

A Review on Employees' Voluntary Turnover from the Psychological Perspective

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Abstract---High voluntary turnover rate has become the focus of most employers and scholars in related fields. Although employers have attempted to use a variety of retention strategies to retain qualified and skilful employees, the turnover rate remains high in the vast majority of industries around the world. Past researches were concerned mostly on employees' external demands such as salaries, fringe benefits, work conditions and less focus has been given on the importance of employees' internal needs based on the psychological capital. Therefore, there is a need to perform a study on the turnover from this perspective as it is crucial not only to retain the individual but also to ensure their satisfaction is fulfilled by their organizations. This paper provides the review of literatures which specifically addresses the perspectives of individual psychology, and simultaneously explains the relationship between the two psychological factors and the turnover intention with the mediating effect of job satisfaction. The arguments are presented to emphasize the needs to carry out this study.

Type of Paper: Review

Keywords--- Psychological Capital; Person-organization Fit; Job Satisfaction; Turnover Intention

I. Introduction

Over the years, with ever-increasing rates of voluntary turnover, service organizations have been challenges and gradually poor organizational performance has become inevitable (Hur, 2013). Turnover is a notion that has been studied and analyzed from many perspectives. Some earlier researchers regard turnover as a model, while others view it as a consequence of employees' organizational commitment and job satisfaction (Terason, 2018). Voluntary turnover is a total termination from the employees' side without any involvement or pressure from the employer (Terason, 2018). In previous studies, various factors have been detected and contributed to voluntary turnover which include perceptions of justice (Çelik, Yeloğlu & Yıldırım, 2016), job involvement (Zopiatis, Constanti & Theocharous, 2014), job satisfaction (Tschopp, Grote & Gerber 2013; Terason, 2018) and the latest discovery is on psychological capital. A study by Wang, Li, Wang and Gao (2017) points out that based on previous studies the influencing factors of employees' turnover intention are generally divided into three perspectives which consists of firstly, the personal characteristics of employees, including age, gender, marital status, educational background, years of working and income; secondly, working and organizational characteristics, such as organizational justice, organizational culture, organizational support, work autonomy, and working

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conditions; and thirdly, the external factors of the organization, including labour market conditions and employment opportunities.

The research of employees' turnover intention on the perspective of psychological capital (PsyCap) has gradually become the characteristics of the related field (Robinson, Kraatz & Rousseau, 1994) but it is still limited. Psychological capital considered as a comparatively new concept in the study of different capitals such as social capital, human capital, economic capital and PsyCap which is conceptualized as "who you are" (Luthans & Youssef, 2004). Previous studies have suggested some disagreements on the impact of the PsyCap. For example, some believed it has direct positive influence on employees' turnover intention (Turnley & Feldman, 1999), while others state that it has an indirect impact on employees' turnover intention and suggests the needs to mediate variables' auxiliary to investigate its influence (Wang et al., 2017). Thus, it is worth studying and investigating the influence of PsyCap on employees' voluntary turnover (Wang et al., 2017).

This paper aims to explore the turnover intention based on psychological perspective. The COR theory indicates that person-organization (P-O) fit has been one of the key psychological factors in voluntary turnover (Alniaçik, Alniaçik, Erat & Akçin, 2013). The reason for this is based on earlier studies in the field of organizational behaviour and human resource management which stress that P-O fit is negatively associated with turnover intention (Verquer, Beehr & Wagner, 2003). However, their association has not been sufficiently and clearly verified. It is assumed that due to the weak meta-analytic correlation, this situation happens. Since earlier studies have only discussed the direct correlation between P-O fit and turnover intention, therefore there is a need to confirm the existence of the mediating construct.

II. Literature Review

Conservation theory (COR) Theory

Hobfoll (2002) reviews psychological resource theories and suggests that Conservation of Resources Theory or COR Theory is very relevant to this study. COR Theory states that individuals "seek to obtain, retain, and protect resources and stress occurs when resources are threatened with loss or are lost or when individuals fail to gain resources after substantive resource investment" (Hobfoll, 2002). His notion is agreed by recent development of COR theory (e.g., Wheeler, Halbesleben & Shanine, 2013; Kiazad, Seibert & Kraimer, 2014; Mackey & Mcallister, 2016), and they suggest that actually P-O fit is an individual resource.

Psychological capital resource and conservation theory (COR) Theory

According to Luthans, Youssef and Avolio (2007), PsyCap consists of positive psychological resources of optimism, resilience, efficacy, and hope. Hope and self-efficacy are considered as the most important factors in predicting various outcomes (e.g., Stajkovic & Luthans, 1998). Self-efficacy is relevant to employees' belief or confidence in their capacities to stimulate their cognitive intelligence, motivation, or the action process which are required to successfully perform a particular task in a particular environment (Stajkovic & Luthans, 1998). In addition, hope is conceptualized as a positive state of motivation which is based on a sense of success through interaction. In general, self-efficacy and hope are more significant components in predicting attitudes and organizational behaviour than resilience and optimism (Bandura, 2012). Luthans (2002) suggests self-efficacy is the most suitable criterion for psychological capital in a positive organizational behaviour, while hope is considered to be a very strong predicting indicator of various work-related outcomes and has the

strongest potential common denominator with self-efficacy (Luthans, 2002; Luthans et al., 2007). According to this past research, psychological capital could influence employees to become more confident and stimulate their positive thinking, which further lead to better job performance, job satisfaction and reduce turnover intention.

Psychological capital and job satisfaction and turnover intention

Positive association between psychological capital and job satisfaction or job performance, and negative association between psychological capital and organizational cynicism or employees' voluntary turnover have been discovered in previous studies (Luthans et al., 2007). This suggests that individuals with high psychological upper limit are considered to have self-regulating cognitive ability (Bandura, 2012), which provides the energy, self-discipline and initiative indispensable to achieve goals set by the organizations (Luthans et al., 2007).

P-O Fit and job satisfaction and turnover intention

Westerman and Cyr , (2004) define P-O fit as a multidimensional structure that includes three types of fit which correspond to values, characteristics and working environment. Kristof-Brown, Barrick and Stevens, (2005) point out that P-O fit comprises of three important points, namely the similarity between individual characters and organizational characteristics; the compatibility between individual targets and organizational goals; and, the consistency between individual values and organizational culture. If employees' values are consistent with those of their organizations, they will tend to stay in their own organizations without turnover intention (Kim, Aryee, Loi & Kim, 2013).

According to Kristof (1996), compatibility between organizations and employees is highlighted in P-O fit. He suggests that if the individual characteristics of employees can fill the gaps left by other employees, or the psychological needs of employees can be satisfied by the characteristics of the working environment, then complementary fit can be achieved. Thus, the better the fit would ensure satisfaction among the employees.

Researchers can verify 'fit' from multiple dimensions. A study by Vandenberg and Lance (1992) examine the relationship between organizational members' consistency with organizational targets and its influence on employees' attitudes and intentions. Together with the data which comprises 14,721 teachers and 356 principals, they found that goal congruence has been positively associated with job satisfaction. Another study by Hoffman and Woehr, (2006) who conducted a meta-analysis of 121 studies, P-O fit is proven to be correlated with turnover intention. All of these earlier findings have verified that employees who have low P-O fit are more likely to leave their organizations.

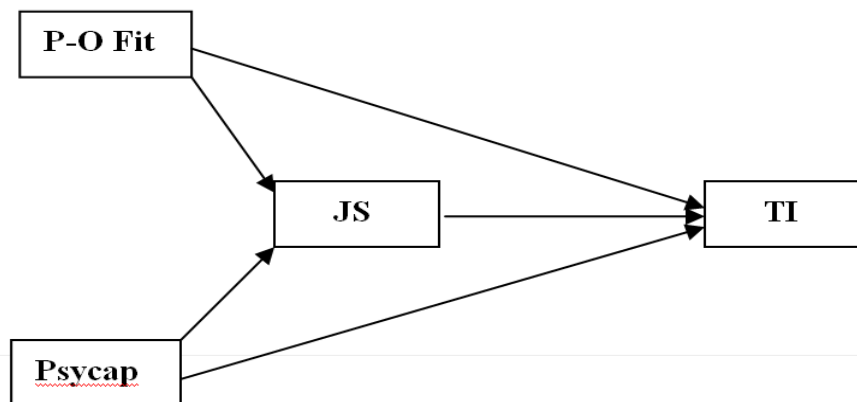
Hobfoll (2011) argues that fit is an active process that relies on employees and their working environment. Besides, fit changes from time to time to shift the balance between resource costs and benefits. Therefore, people with high P-O fit are more likely to thrive than those with low P-O fit since they can allocate and invest their own resources to obtain more resources. According to Wheeler, Halbesleben and Shanine (2013), based on COR theory, fit actually reflects the existence of personal resources that employees need to meet in order to fulfill the requirements in their working conditions. Additionally, they also speculate that this fit is appropriate matching the organization or adding something new to the individual or organization because the critical issue lies in whether an individual has sufficient resources to satisfy the requirements of working environment and vice versa.

PsyCap, job satisfaction and turnover intention

Karatepe et al. (2006) find negative correlation when investigating job satisfaction and turnover intention. According to a study by Abdus Salam (2017), job satisfaction and psychological capital show a strong negative relationship with turnover intentions, where the human traits of PsyCap are found to be positively related to job satisfaction and negatively related to turnover intention. However, no mediating role of PsyCap on job satisfaction and turnover intention have been found. Another study by Appollis, (2010) shows that there is a strong linear relationship between PsyCap and job satisfaction, and thus suggested employees who are highly confident, optimistic, hopeful and resilient have higher level of job satisfaction. His finding is supported by Luthans et al., (2007) who indicate the level of employees' hope is associated with job satisfaction.

Conceptual Framework

The current research aims to conceptualize the mediating role of job satisfaction between two psychological factors (P-O fit and psychological capital) and turnover intention. Conservation of Resource Theory has been adopted in this study to build the theoretical linkages among constructs. In the long term, those employees who have a higher level of job satisfaction would be more likely to stay in the organization. **Figure 1** shows the conceptual framework of the current research.



JS=Job Satisfaction; TI=Turnover Intention; P-O Fit =Person Organization Fit; Psycap=Psychological Capital

Figure 1: Proposed Conceptual Framework

III. Conclusion

On the basis of previous studies and COR Theory, a framework integrating P-O fit, PsyCap, job satisfaction and turnover intention has been designed for this study. It is suggested based on the reason that although past research on the correlation between P-O fit and turnover intention has been conducted, the meta-analysis has found a weak negative correlation between these two constructs. Therefore, there is still an opportunity to carry out a study which can investigate how P-O fit influences the turnover intention.

This paper aims to propose the empirical study based on the justification that, i) using COR Theory, it is believed that the fit between employees and the organizations may lead to higher meaning and psychological attachment, thus leading to higher employees' job satisfaction with the organization. ii) Focusing on PsyCap, job satisfaction and turnover intention in one study, with the assumption that satisfied employees are less likely to leave their organization, and turnover intention can be reduced. PsyCap is able to offer individuals more confidence and stimulate their positive thinking, thus leading them to perform better and feeling more satisfied with their jobs and organizations. Employees who are satisfied with their jobs tend to retain with their organizations. This model used in this study can provide a new perspective in understanding the relationship between antecedent factors and the outcomes of this study. Moreover, future studies may include more psychological and behavioural constructs, such as organizational citizenship behaviour, P-E fit and other related factors, to complement and extend the proposed framework in this study. Furthermore, especially for the scholars in this field, another empirical study can be conducted to investigate the relationship between the constructs which have been mentioned in the proposed model in other industries.

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