ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT AND JUSTICE ON EMPLOYEE TURNOVER INTENTIONS: EMPLOYEE ENGAGEMENT AS MEDIATOR

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Abstract- Employee turnover causes huge cost burden for any organization. It may be direct or indirect. Training cost, hiring cost, selection cost is considered as direct cost and indirect cost include loss of reputation, low employee morale. Since employees are a critical component of any organization, effort must put to increase perception of organization support and organizational justice, to make them more engaged and satisfied, which signals healthier organization and reduces employee turnover intentions, which is essential in determining organization effectiveness. In today’s competitive business environment, retaining key talented employees is a major challenge before any organization in order to compete in the real market. It is observed that managerial support having direct impact on the turnover intentions and intrinsic rewards determines the above relationship. It was suggested that, it is the responsibility of the organization to create good environment to maintain good relationship. Therefore this paper attempts to review the perceived organizational support and organizational justice as antecedents of employee turnover intentions with mediating effect of Employee Engagement.

Keywords- Perceived organizational support, Organizational Justice, Employee Engagement, Employee Turnover Intentions.

I. INTRODUCTION

1.1. Background
Employee turnover causes huge cost burden for any organization. It may be direct or indirect. Training cost, hiring cost, selection cost is considered as direct cost and indirect cost include loss of reputation, low employee morale (Staw, 1980). According to Mobley et al. (1978) turnover intention is an antecedent of actual employee turnover and it is the prime important to see the reason for and causes of employee turnover intentions. Godfrey (2010) observed that employee engagement plays a mediating role between organizational support and employee turnover intentions. Most of the organizations are employee intensive and organization should play as a differentiator to retain key talented who can be valuable asset of any organization. Flexibility in the workplace, positive work environment, ample opportunity for growth, transparency about compensation and better relationship reduces turnover intentions (Kemelgor and Meek, 2008). One of the major antecedents for employee turnover intention is employee engagement. It was observed that, job characteristics, relationship with peers, work place environment and other HR policies are forerunners of employee engagement, which influences job performance and employee turnover intentions (Ranae et al. 2014). Employee engagement will create a win-win situation and it can be one of the tools to motivate employees to contribute more and to retain the employees in the long run (Devi 2009). It was articulated that organization support having direct impact on the turnover intentions and improving employee engagement determines relationship between organization support and turnover intentions (Tymon, 2011).

Since employees are a critical component of any organization, effort must put to increase perception of organization support and organizational justice, to make them more engaged and satisfied, which signals healthier organization and reduces employee turnover intentions, which is essential in determining organization effectiveness.

1.2. Issues Prevalent
In today’s competitive business environment, retaining key talented employees is a major challenge before any organization in order to compete in the real market. Tymon (2011) observed that managerial support having direct impact on the turnover intentions and intrinsic rewards determines the above relationship. Anitha (2013), identified factors which influences employee engagement such as work environment, leadership, compensation etc., and concluded that these factors are important interpreter of employee engagement. It was also found that there is a positive co-relation between employee engagement and employee performance. It was suggested that, it is the responsibility of the organization to create good environment to maintain good relationship. Thus, irrespective of the size, the organization must support the employees and their needs in order to make them more engaged in the work. Since there is a cost advantage, there is a lot of scope for innovation and profits, in health care sector in India, when we compared to other western countries. The private sector investment is accelerating in the health care sector in India. The health care sector is expected to grow at faster rate.


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and the compound annual growth rate may reach US $ 158.2 billion in 2017 from US $ 78.6 billion in 2012, according to a report by Equentis Capital. The reason for this growth may be, growing population, increasing income, health consciousness and other factors. According to the report of department of Industrial policy and promotion (DIPP), health care sector invited foreign direct investment (FDI) worth Rs 11,272.32 crore between April 2000 and February 2014. According to NASSCOM, Indian IT industry would add incremental revenues of $ 13-14 billion in 2014-15 and it is a measure of market share growth. Even if the Indian IT services sector growing at the faster rate, companies are facing the challenges of rising attrition levels according to the business standard report. Hence there are a challenges as well as opportunities in the health care sector and IT sector in India. Because of these developments, competition intensifies and to achieve competitive advantage, contribution of employees towards organization is very much essential and organization must retain and attract key talented employees. According to James and Faisal (2013) BPO facing highest attrition rate which causes huge economic impact on the organization. So it is very much required to focus on antecedents of employee turnover intentions in the health care organizations and IT firms.

1.3. Statement of the Problem
The effectiveness of organization is very much depending on the employee’s quality service and their commitment to the work. However, the commitment of employees is depend on the extent to which the organization respect their contribution and take care of their wellbeing. Newman (2014) found that perceived organizational support and employee commitment are positively related. There is negative relationship between perceived organizational support and turnover intentions. Nadiriet al. (2010) found that there is a positive relationship between organization support and employee job satisfaction and performance.

If employees feel that organization is least cared about employees and their contribution, their commitment towards the work reduces and they may feel insecure, which in turn leads to the turnover intentions. Perryer and Jordan (2014) articulated that, the interrelationship between organization support and organizational commitment is one of the important determinants of the turnover intentions. It was also found that when there is good organization support, employees do not leave the organization and they stay in the organization for long.Yang et al. (2014), observed organization must promote ethical climate within the establishment and once employee smells that management is concern about the employees, their motive towards work enhances, so that employee turnover can be reduced. Thus, the main objective of this research is to study the role of perceived organizational support and organizational justice on employee turnover intentions with mediating effect of employee engagement.

1.4. Objectives of the Study
1. To study the perceived organizational support, perceived organizational justice, employee engagement and employee turnover intentions in the health care organizations and IT firms.
2. To analyze the relationship between perceived organization support and employee engagement in the health care organizations and IT firms.
3. To evaluate the relationship between perceived organization justice and employee engagement in the health care organizations and IT firms.
4. To identify the relationship between employee engagement and employee turnover intentions in the health care organizations and IT firms.
5. To find the association between the perceived organization support and employee turnover intentions in the health care organizations and IT firms.
6. To know the relationship between the perceived organization justice and employee turnover intentions in the health care organizations and IT firms.

1.5. Scope of the Study
This research aim to study the role of perceived organizational support and organizational justice on employee turnover intentions with mediating effect of employee engagement in the health care organizations and Information Technology service companies. According to the Business standard report IT and Health Care Sector witnessing highest attrition rate in India and retaining key talented employees remain key challenge. According to the MyHiring.com survey, IT sector recorded highest attrition rate of 23% and which is followed by Health care which recorded 12% during 2010 – 12. In the health care the researcher will select top ten NABH accredited hospitals as sample size. In the Information Technology service companies the researcher identified the top ten firms facing highest attrition rate as sample size. In the health care the sample population description includes Clinical and Non-Clinical. In the Information Technology service companies sample population description includes process analyst (entry level), senior process analyst, team leaders, supervisor and Managers group.

II. RESEARCH METHODOLOGY
2.1 Research Approach and Design
The present study is an empirical study to explore the consequences of perceived organizational support and perceived organizational justice on employee engagement and its impact on turnover intentions.
2.2 Tools for Data Collection
The following scale items can be used to measure perceived organizational support, perceived organizational justice, employee engagement and employee turnover intentions:
Perceived Organizational Support
The perceived organizational support will be measured with 16 item scale developed by Eisenberger et al. (1986).
Perceived Organizational Justice
To measure the degree of organizational justice, 20-item scale will be used which is developed by the Niehoff and Moorman (1993) on three domains, such as procedural justice, distributive justice and interactional justice. This scale has been used by Biswas et al. (2013) in the Indian context.
Employee Engagement
Utrecht work engagement scale (UWES) can be used to measure employee engagement suggested by the Schaufeli et al. (2002) which includes 17 items on three domains such as Vigour, Dedication and Absorption.
Employee Turnover Intentions
The employee turnover intention scale will be developed. The reliability and validity will be established.

Variables
Independent Variables: Perceived organizational support and perceived organizational justice.
Dependent Variable: Employee turnover intentions.
Moderating Variable: Employee engagement.

2.3 Sample and Sampling Technique
The present study follows a random sampling with a sample size of 1000 respondents, which includes 300 sample from the health care organizations and 500 sample from the Information Technology service companies. The sample will be collected as per the statistical methods depending upon the population under study.

2.4 Data Collection Procedure
The data will be collected using structured questionnaire. The questionnaire will be personally administered by the researcher.

2.5 Statistical Analysis
To analyse the data 2 x 2 Annova table will be used. 2 implies two types of organization namely health care and IT firms. Remaining 2 is occupation wise which includes clinical and non-clinical.
Co-Relation will be used to understand the relationship between dependent and independent variable.
The regression analysis will be used to understand the moderating effect of employee engagement.

III. RELEVANCE OF THE PAPER/RESEARCH GAP
It is evident from the research that, the attrition rate intensifies both in the health care sector as well as in the IT sector. According to the pay scale recent employee turnover report, the employee turnover rate among fortune 500 companies in the IT Industry is the highest among all industries surveyed. The high rate of employee turnover can have significant costs to the company. An employee leaves a company for any of a number of reasons. It is not only the key employees who are important asset, every worker performing day to day work of a company can cause a loss to the business. It is the responsibility of the organization to create good environment to maintain good relationship and they can retain employees. There is lot of research work on the relationship between perceived organizational support and employee turnover intentions and between the perceived organizational justice and employee turnover intentions. However, none of the literature shows the relationship between these with mediating effect of employee turnover intentions. So this paper attempts to find the role of perceived organizational support and perceived organizational justice on employee turnover intentions with the mediating effect of employee engagement.

2. Theoretical Model
Dumisani and Nicole (2013) stressed that it is the duty of the administration to increase perception of the organizational support since there is a positive relation between perceived organization support and employee engagement. Employees who perceived that, their organization support them; they will be more engaged and likely to engage in organizational citizenship behavior. Surya and Pankaj (2010) stated that, employee can be highly engaged when they are more empowered. It includes both psychological as well as structural empowerment. So, adequate organizational support is inevitable to enhance engagement. It further stated that, there should be interaction between self-efficacy and perceived organization support, to establish engagement. Alvie et al.(2012), Huifan Li (2012), contended that, organizational justice have a significant impact on the employee engagement. All the three dimensions of the organization justice such as, distributive, interactional and procedural justice have an impact on employee engagement. Mangi and Jablani (2013), observed that work engagement is partially mediates between burnout and employee turnover intentions. It also states that, work engagement is significantly associated with the turnover intentions. Schalkwyk and Rothman (2011), identified some of the factors of perceived organization support such as, role of clarity, job
information, participation in decision making, colleague support and supervisory relationship and proposed that, these factors have direct impact on the turnover intentions.

It observed that if organization support during difficulties, the employees less likely to quit the organization. Rastgar and Pourerbrahimi (2013), found that, the organization must consider distributive, procedural and interactional justice since it lead to the employee turnover intentions.

Among these, interactional justice has major impact on the employee turnover intentions.

IV. LITERATURE REVIEW

4.1 Perceived Organization Support
Eisenberger et al. (1986), Observed that, perceived organization support is the degree to which employees believe that, their organization values their contributions and cares about their wellbeing and fulfills socio emotional needs. Organizational commitment has strong influence on employee’s commitment to their organization and organization support leads to the extra-role performance. Eder and Eisenberger (2007) stated that individuals will be motivated to meet their exchange obligations and they remain more fully engaged in their work, when there is perceived organization support. It is concluded that, there is a negative relationship between perceived organization support and employee withdrawal behavior. Tuzunet al. (2011) considered that there is higher turnover intention when there is higher perceived supervisor support but low perceived organizational support. Tymon (2011) advocated that managerial support having direct impact on the turnover intentions and intrinsic rewards determines the above relationship. Yavaset al. (2014) enlightened organizational support one of the important predictor to differentiate low and high performing employees.Karatpe (2011) found that only through career satisfaction, job performance can be achieved when there is organizational support. 4.2 Perceived Organizational Justice:
Greenberg (1986) introduced the concept of organization justice. He explained how an employee perceives the behavior of the organization and how he reacts to such behavior and impact on the behavior of the employees. It is originally derived from the equity theory developed by Jhon Stacey Adams in 1963. He advocated that employees always seek to maintain the equity between inputs and outputs. It means that, there should be balance between what employees bring to a job and the outcomes they receive from the organization as a reward to his inputs. Tynkkynenet al. (2011) observed that, HR practices produce positive outcomes in organizational justice and job controls. However, while introducing HRM practices, it is critical that, there should be justification for such policies. Bakhshietal.(2009) used distributive justice and procedural justice as two dimensions of organizational justice. They found that distributive justice is positively co-related with the job satisfaction and organizational commitment. On the other hand, it is found that, procedural justice is not related to the job satisfaction but it is related to the organization commitment. Hassan (2002) observed that, both internal and external equity related with increased commitment and decrease in intention to leave.

4.3 Employee Engagement:
Kaun (1990) gave the first formal definition to the employee engagement. According to him, employee engagement means, employees employ and express themselves physically, cognitively and emotionally during role performance. He identified the reason for people’s personal engagement and disengagement in
the role performance such as, people’s emotional reactions to conscious and unconscious phenomena, people’s experience of work context, jobs, and roles. Baker (2009) defined employee engagement as a state of vigor, dedication and absorption. It means engagement exhibits high level of energy, mental resilience, strongly involved in the work and fully concentrated. Anitha (2013), identified factors which influences employee engagement such as work environment, leadership, compensation etc., and concluded that these factors are important interpreter of employee engagement. It was also found that there is a positive co-relation between employee engagement and employee performance. It was suggested that, it is the responsibility of the organization to create good environment to maintain good relationship. Ibrahim and Falasi (2014) identified two variables which affect employee engagement i.e. affective commitment and continuance commitment. It was found that affective commitment was major factor which influences employee engagement and concluded that there is positive nexus between employee loyalty and employee engagement. Ferreira (2014), tried to compare, whether internal corporate social responsibility having more impact on employee engagement or external corporate social responsibility. It was found that internal corporate social responsibility having great impact on employee engagement when compared with the external corporate social responsibility. Choo et al. (2013) observed that organizational practices having major impact on the employee engagement and any organizational HR must give focus on the employee development in order to improve employee engagement. Hazelton (2014) one must create positive environment and positive emotions to make employee engaged. Robertson and Cooper (2009) found that for the overall effectiveness of organization integration of employee engagement and psychological wellbeing is very much essential. It is also observed that both the factors should go hand in hand to produce better results rather than studying individually or separately. Luthans (2001) articulated that, manager’s self-efficacy strengthens the relationship between employee engagement and managerial effectiveness. However manager’s self-efficacy is not ultimate in determining relation between employee engagement and managerial effectiveness and it is just a partial mediator.

4.4 Employee Turnover

Key talented employees are always important asset for any type of organization. In a competitive business environment, it is inevitable for the organization to study, whether employees plan to leave the organization and to know the reason for such plan. Ahmad and Rainyee (2014), organizational commitment and job satisfaction are two variables which goes together positively and those two variable inversely relate with the turnover intentions. However research concluded that those relationship may change depend upon the nature of the work. Carrhaer et al. (2008), found that perception towards benefits is related to the employee turnover but not with the job performance or employee absenteeism and it also observed that attitude towards in search of new job and remain absence is positively related with turnover intentions. Maertz and Campion (1998), advised to do further research on new personal and environmental factors influences turnover intentions. Huninget et al. (2011), observed that attribution difference have a major impact on the employee job satisfaction and which in turn have an impact on employee turnover. Rainyee (2013) highlighted some of the variable which causes the employee turnover intentions. It includes work-family conflict, nature of job, relationship with peers and workstress. It suggested organization can retain employees if they undergo good management policies. Kerner (2008) found that, organization must take care of the job factors because if employees are dissatisfied with the intrinsic job factors, they may think of moving out from organization. Holton (2006), observed that inverse correlation between job satisfaction, involvement and employee commitment with that of the employee turnover.

V. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

The following hypothesis have been developed for the purpose of the study:

H1: The perceived organizational support differ between health care organizations and IT Firms.
H2: The perceived organizational justice differ between health care organizations and IT Firms.
H3: The employee engagement differ between health care organizations and IT firms.
H4: There is significant difference between health care organizations and IT firms with regard to the employee turnover intentions.

2.1 Perceived Organization Support and Employee Engagement

According to Ahmadet al. (2014), there is a positive correlation between perceived organization support and employee engagement. It is the duty of the management to enhance employee perception of organization support by valuing their contribution; so that they can make employees more engaged which is very essential for the overall effectiveness of the organization. Solnet and Kralj (2011) advocated that, new generation employees are (Gen Y) less engaged and perceived lower organization support when compared to the older generation (No-Gen Y). However, there is a huge influence of perceived organization support on employee engagement with both new generation and old generation employees. So, organization must strive hard to improve
employee perception, to make both the generation to be more engaged. Gokul and Srinivasan (2012) observed that, employee engagement plays a mediating role between perceived organization support and employee commitment. They suggested that, organization must focus on good work climate to be more engaged and to make them more committed. Biswas and Bhatnagar (2013) stated that when employees perceive positive organization support, intrinsically employees get motivated which make them to put higher effort. It also observed that when employee’s values are perceived to suit organization norms, the employees feel that, they are given higher responsibility and they are empowered. When employees are more engaged, there will be a greater relationship of trust and loyalty between organization and individuals.

H5: There is a significant relationship between perceived organization support and Employee Engagement.

4.5 Perceived Organization Justice and Employee Engagement

Ghosh et al. (2014) concluded that positive correlation between organizational justice and employee engagement. It also found that there is an interrelationship between distributive justice, interactional justice and procedural justice and viewed that distributive justice is important factor in defining employee engagement when compared to the two other factors. Agarwal (2013) stated that, employee’s perception of justice has a major influence on employee engagement since it builds trust. It also found that psychological contract fulfillment, justice and trust have a positive effect on employee engagement. Ghosh et al.(2014), advocated that distributive justice, procedural justice and interactional justice are inter-related with each other. In determining job engagement, distributive and interactional justice take precedence over procedural justice and all these act as antecedents of employee engagement. So it was observed that, distributive justice and interactional justice are more associated with work engagement, where he shows greater vigor and dedication.

H6: There is a significant relationship between perceived organization justice and employee engagement.

4.6 Employee Engagement and Employee Turnover Intention

Lee et al. (2005) observed that employee engagement negatively co-related with the turnover intentions. Chughtai(2013) contended that, there is a significance relation between HR practices, employee engagement and turnover intentions. When there is a best HR practices employees are more loyal to the organization and they are more engaged. It is also

found that engaged employees are more adhere to the organization and turnover intention will be less. So in order to be very competitive, organization must see that, employees are more engaged and which will lead to the organization effectiveness.

Takawira et al. (2014) stated that engaged employees exhibit higher performance and intention to leave the organization will be low. Berry and Mary (2010) advocated that, employee engagement and compensation fairness have a negative relationship with employee turnover intentions. This study considered some of the factors of employee engagement which may have impact on the employee turnover intentions such as, expectations, opportunity to excel, recognition, care, development, quality of work and best appraisal.

H7: There is a significant relationship between Employee engagement and Employee turnover intentions.

4.7 Perceived Organization Support and Turnover Intentions

Maertz et al. (2007), observed the role of perceived organization support and perceived supervisor support which lead to the turnover intentions. Findings showed that perceived organization support and perceived supervisor support act as antecedents to the turnover intentions. It is observed that, when supervisor support is high, perceived organization support is not important predictor of turnover intention and perceived organization support becomes significant when there is low supervisor support. It shows that affective commitment and normative commitment plays a mediator between perceived organization support and employee turnover intentions. Hussain and Asif (2012), stated that, high level of perceived organizational support promotes belongingness towards organization, so which reduces turnover intentions. This study determined two major factors which is having influence on intention to leave, i.e., organizational commitment and perceived organization support, which is the key organization behavior towards their employees. So organization should frame such policies and procedures, which must motivate employees and sense of pride.

TumwesigyeGodfrey (2010) highlighted three dimensions of the perceived organization support, such as affective commitment, normative commitment and continuous commitment. The study shows there is a positive relationship between perceived organization support and with these three dimensions. It means that employees those who feel, organization value their contribution, exhibit high level of affective, normative and continuous organizational commitment. This study also found that perceived organizational support and those dimensions negatively associated with the turnover intentions. This research confirms the mediating role of affective commitment, normative commitment and
continuous commitment between perceived organization support and turnover intentions.

H8: There is a significant relationship between Perceived organization support and Employee turnover intentions.

4.8 Perceived Organization Justice and Turnover Intentions

Owolabi (2012), observed that, organizational justice have a great influence on employee turnover intentions. It means, organization justice determines the decision, whether to stay or leave the organization. It is found that, both male and female employees perceive organizational justice in the same way. However, various categories of workers perceive organizational justice differently and their turnover intention is different. Lee et al.(2000) identified two forms of organizational justice, say, distributive justice and procedural justice. Distributive justice positively associated with the job satisfaction and negatively associated with the turnover intentions. Procedural justice positively related with job satisfaction and employee turnover intentions but negatively related to the organizational commitment. It is also proved that interpersonal working relationship have an impact on the justice perceptions.Aghaei et al. (2012), stated that, organizational justice reduces employee turnover intentions and it also lead to the efficiency and better performance.

Further, it is observed that there is negative relationship between distributive justice and interaction justice with employee turnover intentions. However, there is no significant association between approach justice and employee turnover intentions. It is propounded that, all organization must focus on the performance of employees without any bias, respect and trust all employees and proper communication, which in turn reduces employee intention to quit. Nadiri and Tanova (2010), found that fairness while dealing with the employees performance have a great impact on the turnover intentions, job satisfaction and organizational citizenship behavior.

The result shows that distributive justice and interactional justice are stronger predictor of turnover intentions when compared with the procedural justice. Even if, the perception of fairness is achieved, the distribution of actual reward may also lead to the intention to leave.

H9: There is a significant relationship between perceived organization justice and employee turnover intentions

To summarize, the main objective of this research is to analyze the perceived organization support and perceived organization justice as antecedents of turnover intentions by taking employee engagement as the mediating effect.

VI. LIMITATIONS OF THE STUDY

A significant limitation can be viewed in the context of the data availability in the Health Care as well as in the Information Technology Firms. Contacting employees of health care and IT Firms will be a great challenge. Some of the respondents may not give accurate information and there may be possibility of bias.

CONCLUSION

In the era of globalization, there is a serious problem in the organization and it is common in every type and size of organization. Employees who are satisfied are more likely to be committed to their organization and decrease the intention of quit from a Job. The present study intended to study the relationship between perceived organization support and perceived organizational justice with that of employee turnover intentions with mediating effect of employee engagement. This paper also aimed to examine the other causes for the employee turnover intentions. The data will be collected through questionnaire and will be analyzed by using various statistical tools.

REFERENCES


Role of Perceived Organizational Support and Justice on Employee Turnover Intentions: Employee Engagement as Mediator

