The Quality of Work Life Influence to Turnover Intention With Person-Organization Fit and Organizational Commitment as Mediators

ROSTIANA, R.

Universitas Tarumanagara, Jakarta - Indonesia

ABSTRACT

This study aims to test the model of turnover intention through the quality of work life with person-organization fit and organizational commitment as mediators. Data were collected from 407 employees of two service companies in Jakarta. Analysis was processed by using the SEM approach with lisrel program and the SPSS. Results showed that the quality of work life influenced turnover intention indirectly. It appears that such effects need to be mediated by person-organization fit and organizational commitment. It was also found that person-organization fit served as a full mediator when the quality of work life affected turnover intention. The effect will be even larger when person-organization fit is generated together with organizational commitment (chi-square = 2.21, df. = 1, P-value = 0.13744, RMSEA = 0.055). The theoretical implication of this study implies that turnover intention does not always manifest through variables that have negative connotations for example such as job stress or workload. In fact, turnover intention can be understood through a positive approach such as the POB (positive organizational behavior) such as person-organization fit and organizational commitment.

Keywords: person-organization fit, quality of work life, organizational commitment, turnover intention.

JEL Classification: M12, M19

*Corresponding author: Email: rostiana@fpsi.untar.ac.id
BACKGROUND

The turnover rate at various companies in Indonesia today, shows an increasing trend. This is supported by Nashori Trihapsari (2011) who revealed that the turnover rate in insurance companies and investment companies in Indonesia can be between 20-30% on a monthly basis. Company X (HRD consultant), for instance has a turnover rate of 20% annually (Rony, 2013) while company Y (paint manufacturer) has a turnover rate that reached 50% in the last three (3) years (Saraswati, 2013). According to Roseman (1981) cited in Widjaja, Fulbertus and Kusuma (2008), a turnover rate exceeding 10% of the total number of a company’s employees is considered high. Cohen and Golan (2007) and Spector (2008) found that high turnover rate can overlay a company due to the high costs of hiring and training new employees. Likewise, Fah, Foon, Leong and Oesman (2010) confirmed that turnover is a serious problem for the human resources management as it causes great loss which incurs extra expenditure such as the rising cost of recruitment in replacing previous employee’s position. This turnover rate can cost an expenditure of up to 30% of the annual salary for that particular position being recruited (Radjasa, 2012). If the turnover rate of a company is regarded a serious problem, then organisations should take the necessary precaution to understand what aspects play a key role in such a phenomenon. Research focusing on turnover often looks at variables such as work stress, workload, inefficient leadership as impacting on the turnover phenomenon. With the aim of looking for probable ways to reduce turnover rates in organisations, this study attempts to understand employee turnover through the perception of the quality of work life, an area which has been given less focus in investigations and is rarely examined. The results of this study will be discussed through the social exchange theory and the norm of reciprocity so as to provide input for the human resources management.

Employee turnover is persistent and in organisations, it is sometimes known as employee turnover intention (Aarons, et al., 2011; Mobley, et al., 1978). Luthans (2006) revealed that turnover intention reflects the level of one’s desire to leave one’s workplace or the employee’s choice of whether to stay or leave the company where he/she works in (Bigliardi, et al., 2005). This option is carried out knowingly and voluntarily by the employee (Emberland & Rundmo, 2010). However, voluntary turnover intention appears to be more difficult to predict. Voluntary turnover practice may harm the organisation if the turnover intention is performed by an employee who is much needed by the institution (Smith & Brough, 2003). Therefore, turnover intention that is voluntary is inevitable and it may change employee population in an organization. According to Werner, Schuler and Jackson (2012), turnover may not always have an adverse impact on an organization as it also allows the management to seek and hire a better substitute employee. Basically, the turnover intention is a complex process that involves many considerations that affect one’s decision, which is to no longer be committed to the workplace (Ongori, 2007).

A number of studies have been carried out and results proved that turnover intention is influenced by a number of variables such as:

1) Job satisfaction

This was verified by Bashier, et al. (2012); Zang and Feng (2011); Malik, et al., (2011); Allen (2008) and Martin (2007);
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2) Organizational commitment

3) Organizational justice and personalities
These two factors play an important role in intensifying turnover intentions. In this case, the organizational variable (justice) was noted to be of greater influence than the personality factor influence (Oluafemi, 2013).

4) Task characteristics
Chang, Wang and Huang (2013) identified this variable to be an important influence on turnover intention.

5) Extravert and conscientiousness personality types
This variable was highlighted by Judeh (2012) who showed that the extravert and conscientiousness personality types are negatively correlated with turnover intentions.

6) Salary and working environment
Through her study conducted in Malaysia, Rasmi (2013) noted that turnover intention is influenced by the salary and working environment.

7) Career and leadership
Orwa (2012) conducted a study in Kenya and found that in addition to salary, career and leadership also had an important role in turnover intentions.

8) Superior attitude
Wahyuni, Zaika and Anwar (2014) studied the context of Indonesia and found that in addition to salary, superior attitude also affected turnover intentions.

Learning from the study results mentioned, it is noted that the turnover intention of employees is influenced by aspects that are directly related not only to tasks such as job characteristics but also to aspects outside the tasks such as salary, career, superiors, or working conditions. According to Walton (1975) cited in Nair (2013), salary, career, and superior attitude are partial dimensions related to the quality of work life (hereinafter, will be referred to as QWL). When these variables are evaluated one by one, it appears that the aspects of salary, career and others have effects on turnover intentions but the same variables have a higher and more significant impact when they are jointly assessed through the term known as QWL.

In line with the QWL, a study done by Mosadeghrad (2013) in Tehran showed that the QWL was proven to be a significant predictor for turnover intentions. Meanwhile Almalki, FitzGerald and Clark (2012) who studied the context of Saudi Arabia found that the QWL affected employees’ intention to change job although the findings was small in percentage.
In contrast, Karunka, Hoonaker and Carayon (2008) focused on the context of Austria and the United States. They found that the influencing QWL on turnover intention was evidently mediated by job satisfaction and emotional exhaustion, thus, it created an indirect effect. Taking into consideration the QWL study results, it appears that the role of the QWL on turnover intention is still unclear. It is deduced that the actual role of the QWL on turnover intentions needs further investigation especially if its effect is small or indirect.

It was previously mentioned that the variable of organisational commitment has consistently been proven to affect turnover intentions. The idea has been confirmed by Moynihan and Pandey (2008) who found that organisational commitment was evidently influenced by the person-organization fit. An assumption may be drawn from both of these findings in that there is a connection between the person-organization fit with organizational commitment and turnover intentions. In lieu of the doubt persistence of the QWL’s role on turnover intentions and the alleged claim that it acts as the mediator between organisational commitment and turnover intentions, it is necessary to prove that turnover intention is formed through a process. Two assumptions underline the process: a) the forming process of turnover intention begins by considering the quality of working life saved that the QWL describes the employee’s perception of the overall aspects of working life; b) the relationship between the POF-organizational commitment and turnover intentions. Based on these assumptions, the research question is formulated is, Is the role of the QWL on turnover intentions direct or indirect? Does this mean that the QWL needs to be mediated by the POF and organizational commitment?

As a clarification, this study aims to know whether the formation process of turnover intention occurs sequentially. In other words, can turnover intention be predicted by organizational commitment and can organisational commitment be predicted by person-organization fit and can person-organization fit be predicted by the QWL. Alternatively, can it form a different relationship model, given the complexity of the turnover intention?

**Person-Organization Fit and Organizational Commitment as Mediators Between Quality of Worklife and Turnover Intention**

The turnover intention describes a complex process that needs to be understood in terms of the variables involved. The variable that has been shown to consistently act as a predictor of turnover intention is organizational commitment (Spector, 2008; Rehman, et al., 2011). This seems to be so because organizational commitment shows the employees’ engagement towards the organization (Colquitt, et al., 2009; Werner, et al., 2012); as well as the employees’ alignments and desires to maintain membership (Robbins & Judge, 2009; Spector, 2008). Organizational commitment tends to accept the goals and values of that particular organization (Ivancevich, et al., 2008) thus, organizational commitment will determine whether the employees will survive or leave. Although this has been proven, studies continue to see the extent of the role of organizational commitment on turnover intentions, as is shown by samples of this study, as an initial step of the verification process of the turnover intention. Thus, the first hypothesis (H1) in this study is as follows: *Organizational commitment contributes to the turnover intention.*
Furthermore, the establishment of organizational commitment also involves person-organization fit (POF). This has been observed by Kristof-Brown (1996) as cited in Rogelberg (2007) who asserted that the POF should be defined as the conformity between employee and organization and it should include two dimensions: supplementary fit (the person-organization values fit) and complementary fit (the need-supply fit and demands-abilities fit).

A study by Karakum (2005) found that the POF was able to explain 30% of the variance of organizational commitment ($F = 77.98$, $p < .01$). This shows that the conformity between employees and the organization where they work may form an organizational attachment. This shows that employees may demonstrate their commitment to the organization when they feel there is harmony between themselves and the organization, both in relation to the value aspect and the fulfillment of their needs. Based on this evidence, the second hypothesis (H2) is established: the POF contributes to organizational commitment.

In order to understand the role of the quality of work life (QWL) on the POF, the conceptual POF should be associated with the QWL, among other things, as the QWL reflects the management interaction with employees in order to meet the needs of employees (Almalki, et al., 2012). Through the social exchange theory, it can be explained that when interaction happens between the two parties, each party seeks to provide a corresponding reaction and from there, an attachment or a strong relationship is formed between the two parties because both parties feel that their demands/needs are met. Based on this, it can be said that the fulfillment of the QWL is a requirement of the formation of the person-organization fit. In a review of the complementary fit perspective, the QWL was noted as a means for the fulfillment of employee’s needs so that the QWL’s fulfillment may realize the complementary fit. In this regard, the study done by Li (2006) proved that superior role is significantly related to the POF. However, Atkinson (2001) stated that employees’ career development and training (Autry & Wheeler, 2005) can create the fit between the fulfillment of employees’ needs and the organizational goals. Careers, training and superior role are aspects that are measured by the QWL. Further, James (2003) observed that the QWL management can form a POF. Together with the fulfillment of their needs, employees are also trying to adapt to the organizational conditions by studying the organizational goals and values that could form as the supplementary fit. Based on this description the third hypothesis (H3) drawn is as follows: Quality of work life contributes to person-organization fit.

In the previous explanation, it was mentioned that the role of the QWL on turnover intentions still requires further study given its inconsistent results. From the findings noted of various study, it seems that turnover intention is consistently influenced by organizational commitments. If this be the case, then organizational commitment should be an aspect that should be included in the understanding of the chain of formation of turnover intentions. Furthermore, organizational commitment was shown to be affected by the person-organization fit while the person-organization fit was conceptually, related to the QWL. This has been noted by O’Reilly (2007) who revealed that an employee would be more interested in his/her workplace and would not want to leave the organization when he/she feels the fit. This opinion was reinforced by Moynihan and Pandey (2007) who noted that the person-organization fit affected turnover intentions. Similarly, Verquer, Beehr and Wagner (2003), in their meta-analysis noted that there was a significant relationship between person-organization fit and turnover intentions.
intentions. This outcome suggests that there is a direct relationship between person-organization fit and turnover intentions. Nonetheless, it has also been proven that the person-organization fit contributes to organizational commitment and that organizational commitment continues to serve as a predictor for turnover intentions. Thus, the relationship between person-organization fit and turnover intentions may be direct or indirect (mediated by organizational commitment). Based on this outcome, the fourth hypothesis (H4) is proposed as follows: the QWL role on turnover intention is indirect, thus it needs to be mediated by person-organization fit which can directly or indirectly affect turnover intention through organizational commitment. The relationship model between the four variable can be described as a structural model. This is further illustrated in Figure 1.

Based on the structural model presented in Figure 1, it can be clearly seen as to whether the model is fit to describe the formation process of the turnover intention in terms of the QWL, the person-organization fit, and the organizational commitment.

METHOD

Participants

The sample for this study include 407 employees identified from a distributor company of communications equipment in Indonesia. Majority (65.6%) were youths aged between 20-30 years (72.5%). More than half (63%) had a bachelor degree and of these, 70% have had serviced their respective organisations for three (3) years (70%) and majority (70.3%) held executive staff positions.

Measurement

The instruments used for this study consists of turnover intention scale recommended by Mobley (1978). The first of these, the Organizational commitment scale was measured by the model of Allen-Meyer (2000); the Person-organization fit was scaled by Kristoff and Brown’s QWL’s scale which refers to the Walton concept (1975) which had been modified through focus group discussions and in-depth interviews with a number of employees and psychology
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Graduate students. The study conducted by Walton (1975) had applied eight dimensions while the study by Hackman and Oldham (1976) cited in Cumming and Worley (2005) added an additional dimension. In total, the nine dimensions comprise of:

1. adequate and fair compensation;
2. safe and healthy working conditions;
3. immediate opportunity to use and develop human capacities;
4. opportunity for career growth;
5. social integration in the work organization;
6. constitutionalism in the work organization;
7. work-life balance;
8. social relevance of work life; and
9. job characteristics.

Based on the interviews held with a number of employees, it was noted necessary to add an additional dimension with the focus group discussions. This includes the supervisory factor. The reliability of the measuring instruments were obtained through the Cronbach alpha score that produced the following results: score of Cronbach alpha for QWL (range between 0.731 and 0.898); Turnover intention (0.938); Organizational commitment (Normative = 0.701, Affective = 0.758, continuance = 0.619); and POF (complementary = 0.868, supplementary = 0.879).

RESULTS

The variables’ description of the Quality of work life, Person-Organization Fit, Organizational commitment and Turnover intention are presented in Table 1 below.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Quality of Worklife</td>
<td>3.3605</td>
<td>0.58675</td>
<td>1</td>
<td>0.320(**)</td>
<td>0.350(**)</td>
<td>-0.163(**)</td>
</tr>
<tr>
<td>2</td>
<td>Person – Organization Fit</td>
<td>3.9667</td>
<td>0.88408</td>
<td>0.320(**)</td>
<td>1</td>
<td>0.350(**)</td>
<td>-0.330(**)</td>
</tr>
<tr>
<td>3</td>
<td>Organizational Commitment</td>
<td>3.9443</td>
<td>0.82875</td>
<td>0.177(**)</td>
<td>0.350(**)</td>
<td>1</td>
<td>-0.376(**)</td>
</tr>
<tr>
<td>4</td>
<td>Turnover Intention</td>
<td>3.3921</td>
<td>1.26893</td>
<td>-0.163(**)</td>
<td>-0.330(**)</td>
<td>-0.376(**)</td>
<td>1</td>
</tr>
</tbody>
</table>

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

To test the hypothesis, the SEM calculation was used in collaboration with the help of LISREL 8.8 program. The results are as follows:
The test results of the structural model evidently found that the model is fit with the empirical data. Based on the model, the first hypothesis which states that organizational commitment plays a role in turnover intention is accepted (T-score = 6.14 > 1.96). The second hypothesis which states that the POF contributes to the organizational commitment is accepted (T-score = 7.52 > 1.96). The third hypothesis which states that the role of the quality of work life contributes to the POF is also accepted (T-score = 6.79 > 1.96). The fourth hypothesis which states that the QWL’s role on turnover intention is indirect should be mediated by the POF and organizational commitment is fit with the empirical data. Even the full mediator happened when the quality of work life was firstly, generating the POF (in this case, the relationship between the quality of work life and turnover intention becomes non-significant).

DISCUSSION

In understanding the result, the social exchange theory and the norm of reciprocity (Copranzano & Mitchell, 2005) was used. According to the social exchange theory, social interactions are interdependent and can produce obligations. The context where this approach is applied is very important for it determines how the norm of reciprocity is applied. From this study, it is proven that the fulfilling process of employees’ needs by the organization does not directly make the employees decide to stay on or leave the organization. When the process results in person-organization fit (POF), then it will hinder the employee’s turnover intention. This result supports the norm of interdependent principles of reciprocity, i.e. the exchange between employees and employer becomes stronger when both parties provide valuable resources for each other. In this case, when the quality of worklife is perceived as good, the employees have the feeling of being ‘fit’ (either complementary or supplementary). Following that, employees are willing to provide obligations to their organizations with the deciding factor to stay (organizational commitment) and the consequence of employees’ intention to leave becomes lower. In terms of the Indonesian context, where the organizational culture is influenced by Islamic traditions and values, the fulfillment of employees’ needs is also necessary for example the consideration of employees doing religious rituals hence, the need to provide the musollah (room for pray) and the need to provide some time for the employees to commemorate some auspicious days of Islam. These activities are beneficial in improving the quality of reciprocity since interactions
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between employees and employer become more intensive. The outcome of this interaction is that employees would feel that they have the attention and support of their organizations. Consequently, employees’ loyalty increase.

The above results proved that the turnover intention does not always have to be assessed by the lack or through the negative connotations of the organizational aspects such as a large workload, the unfavorable outcomes of superior role, poor reward system or job stress. It has been proven that the concept of turnover intention can be understood through the Positive Organizational Behavior (POB) which promotes the positive psychology approach, as has been done in this study. The POF and organizational commitment is an example of positive organizational behavior that appears to have a significant role on turnover intentions. The implications that can be drawn from this study is that, through understanding the POB, the organization’s management can take action for the long-term basis in preventing high turnover rate. Through the fulfillment of the quality of work life, employees will feel the presence of the POF and this can affect their organizational commitment. Moreover, this will also make employees want to “stay” on in the company and serve the tasks which they perform on a daily basis in their companies.

CONCLUSIONS AND RECOMMENDATIONS

This study has proved that turnover intention is affected by the organizational aspects (quality of work life/QWL) and also by individual aspects (organizational commitment and person-organization fit). In understanding the phenomenon of turnover intention, this study has proved that fulfillment of employee’s needs by the organization’s management does not directly cause the employees to decide to stay on with the company. In this study, it was proven that through the process of generating person-organization fit (POF), turnover intention or the desire to leave the workplace would be small. This is especially so when the POF raises the organizational commitment, and so this causes turnover intention to become smaller.

Through this study, it can be deduced that the POF has an essential role to play in the turnover phenomenon because the POF is a full mediator for understanding the role of the quality of work life on turnover intentions. Associated with the role of organizational commitment and the turnover intentions, it turns out that the POF not only contributes directly to turnover intention, but also acts indirectly or it can be mediated by the organizational commitment. In essence, this study proves that person-organization fit, both supplementary and complementary, plays an essential role in retaining employees (especially those that are performing well). The quality of work life thus, needs to be fulfilled consistently.

RECOMMENDATIONS

In view of future research, it is hereby recommended that the dimensions of the POF variable and organizational commitment be considered in discussing the role of both variables as mediators. It would also be very interesting if future studies study can focus on distinguishing which variable has more roles as a mediator when compared to the POF dimension and whether
or not it is this supplementary dimension (related to the individual-organization values fit) or the complementary dimension (management-organization process fit) that was more distinguished. In this regard, the significant role of both these dimensions as mediators can be compared between the quality of working life and turnover intentions. Given the significant role of the POF as a mediator, the comparison of these two POF dimensions can also be applied to a variety of job resources against the organizational outcome such as its performance.

Consideration should also be given to the significant role of the organizational commitment. It might be better if the measured commitments were adapted to the largest mean of the three forms of commitment (affective, normative and continuance). It may also be necessary to carry out a study by considering the practical aspect that the management needs to conduct with regards to the dominant form of commitment offered by the organization to employees so as to prevent the high turnover rates. Thus far, research on commitment often only focus on the affective commitment, whereas other forms of commitment also needs to be studied, particularly when the dominant form of commitment is not the affective commitment. Therefore, the role of such commitment (normative or continuance) is essential to be acknowledged in order for company the management to determine the more appropriate intervention

REFERENCES


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