

## The effect of person organization fit on intention to leave among academicians in private universities in Malaysia

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### Keywords

Person-Organization Fit (POF), Turnover Intentions (TI)

### Abstract

*The aim of this study is to find the relationship between person-organization on turnover intention amongst the lecturer in private universities in Malaysia. The questionnaire-based survey will be conducted to collect the data for the study. The sample size of the study is 107 lecturers from 13 different private universities in Malaysia.*

### Introduction

Employee turnover has been and remains an important topic of study even after hundred year of research and thousands of published studies (Hom, Lee, Shaw, & Hausknecht, 2017). High voluntary turnover is negatively related to overall organisational effectiveness and success and most importantly, it is costly for organisations (Han, Bonn, & Cho, 2016; Holtom, Mitchell, Lee, & Inderrieden, 2005). Despite its unsavoury consequences, the literature continues to indicate high turnover intention among highly skilled workers universally. The U.S. Bureau of Labor Statistics (BLS, 2017) reported 3.2 million voluntary quits in May 2017, about a 10.3% increase from 2.9 million quits in July 2016. Asian business organisations have been no exception, as voluntary turnover rate is continuously increasing. According to 2017 Hays Asia Salary Guide, 34% of respondents were actively looking for a new job and of those individuals, 25% plan to change jobs in the next 6 months (Hays, 2017). The education sector is also no exception, according to National Higher Education Research Institute (2004), the turnover rate of lecturers in public universities and private universities/colleges was 18.18% and 45.45% respectively in 2004. The education sector in general has also been reported to have a high turnover rate. According to the Malaysian Employers Federation (MEF), the average turnover rate for the education sector was 29.2% in 2011; it ranked third among all the sectors. These statistics indicate that voluntary turnover is an obstacle against businesses achieving their strategic objectives.

A solid body of research indicates person-organization fit (P-O fit) as the key function related to a broad range of positive workplace outcomes for both employees and employers (Kristof-Brown, Zimmerman, & Johnson, 2005; Resick, Giberson, Dickson, Wynne, & Bajdo, 2013). Person-environment (PE) fit is defined as the agreeableness that occurs when individual and work environment characteristics are well matched (Kristof-Brown et al., 2005). Person-environment fit is the match between an employee's individual characteristics and his work environment. It is the well-known subject area of human resource and organizational behaviour research as it relates to different prominent outcomes in different phases of individuals' work-life cycle. In the beginning of their career, individuals pursue and choose those professions which might be fit with their self-concepts as well as their primary interests (Holland, 1985). Likewise, in the course of the employment search and selection processes, applicants choose between the available alternatives according to their perceived fit with certain occupations along with organizations (Cable & Judge, 1997). In the long term, individuals' fit with different aspects of the work environment influences many attitudinal and behaviour outcomes, moving over wide areas through job and career satisfaction to turnover goal and actual turnover behaviour (O'Reily, Chatman, & Caldwell, 1991). Research on person-organization fit indicates that organizational values are a good predictor of job choices and that individuals preferred jobs or careers in organizations which displayed values like their own (Schneider, 1987; Tinsley, 2000). In the long term, employees' match with different factors in the workplace has an impact on quite a few attitudinal as well as behavioural effects, ranging through

employment as well as career fulfilment to turnover target and genuine turnover behaviour. P-O fit is significantly affects employees' turnover intention, working attitude, organizational citizen behaviour, ethical behaviour, pressures, and job performance, hence, it has drawn attention in both the academic and practical management fields (e.g., Elfenbein & O'Reilly, 2007; Jansen & Kristof-Brown, 2006; Kristof, 1996; Kristof-Brown, Zimmerman, & Johnson, 2005; Verquer, Beehr, & Wagner, 2003).

In P-O fit, the compatibility between employees and organizations is emphasized (Kristof, 1996; Kristof-Brown, Barrick, & Stevens, 2005). According to Kristof (1996) There are two types of compatibility (Kristof): supplementary and complementary. Supplementary fit describes the situation that happens when an employee's personal characteristics are harmonious with those of the organization. As for the complementary, if the employee's characteristics fill gaps left by others or if his or her psychological needs are fulfilled by characteristics of the work environment, then the complementary fit is achieved. Whether the fit is supplementary or complementary, the better the fit, the happier the employees will be (Bright, 2007; Kristof, 1996).

The purpose of this paper is to examine the impact of P-O fit on turnover intention amongst lecturer in private universities in Malaysia. It is conceptualized that the compatibility between individuals and the organisation they work for leads employees to be highly committed with their role performance. By practice, highly committed employees would be less decided to quit their jobs. In doing so, the present study addresses one major gaps in the research literature. The present research has a key methodological significance. Most of the past studies applied first generation methods of data analysis (see Hassan et al., 2012; Peng, Lee, & Tseng, 2014; Wheeler et al., 2007). Recent developments in quantitative methods indicated several limitations of first-generation methods.

The recommendation is to use second generation methods, especially structural equation modelling, which is a must for social science research (Hair, Hult, Ringle, & Sarstedt, 2017; Hooper, Coughlan, & Mullen, 2008). Partial least squares structural equation modelling (PLS-SEM) is highly recommended for complex and mediating structural models (Avkiran, 2017; Nitzl, Roldan, & Carrion, 2016; Richter, Sinkovics, Ringle, & Schlägel, 2016). However, and surprisingly, PLS-SEM has rarely been applied in Human Resource Management and organisational behaviour research. By employing PLS-SEM, this study addresses this clear methodological gap. Overall, the findings from this study provide sensible insights for the HRM practitioners and the relevant stakeholders. The next section defines on social exchange theory and Lewin's field theory, the hypothetical linkages among P-O fit and turnover intention are developed in this section. The following is a brief account regarding the research methods used to achieve objectives of the present study.

## **Theoretical Background and Hypotheses Development**

### **Lewin's Field Theory**

Field theory is a framework that is practical in comprehending individuals' behavioural, cognitive, and affective aspects (Houston, Bettencourt, & Wenger, 1998). Lewin's field theory (Lewin, 1943, 1951a) had been implemented in various models of Human Resource Management-performance as a theoretical foundation of the relationship between P-O fit and the related behavioural and attitudinal outcomes. The field theory basically believes that the activities of the employees and employers in a particular field are guided by their relative positions within the field and their relationship with one another (Miles, 2012). Further, Lewin (1943) held that two aspects are vital to assimilate a behaviour, namely understanding the status quo or current situation in which the behaviour takes place, and the conditions and forces that influence the individual at a particular moment. As such, the employees and employer's s' interrelationships may result in collective cultures and subjectivities. Lewin's field theory is incorporated in the present research to conceptualize the interrelationship between P-O fit and turnover intention. Individuals' behaviours are dependent on their work environment (Lewin, 1951a). The synergy between individuals and their work environment leads to the progress of specific behaviours and attitudes among the individuals. Positive behaviours tend to be shown by the individuals who have a positive perception on their organisation (work environment). This is illustrated when the employees perform the job roles effectively, go beyond the expectations, and display high energy in the workplace and are less likely to leave their organisations.

### **Social Exchange Theory**

Social exchange theory (SET, Blau, 1964; Homans, 1961) is at the heart of the Human Resource Management performance models to explain the interrelations between constructs and is considered one of the most powerful theories for understanding work-related behaviour (Cropanzano & Mitchell, 2005). Social exchanges and obligations are the key belief of SET and can be developed through series of interactions between parties (Blau, 1964). Additionally, norms of the reciprocity organize social exchanges (Evans & Davis, 2005; Sparrowe & Liden, 1997). As such, social exchange process is understood as a mutually contingent and mutually beneficial function (Emerson, 1976). The relationship between employee and employer depends on social exchange (Blau, 1964; Snape & Redman, 2010). To illustrate, organisational initiatives, such as provision of socioemotional and economic resources, ensuring a well-matched and friendly work environment, and having like-minded peers, can create camaraderie and obligation among employees. As a result, in the course of reciprocity, employees tend to repay through their positive and beneficial attitudes and behaviours (Lam, Chen, & Takeuchi, 2009; Snape & Redman, 2010). Drawing on these assumptions, according to Saks (2006), it is expected that compatibility of individuals is seen by employees as a beneficial act directed towards employees, thus increasing their loyalty towards their role performance, displaying high level of energy at work, exhibiting an emotional attachment with their respective organisations and staying longer.

### **Hypotheses Development**

According to Shaw, Gupta and Delery (2005), turnover can diminish the organization's knowledge capital and weakens its reputation, as well as increasing the cost of hiring staff. Three categories of factors that can affect turnover intention: 1) environment or economy; 2) employees; and 3) organization level (Moynihan & Pandey, 2007). According to Elfenbein and O'Reilly (2007), it is vital to pay attention to the fit of values between employees and the organization. It has been observed that employees are more willing to stay with organizations with which they have something in common or feeling of belongingness (Schneider, 1987). Researchers have found that the better the P-O fit, the less intention employees must quit (Brown & Yoshioka, 2003; Moynihan & Pandey, 2007; Rynes, Brown, Colbert, & Hansen, 2002; Vandenberghe, 1999). This is supported by Vandenberghe's research with Belgian nurses which showed that when these nurses felt better fit with the organization, they tended to stay in the job for at least 12 months. Brown and Yoshioka studied staff working in non-profit organizations and their findings also supported these conclusions. Verquer et al. (2003) and Kristof-Brown, Zimmerman, and Johnson (2005) in their metaanalyses of P-O fit showed that it was negatively related to turnover intention. The findings of Moynihan and Pandey in their study of 326 employees from nine organizations in the eastern United States also supports this conclusion. In other words, the better the P-O fit, the less likely employees are to quit. Evidently, Biswas and Bhatnagar (2013) noted that P-O fit was highly associated to the employees belonging to organisations in north India. Therefore, this study posited the following hypothesis:

P-O fit will be negatively related to turnover intention: the better the degree of P-O fit, the less likely the employee will be to quit.

### **Research Methodology**

#### **Sample**

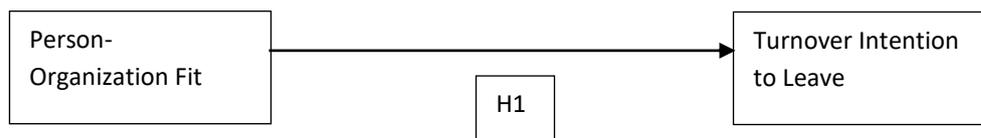
According G Power 3.1.9.2 calculation, the minimum sample for this study is at least 107 respondents. The respondents were all who are working fulltime in the private universities as lecturers.

#### **Measurement of Key Variables**

There are many ways to measure P-O fit; each method has its own favoured and unflavoured circumstances. According to Kristof-Brown, Zimmerman, et al. (2005), objective coherence between an employee and an organization must first be seen through that employee's perceptions. In proper sequence, these perceptions are likely to be more cognitively available and, therefore, more proximally related to attitudes and decisions than objective P-O fit would be (Cable & DeRue, 2002). Since this study was concerned that the survey was based on the voluntary participation of private universities' lecturers without controlling conditions, the study decided to use perceived fit for the measurement of P-O fit in the survey. This approach is very commonly used (see e.g., Resick et al., 2007). This meant that the private

universities' lecturers who completed the survey made their assessments according to their own feelings. Using Cable and DeRue's (2002) P-O fit measurement, the participants will be asked to indicate their agreement with three statements, rating these from 1 (strongly disagree) to 6 (strongly agree). The responses are used as three observed indicators of P-O fit. Because it is not easy to acquire actual turnover rates, in measuring the dependent variables (turnover intention), this study will follow the empirical studies in which turnover intention is set as the predictor instead of actual turnover.

Although turnover intention cannot completely replace actual turnover, the two are closely similar (Dalton, Johnson, & Daily, 1999). According to Moynihan and Pandey (2007), measuring turnover intention rather than actual turnover would also allow us to ascertain the employees' emotional attitude because whether employees will quit depends on the conditions and environment in the organization. For these reasons, this study chooses to measure employees' turnover intention. This study will use five items taken from a questionnaire written by Wayne, Shore, and Liden (1997). A sample item is: "As soon as I can find a better job, I'll leave". Respondents will answer on a scale ranging from 1 = strongly disagree to 6 = strongly agree. An overview of the research framework is depicted in the diagram below.



### Discussion and Conclusion

The degree of P-O fit has a strong effect on employees' attitudes and behaviours in an organization, therefore, it has become an important topic in the study of organizational behaviour and personnel management. The specific research objectives of this study are to examine the impact of person-organization fit on turnover intention amongst lecturers in private universities in Malaysia. According to Schneider's (1987), employees prefer to work with an organization with which they have something in common. There is considerable evidence that found that the better the P-O fit, the less likely employees are to quit (Brown and Yoshioka, 2003) and this is in line with the hypothesis of the study.

Moreover, employees who have been with an organization for a long time have the best possibility for promotion and career enhancement. According to Schoorman and Holahan (1996), when deciding to remain in their positions or quit, the results showed that employees in the Chinese public sector often encounter escalation of commitment so that, employees will still stay in a job because they believe that negative image will disappear. The importance of exploring the mechanism of efficacy of P-O fit is clear because only through further study of the way in which P-O fit affects employees' behavior and attitude can an understanding be gained of organizational behaviour and personnel management (Kristof-Brown, Barrick et al., 2005). This study extended the research related to P-O fit to a non-Western setting by surveying a group of full-time lecturers from Malaysia, a country that has racial diversification. This study examined the relationship between P-O fit and turnover intention. A more serious concern is common method bias due to the self-report measurement of all variables (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Furthermore, the data that will be from questionnaires for which most of the variables were chosen subjectively, and, therefore, the conclusion cannot be generalized. Through more scientific and severe research (such as longitudinal design) and larger samples from other sectors or industries greater understanding of P-O fit will be obtained which will provide more information on management practice.

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