Evaluating Employee Innovation and Creativity Towards Employee Turnover Intention in the Malaysian Hospitality Industry

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Abstract
Hospitality industry plays a main role and has become a major sector in Malaysia’s economy. However, there are some challenges in the hospitality industry such as employee turnover which could have various consequences to organizations. The purpose of this research is to investigate the factors affecting employee turnover intention, either directly or indirectly. Previous studies have suggested that employee turnover intention could be affected by factors such as leadership, motivation, communication, work environment and infrastructure both directly and indirectly. Employee innovation and creativity as a mediating factor could also affect its relationship with turnover intention of employees. The research design for this study was quantitative research method using questionnaires as the data collection method. Purposive sampling was used to sample 152 hotel employees within the West of Malaysia. Structural Equation Modelling was used to analyze the data using SmartPLS software. Results indicated that leadership, motivation, communication, work environment and infrastructure had significant relationship with employee innovation and creativity. Apart from that, leadership, motivation and communication also have significant relationship with the employee turnover intention. Turnover is a major issue within companies not only for the company’s sustainability, but also for the health and wellbeing of their employees. As an implication, organizations should understand that their leadership characteristic and environment has a tremendous impact to burnout and employee performance.

Key-words: Leadership, Motivation, Communication, Innovation and Creativity.
1. Introduction

Hospitality industry is one of the world’s largest rapidly growing industry. This is due to its contribution to the growth of world economy by providing lots of job opportunities to the society [1]. By definition, the hospitality industry emphasis on providing service to customers which makes them feel warm, welcomed and comfortable like at home. It is crucial to provide the best service for customers to have an excellent experience [2].

In recent years, the hospitality industry has become a major sector in the Malaysia’s economy [3]. It is critical to raise the economy in order to support the gross domestic product (GDP) in Malaysia. This sector contributes to the revenue generation, capital information and employment creation. According to [4], it reported that the travel and tourism industry contributed 13.4% of GDP in 2017 which was RM181.4bn. Many local tourists and international tourists visited Malaysia before the pandemic started. Hospitality industry has been providing good services to the tourists in different areas such as accommodation, transportation, entertainment and attractions. Hence, it has great contribution on customer attraction and increasing national economy.

Employees are precious resources within an organization and their performance play a crucial role in increasing productivity [5]. However, there are challenges exist in the hospitality industry. Tiwari [6] stated that the employees who work in hospitality industry feel that the working environment are sometimes very competitive and challenging. Hence, it often causes employee turnover which is a serious issue in any types of organization [7]. Achoui and Mansour [8] examined that high employee turnover will lead to both positive and negative effects for the organization. It affects the employee performance in the organization, and eventually it may cause low revenue and profit for the organization.

2. Problem Statement

According to Mohamad [9], the hospitality industry is one of the major sectors that could improve economy in Malaysia. [4] reported that it helps increase Malaysia’s economy, although since the pandemic, Malaysia’s tourism is in dire need of help to sustain in the industry [10]. One of the factors that boost hospitality industry is the employee. However, there are also challenges in the hospitality industry such as turnover. This is one of the factors that needs to be taken seriously, especially in times like this as it is hard to sustain employees with low salary and being in a stressful environment, where some hotels have been converted to quarantine and isolation centers to sustain...
during the pandemic [10]. According to Shah and Beh [11] a survey conducted by Malaysian Employer Federation showed that the rate of employee turnover in hotel industry in Malaysia was as high as 32.4% annually in 2012. This problem leads to the lack of experiences for employees in hospitality industry [12][13]. Al-Tokhais [14] stated that employee turnover is one of the most serious universal issues that human resources management have to deal with. Tiwari [15] stated that due to the high employee turnover and the expense for new employee recruitment it reduces the productivity of hospitality industry. The employee turnover could lead to damage to company productivity, finance, reputation and image [11]. Therefore, researchers have been focusing on this issue in order to study and investigate the factors that might cause the employee turnover [9].

There are various kinds of factors that affect employee turnover rate. For instance, the leadership in organizations have the most important role for employee satisfaction and achieving goals [16]. Careless orders by leaders could cause high probability of employee turnover [17]. Low salary and perks offered by company could affect employee motivation which often have direct impact on turnover [18] [19]. Poor physical condition such as lack of facilities in the workplace could cause employee quitting the job [20]. working environment will affect the employee innovation and creativity since they spend most of time in the company [21]. Lack of training for employee could increase employee intention to leave the company [22].

There are solutions for organizations to prevent employee turnover. Mohamad [23] proposed that communication would also have impact on employee turnover intention. Ongori [24] stated that the organization would have lower turnover rate if there was a strong communication system. Yoon et al. [25] discussed that emphasizing on innovation and creativity atmosphere in the organization could affect the employee turnover intention. If the organization promoted an innovation and creative culture, it could reduce employee turnover intention. Gong, Zhou and Chang [26] revealed that employee innovation and creativity may be mediators on the employee turnover intention. Zhang and Bartol [27] [129] stated that motivation is considered as an adequate predictor of employee innovation and creativity. They believe that motivation will raise employee ability of innovation and creativity. Moreover, leadership and communication could affect employee turnover intention directly or indirectly [28] [29]. Moreover, Kazi and Zedah [30] explained employee turnover as a result of employee quitting from jobs or tasks. Employee turnover can be one of the biggest challenges in any types of organization because it can lead to invisible consequences [31]. Amour [32] stated that the impact of turnover include increase in expenses since it costs company spending on vacancy advertising, interview staffing and training for the new staff. Zhang [33] stated that the reputation and image of the company would also be affected if there was employee turnover too.

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often. The high turnover rate in the company will cause existing staff losing confidence, affect their performance, and reduce financial, company’s reputation and image. Therefore, this research was conducted to investigate how those factors affect the employee turnover intention directly or indirectly.

**Hospitality Industry**

The hospitality industry focuses on providing service to customers to have an excellent experience [34]. A large number of employees are needed to ensure the industry function adequately [35]. Employees are the most valuable assets to hotel industry due to its consistent need of employees at all times [36]. There are a lot of competition and challenge to advance the hospitality industry [6]. Hashim and Norbani [36] proposed that the high turnover rate is one of the major challenges in the hotel industry. According to Randstad World of Work Report (2013; 2014) and Malaysian Insiders (2014), Malaysians frequently switch jobs to advance in their profession. The report by Malaysian Insiders (2014) also mentioned that there are other factors that cause them to switch jobs, such as uncompetitive salary (55%), lack of recognition at the workplace (35%) and lack of trust in senior leaders (21%). These could also be contributing factors leading to employee turnover in the hospitality industry.

Nanjundeswaraswamy and Swamy [37] argued that there is a relationship between leadership and employee turnover intention in the hospitality industry. They revealed that previous studies investigated this relationship in hospitality industry, and revealed the positive relationship between leadership and employee turnover intention. According to Al Gassim et al. [38], the employees in the hotel industry may leave the company if they received low-paid or lack of prestige especially those who have jobs for housekeeping or in the kitchen. The low motivation in the job could increase the turnover rate.

Moreover, communication between employees is another critical factor that could raise turnover intention in the hotel industry [38]. If there were a better communication flow within the company, where employees are able to express their ideas and opinions with each other and the upper management, this might lead to better job satisfaction. Studies showed that employees prefer to have discussion rather than receiving and obeying orders. Lack of communication especially in training will lead to turnover intention since employees need more information or knowledge on improving their career in the hotel industry [39-40].
Leadership

Leadership is defined as the capability to affect a group of people to accomplish the goals [41]. The leadership of the organization often affect its operation to achieve set objectives and the quality of employee’s performance [42]. Adequate leadership is very critical to efficiency and improvement in an organization [43]. Coulson-thomas [44] proposed that the style of leadership in the workplace could affect the innovation of an organization. Leaders who are often concern with and motivate employees could encourage the ability of applying innovation in their work. These leaders often endorse the leadership and theory such as the transformational leadership, the universalist theories of leadership, and the path-goal theory.

Transformational leadership is one of the leadership styles often recommended within the organizations. Transformational leadership emphasizes on the ability of providing shared values and has a vision where they can foresee the direction to take organization in order to achieve its vision. A leader who promotes transformational leadership is effective because they inspire others, where employee will work hard and have passion in completing the job [45]. Employees also prefer this type of leadership because the leaders are able to cooperate with them in order to achieve their goals, rather than just receiving orders and have low work efficiency. This type of leadership style provide motivation to the employee and encourage job accomplishment cooperatively [46]. Study showed that transformational leadership style has positive relationship with job and employee satisfaction [47]. This indicates that transformational leadership style meets the satisfaction of employee’s which makes them feel more motivated, and it can reduce the intention of turnover. Northouse [1] stated four components in transformational leadership style which are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Second, universalist theories of leadership are leaders within the organization share similar traits [48]. It is a combination of the great man/woman theory and the trait theory. The former is a theory that states that great leaders are born and not made, with the latter is a theory that about to find out the features which are shared by all effective leaders. The great man/woman theory started the scholarship of which traits and characteristics build great leaders. However, there is a lack of scientific validity because it only considers men in power. Most of the researchers use trait theory to investigate the physical characteristics which related to effective leader. Kovach [49] also stated that trait theory is used to instead the great man/woman theory due to it was assumed that great leaders have the common features rather than inborn. The previous study stated that a single trait can foresee the quality of the leadership [49]. Robbins and Judge [50] argued that the rational of leader behavior
are not compulsory to be provided such as kindness. According to Jones and George [51], they stated that there was an inconsistent correlation between traits and behaviors. For this theory, it is instinctive and simple but it might be unclear and subjective.

Third, Path-Goal Theory states that the goals could be achieved by the team members if the leader is willing to help them [52-53]. It also can be explained as the expectancy theory of motivation [50]. It is believed that leaders should focus on helping members toward the attainment of goals. Northouse [1] also believe that the path-goal theory can contributed to a better performance because it is based on team members motivation. Leader can adopt different behaviors such as the directive behavior, achievement-oriented behavior, supportive behavior, and participative behavior. According to Dwertmann and Boehm [54], leaders who have directive behavior often focusing on work complement; leaders who have supportive behavior are concentrated on well-being behavior of workers; leaders who is supportive for employees to make decision tend to have participative behavior; and leaders who prefer to set challenging objectives for workers tend to have achievement-oriented behavior.

**Motivation**

Hussain and Ibrahim [55] stated that motivation could encourage people to achieve goals or to work enthusiastically. Motivation is helpful for employees to complete the tasks more effectively and efficiently [56]. Based on Mohamad et al. [57], the employee performance in the organization can be improved when the employees are motivated from monetary or non-monetary advantages. According to [58], employee dissatisfaction of the job could result in a high turnover intention rate. This dissatisfaction could be caused by low motivation in the job, or not given an opportunity to perform the job.

Herzberg’s theory emphasizes on the feelings of employees against the work environment [59]. This theory includes the intrinsic and hygiene two types of motivation. The intrinsic motivation is related to the satisfaction of the employees towards their work, and it includes achievement of the goals, the work itself, belonging, recognition and so on. Xiaoxia [60] stated that the individuals’ concentration can be manipulated by intrinsic motivation. Employees tend to concentrating more effort on their tasks and engaging in innovation and creativity for new ideas when they are intrinsic motivated. On the other hand, intrinsic motivation is related to preventing the dissatisfaction and environment of job [61]. It encourages employees to take their responsibility on solving the problems initiative [61]. Apart from that, Bilal and Shahid [62] showed that intrinsic motivation could
increase the feeling of belonging and job security in the company, which often boost employee creativity in organization.

**Communication**

Communication is about transferring information (encoding), understanding of meaning of information (decoding) from one to another [63]. It focuses on information distribution and the willingness of involvement in the conversation [64]. DeVito [65] highlighted the importance of communication such as influencing people, maintaining interpersonal relationships, gaining knowledge, and assisting others. Ineffective communication could cause low job satisfaction and lead to employee turnover intention in the workplace [66]. Employees can receive information from leaders through communication channels such as emails, messages and memos. An effective organizational communication could enhance the creativity performance of their employees [67].

The Communication Accommodation Theory (CAT) states that human tend to change the way they communicate and talk in order to match with their audience. [68] in their research talk about how the word ‘accommodation’ in the CAT can be described as a method for more effective communication in the conversation between people. The CAT theory consists of two different forms of communication which are (i) convergence and (ii) divergence communication [69] Convergence can be applied in a wide range of communicative dimensions [68]. It assumes the same characteristics within language groups such as speech rate, posture, smiling and gaze. On the other hand, people using divergence communication tend to maintain a distance from others. This type of person emphasizes on the difference between them and the receiver.

According to West and Turner [70], Uncertainty Reduction Theory by Berger and Calabrese focus on the initial interaction between people prior to the actual communication process. Uncertainty Reduction Theory is suitable to apply in any organization [71]. There are two types of uncertainty which are cognitive uncertainty and behavioral uncertainty. Cognitive uncertainty is related to the philosophy and behaviors of each other in the situation [72]. Behavioral uncertainty is related to the extent to which behavior is predictable in a given situation.

**Work Environment and Infrastructure**

The work environment consists of technical, human and culture background information [24]. This information is crucial for employee performance or to produce high quality products. If the work environment allowed employees to be involved in the decision-making process, it will increase job
satisfaction and lead to lower turnover intention rate [74]. High work quality could also reduce turnover intention rate as well as there is more job satisfaction [75]. Cultural background is considered as a set of common believes, behaviors and values shared by a group of people at the same place and time [76]. Cultural diversity is when there are people with various different background such as ethnicity, race and religion. Saira et al. [77] have pointed out that integrating cultural diversity into the workplace could enhance affective commitment, thus decreasing turnover intention. It could also improve the quality of employee performance.

The employee innovation and job creativity is crucial for organizations to face the strong competition in the market nowadays [78]. In order to attract customers and increase sales, it is important to encourage innovation in products. Study showed that physical working environment has impact on employee innovation and creativity. Shibata and Suzuki [79] stated that the company with an indoor natural plant and a window view can improve the employee’s creative performance. This is because the natural plant help employees relax and feel refreshed. When the employee is in a comfortable environment, it may help the employees to think creatively. The color of the wall in the company will also affect the work environment for the employee [80]. Moreover, company infrastructure such as computer equipment, the latest technology that can help in inventing the product, pantry area, training and development for the employee are crucial for innovation and creativity [81].

**Employee Innovation and Creativity**

Innovation is related to new products or service in technology-based invention for customers, and it plays an important role in organization [82]. There are many factors that lead to innovation in workplace such as culture at company, relationship between leader and follower, the job context, and the individuals themselves [83]. Proper training to hone employee skills, knowledge, ability, equipment and technology helps them to perform better [84]. It also increases the level of employee satisfaction [85]. Specifically, training is important for employee to build confidence on job innovation and creativity. It provides employees with chance to gain knowledge and skills in order to improve themselves [86].

**Employee Turnover Intention**

There are two types of employee turnover which are (i) voluntary turnover and (ii) involuntary turnover [87]. Voluntary turnover is when the employees leave the organization due to
their own free will, such as getting a better job offer [88] [89]. Involuntary is when the employees are asked to leave the organization such as due to downsizing or their lack of performance. Employee turnover is one of the challenges that are faced by a majority of organizations around the world [90][91]. It may lead to low productivity, job inefficiency, and less concentration [92].

It is important to recognize the reason that lead to employee dissatisfaction on the job [93]. The employees who feel dissatisfied on the job will have the intention to leave the job, and thus higher inefficiency in the company, encouraging others to leave the organization [94] [95]. Lack of motivation is also a factor that increases the intention of leaving [96]. Preventing employee turnover intention should be the first priority in the organization [97]. It could lead to problems such as low concentration on jobs, low quality performance, low productivity and sales, decrease on revenue, increase on expenses for vacancy advertising and interview and training for new employees, and damage on the reputation of the company, and so on [98][99][32].

Hypotheses

The purpose of this study is to evaluate whether the employee innovation and creativity has a mediating effect on: H1. leadership and employee turnover intention; H2. motivation and employee turnover intention; H3. communication and employee turnover intention; H4. work environment and infrastructure and employee turnover intention. Moreover, whether there is relationship between: H5. leadership and employee turnover intention; H6. motivation and employee turnover intention; H7. communication and employee turnover intention; H8. work environment and infrastructure, and employee turnover intention; H9. employee innovation and creativity, and employee turnover intention.

3. Methodology

Population and Sample

The target population for this study are workers within the hospitality industry in Malaysia. The inclusionary criteria for recruitment would be employees who have more than 3 years of working experience within the industry. Purposive sampling was used to select the participants among all employees for this study. The sample size was calculated using the G*Power software using A-priori
tests which resulted with a minimum of 129 sample at 0.95 power (1-β err prob). There were totally 152 employees who participated in this study. The demographics of sample is shown in Table 1.

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Characteristic</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>&lt; 25</td>
<td>8</td>
<td>5.30%</td>
</tr>
<tr>
<td></td>
<td>25 -34</td>
<td>57</td>
<td>37.50%</td>
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<tr>
<td></td>
<td>35 - 44</td>
<td>55</td>
<td>36.20%</td>
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<tr>
<td></td>
<td>45 - 54</td>
<td>26</td>
<td>17.10%</td>
</tr>
<tr>
<td></td>
<td>55 - 60</td>
<td>6</td>
<td>3.90%</td>
</tr>
<tr>
<td>Marital Status</td>
<td>PhD</td>
<td>2</td>
<td>1.30%</td>
</tr>
<tr>
<td></td>
<td>MA</td>
<td>6</td>
<td>3.90%</td>
</tr>
<tr>
<td></td>
<td>BA</td>
<td>89</td>
<td>58.60%</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>39</td>
<td>25.70%</td>
</tr>
<tr>
<td></td>
<td>Certificate</td>
<td>7</td>
<td>4.60%</td>
</tr>
<tr>
<td></td>
<td>High School</td>
<td>9</td>
<td>5.90%</td>
</tr>
<tr>
<td>Working Experience</td>
<td>5-Mar</td>
<td>63</td>
<td>41.40%</td>
</tr>
<tr>
<td>(Years)</td>
<td>10-Jun</td>
<td>54</td>
<td>35.50%</td>
</tr>
<tr>
<td></td>
<td>15-Nov</td>
<td>22</td>
<td>14.50%</td>
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<tr>
<td></td>
<td>above 15</td>
<td>13</td>
<td>8.60%</td>
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</table>

**Data Collection**

Questionnaires were used for collecting response data from participants. The questionnaire consisted of 7 sections which cover demographic, leadership, motivation, communication, work environment and infrastructure, employee innovation and creativity and employee turnover intention. After a pilot test was conducted with the questionnaire, some items were removed. A total of 62 five scale Likert-type items with selection from “strongly disagree” to “strongly agree” were finalized for this study. The electrical version of the questionnaires was sent to participants through email, and the respond data was received through email replies.

**Data Analysis**

The Statistical Package for Social Sciences (SPSS) was used for demographics analysis, which includes sample demographic profile information, frequencies of demographic characteristics, and data distribution. The SmartPLS was used to conduct the partial least squares-structural equation modelling (PLS-SEM). Moreover, a nonparametric bootstrapping method was applied to determine the path coefficient and the statistical significant level was set to 0.05 for this study [51].
4. Result

Construct Reliability

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>0.701</td>
<td>0.728</td>
<td>0.792</td>
<td>0.5</td>
</tr>
<tr>
<td>Employee Innovation</td>
<td>0.703</td>
<td>0.713</td>
<td>0.787</td>
<td>0.488</td>
</tr>
<tr>
<td>and Creativity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Turnover</td>
<td>0.706</td>
<td>0.701</td>
<td>0.781</td>
<td>0.483</td>
</tr>
<tr>
<td>Intention</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>0.72</td>
<td>0.726</td>
<td>0.798</td>
<td>0.44</td>
</tr>
<tr>
<td>Motivation</td>
<td>0.704</td>
<td>0.719</td>
<td>0.788</td>
<td>0.432</td>
</tr>
<tr>
<td>Work Environment</td>
<td>0.705</td>
<td>0.713</td>
<td>0.785</td>
<td>0.51</td>
</tr>
<tr>
<td>and Infrastructure</td>
<td></td>
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</tbody>
</table>

As shown in Table 2, the estimated Cronbach’s alpha showed adequate evidence of reliability for the factors, which ranged from 0.701 to 0.72 [100]. The estimated rho_A achieved minimum acceptable level which ranged from 0.701 to 0.728 [101]. The result of composite reliability (CRs) showed acceptable level from 0.781 to 0.798 [100]. Therefore, the results demonstrated adequate level of evidence of the reliability for the questionnaire. Furthermore, the result of average variance extracted (AVE) ranged from 0.432 to 0.51, which indicated acceptable level of correlation between alternative measures of the same construct [102]. Fornell and Larcker [103] suggested that even if the value of AVE was lower than 0.5, it still could be adequate for the convergent validity of the measurements if the composite reliability was higher than 0.6. Hulland [104] also suggested that minimum acceptable value for AVE is 0.4.

Discriminant Validity

<table>
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<th>(1)</th>
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<th>(3)</th>
<th>(4)</th>
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<th>(6)</th>
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<tbody>
<tr>
<td>(1) Communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.707</td>
<td></td>
</tr>
<tr>
<td>(2) Employee Innovation and Creativity</td>
<td>0.612</td>
<td>0.699</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(3) Employee Turnover Intention</td>
<td>0.696</td>
<td>0.490</td>
<td>0.695</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(4) Leadership</td>
<td>0.655</td>
<td>0.420</td>
<td>0.654</td>
<td>0.663</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Motivation</td>
<td>0.564</td>
<td>0.560</td>
<td>0.532</td>
<td>0.654</td>
<td>0.657</td>
<td></td>
</tr>
<tr>
<td>(6) Work Environment and Infrastructure</td>
<td>0.586</td>
<td>0.721</td>
<td>0.557</td>
<td>0.537</td>
<td>0.595</td>
<td>0.714</td>
</tr>
</tbody>
</table>

The discriminant validity of the measures was examined by Fornell and Larcker [103] criterion which compares the correlations between constructs. The correlation was estimated by using the square root of the average variance of that construct. As shown in Table 3, all the values on the diagonals ranged from 0.657 to 0.714, which indicates the measure was discriminant [105].
Moreover, there was little dispute between the employee innovation and creativity-work environment and infrastructure, employee turnover intention-communication, and work environment and infrastructure-employee innovation and creativity construct. However, the difference was small which were 0.022, 0.001 and 0.007 respectively. Hamid et al. [106] argued that if there was small dispute or differences in the value of Fornell and Larcker criterion, the problem could be ignored. Therefore, the results indicated an adequate discriminant validity and implied that the constructs are related to their respective factors compare to other constructs of the model [102].

**Cross Loadings**

The items loadings are often examined by measuring the indicator reliability of the measurement model. It is a good discriminant validity when each indicator loading is larger than all its cross-loadings [107]. According to Loi et al. [108], the measurement is significant at least at the level of 0.4. Results showed that the indicator loadings were higher than its cross-loadings. Indicators have loadings ranged from 0.4 to 0.7. This implied that the different indicators cannot be exchangeable. This fulfilled with the requirements that suggested by Chin [107]. This contributes to having a good result for the discriminant validity. Furthermore, there were also some loadings ranging from 0.3 to 0.4. However, those loadings lead to an improvement in the value of composite reliability. According to Hair et al. [102], weaker indicators that below 0.4 are sometimes remained on the basis of their contribution to content validity. Moreover, [102] also recommended that the minimum cut-off point for the loading is 0.3.

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<tbody>
<tr>
<td>(1)Communication</td>
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<tr>
<td>(2)Employee Innovation and Creativity</td>
<td>0.849</td>
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</tr>
<tr>
<td>(3)Employee Turnover Intention</td>
<td>0.874</td>
<td>0.689</td>
<td></td>
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</tr>
<tr>
<td>(4)Leadership</td>
<td>0.887</td>
<td>0.617</td>
<td>0.836</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(5)Motivation</td>
<td>0.782</td>
<td>0.77</td>
<td>0.684</td>
<td>0.891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6)Work Environment and Infrastructure</td>
<td>0.776</td>
<td>0.9</td>
<td>0.792</td>
<td>0.772</td>
<td>0.821</td>
<td></td>
</tr>
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</table>

Heterotrait-Monotrait Ratio of Correlations (HTMT) was used to compare the criterion to a threshold that have been defined. It investigates the discriminant validity by examining the value whether is greater than 0.85 or 0.90. The instrument is problematic if the value was greater than the threshold (0.85 or 0.90) [109]. HTMT can attain a high specificity and sensitivity rates when
compared to Fornell-Larcker criterion and cross-loadings. It can achieve 97% to 99% sensitivity rates. As shown in Table 5, the range of the value of HTMT is between 0.6 and 0.9. Since the correlation values corresponding to the respective constructs and did not violate the threshold, the discriminant validity is adequate for the measurement model [110]. In summary, all the items fulfilled the requirements of good discriminant validity.

Collinearity Statistics

<table>
<thead>
<tr>
<th>Item</th>
<th>VIF</th>
<th>Item</th>
<th>VIF</th>
<th>Item</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
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<td>I1</td>
<td>1.189</td>
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</tr>
<tr>
<td>C11</td>
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<td>C13</td>
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<td>I12</td>
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<tr>
<td>C3</td>
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<td>1.393</td>
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<tr>
<td>C4</td>
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<td>I2</td>
<td>1.297</td>
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<tr>
<td>C7</td>
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<td>I3</td>
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</tr>
<tr>
<td>C8</td>
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<tr>
<td>C9</td>
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<td>I5</td>
<td>1.151</td>
<td>L7</td>
<td>1.344</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I6</td>
<td>1.268</td>
<td>L8</td>
<td>1.135</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I7</td>
<td>1.139</td>
<td>L9</td>
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<td></td>
<td></td>
<td>I9</td>
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</tr>
<tr>
<td>M10</td>
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<td>T1</td>
<td>1.627</td>
<td>W1</td>
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<td>M13</td>
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<td>1.166</td>
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</tr>
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<tr>
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<td>W7</td>
<td>1.204</td>
</tr>
<tr>
<td></td>
<td></td>
<td>T9</td>
<td>1.967</td>
<td>W8</td>
<td>1.287</td>
</tr>
</tbody>
</table>

The collinearity statistics was assessed before path analysis. According to Hair et al. [102], the collinearity issue should be assessed for identifying the degree of multicollinearity in the formative indicators. The assessment can be carried out by evaluating the Variance Inflation Factor (VIF). As shown in Table 6, the outer VIF value ranged from 1.095 to 7.355. The inner VIF was in the range from 1.820 to 2.508, see Table 7. Both of the outer and inner values attain the threshold that
suggested by Petter et al. [111] which is less than 10. It indicates no collinearity issues between the constructs in the model.

<table>
<thead>
<tr>
<th></th>
<th>C</th>
<th>EIC</th>
<th>ETI</th>
<th>L</th>
<th>M</th>
<th>WEI</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>2.05</td>
<td>2.322</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
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<td>2.508</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETI</td>
<td>2.227</td>
<td>2.332</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L</td>
<td>2.074</td>
<td>2.173</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>1.82</td>
<td>2.495</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: C=Communication; EIC=Employee Innovation and Creativity; ETI=Employee Turnover Intention; L=Leadership; M=Motivation; WEI=Work Environment and Infrastructure.

Pass Analysis

A bootstrapping procedure can generate T-Statistics and p-values to examine the significance of the model. Subsamples are randomly drawn from the original sample and applied in the procedure [112]. The number of cases is equal to the number of observations in the original sample. There were 152 original samples in this research. 5000 subsamples were taken from the original sample with
replacement to give bootstrap standard errors. It provides the T-Statistics and p-values for evaluating the significance of the structural path.

Table 8 - Summary of Hypotheses Testing of Initial PLS Path Model

| Hypotheses     | T Statistics (|O/STDEV|) | p values | Decision |
|----------------|--------------|---------|----------|
| H1: L -> I     | 2.479        | 0.013   | YES      |
| H2: M -> I     | 2.32         | 0.02    | YES      |
| H3: C -> I     | 4.436        | < 0.01  | YES      |
| H4: W -> I     | 6.665        | < 0.01  | YES      |
| H5: L -> T     | 2.782        | 0.005   | YES      |
| H6: M -> T     | 2.701        | 0.03    | YES      |
| H7: C -> T     | 4.493        | < 0.01  | YES      |
| H8: W -> T     | 1.381        | 0.167   | NO       |
| H9: I -> T     | 0.009        | 0.993   | NO       |

Note: L=Leadership; M=Motivation; C=Communication; W=Work Environment and Infrastructure; I=Employee Innovation and Creativity; T=Employee Turnover Intention

The result of path analysis is shown in Figure 1. As seen in Table 8, all of the T Statistics exceed the value of 1.96 except for Employee Innovation and Creativity -> Employee Turnover Intention (0.009) and Work Environment and Infrastructure -> Employee Turnover Intention (1.381). This implies that the path coefficient is significant for the t-values (exceed 1.96 significant levels) [108]. The measurement items were statistically significant for explaining the research construct. The items with value of 0.009 and 1.381 are not significant. This is a strong evidence to reject the null hypothesis when the t-value is larger than 1.96 significant level [112]. Moreover, p-value lower than 0.05 is classified as statistically significant [112]. Result showed the path coefficient for all the items are significant except for Employee Innovation and Creativity -> Employee Turnover Intention (p = 0.993), and Work Environment and Infrastructure -> Employee Turnover Intention (p = 0.167).

5. Discussion

This study investigated the influence of latent independent variables of leadership, motivation, communication, work environment and infrastructure on the latent dependent variables of employee innovation and creativity, and turnover intention in the Malaysian hospitality industry. This study found that there is significant relationship between leadership and employee innovation and creativity, corroborating with other research findings such as from Stachová et al. [113] and Neil [114] where they found leaders who encourage creative behavior will often increase the potential of
innovation in organizations. The creative thinking aspect is crucial for organizations to establish the culture of innovation in organizations, and encourage employees to admire and respect the leader for better performance in the workplace. Studies have shown that there is a correlation between innovation management through the different types of leadership has a direct impact to employee innovation [115]. This shows that different types of leadership motivate employees in different ways. This study also found that motivation has an influence on employee innovation and creativity in the Malaysian hospitality industry. Whether or not an employee is motivated has a direct effect on problem solving in a creative way [113]. Employees who are motivated or rewarded will enthusiastically participate in innovating new and creative ideas and would also encourage others to support and participate [116]. Employees also will show more appreciation to the company when their work is recognized by the company [18]. Communication and innovation also come hand in hand. A study by Weman and Kantanen [117] found that leadership communication is crucial to creative thinking and innovating commitment, linking aspects of leadership to communication. This study found that there is a significant relationship between communication and employee innovation and creativity. Effective communication can help to encourage employee innovation and creativity. Since communication can encourage employees to share knowledge and ideas with each other, it could accelerate product and service innovation [113]. Moreover, Martin and Beckmann [67] also stated that effective organizational communication also can enhance the creativity performance of the employees. When there is an organized flow of communication between top management and employees, there is more innovation that takes place. Organizations with a good communication system could reduce employee turnover intention. Communication is another factor that is highly correlated with turnover intention [66]. A good communication environment is crucial for employees to exchange information in the company, apart from having a sense of belonging [113] Not only do employees have a better understanding of the company’s strategy and goals, but they would also have a better understanding of the direction they should take in order to achieve the goals.

Leaders should also introduce the advantages of creativity in the workplace for employees to encourage them to innovate and to ease any tension that could arise, halting innovation process [118]. This study also found a significant relationship between leadership and employee turnover intention in Malaysian hospitality industry, which is consistent with Maaitah [119]. Leaders play an important role in retaining employees. Employees receive attention and motivations from leaders make them as if they belong and play an important role within the organization. This would motivate them to work harder towards their goals and objectives [120], which coincides with this study’s findings where there is a significant relationship between motivation and employee turnover intention in the
Motivation is one of the factors that will influence employee retention in organizations [121]. Employees can be inspired through encouragement or incentives [122]. It can increase employee confidence in the organization, and reduce the intention of turnover. According to McShane and Glinow [123], they proposed that motivation a powerful tool that can trigger the turnover intention of the employees.

One element that is sometimes overlooked is the environment and infrastructure of the organization. The finding of this study found that work environment and infrastructure is consistent with Neil [114] study where the working environment and infrastructure also have an impact on creativity and innovation in the organization. A study by Lamroulis [124] found that organizational artifacts such as the content of the space or infrastructure encourage organizational culture such as creativity, as it sets the tone for deep rooted values. Things such as the plants in the office or the color of the decoration of the facility walls all have effect on employee work performance and creativity since it helps them to relax and destress [21].

There are two findings of the hypothesis that indicated a different result from previous studies. First, the study found that there is no relationship between work environment and infrastructure to employee turnover intention in the Malaysian hospital industry. Different organization culture will have different impact on the turnover intention [33]. The working culture is different among companies, cities, or even countries. According to Markey, Ravenswood and Webber [125], there is a relationship between work environment and infrastructure and employee turnover intention in hospitality industry in New Zealand. This may due to the culture difference of hospitality between New Zealand and Malaysia. The employees in Malaysia may think working environment does not affect the turnover intention. Second, there is also no relationship between employee innovation and creativity and employee turnover intention in the Malaysian hospitality industry. Ibrahim et al, [22] in their study said that employees might not want to contribute due to the fact that they are worried their ideas might not be considered, that it is an ill-conceived idea or that it might get in their way of achieving a promotion when they upset somebody. There are still a lot of organizations that do not provide support to empower employees. According to Moonyati [126], innovation and creativity are critical issues in all fields that can contribute to the global economy. However, there are many innovation barriers in Malaysia. For instance, employees in Malaysia are still restrained by culture-bound thinking [127]. Employees do not think that innovation and creativity is important in their working life. Moreover, most of the employees do not want to participate with open discussions when expressing their thoughts or ideas. Therefore, the employees often do not get
involved in culture innovation, and do not think it is a factor that leads to employee turnover intention [126]. Hence, there are no mediating effect found on the employee turnover intention in this research.

6. Conclusion and Implications

The purpose of this study is to help Malaysian hospitality organizations to understand the relationships between latent factors and employee turnover intention. Specifically, whether the factors have direct or indirect effect on turnover intention. Results indicate that leadership, motivation, communication, and work environment and infrastructure had significant relationship with the employee innovation and creativity. Furthermore, leadership, motivation and communication of the company had a direct relationship towards the employee turnover intention. On the other hand, there was no relationship between work environment and infrastructure, and employee turnover intention. The employee innovation and creativity was a mediator in this research, but there was no mediating effect in this research. The study indicated that although the infrastructure has a significant effect on creativity, but has no effect on turnover. It also found that the Malaysian employees are less inclined to leave the organization, even if there is no innovation or creative output. Managers should encourage more brainstorming sessions or creative meeting sessions in order to have more effective outputs. Employees might participate more if the organization affirms the importance of creativity [22]. Employees may feel motivated when the leader cooperate with the employees to accomplish the goals. Leader plays a critical role in reducing turnover intention of the employees [42]. Since motivation has an effect on the employee turnover intention, organizations should emphasize on employee motivation which could encourage organizational commitment [60]. Avoiding turnover should be a priority that organizations should not take lightly as it has negative consequences on employee job performance can impact the company’s image [36]. Employee turnover is a huge loss to the organization [128]. Hence, it is important to take into account factors that could affect employee turnover intention.

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https://doi.org/10.1177/2158244015625327


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Yee Kai Ling is a graduate of Universiti Malaysia Pahang. She has also been certified from the Project Management Institute for Certified Associate in Project Management (CAPM).