

Measuring Turnover Intention: A Study of IT Professionals in Pakistan

Abdul Rahman, S. M. M. Raza Naqvi and M. Ismail Ramay

IT firms in Pakistan have witnessed high turnover during the past years, but no serious efforts have been made to find out the factors causing this. The focus of this study was on three independent variables namely job satisfaction, organizational commitment and perceived alternative job opportunities, that are thought to be associated with turnover intentions. The findings revealed that job satisfaction and organizational commitment had negative effect on turnover intentions, whereas perceived alternative job opportunities had significant positive correlation with turnover intentions and is the major factor associated with turnover intention among IT Professionals in Pakistan. Implications for managers are also discussed.

Field of Research: Human Resource Management

1. Introduction

Employees switch organizations for several reasons that managers and researchers are trying to find out. Managers would readily agree that retaining the top performers results in higher customer satisfaction, quality improvement, effective succession planning and a considerable increase in organizational knowledge and learning. The question is – if managers know these facts so well, why do they fail to retain their best employees? This research study provides an analytical review of turnover intention among the IT professionals and the factors that significantly contribute to it. The main objective was to analyze and verify whether job satisfaction, organizational commitment and perceived alternative job opportunities were correlated with turnover intention.

Abdul Rahman, Riphah School of Leadership, Riphah International University, email: arwali@hotmail.com

S. M. M. R. Naqvi, Department of Management Sciences, Muhammad Ali Jinnah University, email: Naqvi@jinnah.edu.pk

M. Ismail Ramay, Department of Management Sciences, Muhammad Ali Jinnah University, email: Ramay@jinnah.edu.pk

2. Literature Review

Researchers around the world have written papers, articles and other literature on employee turnover and reasons for high turnover at the organizations. Khatri *et al* (2001) have conducted a comprehensive research study on high turnover in Asian countries like Singapore, Malaysia, South Korea and Taiwan. The research sample (n=422) was taken from food and beverage industry, shipping and marine industry and retailing industry. The study suggests that main reasons for high turnover were procedural justice and low organizational commitment. Findings revealed that managers had more turnover intention than non-managers and procedural justice was considered more important than the distributive justice. Organizational commitment was found to be very critical in turnover intention.

It has been strongly assumed that job satisfaction and organizational commitment are predictors of turnover intention, as suggested by Karsh, Booske & Sainfort (2005). According to Guimaraes & Igbaria (1992) organizational commitment was an intervening variable in models of turnover and job satisfaction had direct effect on turnover intentions, and indirect effect through organizational commitment. Aryee, Wyatt & Min (1990) have also identified job satisfaction and organizational commitment as main predictors of turnover intention. The study was conducted among professional accountants in Singapore. A research in Turkish context by Wasti (2003) also proved organizational commitment to be a predictor of turnover intentions.

Korunka *et al* (2005) conducted a research on IT workforce and found significant negative correlation between turnover intentions and job satisfaction. Similar has been proved by Harrell, Chewing & Taylor (1986), who have explored relationship among organizational-professional conflict, job satisfaction and turnover intentions. The research was conducted among Internal Auditors. A research by Chen *et al.* (2004) on career management, job satisfaction and turnover intentions reveal a negative relationship between job satisfaction and turnover intentions. Job satisfaction has been verified to be a strong negative predictor of turnover intentions. (Brough & Frame, 2004)

Howard & Homma, (2001) conducted a research on Japanese career women and have argued that job satisfaction, alone, is not a sufficient predictor of turnover intentions. The authors suggested that organizational commitment should also be included in the turnover model as another independent variable. Samad (2006) had added organizational commitment to a similar research and found it to be negatively correlated with turnover intentions. Moncrief *et al.* (1997) conducted a research survey on job stress among salespersons and their results reveal a negative correlation between organizational commitment and propensity to quit the job. Elangovan (2001) has argued that there is a reciprocal link between organizational commitment and turnover intention i.e. lower commitment increases turnover intention which lowers commitment further.

Dick *et al.* (2004) have also identified Job satisfaction as a predictor of turnover intention, however, they argue that it is a mediating variable between organizational identification and turnover intention. According to their study, organizational identification feeds into job satisfaction which, in turn, predicts turnover intention. Turnover intention is a mediating variable between organizational commitment and turnover as suggested by Sjoberg and Sverke (2000). It can be concluded that turnover is, in fact, outcome of the turnover intentions. A research by Morrison (2004) on the informal work relationships at the workplace also shows both job satisfaction and organizational commitment to be negatively correlated with turnover intentions.

Considering the previous research evidences, we hypothesize that;

- H1: Job Satisfaction will be negatively correlated with turnover intentions, and
H2: Organizational Commitment will be negatively correlated with turnover intentions.

Another possible predictor of turnover intentions, is perception of alternative job opportunities among the employees. If organizations fail to provide substantial growth opportunities, the employees actively start searching for an alternative job and their search is based upon the perceived opportunities in external market (Negrin & Tzafrir, 2004). Findings of Ing-San Hwang & Jyh-Huei Kuo (2006) revealed a significant positive correlation between perceived alternative job opportunities and turnover intention in the public sector organizations. The same has been proved by Lambert, Hogan & Barton (2001) in a study that focused on impact of job satisfaction on turnover intent. It was revealed that job satisfaction had the largest impact on turnover intentions and perceived availability of alternate jobs had positive correlation with turnover intentions of the employees. Thatcher, Stepnia & Boyle (2003) have conducted a research on turnover of information technology workers and found a strong positive correlation between perceived alternative job opportunities and turnover intention. Organizational commitment had a negative influence on turnover intention in this study. The researchers argued that organizational commitment was a mediating variable between job satisfaction and turnover intention.

Taking into account the previous research studies on turnover intentions and perceived alternative job opportunities, we hypothesize that;

- H3: Perceived alternative Job Opportunities will be positively correlated with turnover intentions.

3. Theoretical Framework

The objective of this research was to find out the effect of job satisfaction, organizational commitment and perceived alternative job opportunities on turnover intentions so that an insight to high turnover among IT professionals may be acquired. Almost all of the

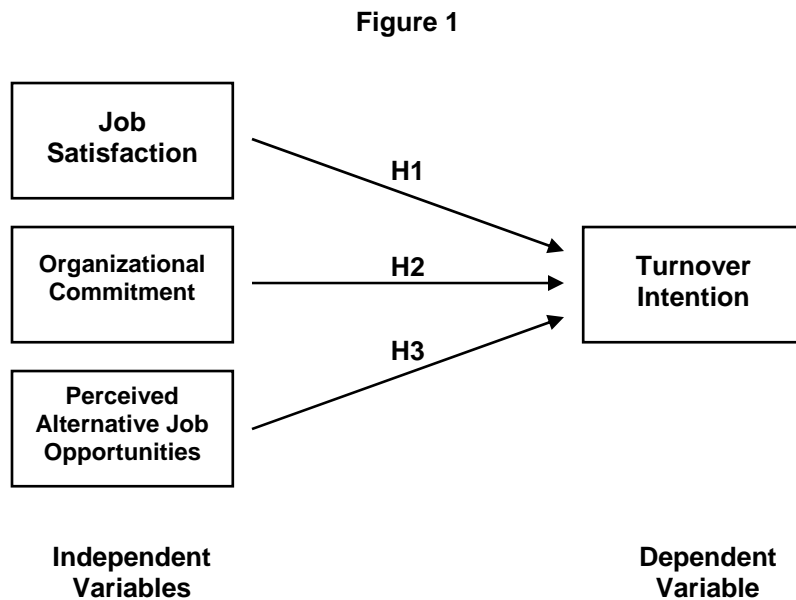
studies mentioned in the literature review comprise research in American and European firms and this study has an emphasis on Pakistani context. The framework for this research study has three independent variables namely job satisfaction, organizational commitment and perceived alternative job opportunities, and one dependant variable i.e. turnover intention as illustrated in figure 1, with following assumptions:

H1: Job satisfaction is negatively correlated to turnover intention.

H2: Organizational commitment is negatively correlated to turnover intention.

H3: Perceived alternative job opportunities are positively correlated to turnover intention.

Following model depicts the relationship among the independent and dependant variables, forming the theoretical framework.



4. Methodology

4.1. Subject

The subject was IT Professionals in Rawalpindi/Islamabad vicinity, mostly computer programmers, Web Developers and Database Developers. Sample size was decided to be 100 but 74 questionnaires were acquired despite the best efforts of researcher.

4.2. Procedure

Data was acquired through personally administered questionnaires at the workplace to save time. The questionnaire included items to measure job satisfaction, organizational commitment, perceived alternative job opportunities and turnover intention. In addition to the items to measure independent and dependant variables, demographics were also included, like age, gender, highest level of education, nature of job, income level, tenure and years in the related industry. Out of the 100 questionnaires, 51 were administered personally at the workplace though the HR Managers resisted due to time constraint. The rest of 49 were left with the various HR Managers but only 23 were returned back to the researcher. Employees were briefed about the purpose of the questionnaire and were assured that there were no right or wrong answers and the questions have been designed to assess their feelings and attitude toward their jobs. They were also assured of the confidentiality of this research.

5. Measures

5.1. Demographics

Demographics included age, gender, highest level of education, nature of job, income level, tenure and years in the related industry. Demographics were not used in the correlation analysis with the dependant variable i.e. turnover intention.

5.2. Job Satisfaction

Job Satisfaction (JS) was measured through nine questions that were divided in three parts namely satisfaction with pay (Index of organizational reactions questionnaire; Smith, 1976), Satisfaction with nature of work (Minnesota satisfaction questionnaire; Weiss et al, 1967) and Satisfaction with supervision (Index of organizational reactions questionnaire; Smith, 1976). The responses of the questions were converted to Likert Scale of 1-5.

5.3. Organizational Commitment

To measure the organizational commitment (OC), a shorter version by Porter *et al* (1974) was used. The responses have been designed on Likert scale of 1-5.

5.4. Perceived Alternative Job Opportunities

Perceived Alternative Job Opportunities (PAJO) was measured using six item scale, adapted from Mowdey *et al* (1984), Billings and Wemmerus (1983), Arnold and Feldman (1982) and Michaels and Spector (1982).

5.5. Turnover Intention

Three item scale from Michigan Organizational Assessment Questionnaire (Cumman *et al*, 1979) was used to measure turnover intention (TI).

6. Results

The demographics and descriptive statistics of the sample are presented in tables 1 and 2. Out of 74 respondents in the sample, 55 belonged to the 20-30 age category, comprising 74.32% of the total sample. Males were 85% approx. of the total sample. About 60% of the respondents had Masters as their highest education level. About 77% of the professionals had technical nature of job and only 23 % were involved in administrative activities. About 73% of the professionals were drawing a salary between Rs. 20,000 to 30,000 and more than 50% had tenure between 1-5 years. About 60% were in the related industry for 1-5 years.

7. Hypothesis Testing

Correlation and regression analysis were conducted on the data to test the hypothesis one to three. Hypothesis 1 which stated that job satisfaction was negatively related with turnover intention is verified by the findings of this research. Results of correlations in table 3 provide a modest support to hypothesis 2 which states that organizational commitment is negatively related to turnover intention. Hypothesis 3 that states "Perceived Alternative Job Opportunities are positively correlated with turnover intention", has received the strongest support of the other two independent variables.

Table 1

Demographics	Category	Number	%age
Age	20-30	55	74.32%
	31-40	17	22.97%
	41-50	2	2.70%
	50 or above	0	0.00%
Gender	Male	63	85.14%
	Female	11	14.86%
Highest Level of Education	Bachelors	23	31.08%
	Masters	44	59.46%
	MS/M.Phil.	7	9.46%
	PhD	0	0.00%
Nature of Job	Administrative	17	22.97%
	Technical	57	77.03%
Income Level (Pak. Rs.)	20-30,000	54	72.97%
	31-40,000	10	13.51%
	41-50,000	6	8.11%
	51,000 or above	4	5.41%
Tenure	Less than a year	30	40.54%
	1-5	38	51.35%
	6-10	5	6.76%
	11 or above	1	1.35%
Years in Industry	Less than a year	11	14.86%
	1-5	45	60.81%
	6-10	15	20.27%
	11 or above	3	4.05%

The results of correlations are presented in table 3.

Table 2
Descriptive Statistics

	JS	OC	PAJO	TI
Mean	3.161	3.525	3.090	2.590
Standard Error	0.077	0.076	0.079	0.115
Median	3.222	3.500	3.167	2.667
Mode	3.667	3.500	3.000	2.667
Standard Deviation	0.663	0.653	0.680	0.991
Sample Variance	0.439	0.426	0.462	0.982
Minimum	1.333	1.750	1.000	1.000
Maximum	4.778	4.875	4.333	5.000
Sum	233.889	260.875	228.667	191.667
Count	74	74	74	74

Table 3

Correlation Coefficients

	JS	OC	PAJO	TI
Job Satisfaction (JS)	1.000			
Organizational Commitment (OC)	0.486	1.000		
Perceived Alternative Job Opportunities (PAJO)	0.183	0.156	1.000	
Turnover Intention (TI)	-0.028	-0.069	0.531	1.000

8. Discussion

This study focused on three independent variables job satisfaction, organizational commitment and perceived alternative job opportunities for having a correlation with a dependant variable i.e. turnover intention among the IT Professionals in vicinity of Rawalpindi and Islamabad, Pakistan. Job Satisfaction has a negative correlation with turnover intention as it is verified in the previous researches but shows a very modest correlation and this suggests that its contribution to turnover intention is very little and many other factors might be contributing to turnover intention as well. Organizational Commitment has a negative correlation with turnover intention which is consistent with the research conducted by Khatri *et al* (2001), but shows a modest correlation according to this study.

Out of the three independent variables, only perceived alternative job opportunities were found to be strongly correlated with turnover intention. According to the study of Khatri *et al* (2001), conducted in Singapore, perceived alternative employment opportunities was a poor predictor of turnover intention. This research study suggests otherwise and the reason is that Khatri *et al.* had conducted the study in food, beverage and marine industry and the sample comprised operatives and lower level workers who have limited job opportunities with similar working conditions and other incentives within the industry. This study focused on IT Professionals who have more job opportunities as more and more IT organizations are competing for the best talent and are offering better working environment, higher salaries and other incentives.

So, when an IT Professional perceives the alternative job opportunity as high, his turnover intention increases and on the other hand, when he perceives no better job opportunity, he might decide to stay with the organization longer. This explains the stronger correlation between Perception of alternative job opportunities and turnover intention among IT Professionals. This is also consistent with the recent findings of Ing-San & Jyh-Huei (2006) that revealed a significant positive relationship between perceived alternative employment opportunities and turnover intention in the public sector organizations. This study has certain implications for managers. HR policies should be devised in such a way that IT professionals perceive the monetary incentives and working environment compatible with the market. Managers should provide quality supervision to increase job satisfaction that would, in turn, reduce turnover intention and this will help in retaining the talented professionals.

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