findings imply that an enjoyable work atmosphere and helpful supervisors who assist employees in reducing turnover rates by interacting and creating friendships with them.

Based on these results, we propose:

H3: Positive job environments contribute to increased employee retention rates.

Work-Life Balance

Panda and Sahoo (2021) investigated the link between work-life balance and employee retention by looking at psychological aspects in Indian software organizations. Their study, which used structural equation modeling and had 283 answers, found a higher association between work-life balance and retention when individuals felt psychologically empowered.

This leads to our fourth hypothesis:

H4: Improved work-life balance correlates with higher employee retention rates.

Financial Reimbursement

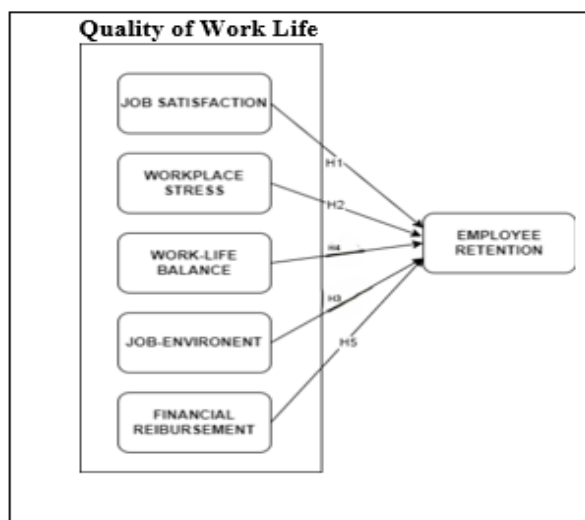
Khatun et al. (2023) investigated the effects of pay and growth opportunities on employee retention in Bangladesh's banking sector. Their study, using various statistical analyses on 234 responses, indicated that while some employees value development opportunities more than remuneration, others do not, emphasizing the need for managers to understand individual employee perceptions.

Sarkar et al. (2023) studied the impact of total rewards on retention. Their conceptual analysis found that understanding how total rewards meet employee needs is crucial, showing it's more than just monetary compensation and helps in retention.

Based on these studies, we hypothesize:

H5: Higher financial reimbursement leads to improved employee retention rates.

CONCEPTUAL FRAMEWORK



The research model illustrates the relationships between the five key Quality of Work-Life factors (Job Satisfaction, Workplace Stress, Job Environment, Work-Life Balance, and Financial Reimbursement) and Employee Retention. Each factor is represented as an independent variable with a directional arrow pointing towards Employee Retention, the dependent variable.

III. METHODOLOGY

Sample

This study uses a non-probability convenience sampling method. The questionnaire survey was carried out among managers and team members from 16 quick-service restaurants in Chennai, India. Out of around 250 distributed questionnaires, 165 were returned, indicating a 66% response rate. The final sample included 165 participants: 102 males (61.8%) and 63 girls (38.2%), ranging in age from 18 to 36 years.

Measure

A standardized questionnaire with a 5-point Likert scale was used to evaluate the quality of work-life aspects and their influence on employee retention. The scale's items were self-designed and reviewed with professionals from the study group. Depending on the nature of the issue, the Likert scale went from 1 (strongly disagree, strongly satisfied, or always) to 5 (strongly agree, strongly dissatisfied, or never).

The instrument's reliability was assessed using Cronbach's Alpha. Following Hair et al. (2009), dependability values greater than 0.70 were deemed appropriate.

Three control variables were employed in the study.

1. Gender: (1 = male, 2 = female).
2. Age (1 = 18-24, 2 = 25-30, 3 = 31-36, and 4 = 36+ years).
3. Experience: (1 = 0-6 months, 2 = 6-12 months, 3 = 1-2 years, 4 = 2-4 years, and 5 = more than 4 years)

IV. DATA ANALYSIS AND DISCUSSIONS

In this study, we looked at the relationships between job satisfaction, workplace stress, job environment, work-life balance, financial reimbursement, and employee retention. After determining the means (M) and standard deviations (SD) of each variable, the correlations between them were assessed. Table 1 shows the results.

Table 1 Means, Standard Deviation, and Correlations among the Study Variables

Variables	M	SD	1	2	3	4	5	6
1.Job Satisfaction	1.46	.600	1					
2.Workplace stress	2.54	1.271	.238**	1				
3.Job Environment	1.40	.649	.854**	.221**	1			
4.Work-life balance	2.00	.854	.562**	.675**	.500**	1		
5.Financial Reimbursement	1.53	.808	.737**	.178*	.679**	.455**	1	
6.Employee Retention	1.41	.647	.868**	.176*	.866**	.485**	.886**	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 1 shows that job satisfaction, job environment, and financial reimbursement are positively linked with employee retention ($r = .868, p < .01$; $r = .866, p < .01$; $r = .886, p < .01$). Additionally, work-life balance ($r = .485, p < .01$) indicates a moderate positive association with employee retention. Additionally, workplace stress ($r = .176, p < .01$) indicates a slight positive connection with employee retention.. As a result, it demonstrates that job happiness, employment environment,

financial compensation, and work-life balance are important indicators of employee retention. Workplace stress has a modest positive connection with employee retention, indicating that other factors may be reducing its negative impacts.

These studies demonstrate the importance of quality of work-life in promoting employee retention within a firm. According to the data, staff retention is favorably associated with work quality.

A regression analysis was used to evaluate the relationships between independent factors (job satisfaction, workplace stress, job environment, work-life balance, and financial reimbursement) and the dependent variable (employee retention).

Regression Analysis:

Table 2. Regression

VARIABLES	β	T Value	Sig.
(Constant)	.037	.856	.394
IV-JS	.214	4.121	.000
IV-WS	-.014	-.892	.374
IV-JE	.374	8.813	.000
IV-WLB	-.017	-.640	.523
IV-FR	.401	15.223	.000

Dependent Variable: DV-ER

The model focuses on the relationship between employee retention and various independent variables such as job satisfaction, workplace stress, job environment, work-life balance, and financial reimbursement. The analysis aims to understand how these variables predict or explain variations in employee retention.

According to table 2, work satisfaction ($\beta = 0.214$, $t = 4.121$, $p = 0.000$) has a positive and substantial influence on employee retention. A unit increase in job satisfaction leads to a 0.214 rise in retention rates. Workplace stress has a negative but non-significant influence on employee retention, implying that reductions in workplace stress have little impact. Job environment ($\beta = 0.374$, $t = 8.813$, $p = 0.000$) has a substantial positive and significant influence on employee retention, with a unit increase in job environment resulting in a 0.374 rise in retention rates. Work-life balance has a negative but small influence on employee retention, suggesting that differences in work-life balance have no discernible impact.

Financial reimbursement ($\beta = 0.401$, $t = 15.223$, $p = 0.000$) takes a strong positive and substantial outcome on employee retention. A unit increase in financial reimbursement is associated with a 0.401 increase in retention, indicating that better financial compensation is a critical factor in retaining employees.

The regression model suggests that Job Satisfaction (IV-JS), Job Engagement (IV-JE), and financial reimbursement (IV-FR) are significant predictors of the dependent variable, contributing positively to its variance. Among these, financial reimbursement has the most substantial positive effect, followed by Job environment and Job Satisfaction. On the other hand, Workplace Stress (IV-WS) and Work-Life Balance (IV-WLB) do not have a significant impact on employee retention, suggesting that they might not be critical factors in this model.

DISCUSSION

The study found substantial relationships between work-life quality parameters and employee retention in the quick-service restaurants business. Job satisfaction correlated positively with employee retention, however the link was less than other characteristics, presumably due to the moderating influence of workplace stress.

Positive employment environments and improved work-life balance have a substantial positive association with retention rates. This shows that employees are more likely to stay with a firm if they feel supported at work and can balance their personal and professional life well.

Financial reimbursement emerged as a crucial factor, with higher compensation strongly correlating with increased retention rates. This aligns with previous research by Khatun et al. (2023) and Sarkar et al. (2023), emphasizing the importance of competitive compensation in employee retention strategies. Workplace stress showed a negative correlation with retention rates, indicating that high levels of stress can significantly contribute to employee turnover.

This finding supports our hypothesis H2 and underscores the need for stress management initiatives in QSR environments. Overall, the results suggest that a holistic approach to improving QWL, addressing all five factors studied, is essential for enhancing employee retention in the QSR industry.

V.CONCLUSION AND SCOPE FOR FURTHER STUDY

This research at QSR South emphasizes the importance of Quality of Work-Life (QWL) in affecting employee retention in the QSR industry. The findings demonstrate a strong correlation between higher QWL and increased employee retention rates. Key factors determining retention levels include work-life balance, financial reimbursement, workplace stress, job satisfaction, and job environment.

By prioritizing QWL initiatives such as wellness programs, flexible scheduling, and supportive management practices, QSR can potentially reduce employee turnover rates by increasing employee commitment and engagement. This study emphasizes the importance for QSR companies to incorporate QWL enhancements into their HR strategies to effectively address retention issues and provide employees with a more satisfying and sustainable work environment.

Future study might look at the long-term benefits of QWL enhancements on staff retention, productivity, and overall organizational success in the QSR business. Furthermore, comparing research across other QSR chains or geographical locations might give more insight into the findings' generalizability.

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