Factors influencing millennial employees’ turnover intention in multinational corporations in Penang, Malaysia

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Abstract: This quantitative study explores the influence of organizational culture on the turnover intentions of millennial employees within multinational corporations (MNCs) in Penang, Malaysia. As millennials increasingly comprise a substantial portion of the workforce, their turnover rates have significant implications for organizational efficacy. The research examined the relationship between key elements of organizational culture—namely employee empowerment, work-life balance, and reward systems—and millennials’ decisions to stay with or leave their employers. Data were gathered through a questionnaire distributed to 183 millennial employees in the Penang MNC sector, employing a random sampling approach and utilizing Google Forms for submission. The survey instruments were based on established scales from prior research to ensure robustness and relevance. The findings indicate that all the studied variables significantly affect turnover intentions, with employee empowerment emerging as the strongest predictor, followed by work-life balance, and then reward systems. These results underscore the critical role of organizational culture in shaping millennial turnover intentions. The study’s insights can guide MNCs in Penang to implement strategic initiatives aimed at fostering a positive work environment that emphasizes empowerment, balance, and appropriate rewards, thereby enhancing employee retention within this pivotal demographic. While this study provides detailed insights specific to the Malaysian context, its findings may serve as a preliminary reference point for MNCs in similar regional contexts, suggesting further research to explore the applicability of these insights globally.

Keywords: organizational culture; multinational corporations; millennial employees’ turnover; mental health

1. Introduction

Employee turnover in multinational corporations (MNCs) continues to challenge the Malaysian workforce, with high turnover rates particularly pronounced among millennial employees (Ng and Salamzadeh, 2020). The 2023 Employer Brand Research indicates an upward trend in this demographic, especially among mid-career professionals. Contributing factors include insufficient work-life balance, limited career growth, and dissatisfaction with leadership and compensation (Devi et al., 2022; Sorn et al., 2023; Zainal et al., 2022). With millennials constituting the largest demographic in the global workforce, their tendency toward mobility has profound implications for organizational stability and retention strategies. This generational cohort is less inclined toward long-term commitments to a single employer, a
sentiment echoed in the Deloitte Global 2022 Gen Z and Millennial Survey, which found that a significant portion of millennials intend to leave their current roles within two years, some without alternate employment lined up (Waworuntu et al., 2022). The implications of high turnover are far-reaching, affecting not only productivity and competitiveness but also investor confidence (Lee and Brookshire, 2017; Ahmed, 2021). In the context of MNCs, where workforce diversity is inherent, understanding the nuances of generational preferences and expectations becomes critical (Pradita and Franksiska, 2020). For instance, Malaysian millennials, who represent a substantial segment of the workforce, prioritize flexibility, career advancement, and developmental opportunities over traditional benefits (Ng and Salamzadeh, 2020).

Herzberg’s two-factor theory posits that job satisfaction and dissatisfaction are influenced by separate sets of factors—motivators and hygiene factors, respectively (Bundtzen, 2023). This theory is particularly relevant to the millennial workforce, which values empowerment and recognition. This study aims to dissect the components of organizational culture that influence millennial turnover in MNCs, focusing on empowerment, work-life balance, and reward systems. The necessity of addressing these factors is underscored by the potential consequences of the ‘Great Resignation’, a trend exacerbated by the pandemic, which has seen a surge in job changes (Lee, 2023). Malaysian millennials are seeking more challenging roles in organizations that prioritize their professional growth and well-being (Zhao et al., 2022). This generational shift presents a challenge for MNCs in Penang to not only attract but also retain skilled talent. As millennials increasingly dominate the labor force in Malaysia, it is imperative for MNCs to adapt their strategies to cater to this generation’s distinct values and expectations (Nathan, 2021). Failure to do so could exacerbate turnover rates and hinder organizational growth. This study will bridge the academic gap by offering insights into strategies that can mitigate employee turnover, specifically among millennials in Penang’s MNC sector.

Employee turnover is a prominent topic of discussion in the research field, with contributions from various scholars (Ali and Anwar, 2021). These studies have explored the factors that influence employee turnover. The previous section addressed the significance of employee turnover and provided a description of the influencing factors. However, despite existing research, there remain gaps that need to be addressed through further studies on employee turnover. Moreover, comparative insights can be drawn from similar research conducted in other regions, such as the studies on millennial workers’ turnover intentions in countries like Saudi Arabia (Mappamiring et al., 2020), employee engagement among millennials in India (Sahni, 2021), the mediating role of job satisfaction on turnover intentions in China (Zhuo and Yuan, 2022), and the retention approaches for millennials in the private sector in Bangladesh (Hassan et al., 2021). These studies provide a broader understanding of the factors influencing millennial turnover globally and highlight the relevance of investigating this phenomenon within the context of MNCs in Penang, Malaysia.

Extensive research has been conducted by numerous scholars across various industries examining the topic of millennial employee turnover and its influencing factors. For instance, studies have been conducted in the banking industry in Indonesia on millennial employee turnover intention at Bank Nagari (Fadhil, 2021), in the apparel industry in Sri Lanka with rapid turnover among millennial employees
millennial employee turnover intentions in the hospitality industry (Indrayani, 2022), turnover intention of the Indonesian millennial workforce in the manufacturing industry (Ardi and Anggraini, 2020), and millennial turnover intention in an automotive company (Rezeki, 2023). Despite the extensive research on employee turnover among millennials, there is a scarcity of studies specifically focusing on the multinational corporation industry in Penang, Malaysia. This gap in the research underscores the need for further investigation to gain a deeper understanding of the unique factors influencing millennials’ employment turnover in this specific sector.

Addressing this gap, future research can provide valuable insights that will help multinational corporations in Penang develop effective strategies to reduce turnover and improve employee retention among millennials. The findings of this study are expected to provide relevant information that will greatly benefit Multinational Corporations in Penang, enabling them to enhance their employee retention strategies and ultimately improve their overall performance.

Underpinning theory

Within academic and business circles, Herzberg’s two-factor theory is recognized as a significant motivational framework (Rudnak, 2020). Many leaders have applied Herzberg’s theory to address challenges related to employee turnover and to devise effective retention strategies (Alrawahi et al., 2020). Herzberg’s concept of motivation and hygiene factors not only mitigates millennial employee turnover but also serves as a potent tool for enhancing employee motivation. By employing retention tactics, organizations can preserve their valuable workforce and incentivize increased productivity, ultimately contributing to the achievement of corporate goals (Fang et al., 2021; Gosnell et al., 2020). Staff retention can bolster profitability since strategies such as structured training and financial incentives may motivate employees to prolong their tenure (Shahzad et al., 2021). Harris (2019) suggests that creating an environment that fosters employee commitment enhances the likelihood of long-term retention. Herzberg’s two-factor theory aligns with Maslow’s hierarchy of needs in that individuals seek to fulfill their basic needs before advancing to higher levels of satisfaction (Zhang et al., 2020).

Hygiene factors, tailored to the organization’s requisites, aim to avert negative sentiments or discomfort at work. Lack of attention to these factors can culminate in dissatisfaction among millennial employees (Rahman et al., 2018). Hygiene factors encompass company policies, supervisory quality, working conditions, salary, collegial relationships, status, and job security. Neglect in these areas can lead to job dissatisfaction, yet their mere presence does not assure satisfaction—they merely prevent dissatisfaction (Bundtzen, 2023). Hygiene factors pertain to the work environment, and while they seem secondary, their absence or failure to meet expectations can significantly increase job dissatisfaction, potentially prompting employees to leave. Motivation is the process of providing an individual with a reason or incentive to act (Juariyah and Saktian, 2020). It emerges from the interplay of both conscious and unconscious factors, such as the intensity of personal needs, the value of rewards, and the anticipation of achieving goals (Chiat and Panatik, 2019). Positive
motivating factors foster personal growth and achievement. Their presence can inspire employees to excel and undertake tasks with exceptional dedication (Shahzad et al., 2021). Furthermore, without appropriate recognition and rewards from the organization, employees may lack the impetus to fulfill their responsibilities. Motivation is, therefore, an essential tool for boosting employee morale and encouraging commitment within the company (Zhang et al., 2020). Employee turnover is influenced by levels of satisfaction and motivation, making it imperative for organizations to comprehend and leverage the relationship between motivational elements, millennial employee dissatisfaction, and turnover intentions to foster employee contentment (Almaaitah et al., 2017).

In this context, work-life balance may act as a hygiene factor, while employee empowerment and reward systems may function as motivators. Thus, the application of Herzberg’s Two-Factor Theory is pivotal to this study, providing a comprehensive framework to assist organizations in delivering value to their employees and curtailing millennial turnover.

2. Literature review

2.1. Employee turnover

The high employee turnover rate has emerged as a critical concern that transcends borders and affects organizations worldwide. Research reveals that millennial employees currently hold the shortest average tenure, at approximately 18 months, in the Asia-Pacific region (Fernandez, 2022). This notable trend carries significant implications, reverberating throughout workforces across multiple nations on a global scale (Al-Suraihi et al., 2021). In recent years, organizations worldwide have been under pressure to reduce hiring costs due to high turnover rates. Each departure necessitates the cost of sourcing, hiring, and training new employees—a cost that continues to escalate (Allen and Vardaman, 2021). Moreover, Berisha and Lajci (2020) observed that replacement costs are exorbitant, as organizations expend valuable time searching for suitable candidates to fill vacancies. This can impact daily productivity; new employees also require time to learn procedures and acclimate to their environment before performing at expected levels. As a result, managers and HR practitioners globally should focus on understanding the variables that influence millennial employees’ decisions to leave an organization. Addressing these variables is crucial, as turnover costs will increase if competent individuals are not retained. Furthermore, focusing on turnover intentions—rather than actual turnover—allows organizations to implement preventative measures before employees depart, thereby efficiently managing the voluntary turnover rate (Abate et al., 2018). There are numerous reasons for organizations to prioritize the mitigation of millennial employee turnover (Ali and Anwar, 2021). Employee retention is critical, as organizations invest heavily in the training and career development of their staff (Rawashdeh, 2018). These investments prepare millennial employees to contribute meaningfully to the organization’s growth and prosperity, ensuring long-term success and maintaining competitiveness in the global business landscape (Rakhra, 2021). However, if millennial employees are dissatisfied, they are likely to leave the organization; contented employees tend to stay longer, contributing dedication and alignment with
company objectives (Ali and Anwar, 2021; Sawaneh and Kamara, 2019). Furthermore, an organization’s culture and climate may influence millennial employees’ satisfaction and their reasons for leaving (Rawashdeh, 2018).

In Malaysia, millennial employee turnover is a pressing issue, not unique to the country yet particularly impactful. Since the turnover rate began to rise in 1991, coinciding with market growth and increased demand, it has presented significant challenges (Ghani et al., 2022). Malaysian millennials actively seek better opportunities and prioritize achieving a healthy work-life balance (Islam et al., 2023). This highlights the necessity for organizations to create environments that offer attractive incentives and recognize the importance of work-life integration for millennial employees (Alias et al., 2018). By understanding and catering to these preferences, organizations can improve their retention of talented millennials and mitigate turnover-related challenges (Al Aina and Atan, 2020). Moreover, retaining millennial employees is crucial for revenue generation in Malaysia, where they are recognized as valuable assets (Devi et al., 2022). Skilled and experienced employees contribute significantly to revenue growth and are seen as a competitive advantage influencing organizational performance (Kasa et al., 2021). Long-term employee retention not only sustains the organization but also ensures its long-term viability (Subramaniam et al., 2020). However, with many Malaysian millennials exploring opportunities overseas, there is a risk of a brain drain, leading to a shortage of qualified individuals for internal promotions (Hee and Ann, 2019). Effective management of millennial employee turnover strategies is thus essential to retaining talent and developing a qualified pipeline for future leadership roles, ensuring the organization’s success and mitigating the negative impact of turnover.

2.2. The millennial workforce

Millennials, also known as individuals born between 1981 and 1996, are often recognized for their positive attributes such as energy, drive, and a strong work ethic (White, 2022). They are adaptable, prioritize personal development, and thrive on challenging tasks (Prakash and Tiwari, 2021). However, it is important to avoid blanket stereotypes, such as overconfidence, a strong achievement orientation, narcissism, and criticism for a perceived short attention span and lack of commitment (Abate et al., 2018). Indeed, these traits are not unique to any one generation and can be found across all age groups. It is essential to respect the individuality of each person within the millennial cohort and to avoid making sweeping generalizations. Embracing and understanding the diverse qualities of millennials can lead to a more inclusive and empathetic workplace. Dwaikat et al. (2020) also note that millennial employees bring beneficial traits to the workforce, such as higher education, multitasking abilities, technological savvy, diverse cultural experiences, and a sense of empowerment. They inherently seek independence, work-life balance, success, creativity, and unfettered access to information, which are prioritized in their careers (Weerarathne et al., 2022). However, faced with rising inflation and the high cost of living, millennials often place a higher value on extrinsic rewards due to their increased financial obligations (Acheampong, 2021).
Another study by Schwartz et al. (2018) revealed that millennial employees have a remarkable aptitude for quick learning. Furthermore, they demonstrate a deep respect for challenging work and are drawn to careers that provide opportunities for training and long-term growth. They place a high value on continuous learning and skill development, and they prefer to work in environments that foster a positive and supportive atmosphere (Hassan et al., 2020). This inclination positions them well to contribute across various departments and levels within their organizations, which indicates a natural tendency toward job mobility. Unlike previous generations, millennials are increasingly in pursuit of opportunities that enable them to multitask, adapt to changes, and continuously improve their employability. This is in contrast to traditional values of job stability and a lifetime career with one employer. This shift signifies an evolving psychological contract, which refers to the unwritten, implicit set of expectations and obligations that define the terms of the exchange between the employee and the employer (Wolor et al., 2020). In essence, while traditional psychological contracts emphasized loyalty and long-term commitment in exchange for job security and career progression, the evolving contract with millennials emphasizes flexibility, development, and dynamic career opportunities. Moreover, if millennials perceive that their work values are not being met, or if there is a mismatch with the organization’s culture, they are more likely to consider leaving. This indicates that loyalty is not as strong a characteristic of this generation as it might have been for previous ones (Abate et al., 2018). Therefore, it is crucial for HR managers globally to prioritize understanding and addressing the factors contributing to millennial turnover, in order to align organizational strategies with the expectations of this generational cohort.

2.3. Employee empowerment and turnover intention

Employee empowerment is a widely recognized and extensively acknowledged concept intricately linked to several crucial elements that enhance a company’s effectiveness and competitive edge (Ngqeza and Dhanpat, 2021). These elements encompass quality management, organizational restructuring, collaborative teamwork, knowledge acquisition, and other fundamental principles. These integrated components not only drive organizational effectiveness and create a sustainable competitive advantage, but they also serve as a catalyst enabling employees to take ownership of their work, make informed decisions, and contribute to the success and growth of the company. Furthermore, employee empowerment extends to the degree to which individuals in the workforce are motivated to make independent decisions without continual supervision or approval from superiors (Ivanova and Scheve, 2019). There are two categories of empowerment: structural empowerment and psychological empowerment. Structural empowerment relates to organizational arrangements that facilitate communication and enable employee involvement in decision-making processes. Psychological empowerment, also referred to as intrinsic empowerment, involves heightened task motivation and self-driven enthusiasm, fulfilling the employee’s need for autonomy. It fosters a sense of connection and engagement with the workplace.
Work empowerment, as described by Empowerment et al. (2018), is a positive state of mind that people experience at work, characterized by vigor, dedication, and absorption. Vigor denotes a high level of energy invested in one’s work, dedication refers to a strong commitment and active involvement in one’s profession, and absorption is the complete focus and deep immersion in work tasks. When these three components coexist, employees become truly engaged, exhibiting increased energy and a deep sense of involvement in their work. Ooi and Teoh (2021) further underscored the importance of work engagement for organizations, emphasizing that it is essential for employers to understand the meaningful aspects of work to foster a more energized and engaged work environment for their employees.

Recent research has delved into the connection between millennial employee empowerment and turnover intentions across various sectors. Rouse (2020) investigated the mediating role of employee empowerment and perceived organizational support in the healthcare industry’s strategic human resource management (SHRM). The study found that greater empowerment correlates with reduced turnover intention among millennials, suggesting strategies for healthcare executives to decrease turnover. Stephens (2020) determined the predictive power of employee empowerment on the intention to leave within the hospitality industry, concluding that perceived informal power increased the likelihood of departure, while formal power had the opposite effect. This research offers actionable recommendations for HR professionals to enhance collaboration and potentially decrease turnover rates. Mauristhene (2020) explored the impact of empowerment on turnover intentions among university administrative staff, revealing that empowerment negatively correlates with turnover intentions, moderated by organizational commitment levels. This underscores the importance for higher education management to foster empowerment to retain skilled staff and maintain a competitive edge. This evidence supports the following hypothesis for the current research:

H1: Employee empowerment has a negative influence on millennial employees’ turnover intention.

2.4. Work-life balance

According to Sahroni and Suganda (2022), achieving a satisfactory work-life balance brings fulfillment to employees by effectively managing their assigned tasks alongside personal responsibilities, which can include activities such as education pursuits, religious practices, and childcare. Maintaining a healthy work-life balance significantly reduces stress in both the workplace and at home. Sathyanarayana et al. (2019) identified several factors, such as organizational culture, support from family members, self-management, and supervisory support, as major influences on work-life balance. In their research, Purwatiningsih and Sawitri (2021) discovered that providing employees with a favorable work-life balance has a significant effect on reducing their intention to leave, thereby maintaining a low turnover rate. Employees typically prefer not to let work-related issues intrude on their personal lives, as this can adversely affect their family relationships. Furthermore, the research by Alegre and Pasamar (2018) has highlighted the role of work-life balance practices in creating
an innovative work environment. When employees experience tangible benefits from work-life balance initiatives, they develop a stronger commitment to the organization and are less likely to leave, thus avoiding the substantial costs associated with job turnover. Previous studies have also indicated that employee engagement leads to increased retention, productivity, job satisfaction, and profitability, all of which have significant positive implications for the company.

The aim of the study by Afolabi (2021) was to discern the factors that sway Millennials’ turnover intentions and to propose strategies to mitigate such turnover. The research highlighted the pivotal role of work-life balance, among other factors, demonstrating its significant negative influence on Millennials’ desire to switch jobs. This finding corroborates the theory that enhanced work-life balance is associated with a decreased propensity for job change among Millennials. Purwatiningisih and Sawitri (2021) explored the turnover intentions of the millennial generation, focusing on the balance between work and personal life, and career development. The study underscored the negative consequences of poor work-life balance, such as its encroachment on personal and family time, which could prompt employees to seek new roles more conducive to their lifestyle needs. Jaharuddin and Zainol (2019) also examined the impact of work-life balance on millennial turnover intentions within the banking sector. Their findings indicate that a robust work-life balance is inversely related to the likelihood of leaving the organization, implying that effective management of work and personal responsibilities reduces turnover intentions. Consequently, the following hypothesis is proposed:

\[ H2: \text{Work-life balance has a negative influence on millennial employees' turnover intention.} \]

### 2.5. Reward systems

Gulyani and Sharma (2018) define employee rewards as the compensation that employees receive in return for their labor and time, which they perceive as a fair exchange. Organizations acknowledge their employees’ contributions by offering a mix of financial and non-financial rewards upon the completion of tasks. There is a consensus among researchers that employee rewards comprise both extrinsic and intrinsic components (Gautam, 2019). With a shift toward comprehensive reward packages, organizations aim to motivate employees and increase engagement, moving beyond traditional reward systems. Modern employees seek acknowledgment and rewards that align with the value they contribute, not just for the work performed. Gerhart (2008) classify total rewards into two broad categories: direct and indirect financial incentives, and elements such as recognition, challenging work, job security, and opportunities for learning and growth. Additionally, total rewards include financial incentives like monetary compensation, tangible incentives such as benefits, and psychological rewards that contribute to job satisfaction. Hosen (2022) emphasizes that since financial remuneration can influence behavior, a fair salary is often seen as the cornerstone of the employer-employee relationship.

The study by Indrayani et al. (2023) explored challenges faced by organizations in motivating millennial employees and addressing issues like turnover and job burnout amidst growing global opportunities. The research advocates for the strategic
implementation of comprehensive reward systems to retain proficient employees. It also investigated the correlation between incentives, such as rewards, and millennial employee turnover, finding significant support for the hypothesis that well-designed reward systems negatively impact turnover. This underscores the critical role of holistic reward systems, incorporating financial benefits and personal development opportunities, in managing and reducing turnover among millennial employees. Hosen (2022) conducted research to identify factors influencing millennial employee turnover in multinational corporations in Malaysia, aiming to understand why millennials leave their jobs in these organizations. The results did not fully corroborate the hypothesis, as the rewards system showed no or only a marginal positive correlation with millennial turnover. Nonetheless, the study highlighted the importance of a conducive working environment and strategies to mitigate high turnover rates in Malaysian multinational corporations. Hassan et al. (2022) examined the tendency of millennials to leave their jobs in the banking sector, employing quantitative methods and statistical analysis. The findings indicated a significant correlation between rewards, job satisfaction, and turnover intention, supporting the hypothesis that reward systems negatively influence millennial employee turnover in the Malaysian banking sector. These insights are valuable for both industry and academic research, providing a clearer understanding of employee needs and areas for organizational improvement. Cappelli (2020) offered insights into the reasons behind millennial employee turnover and effective retention strategies. The study identified multiple causes for job departure, including stress, satisfaction, security, work environment, motivation, salaries, and rewards. It also established that millennial turnover negatively impacts organizational productivity, sustainability, competitiveness, and profitability. Understanding millennial needs is crucial for organizations to develop strategies that enhance performance and reduce turnover. This study reinforces the idea that both external and internal rewards are pivotal in fostering organizational engagement and reducing employee turnover. Accordingly, the following hypothesis is proposed:

\[ H_3: \text{Reward systems have a negative influence on millennial employees' turnover intention.} \]

3. Methods

3.1. Population and sample

This study employed a quantitative research approach to explore the impact of organizational culture on millennial employee turnover intentions within multinational corporations (MNCs) based in Penang, Malaysia. The cross-sectional design was utilized, with data gathered through a survey. The focus was on millennial workers in Penang’s MNC industry, assessing the effects of three independent variables—employee empowerment, work-life balance, and reward systems—on this specific group. While the study concentrated on MNCs operating in Penang, it is relevant to note that these corporations may originate from various global regions, which could influence their organizational structures and cultures. However, the specific origins of the MNCs were not a focal point of this research.
Ensuring the validity and reliability of the findings, determining an appropriate sample size was paramount. The study used G*Power, a statistical software, to calculate the required sample size via an F test for linear multiple regression. An effect size ($f^2$) of 0.15, indicative of a moderate effect, and a significance level ($\alpha$) of 0.05, led to an estimated sample size of 119 participants. This number was considered sufficient for testing the study’s hypothesis, guaranteeing statistical significance and relevant results. To account for potential missing or unusable data, the research targeted a sample of 150 millennial workers, thereby enhancing the robustness and generalizability of the study. Data were collected through a combination of convenient and snowball sampling methods. An online questionnaire was distributed to millennial employees in the multinational corporation industry in Penang. The survey was specifically designed to target various age groups within the millennial category, ensuring a thorough representation of the population.

3.2. Research procedure

An online questionnaire, created using Google Forms was employed for data collection in this study. This scale allowed respondents to indicate their level of agreement with each statement presented. Participants were purposively selected to receive the questionnaire, and their involvement was entirely voluntary. The confidentiality of information and data from participating organizations was maintained with the highest regard for privacy. Participants were informed about the risk-free nature of their participation and assured that they could withdraw from the study at any time without any repercussions. To qualify for the study, participants needed to be within the millennial age bracket and employed by a multinational corporation in Penang. The questionnaire was tailored to explore the influence of organizational culture on millennial employee turnover intentions. After distribution and collection, the data from the questionnaires were subjected to rigorous statistical analysis. The questionnaires were disseminated using various methods, including WhatsApp and other social media platforms. This online distribution approach was selected for its efficiency, as it minimized time constraints and reduced the need for direct supervision.

3.3. Measurement

The construct of Employee Turnover consisted of five items (e.g., “I frequently think of quitting my job”), adapted from Ongori (2009) and Mulang (2022). These items aimed to assess the turnover intentions of millennial employees, including thoughts of quitting, likelihood of job-seeking in the near future, consideration of leaving for a better organization, perceptions of the organization, and ease of leaving the current job. The Cronbach’s Alpha for this construct was 0.743.

Employee Empowerment: This variable included five items (e.g., “My organization encourages participative decision making”) adapted from Murray and Holmes (2021), and Ghasempour Ganji et al. (2021). The items measured aspects such as participative decision-making, control over resources, delegation of authority, access to necessary information, and encouragement to use knowledge for problem-solving. The Cronbach’s Alpha for this construct was 0.885.
Work-Life Balance: Comprising five items (e.g., “I am satisfied with the time I spend at work and in my personal life”) adapted from Mulang (2022) and Deery and Jago (2015), the items evaluated the balance between employees’ career interests and personal life, the impact of job on personal activities, and support from supervisors for family-related issues. This construct had a Cronbach’s Alpha of 0.802.

Reward Systems: This construct was adapted from Baqir et al. (2020), and Mendis (2017). It included five items (e.g., “I am satisfied with the monetary benefits in the organization”), assessing satisfaction with pay raises, monetary benefits, financial policies for increments, promotional opportunities, and recognition for good performance. This construct had a Cronbach’s Alpha of 0.790.

3.4. Data analysis

The survey data collected in this study were organized and analyzed using the Statistical Package for Social Sciences (SPSS) Version 26. SPSS facilitated detailed statistical investigations, crucial for deriving organizational recommendations. Pearson correlation analysis was employed to examine the relationships between the independent variables (employee empowerment, reward system, and work-life balance) and the dependent variable (millennial employee turnover). Multiple regression analysis was also utilized to understand the relationship between one dependent variable and several independent variables. This statistical approach used a regression equation to predict the dependent variable based on the collective influence of the independent variables.

4. Results

A total of 183 questionnaires were collected for this study, out of which 141 were deemed usable and analyzed, resulting in a 77% response rate. This surpassed the required sample size of 119, as estimated using G*Power statistical software. Table 1 provides a comprehensive summary of the respondents’ demographic characteristics. Through detailed descriptive analysis, the study examined a variety of demographic factors, including ethnicity, gender, age, education, tenure, and monthly income. The data analysis revealed that the majority of respondents were female, constituting 72 individuals or 51% of the total sample. Male respondents made up the remaining 49%, with 69 individuals. This gender distribution offers insight into the demographic makeup of Millennial Employees in Multinational Corporations in Penang, Malaysia.

In terms of age distribution, the largest group of respondents, comprising 36% or 51 individuals, fell within the 36 to 40 years age bracket. The 30 to 35 years age group followed with 33% or 46 respondents, and the 25 to 29 years age group included 31% or 44 respondents. Ethnically, the largest group of respondents were of Chinese descent, representing 32.60% or 46 individuals. This was followed by the Malay ethnic group with 28.40% or 40 respondents, the Indian group with 25.50% or 36 respondents, and other ethnicities accounting for 13.50% or 19 respondents. Regarding tenure, the most common duration was 11–15 years, reported by 28% or 39 respondents. This was followed by those with over 15 years of service (26% or 37 respondents), less than 5 years (24% or 34 respondents), and 6–10 years (22% or 31 respondents). In terms of monthly income, 27% or 38 respondents earned between RM 2000 to RM 4000. Other
income brackets included RM 6000 to RM 8000 (21.3% or 30 respondents), RM 4000 to RM 6000 (20.60% or 29 respondents), and over RM 8000 (19.9% or 28 respondents). The lowest income bracket, less than RM 2000, was reported by 11.3% or 16 respondents. Educational levels varied, with the majority holding a Bachelor’s Degree (37.60% or 53 respondents), followed by a Diploma (34.80% or 49 respondents), a Master’s Degree (20.60% or 29 respondents), and the least being High School and below (7.10% or 10 respondents).

Table 1. Demographic profile of respondents (N = 141).

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage (%)</th>
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<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>72</td>
<td>51%</td>
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<tr>
<td></td>
<td>Male</td>
<td>69</td>
<td>49%</td>
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<td>Age</td>
<td>25–29</td>
<td>44</td>
<td>31%</td>
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<td></td>
<td>30–35</td>
<td>46</td>
<td>33%</td>
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<td></td>
<td>36–40</td>
<td>51</td>
<td>36%</td>
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<tr>
<td>Ethnic Group</td>
<td>Malay</td>
<td>40</td>
<td>28.40%</td>
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<td></td>
<td>Chinese</td>
<td>46</td>
<td>32.60%</td>
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<td></td>
<td>Indian</td>
<td>36</td>
<td>25.50%</td>
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<td></td>
<td>Others</td>
<td>19</td>
<td>13.50%</td>
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<tr>
<td>Tenure with the organization</td>
<td>Less than 5 years</td>
<td>34</td>
<td>24%</td>
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<td></td>
<td>6–10 years</td>
<td>31</td>
<td>22%</td>
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<td></td>
<td>11–15 years</td>
<td>39</td>
<td>28%</td>
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<td></td>
<td>More than 15 years</td>
<td>37</td>
<td>26%</td>
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<tr>
<td>Monthly Income</td>
<td>Less than RM 2000</td>
<td>16</td>
<td>11.30%</td>
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<td></td>
<td>RM 2000–RM 4000</td>
<td>38</td>
<td>27%</td>
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<td></td>
<td>RM 4000–RM 6000</td>
<td>29</td>
<td>20.60%</td>
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<td>RM 6000–RM 8000</td>
<td>30</td>
<td>21.30%</td>
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<td></td>
<td>More than RM 8000</td>
<td>28</td>
<td>19.90%</td>
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<tr>
<td>Educational level</td>
<td>High School and below</td>
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<td>7.10%</td>
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<td></td>
<td>Diploma</td>
<td>49</td>
<td>34.80%</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s Degree</td>
<td>53</td>
<td>37.60%</td>
</tr>
<tr>
<td></td>
<td>Master’s Degree</td>
<td>29</td>
<td>20.60%</td>
</tr>
</tbody>
</table>

4.1. Descriptive, normality, and pearson correlation analysis

According to the findings, as presented in Table 2, the descriptive analysis of the data uncovers several noteworthy trends. The Reward System variable emerged with the highest mean score of 3.05, indicating a favorable perception among respondents. Close behind was Employee Empowerment with a mean score of 2.96, suggesting a positive perception of empowerment within the organizations. Work-Life Balance also scored relatively high, with a mean of 2.93, reflecting participants’ satisfaction with the balance between their work and personal lives. Conversely, Millennial Employees’ Turnover recorded the lowest mean score at 2.18, highlighting an area of concern.
From Table 2, the overall skewness and kurtosis values, falling within ±1.0, are considered normal (Matore and Khairani, 2020), suggesting a well-distributed dataset.

The Pearson Correlation values reinforce these observations, highlighting a negative and significant relationship between millennial employees’ turnover and employee empowerment ($r = -0.650, p = 0.000$), work-life balance ($r = -0.361, p = 0.000$), and reward system ($r = -0.247, p = 0.003$). These values indicate the strength and significance of these relationships, underscoring the crucial role of employee empowerment, work-life balance, and reward system in influencing employee turnover intention.

**4.2. Multiple regression analysis**

As indicated in Table 3, the multiple regression analysis provided compelling evidence that the factors of reward system, employee empowerment, and work-life balance have a significant relationship with millennial employees’ turnover intention. The analysis, detailed in Table 3 revealed an $R^2$ value of 0.571. This value suggests that the three independent variables—reward system, employee empowerment, and work-life balance—collectively explain approximately 57.1% of the variability observed in employee turnover intention. These findings emphasize the critical role of these factors in shaping employee attitudes and behaviors that influence turnover rates. The results also elucidate the relative influence of each variable on employee turnover. Notably, Employee empowerment emerges as the most impactful factor, with a standardized beta value of −0.383. This negative beta value indicates a significant inverse influence of employee empowerment on employee turnover. Work-Life Balance follows closely, with an unstandardized beta value of −0.216, suggesting a substantial negative impact on employee turnover intention. Similarly, the reward system demonstrates a negative influence, as evidenced by its beta value of −0.173. The negative beta values for all variables underscore their significance and collective negative impact on employee turnover. In summary, the study’s findings indicate that the reward system, work-life balance, and employee empowerment significantly contribute to reducing employee turnover among millennials.

<p>| Table 2. Descriptive, normality, and Pearson correlation analysis. |</p>
<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>1</th>
<th>2</th>
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<th>4</th>
<th>Mean</th>
<th>Skewness</th>
<th>Kurtosis</th>
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<tbody>
<tr>
<td>1</td>
<td>Employee empowerment</td>
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<td>-</td>
<td>-</td>
<td>2.96</td>
<td>-0.059</td>
<td>-0.597</td>
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<tr>
<td>2</td>
<td>Work life balance</td>
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<td>-</td>
<td>2.93</td>
<td>0.18</td>
<td>-0.405</td>
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</tr>
<tr>
<td>3</td>
<td>Reward system</td>
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<td>-0.197</td>
<td>1</td>
<td>3.05</td>
<td>-0.067</td>
<td>-0.112</td>
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<tr>
<td>4</td>
<td>Turnover intention</td>
<td>-0.650**</td>
<td>-0.361**</td>
<td>-0.247**</td>
<td>1</td>
<td>2.18</td>
<td>0.097</td>
<td>-0.332</td>
</tr>
</tbody>
</table>

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

| Table 3. Summary result of the multiple regression. |
| Depend variable | Predictor variable | Beta  | t     | $R^2$ | F     | p-value |
| Turnover Intention | Employee Empowerment | -0.383 | -10.359 |  |  | 0.00 |
|                   | Work-life Balance    | -0.216 | -6.189 | 0.571 | 60.887** | 0.00 |
|                   | Reward System        | -0.173 | -0.4275 |  |  | 0.00 |
5. Discussion

This study’s main goal was to pinpoint the crucial organizational culture elements that influence millennial employees’ intentions to leave multinational companies in Penang, Malaysia. Focusing on three independent variables: employee empowerment, work-life balance, and the reward system, the study established research objectives, questions, and hypotheses to guide the investigation.

Employee Empowerment emerged as the strongest predictor of millennial employee turnover intention. This study corroborates previous research findings, highlighting the significant influence of employee empowerment on millennials’ turnover rates. Thus, Hypothesis 1 is accepted. Ivanova and Scheve (2019), Ngqeza and Dhanpat (2021), and Khalid et al. (2020) collectively stress the necessity of providing higher levels of empowerment among employees. Multinational corporations that prioritize empowerment are likely to experience reduced turnover intentions among millennials. This study underscores the vital role of employee empowerment in retaining skilled staff and achieving a competitive edge in multinational settings (Musadieq, 2023). It is therefore imperative for these corporations to strategically focus on employee empowerment as a key factor in talent retention. Moreover, the study reveals that perceptions of informal power correlate with a higher likelihood of considering leaving, whereas formal power reduces such inclinations (Okochi and Ateke, 2021). This finding underscores the importance of managing informal power dynamics within organizations to enhance employee retention. These studies collectively affirm the significance of employee empowerment in diminishing turnover intentions among millennials. They emphasize the importance of empowering employees at both formal and informal levels to positively influence retention. The implications are broad, applicable across various sectors, including higher education management and administration.

Work-life balance was identified as the second strongest predictor of turnover intentions among millennial employees. Therefore, Hypothesis 2 is accepted. This study’s findings align with previous research, confirming the profound impact of Work-Life Balance on millennial turnover (Afolabi, 2021; Jaharuddin and Zainol, 2020; Purwatiningsih and Sawitri, 2021). In multinational corporations, the necessity of implementing effective work-life balance strategies is increasingly evident. An imbalance in work-life integration can disrupt personal and family life, compelling employees to seek better-aligned job opportunities. This supports the hypothesis that work-life balance should be integral to organizational policies and employee welfare programs, directly affecting employee well-being. By valuing work-life balance, corporations can boost employee satisfaction and engagement, enhancing their contributions to organizational success. Consequently, employees who can manage their work alongside personal and family responsibilities are less inclined to leave.

Lastly, the reward system was also found to be a significant predictor of millennial employee turnover intention. Therefore, Hypothesis 3 is accepted. The results align with prior studies, affirming the impact of reward systems on millennial turnover (Cappelli, 2020; Hassan et al., 2022; Indrayani et al., 2023). These findings highlight the necessity of a well-structured and strategic reward system in attracting and retaining millennials in the competitive job market. Furthermore, a significant
correlation was found between millennials’ intention to leave and the reward system, reinforcing the hypothesis of a negative and significant influence of the reward system on millennial employee turnover. In summary, the prevailing opinion among scholars and professionals suggests that both external and internal incentives and perks can enhance organizational engagement and reduce employee turnover.

**Recommendations**

This study demonstrates that employee empowerment, work-life balance, and reward systems significantly impact the turnover rates of millennials in multinational corporations in Penang, Malaysia. Employee empowerment emerged as the most influential factor negatively affecting millennial worker job attrition, closely followed by work-life balance and the reward system. Consequently, it is crucial for multinational corporations to focus on millennials’ perceptions of fairness, organizational justice, and communication to enhance employee retention. These corporations should improve employee empowerment, ensure a healthy work-life balance, and implement effective reward systems to reduce millennial employee turnover and create a better work environment.

Multinational corporations in Penang can optimize their millennial workforce’s potential by fostering an environment that encourages independent thought and creative problem-solving. This involves equipping staff with necessary tools, support structures, and training to develop autonomy (Okochi and Ateke, 2020). Additionally, demonstrating trust in millennials’ capabilities and providing guidance without micromanagement can cultivate ownership, accountability, and motivation (Salahat, 2021). Promoting a collaborative work environment that supports open communication and idea-sharing is also essential (Vu, 2020). Moreover, offering training and development opportunities is crucial for enhancing millennials’ skills and expertise (Baird et al., 2020). This includes leadership development programs and decision-making sessions. Emphasizing soft and technical skills training in a rapidly evolving professional landscape is also vital for success and adjustment in the modern workplace. Mentorship programs can further augment millennials’ career growth, fostering knowledge exchange and career advancement (Yunus et al., 2020).

Multinational corporations should prioritize establishing flexible work arrangements to enable millennials to balance their personal and professional obligations effectively (Aris et al., 2023). Such flexibility can lower burnout risks and turnover rates (Barik, 2020). Promoting open communication channels and investing in management training to cater to millennials’ varied needs and goals are also recommended (Mladenović and Krstić, 2021). Implementing comprehensive employee well-being initiatives is essential. This includes wellness programs, stress management workshops, fitness center access, and mental health support services (Bella, 2023). By addressing holistic health needs, organizations can create a positive work environment and demonstrate their commitment to employee well-being. Additionally, multinational corporations should design reward systems that reflect millennial workers’ preferences and motivations (Clark and Schwerha, 2020). This involves balancing intrinsic rewards like growth opportunities with extrinsic rewards like competitive pay. Regular surveys and performance metrics can assess satisfaction.
with the reward program and identify areas for improvement (Murphy, 2020). In summary, multinational corporations in Penang need to strategically enhance employee empowerment, work-life balance, and reward systems to foster a supportive and engaging work environment. These efforts are crucial for retaining millennial talent and ensuring the long-term success of the organization.

6. Conclusion, limitations, and future research

This study applied Herzberg’s Motivation-Hygiene theory to examine the influence of organizational culture on millennial employee turnover in multinational corporations (MNCs) in Penang, Malaysia. It provided a theoretical framework to understand how motivational and hygiene factors impact turnover decisions. Specifically, it highlighted the role of employee empowerment, work-life balance, and reward systems in influencing millennial employees’ turnover within MNCs. The research offers valuable insights for multinational corporations in Penang and beyond, suggesting targeted strategies to address these factors and improve employee retention. Additionally, it enriches the limited literature on this topic within the Malaysian context and sets the stage for future studies exploring other motivational and hygiene factors, cultural influences, and interventions to enhance organizational culture.

The findings suggest that work-life balance, empowerment, and reward systems significantly and negatively influence millennial employees’ turnover in Penang’s MNCs. These insights contribute to academia and industry by improving our understanding of turnover factors and aiding in the development of effective retention strategies. The research identifies several future research paths, including the exploration of other regions in Malaysia, the comparison between local and international firms, and the impact of technology, virtual work, and remote arrangements on organizational culture and turnover.

While this study provided valuable insights, it was limited to the context of Penang, Malaysia. Future research should expand geographically to capture a broader range of Malaysian contexts, providing insights into industry-specific challenges and opportunities for improving retention strategies. Additionally, comparing multinational corporations with local businesses in Penang could elucidate differences in organizational culture and their impact on millennial employee turnover. Further investigation into the effects of technology, virtual work, and remote work arrangements on organizational culture and turnover intentions is also warranted. Adopting mixed-methods approaches combining qualitative and quantitative research methods would offer a deeper and more nuanced understanding of the complex relationship between corporate culture and millennial employee turnover. Pursuing these research avenues will enable scholars and practitioners to gain a comprehensive understanding of the factors influencing corporate culture and turnover among millennial employees, ultimately aiding in developing more effective retention strategies and enhancing organizational performance in the multinational corporation industry.

**Author contributions:** Conceptualization, SJT and WW; methodology, SJT and WW; software, SJT; validation, SJT and WW; formal analysis, SJT; investigation, SJT;
resources, SJT and WW; data curation, SJT; writing—original draft preparation, SJT; writing—review and editing, WW, LJ, LNU, TSH and JCMT; visualization, SJT and WW; supervision, WW; project administration, SJT; funding acquisition, WW and LNU. All authors have read and agreed to the published version of the manuscript.

Conflict of interest: The authors declare no conflict of interest.

References


