IS EMPLOYEES' TURNOVER INTENTION DRIVEN BY ORGANIZATIONAL COMMITMENT AND PERCEIVED ORGANIZATIONAL SUPPORT?

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ABSTRACT

This paper investigated the impact of organizational commitment and perceived organizational support on the turnover intention of Telecom employees in Pakistan. Data from 230 respondents was used to measure the impact of two factors on turnover intentions. Correlation and regression analysis techniques were used to analyze the relationship of organizational commitment and perceived organizational support with turnover intention. The results of the study showed that turnover intentions of telecom sector's employees were dependent on the organizational commitment and perceived organizational support; further organizational commitment and perceived organizational support had significant negative impact on the turnover intentions of the employees. Results have been discussed with specific reference to investigated sector's culture within Pakistan domain.

Keywords: *Turnover intentions, Organizational commitment, perceived organizational support, Telecom sector, Pakistan*

INTRODUCTION

Turnover has become a major problem for the telecom sector of Pakistan for the reason of high job opportunity, effortlessness of job switching and huge demand of skilled professionals. The past few years have been the most intimidating period for the Telecom sector of Pakistan in retaining their employees (Sajid *et al*, 2009). For this very cause research has paid attention on distinguishing predictors of turnover, especially in weak occupational groups with high turnover rates. Out of several predictors, turnover Intension was found to be the strongest predictor of all (Griffeth

et al, 2000) which shows that an individual willingly quits his job due to the fact of too much of workload and lack of Perceived Organizational Support (POS) that ultimately can start a progression of job dissatisfaction, turnover intention (TI) and in conclusion turnover (Price *et al,* 1981; Tett *et al,* 1993). According to organizational support theory, if employees perceive more support from the organization, they are likely to develop more positive outlook towards the organization (Eiesnberger *et al,* 1986). Correspondingly, it is explored by Allen *et al.* (2003) that POS is negatively correlated with turnover intention and actual turnover. Since employees often respond to their organizations in kind (Sherony and Green, 2002), it is rational to anticipate that, POS will influence a strong desire to stay with the organization.

Perceived Organizational Support (POS)

According to organizational support theory, if employees perceive more support from the organization, they are likely to develop more positive attitudes towards the organization (Eiesnberger *et al,* 1986). For example Eisenberger *et al,* (1986) found that observations of support from the organization reduced absenteeism and increased organization citizenship behavior and employee performance (Eisenberger *et al,* 1990). High levels of POS are believed to persuade thoughts of trust and strong feelings of classification with the organization (Rhoades and Eisenberger, 2002). Since employees often respond positively to the support they receive from their organizations (Sherony and Green, 2002), hence it is expected that POS will encourage a strong longing to stay with the organization. Eisenberger *et al.* (1990) perceived that individuals with high POS would be less likely to search for alternative employment in other organizations. On the other hand, Allen *et al.* (2003) found that POS was negatively correlated with turnover intention and actual turnover.

Onyinyi (2003) investigated the relationship between POS and organizational commitment among health workers and found a weak but significant relationship between the two variables. In the same way, Makanjee et al. (2006) found that POS positively influenced radiographers' organizational commitment in South African hospitals. Earlier, Ssemogerere (2003) had found that affective commitment was positively correlated with high eminence psychological contract which has features of perceived organizational support such as fairness and

gathering the individual's requirements and expectations on the job. Hence, the hypothesis;

H1: Perceived Organizational Supports will inversely affect Turnover Intention of employees of Telecom Industry, Pakistan.

Organizational Commitment (OC)

Commitment was defined by Meyer and Allen (1997) *"emotional attachment to an organization; a goals and values which results in willingness to exert optimal effort to achieve the organizations goals".* Commitment is a multi-faceted concept (Etzioni, 1961; Morrow, 1993; Meyer and Allen, 1991; Allen and Meyer, 1993; Meyer and Allen, 1997). Meyer and Allen (1991) developed a three dimensional model encompassing affective, normative and continuance commitment. Affective commitment was defined by Meyer and Allen (1997) as emotional affection to an organization; a strong belief in and reception of the organizations goals and values which results in willingness to exercise most favorable effort to attain the organizations goals. Normative commitment is an employee's feeling of compulsion to carry on working for an organization. Employees with normative commitment sense that it is their moral responsibility to continue to work for an organization (Jaros et al., 1993). The third component, continuance commitment, refers to the longing to continue membership in an organization for fright of forfeiting valued rewards (Allen and Meyer, 1990). Thus, employees whose most important affection to an organization is based on continuance commitment linger with the organization because they need to continue the benefits they derive from the organization. It is also recognized that commitment is an important predictor of employee behaviors such as turnover (Jaros, 1997). In recent research, POS was found to have a positive relationship with organizational commitment (Onyinyi, 2003) and negatively related to turnover intentions (Okello-Ouni, 2004). Hence the hypothesis;

H2: Organizational Commitment will inversely affect Turnover Intention of employees in Telecom Industry, Pakistan

Turnover Intention (TI)

A turnover intention is a mental decision prevailing between an individual's approach with reference to a job to continue or leave the job (Jacobs and Roodt, 2007). Turnover intentions are the instant connection to turnover behavior (Boles *et al*, 2007). Indirect costs of turnover include diminution in morale among remaining staff, work overload, and loss of social capital. Employee turnover can be both voluntary and involuntary. This study considers voluntary turnover and its past history, in which the employee desires to leave the organization of his own preference, moreover to escape negative experiences in the work environment or to follow better opportunities that are more satisfying, either in terms of career augmentation or financially. It is therefore widely accredited that identifying and dealing with antecedents of turnover intentions is an effectual way of reducing actual turnover (Dess and Shaw, 2001).

Proposed Research Model

Research model encompasses constructs variables; organizational commitment (OC), Perceived Organizational Support (POS) and turnover intentions (TI). This study articulates two Independent variables; Organizational commitment (OC) and the perceived organizational support (POS) whereas the turnover intention is dependent variable.
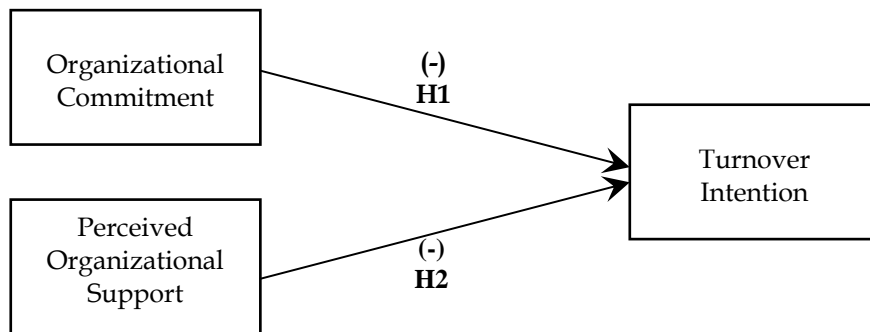

Figure 1: Theoretical Model

METHODOLOGY

A well structured research questionnaire was distributed to 300 different telecom companies' employees based in Lahore. The entire population

cannot be studied due to two main reasons (Adèr *et al*, 2008) the cost is too high, and the population is dynamic in that the individuals making up the population may change over time. These telecom personnel were selected randomly. Two hundred and thirty filled questionnaires were received back. Higher response rate of 76.67 was achieved through researcher's personal visits and committed follow ups. Middle line managers were the potential respondents and their perception about the investigated issue were taken into the consideration. Expanding and exponentially growing, both vertically and horizontally, telecom industry was considered more suitable target population because of higher rate of professional employability. Turnover intention was measured using 3 items scale of Meyer *et al*. (1993), 4 items of Perceived organizational support Eisenberger et al. (1986), 8 items for Organizational commitment from Meyer and Allen (1990).

RESULT AND DISCUSSION

Correlation Analysis

To explore the interrelationship between the constructs, Pearson correlation coefficient was performed:

Table 1: Correlations Matrix

		TI	POS	OC
TI	Pearson Correlation	1	-.687**	-.697**
	Sig. (2-tailed)		.000	.000
	N	230	230	230
POS	Pearson Correlation	-.687**	1	.924**
	Sig. (2-tailed)	.000		.000
	N	230	230	230
OC	Pearson Correlation	-.697**	.924**	1
	Sig. (2-tailed)	.000	.000	
	N	230	230	230

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

Pearson correlation coefficient matrix explained the interrelationship between the Organizational commitment (OC) and Perceived organizational support (POS), and turnover intentions (TI) of employees.

The value -.697[**]reflecting a significant inverse relationship between OC and TI, whereas -.687[**] also reflects an inverse relationship between OCB and TI. The correlation results showed that the relationship between organization commitment and turnover intention are negative; it is validated that if employees receive support from the organization, and further they trust organizational commitment towards them then they would prefer to stay with organization.
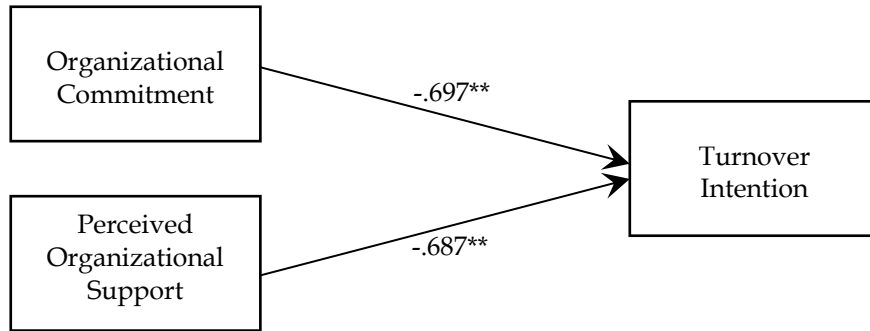

Figure 2: Empirical Model

Multiple Linear Regression Model

A multiple linear regression model was developed for turnover intention of employees by incorporating perceived organizational support and organizational commitment as the predictors. Table 2 provides the estimated coefficients of independent constructs and their significance values.

Table 2: Coefficients of estimators

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.
	B	**Std. Error**	**Beta**		
(Constant)	4.241	.088		48.089	.000
POS	-.140	.058	-.294	-2.394	.017
OC	-.278	.080	-.426	-3.471	.001

a. Dependent Variable: TI

Hence, the multiple linear regression model;

$$TI = 4.241 - 0.140\ POS - 0.278\ OC$$

Multiple Linear regression models for turnover (TI) explored the effect of both organizational commitment and organizational support on perceived employees' behavior towards organization. Anticipated and hypothesized relationships of organizational commitment and organizational support on employees' turnover intention have been supported and varied from the derived model. Hence, the employees' commitment towards their job and support through organization are the two main factors which need to be addressed and watched upon by organizations, if they want to lessen the negative and damaging effects of turnover intention.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
IT	.706[a]	.498	.494	.37326

a. Predictors: (Constant), OC, POS

Empirical model has achieved a reasonable Adjusted R-Square of 49.4%; depicting that 49.4% of the variation of employee's turnover intention is explained by the perceived organizational support and organizational commitment towards the employees.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.389	2	15.695	112.647	.000[a]
	Residual	31.627	227	.139		
	Total	63.016	229			

a. Predictors: (Constant), OC, POS
b. Dependent Variable: TI

Analysis of variance with p-value 0.000 suggested and proved the validity of model. Overall, empirical model of turnover intention is proved significant and useful.

CONCLUSION

This study has explored two key contributing factors which derive the employees' behavior towards organization and their intention to stay and serve organization for long time; organizational commitment and perceived organizational support. Organizational commitment and perceived organizational support are the key characteristics of organizational behavior towards employees. This study has explored that strong organizational commitment derives and shapes organizational culture that promotes a sense of belonging and ownership among employees; essential for being satisfied, productive, and loyal employees. Organizational support towards employees' welfare has proved strong predictor of employees' turnover intention. High level of perceived organizational support develops commitment and ownership among employees towards organization, hence reduces turnover intention.

This study has proved a positive effect of organizational commitment and perceived organization support on turnover intentions of the employees. Managers should devise such kind of policies, procedures and plans which may encourage and motivate employees to bring a sense of honor and ownership inside the organization and become an important and precious asset for the organization. Pakistan is a developing country where service industry like Telecom has been prosperous day by day. As the role of the telecom personnel is increasing tremendously, therefore, it is exceedingly necessary for the HR executives to understand the employees' needs and making them satisfied through committed effort and providing healthy organizational support.

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NOTE:

i) References highlighted with <mark>green</mark> colour in Introduction and Methodology sections are not available in References section; and references highlighted in the References section are not available in the Introduction and Methodology sections.