
Original Paper

Turnover Intention in Private Organizations: The Impact of Organizational Support and Job Satisfaction

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Abstract

High turnover of employees can become a major problem facing by many organizations. Thus research in area of turnover has increasingly important. This study investigates the effects of perceived organizational support on job satisfaction and turnover intentions in private sector. It is crucial to discuss from theoretical and practical perspective regarding the level of turnover intention and whether it can be explained by relational factors such as organizational support and satisfaction. We distributed 600 questionnaires to four private companies (banking, construction, textile, and retail). We received a total of 447 usable participants. Descriptive analysis, correlation and regression analysis were conducted and mediation effects were examined using Macro Process with bootstrapping procedure. Perceived organizational support has impact on job satisfaction (positive) and turnover intention (negative). Job satisfaction mediated the relationship between perceived organizational support and turnover intention. Adding job satisfaction into the calculation will help decrease employee's intention to leave. Organizations should put high priority in providing support program which can increase job satisfaction, improve employee well-being, and prevent outstanding employees from leaving. This result can benefit human resource enthusiasts in selecting important tools to improve work quality and increase staff retention implications for practice and academics are discussed.

Keywords: Job Satisfaction, Organizational Support, Turnover Intention

1. Introduction

Valuable employees is one of major resources in any organization especially that operate in business to achieve profit (Elnaga & Imran, 2013; Hyacinth, 2019). They create competitive edge which make the difference from other organizations (Storey et al., 2019; Davis, 2017; Dessler, 2020). However, current situation show that organization witnessing the shortage of qualified people and competition to acquire qualified talents will rise (Allen et al., 2010; McLaren, 2018). A survey found nearly 7 in 10 employers reported talent shortages in 2019 which estimate to reach more than three times higher than a decade ago (Cox, 2020). Business organizations need to solve the problem and develop program and intervention to retain valuable employees. High employee turnover rate is one of the most crucial problems for organization due to its severe impact on customer satisfaction and organization performance. If organization believe that employees are the most valuable asset which act as competitive advantage they will nurture healthy work atmosphere and provide employees with proper the tools and support to perform jobs effectively. Thus, turnover intentions is among important tasks of the managers (Gok et al., 2017). This study investigate tunover intention in four companies (banking, construction, retail, and teftille), and test whether perceived organizational support (POS) and employee's job satisfaction can predict the turnover intention. Our hypotheses were tested in a sample of 447 employees and offer wider insights from various industries. The results have practical and academic implications for the future studies and also human resurces development programs that keep employees stay longer.

2. Research Framework and Hypotheses Development

2.1 Antecedent of TI

Several reasons why an employee wants to leave the company; work and or workplace is not as good as expected, lack of training, lack of opportunity to develop, unrecognized contribution, work stress, an imbalance between work and individual life, and loss of trust of management (Branham, 2012). Turnover intention defined as the attitude of individual to leave an organization, while turnover describes the actual behaviour to quit from an organization (Prasetio et al., 2020). What we discuss here is the intention which come from employees to leave current organization in a certain time (voluntary). The terms also has the meaning that currently, employee is still in work inside organizations (Chen et al., 2014). This intention has correlations with the actual behavior to leave (Windon et al., 2019; Hancock et al., 2011; Arshadi & Shahbazi, 2013) although this is still influenced by macroeconomic conditions (unemployment, inflation, and growth) of a country (Wong & Cheng, 2017). Employee turnover give negative impact on organization (Hayward et al., 2016; De Winne et al., 2018; Ugoani, 2016; Naidoo, 2018). Therefore, organizations need to develop concern and understanding about various variables that might have help them to identify turnover intent. They can refer to previous scholars who have discussed various factors that cause employee to develop intention to leave.

Moynihan and Landuyt (2008) discussed factors associated with turnover intention which include economic/environmental, individual (gender, family, age, tenure, education) and organizational (work Characteristics, human resources management policies, workplace). Practical study from Brazil (Silva et al., 2014) found the negative correlation between perceived support and affective commitment with turnover intention. In Malaysia, using samples from construction company, Hussain and Xian (2019) found that organizational politics caused employees' turnover intention. Other variables that proved to have effect on turnover intention are job embeddedness, job satisfaction, Quality of work life, work stress, empowerment, organizational justice, career opportunity, work-life balance, reward, and leadership style (Qiu et al., 2014; Skelton et al., 2019; Kaur et al., 2013; Ozkan et al., 2020). Referring to the findings we propose Hypothesis H1 that perceived organizational support will have significant and negative effect on turnover intention. And the second hypothesis (H2) that job satisfaction will have significant and negative effect on turnover intention.

2.2 Job Satisfaction as Mediator for Turnover Intention

Job satisfaction is one of the most studied variable in human resources and organizational behavior field. This is not surprising because it is showed how employees feel about their job as a whole (supervisor, co-worker, development, reward, and job itself). It has been studied has an independent variable as well as mediator. Story and Castanheira (2019), Allen et al. (2003), Colakoglu et al. (2010), Nasra and Heilbrunn, (2015), and Fristin et al. (2019) found that job satisfaction plays mediation role for performance, employee engagement, turnover intention, affective organizational commitment, and organizational citizenship behavior. When examine perceived organizational support as independent variable, Fristin et al. (2019), Colakoglu et al. (2010), and Donald et al. (2016) confirm the mediation role of job satisfaction with dependent variables (performance, engagement, and affective organizational commitment). Furthermore, studies from South Korea (Park & Kim, 2009), United States (Smith et al., 2017), Canada (Fabi et al., 2015), Malaysia (Noor, 2011) and India (Kumar et al., 2018) confirm that job satisfaction mediate the effect of work stress, organization culture, human resources practice, work-life balance, and perceived support on employee turnover intention. Thus we propose our Hypothesis H3 that POS will have significant and positive effect on job satisfaction. And our Hypothesis H4 that job satisfaction will have mediating role in the relationship between POS and turnover intention.

3. Methodology

3.1 Samples

We distributed total 600 questionnaires to the human resources department in private organization in Jakarta (150 questionnaires each). Non probability sampling was used since it is difficult to get direct access to employees. The selected organization are one of the best in their respective industry (bank, retail, textile, construction). To ensure neutrality and achieve objective answer, we make sure the anonymity and confidentiality of all participants. After a period of three months, there were 500 valid questionnaires returned but only 447 of them can be used in analysis (74.5% response rate). 62.4%

were male and 37.6% were female. Most of the participants are in the age between 30-35 years old (31.3%) and only two of them above 50 years (0.4%). This mean the most employees still in their productive age. One third (75.2%) of the respondents hold a high school degree, and only two of them (0.4%) possess a master's degree. Interesting fact found regarding the length of employment which showed 20.4% have worked more than 10 years. Finally, 69.1% of participants still live by their own (single).

3.2 Measurement

Six items for Perceived Organizational Support (Cronbach Alpha = 0.935) and six items for turnover intention (Cronbach alpha = 0.825) were adopted from the questionnaire developed by Prasetyo et al. (2020). Sample items for POS: 'The company respects and value my contribution' and 'The company respects my personal goals and values'. And for turnover intention: 'Actively look for better employment opportunities' and 'Planning to leave the company in 6 months.' We apply six-point rating scale was used to evaluate the degree of POS and turnover intention. A higher score indicates that participants perceived higher support and higher urge to leave.

Job satisfaction as mediator variable measured using 20 items develop by Lutfi et al. (2014) which divided into 5 dimensions (supervisor, compensation, career, co-worker, and job itself). Cronbach alpha was 0.940. Sample items for job satisfaction are; 'My compensation provide assurance for the future', 'Company provides opportunity to improve my knowledge', 'I have effective communication with my supervisor', and 'I develop positive interaction with my co-workers'.

4. Results and discussion

4.1 Results

The correlation between main variables (POS, job satisfaction, and turnover intention) displayed in Table 1. Turnover intention negatively correlated with POS (-0.484) and job satisfaction (-0.553), both consider moderate in strength. While POS and job satisfaction show positive correlation (0.689).

Table 1. Means, standard deviations, and correlations of main variables

	Mean	Std. Deviation	Correlation		
			1	2	3
Perceived support	4.9320	.82871	1		
Job satisfaction	4.8794	.62672	.689**	1	
Turnover intention	2.6782	.96649	-.484**	-.553**	1

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

The next step is to apply regression with SPSS which already added Macro Process to test hypotheses. We apply 95% confidence interval and 5000 bootstrap resampling and used model 4 in Macro Process. Table 2 exhibit the regressions results. Thus our hypothesis H1 that POS has significant negative effect on turnover intention was accepted ($p < 0.001$). Hypothesis H2 also accepted ($p < 0.000$), that job satisfaction has significant negative effect on turnover intention. Furthermore, hypothesis H3 also accepted which mean POS can predict employee job satisfactin ($p < 0.000$).

Table 2. Regression Coefficient, Standard Error, & Model Summary

	Job Satisfaction			Turnover Intention		
	Coeff	SE	p-value	Coeff	SE	p-value
Perceived Suport	0.521	0.026	0.000	-0.228	0.063	0.000
Job Satisfaction				-0.646	0.083	0.000
Constant	2.311	0.130	0.000	6.954	0.297	0.000
	R Square		0.474	R Square		0.326
	F =		401.595	F =		107.557
	p =		0.000	p =		0.000

Next investigation is to prove whether hypothesis H4 also accepted or not. To get the answer we provide Table 3 that showed the comparison of direct, indirect, and total effect of POS on turnover intention. To determine the significance, we have to make sure that Lower Level Confidence Interval (LLCI) and Upper Level Confidence Interval (ULCI) did not contain zero. Therefore, H4 also accepted.

Table 3. Direct, Indirect, and Total Effect of POS on Turnover Intention

	Effect	SE	BootLLCI	BootULCI	p-value
Direct Effect	-0.228	0.063	-351.000	-0.105	0.000
Total Effect	-0.564	0.048	-659.000	-0.469	0.000
Mediation of Job Satisfaction	-0.337	0.047	-0.430	-0.248	

As displayed in above table, direct effect is less than total effect. Which mean the mediation model proved to help reduce employee's intention to leave, when POS combined with job satisfaction.

4.2 Discussions

This research examined how POS influenced turnover intention among non supervisory personnel in four business organizations (bank, retail, textile, construction), and the extent to which such relationship is mediated by job satisfaction. The results from the empirical study of 447 samples supports all Hypotheses H1,H2, H3 and H4. There was a positive relationship between POS and job satisfaction. The positive influence has been investigated by Kumar et al. (2018), Fristin et al. (2019), and Colakoglu et al. (2010) in Turkey, Indonesia, and India using samples from hotel, bank, and technology company. Therefore our study confirm the previous results. And there were negative relationship between POS and job satisfaction with turnover intention. This result also back the previous findings from Silva et al. (2014), Park et al. (2015), Hussain and Assif (2012), Parry (2008), and Kumar et al. (2018). This research emphasises the importance of any business organization to develop strategies that deliver more support for employees in the workplace. Since such strategies could enhance job satisfaction and at the same time reducing turnover intention.

5. Limitiations and Conclusion

Although present research brings benefits in the development of human resources study, especially regarding the turnover management, there are still some limitations. First, samples for this study drew from four organization with different industrial background. Besides it provides wider discussion, but at the same time also limit our generalization capability. To pursue the generalizability, future study can expand samples from one particular organization which have nation-wide operations. Second, it experienced biases because of self-report survey-based research. We can guarantee the objectivity of responses. Third, the cross-sectional data also limit our possibility to pursue deep discussion. Therefore, future research can apply longitudinal data to get complete responses from samples regarding their perception on each variables. Despite the recent development in human resources practices in business organizations, this study proved that traditional aspect like organizational support structures is still important in retaining outstanding employees. if your organization provide well treatment for employees, they will stay or at least they do not develop plan to leave. Also, by improving overall job satisfaction of employees, organization can enhance their program to keep best employees longer. Thus, management and leader's role are become more important than ever in improving talent retention.

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