

JOB SATISFACTION AND TURNOVER INTENTION INFLUENCE OF ORGANIZATION PERFORMANCE: EXPERIENCE AT HIGHER EDUCATION INSTITUTION IN SHANGHAI CHINA

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ABSTRACT

As a powerful supplement to public higher education institution (HEI), private higher education plays an active role in popularizing the higher education to the massive number of students in China. This study explored the key relationship between job satisfaction and turnover intention among private HEI in Shanghai. 36-items from Job Satisfaction Survey (JSS) and 6-items from Turnover Intention Scale (TIS-6) were utilized to measure the level of job satisfaction and turnover intention respectively. Through stratified random sampling, 5 private HEI in Shanghai, China was selected with 212 lecturers involved in this study. The level of job satisfaction was at a moderate level (3.199 ± 0.906) and turnover intention was at a high level (4.258 ± 1.256). While these lecturers came from different backgrounds, there was no significant difference between male and female on the level of job satisfaction and turnover intention. There was a significant effect of highest qualification of lecturers on the level of job satisfaction and turnover intention. Job position of lecturers had a significant effect on several dimensions of job satisfaction. A significant negative correlation was found between the dimensions of job satisfaction and turnover intention. Multiple regression analysis further pin-points the exact impact of each dimension of job satisfaction, namely pay, promotion, operating procedure, and communication. This study recommended improvement in the pay level, effective incentive mechanism, fair promotion, solid professional development and rational operating procedure as an intervention to curb turnover intention.

Keywords: Job satisfaction, turnover intention, private higher educational institution.

INTRODUCTION

China's private Higher Educational Institution (HEI) has achieved great success after more than three decades of development. Private HEI is a powerful complement to the public HEI and formed an important part of Chinese higher education. The rise of private HEI not only diversifies the development in China's higher education, but it also helps to rationalize the allocation of educational resources. The number of HEI in China has risen tremendously from 2305 to 2990 in past one decade (Ministry of Education, 2019). This effectively resolves the existing shortage of higher education for a huge pool of talent demand in China. It made an important contribution to the transformation of Chinese higher education from "elite" to "popular" (Fan, 2002). It creates accessibility for everyone to attend higher education.

However, it is not without its problem. There are various issues in the internal mechanisms of private HEI that restricted their development such as instability, high turnover and low work enthusiasm among their teaching staff. The lecturer is the core human resource for every educational institution to carry out all the teaching and research work. They are the key to improve the ranking of an educational institution and form the basic foundation of sustainable development of higher education. The Outline of National Medium and Long-Term Education Reform and Development Plan (2010- 2020) also clearly stated that it is necessary to "improve the status and treatment of educator make educator a respected profession that continuously improves their work and study as well as the living conditions. This would attract outstanding talents for teaching and lifelong teaching (Mohrman, Geng & Wang 2011).

CONCEPTS OF JOB SATISFACTION

Berelson and Steiner (1949, in Babu 2008) have defined job satisfaction as an inner state of human activity that all the conditions, hopes, wishes, and motivations that are to be won in the heart constitute a pleasurable state for human beings. All actions of people are caused by certain motives. Motivation is a state of mind, which can stimulate, promote, and strengthen people's actions. Therefore, motivation refers to the psychological process of continually stimulating people's motivation and internal motivation, keeping their psychological processes in a state of excitement, and encouraging people to take action toward their desired goals.

The concept of motivation resonates strongly with management. This is because one of the key roles of management is to motivate their employees, mobilize their enthusiasm and creativity using various effective methods. All this is only to achieve one sole objective, which is for all employees to do their best to complete the tasks assigned by the organization and ultimately achieve the goals of the organization. Therefore, an effective incentive plays a huge role in job satisfaction. It ignites employees' work enthusiasm, encourages employees to work harder, let employees generate desires to surpass themselves and others, and release their potential strong internal drive to dedicate their enthusiasm to company's long-term goals to achieve a double-win situation between individuals and organization (Porter, Bigley & Steers 2003).

Incentive mechanism refers to the way of reflecting the interaction between the subject and the object through a set of rationalized systems. In the organizational setting, this system utilized multiple methods to make incentives relatively

standardized to interact with and motivates the employees. The incentive mechanism is an important part of human resource management and an important factor for the survival and development of any organizations (Becker & Gerhart 1996).

In management, incentives have two roles for organizations which are fostering and weakening. The role of growth is reflected in the fact that the incentive mechanism has a continuous strengthening effect on individual behaviors of employees that met the organizational expectations. Under this role, the organization will continue to grow and develop, which is known as good incentives. However, the weakening effect of the incentive mechanism is reflected in the fact that there are some de-motivating factors. It did not provide the expected behavior of every individual employee. In other word, if the incentive mechanism itself is not sound enough, or because some factors in the incentive mechanism are not feasible, it will inevitably weaken and inhibit the enthusiasm of some employees. This is the flaw in the incentive mechanism.

In order to boost the job satisfaction of the employee, managers ought to identify the real needs of employees when formulating incentives. This can effectively combine the measures to meet employee's needs with the realization of organizational goals. Similarly, if the weakening effect of incentive mechanism plays a leading role in the organization for a long time, then the employee's work enthusiasm may be suppressed and weakened, and the development of the organization will inevitably be restricted or even declining. Therefore, it is necessary to eradicate the de-motivating factors and replace them with effective incentives. Many studies have shown that job satisfaction is positively related to the construction of emotional intelligence. In addition, job satisfaction is often seen as a representative of employee work benefits (Grandey, 2000 in Carmeli, 2003).

THEORIES OF JOB SATISFACTION

Western countries have studied the issue of job satisfaction earlier than China. Various theories, methods and contents are extremely comprehensive such as the Maslow's hierarchy of needs (Huitt, 2004), Herzberg's two-factor theory (Lundberg, Gudmundson & Andersson, 2009), Alderfer ERG theory (Robbins, 1993 in Chiu & Lin, 2004), Equity theory (Janssen, 2001) and Vroom's expectation theory (Vroom, 1964 in Miner, 2015). James (1890) has done a special study on the issue of human motivation. The conclusion is that if there is no incentive, a person will only play 20%-30% of his ability. If he or she is encouraged, one's ability may be 80%-90%, and 60% of the gap is the result of effective incentives.

Job satisfaction theory can be roughly divided into two main categories: content theory and process theory. Content theory mainly studies what people need and how to meet these needs and stimulating people's psychological motivation. The focus of the content theory is to study the factors that motivate people's motivations. On the other hand, process theory focuses on the psychological process from the generation of motivation to the action. It identifies the key factors that determine a person's behavior and to clarify the interrelationships between factors to predict and control people's behavior.

MODELS OF JOB SATISFACTION

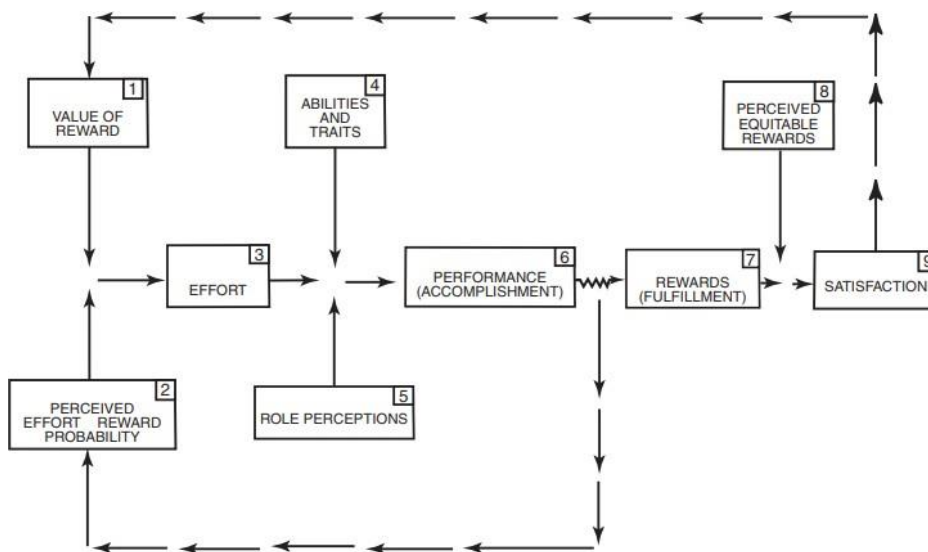
PORTER AND LAWLER'S MOTIVATION MODEL

Porter and Lawler (1968) constructed a model based on Vroom's Expectancy Theory but surpassed the limited incentive concept to overall performance. Improvisation on Vroom's Expectancy theory indicated that ability and motivation are related to performance in a multiplicative manner.

$$\text{Performance} = f(\text{capability} \times \text{motivation})$$

There are 9 different aspects in this motivation model: (1) Value of rewards – how attractive or desirable outcomes are (potency), (2) Perceived effort reward probability – probability of return on whether the difference reward is based on perception of difference in effort, which divided into hard performance (expectation) and performance reward (tool) components, (3) Effort – energy consumed by the task (power), (4) Ability and traits – long-term characteristics of a person, (5) Role perception – type of effort a person thinks is necessary for effective job performance, (6) Performance – achievement of a person in the task of composing a job, (7) Rewards from your own thoughts or the actions of others (intrinsic and extrinsic) in ideal state, (8) Approved Fair Reward – amount of reward that a person considers to be fair and (9) Satisfaction – degree to which a reward received meets or exceeds the level of perceived fairness (unsatisfactory is only from unfairness of under representation).

Figure 3: Porter-Lawler Motivation model



(Source: Porter and Lawler, 1968)

CONCEPTS OF TURNOVER INTENTION

The earliest scholars to study resignation outside China were Margie and Simon (1958), who defined the intention to leave in "Organizations" as "the strength of individuals who want to leave the current job and look for other job opportunities." Porter, Steves, and Mowad (1974) defined the turnover tendency as "a kind of withdrawal behavior that employees experience in dissatisfaction in the organization." Mobley (1977) defined turnover intention as a state of mind when employees worked in a particular organization for a period of time and decided to leave the organization after a long consideration. The turnover intention was the employee's transition from job dissatisfaction to actual separation behavior (Mobley, 1977 in Price, 2001).

In general, the passive separation of employees is conducive to the development of the organization, and active separation is often not conducive to the development of business. Since the employee's voluntary separation may lead to the low morale of other members of the organization, this results in the loss and waste of human resources investment costs. Hence, turnover becomes the focus of discussion in many organization especially managers and those theoretical researchers. In view of the fact that separation has a great impact on the life, family, and occupation of the employees, the employees usually choose to leave the company only after careful consideration, thus the employees would more or less show their turnover intention before formal separation (Arokiasamy, 2013).

Massive amount of research has been conducted in identifying the factors affecting the turnover intention. Brown (1967) proposed seven factors that caused turnover: leadership ability, colleague ability, colleague relationship, salary level, teaching content, research facilities, opportunity, and teaching load. In the field of education, Frauer (1973) believed the main factor of turnover was the gap between lecturer's work ethics and the academic values of his school. Moore et al. (1988) analyzed Michigan State University through possible cause analysis and found that lack of research funding, lack of research opportunities, salary levels, relevant leadership and reputation of the department were the main reasons for lecturer turnover. Chave William (1986) stated that remuneration for work was an important factor in the intention of lecturers to leave their posts. Moore (1988) also listed the reward factor as the primary factor for lecturers' motivation to leave (Kirschenbaum & Weisberg, 2002).

Mobley (1977) pointed out that turnover intention was the most predictive variable in turnover behavior and the most direct indicator of separation. As long as the deviation intention was tested, it could predict the possible factors affecting the future separation of employees in the organization. This could be used to improve the corresponding measures or implement corresponding measures to reduce employee turnover. In the study of the separation, the earliest observed attitude variable was job satisfaction, and its impact on turnover had been a hot topic of research. A large number of studies have found that employees who are dissatisfied with their work are more inclined to leave their current jobs, so it is possible to effectively reduce the turnover behavior within the organization by changing the employee's job satisfaction.

Many scholars have drawn from the actual measurement research that there is a great correlation between job satisfaction and turnover intention. In summary, Western countries have produced many profound insights into the research on lecturers' job satisfaction. These studies have explored and analyzed the job satisfaction of lecturers from different perspectives, deepened the understanding of lecturers' motivation and lecturer management knowledge, and promoted scientific and humanized management.

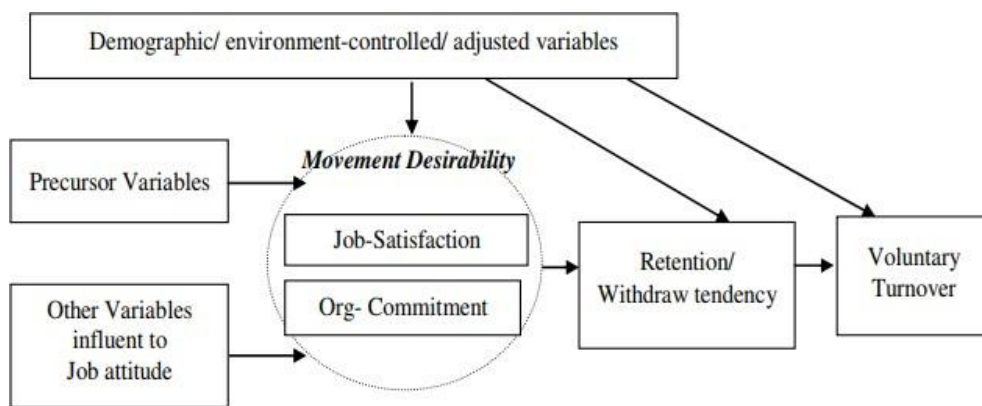
Similarly, Western countries have a relatively early and significant practical significance in the study of turnover intentions, since the issue of employee turnover has always been a hot topic in organizational behavior research. One of them, through the design of scientific and reasonable scales for empirical research and analysis, can be used to derive the maximum external or intrinsic factors to retain employees. Thus, by taking appropriate measures or improving corresponding measures, it would effectively avoid employee turnover. This is very necessary for personal development and organizational development.

MODELS OF TURNOVER INTENTION

TRADITIONAL TURNOVER MODEL

It is widely believed that the Traditional Turnover Model of the process of volunteer employee turnover (including turnover) conversion intentions and behaviors is the opposite of the employee retention transformation process psychology and behavior. It comprised of four stages: (1) Exit process caused by job dissatisfaction, (2) employee finds another job before the business, (3) evaluation of this alternative work and (4) turnover as the result.

Figure 4: Traditional Turnover Model

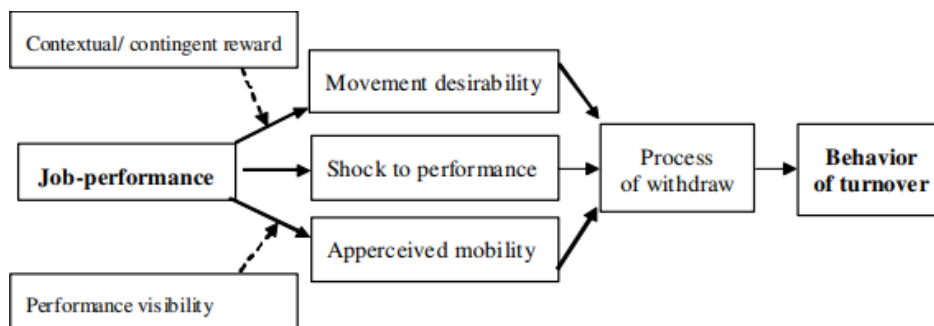


(Source: Griffeth et al., 1998; pp. 463-488)

INTEGRATED MEDIATED MULTI-ROUTES MODEL

Past research had overemphasized the negative impact on organizational employee turnover and most turnover research only focused on employee performance and job satisfaction models without interactive evaluation. Therefore, the direction of the voluntary resignation of higher vocational personnel is being explored and the so-called "unfavorable consumption" organization has emerged. This makes the relationship between employee job performance and employee performance voluntarily resign as a special field of research with more value to improve the organization, the competitiveness, and needs of the organization.

Figure 5: Integrated Mediated Multi-routes Model



(Source: Wei Bo, Kaur & Zhi, 2010)

The construction of this type of research model, the relative performance level of the assignee and the retainer, the influence of their background factor implementation and participation in decision making, and the performance consequences of the organization's turnover are the key to understanding employee turnover.

FINDING

LEVEL OF JOB SATISFACTION

There were nine dimensions in job satisfaction: Pay, Promotion, Supervision, Fringe Benefits, Contingent Rewards, Operating Procedures, Co-workers, Nature of Work and Communication. Each dimension had 4-items. For the combined samples, the overall mean score for Pay was 3.485, Promotion was 3.688, Supervision 3.508, Fringe Benefits 3.479, Contingent Rewards 3.563, Operating Procedures 3.500, Co-workers 3.537, Nature of Work 3.645 and Communication was 3.382.

Based on the level of mean for each dimension in job satisfaction, they were categorized into "very low", "low", "moderate" or "high". In this study, most of the dimensions showed that the lecturers had a moderate level of job satisfaction. Only pay, operating procedures and communication had a low level, while the remaining dimensions in job satisfaction showed a moderate level. However, the level of turnover intention was high.

Table 8: Mean and standard deviation of research variables

Variable	Research variable	Mean	Standard deviation	Level
Job satisfaction	Pay	2.485	0.911	Low
	Fringe benefits	3.688	0.882	Moderate
	Contingent rewards	3.508	0.936	Moderate
	Promotion	3.479	0.935	Moderate
	Supervision	3.563	0.809	Moderate
	Operating procedures	2.500	0.874	Low
	Co-workers	3.537	0.919	Moderate
	Nature of Work	3.645	0.966	Moderate
	Communication	2.382	0.923	Low
	Total	3.198	0.906	Moderate
Turnover intention		4.258	1.256	High

CORRELATION BETWEEN DIMENSIONS OF JOB SATISFACTION AND TURNOVER INTENTION

This study utilized the Pearson correlation to indicate the correlation between dimensions of job satisfaction and turnover intention. In this study, all the dimensions of job satisfaction and turnover intention were analyzed with SPSS due to the huge number of samples. Based on Pearson correlation coefficient, the critical r values are .178, .232 and .292 for alpha value of .05, .01 and .001.

Table 12: Correlation between dimensions of pay satisfaction and turnover intention

	Turnover
Pay	-.340**
Fringe benefits	-.172
Contingent rewards	-.141
Promotion	-.185*
Supervision	-.057
Operating procedures	-.230*
Co-workers	-.136
Nature of Work	-.165
Communication	-.230*

Note: * Significant at .05 level, ** significant at .01 level, *** significant at .001 level

In this study, there was a statistically significant negative correlation between pay, promotion, operating procedures and communication with turnover intention. The most significant correlation was between pay and turnover intention, followed by operating procedures and communication and lastly was promotion. There was no significant correlation for the remaining 5 dimensions of job satisfaction in fringe benefits, contingent rewards, supervision, co-workers and nature of work with turnover intention.

CONCLUSION

This study discussed the level of job satisfaction, turnover intention and the relationship between these variables among 212 lecturers from 5 out of 40 private higher educational institutions (HEI) in Shanghai, China. Total job satisfaction was at a moderate level while the turnover was at a high level in these private higher educational institutions.

A significant negative correlation was found between job satisfaction and turnover intention. In this study, through analysis, pay, promotion, operating procedure, and communication were found to have a significant correlation with turnover intention. This is also consistent with past studies using bivariate correlation analysis. An in-depth discussion on the level of job satisfaction and turnover intention was done with a comparison of this study with past studies. Practical recommendations were made for management on how to elevate the level of job satisfaction in order to effectively curb turnover intention among private HEI lecturers. Hopefully, this study shed light on the current situation of private HEI in Shanghai, China.

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