

# IMPACT OF PERCEIVED ORGANISATION SUPPORT AND ORGANISATION COMMITMENT ON TURNOVER INTENTION OF WOMEN EMPLOYEES IN IT INDUSTRY

<sup>1</sup>DR SARANYA R , <sup>2</sup>DR MUTHUMANI S

<sup>1</sup>Assistant Professor, Faculty of Business Administration,

<sup>2</sup>Professor & Head, Faculty of Business Administration,  
Sathyabama University, Chennai.

Email: [saranyajagadeeswaran@gmail.com](mailto:saranyajagadeeswaran@gmail.com), [drsmuthumani@gmail.com](mailto:drsmuthumani@gmail.com)

## ABSTRACT

As the information economy expands, the information technology workforce becomes the key to a developing nation economic health. Even after the dotcom bubble burst, IT jobs losses and unemployment growth were short lived. Even though there is a shortage of IT worker supply, hence organization should support and motivate the employees to retain them. This study focuses on Perceived organization support so that it paves way for reducing the turnover intention of employees in IT industries.

**Keywords :** *Perceived organization support, Organization commitment, Turnover intention.*

## 1. INTRODUCTION

Attracting and retaining employees remains one of the biggest challenges for IT industries. The IT industry nationally experience 10 to 15% employee resignations yearly. The cost occurred in loosing women employees is 10 to 20% in IT industries. Female workers play a significant role in IT industry and in society, therefore it is important to examine if a relationship exist between Perceived organization support and employee turnover for women employees. With women employees comprising such a large percentage of the employees in IT industry, the industry has the potential to provide one of their best job opportunities. It is important for the IT industry and society to retain women employee in employment.

## 2. LITERATURE REVIEW

### **Organizational commitment and turnover intention**

Organizational commitment can be generally defined as the relative strength of an individual's identification with, and involvement in, an organization (Mowday et al., 1979; Meyer et al., 2002). Organizational commitment is viewed as a stable attitude, reflecting a general affective response towards the organization as a whole and is generally viewed as more stable and global than employee satisfaction, and consequently more closely related to the achievement of long-term organizational goals due to its broader reaching implications. Further highlighting the importance of organizational commitment is that it is a factor viewed as both an important organizational antecedent and outcome (Meyer and Allen, 1997; Meyer et al.,

2002). As an antecedent, it is noted that committed employees are less likely to leave the organization, as well as feel the need to go beyond normal job requirements. Committed employees also make a more significant and personal contribution to the organization, perform better, engage in organizational citizenship behaviors (OCBs) and are less likely to engage in unproductive or destructive behaviors (Meyer et al., 1993, 2002). As such, organizational commitment is considered an important employee quality for organizations as it is indicative of a more stable, engaged and higher performing employee.

### POS and turnover intention

POS can be defined as the overall extent to which employees believe that their organization values their contribution and cares about their well-being (Eisenberger et al., 1986). The concepts of social exchange and the norm of reciprocity are often used by researchers to describe the motivation for employees to display positive behaviors towards their organization, such as loyalty, which are not formally rewarded or contractually required by the organization (Rhoades and Eisenberger, 2002; Settoon et al., 1996). Applying this to the workplace, when the organization acts in a positive way towards their employees, employees feel that they need to reciprocate, and generally do so in positive ways that are beneficial to the organization (Eder, 2008), thus establishing an exchange relationship (Settoon et al., 1996). Given that employees, especially in a booming economy, have more power, options, and therefore discretion over whether they stay with the organization, it seems

likely that if employees feel the organization has acted positively towards them, they are likely to be committed and remain with the organization (van Knippenberg, 2006). Conversely, if the organization has not acted positively towards an employee, the employee is less likely to remain with the organization (Chiu et al., 2005; Maertz et al., 2007).

### HYPOTHESIS:

1. Perceived Organization support positively related to organization Commitment.
2. Perceived Organization support negatively related to Turnover Intention.
3. Organization Commitment negatively related to Turnover Intention

### 3. METHODOLOGY

The population for the study consists of employees working in leading IT sectors in Chennai. Employees are invited to complete a questionnaire designed to understand and then provide data for turnover intentions. The invitation was made only to the upper middle level of employees (1150) who are working more than 12 months in the organization. A total of 598 usable responses were returned, yielding a response rate of 52 percent. The questionnaire was made available to all employees via the internet. The areas of interest for the present study are limited to organization commitment, Perceived organization support and Turnover intention.

#### 1 MEASURES:

- 1.1 Perceived organizational support**  
Eisenberger et al. (1986) operationalized POS in a 36-item instrument known as the survey of POS. The instrument was

designed to assess the extent to which employees formed and held a global view of POS in their organizations. Full version of scale was not considered in the study. Few questions were deleted to get the higher Cronbach's reliability above 0.900.

**1.2 Organizational commitment**

Organizational commitment was measured using the scale developed by Allen and Meyer (1990). The internal consistency estimate (alpha coefficient) of the organizational commitment scale is .912 in the present study.

**1.3 Turnover intentions**

Turnover intention was measured with three items adapted from the Michigan Organizational Assessment Questionnaire developed by Seashore et al. (1982) cited in Cook et al. (1981). A five-point response scale was employed (1 = "strongly agree", to 5 = "strongly disagree") for all items.

**4. STATISTICAL ANALYSIS:**

Analysis includes correlation and structural equation modeling with the help of SPSS and AMOS packages

**5. RESULTS:**

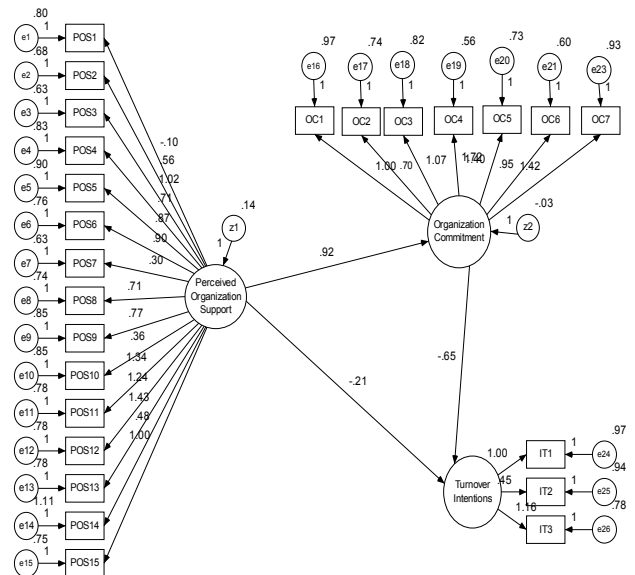
**a. Correlations**

		Perceived Organization Support	Organization Commitment	Turnover Intention
Perceived Organization Support	Pearson Correlation	1	.576**	-.256**
	Sig. (2-tailed)		.000	.000
	N	598	598	598
Organization Commitment	Pearson Correlation	.576**	1	-.316**
	Sig. (2-tailed)	.000		.000

		N	100	100	100
Turnover Intention	Pearson Correlation		-.256**	-.316**	1
	Sig. (2-tailed)		.000	.000	
	N	598	598	598	598

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlations were calculated to gain an understanding of the relationship between the variables. Perceived organization support is found to be (.576) highly correlated with organization commitment and its significant at (.000) level. Turnover intention is found to be negatively correlated with Perceived organization support and organization commitment and its significant at (.000) level.



RMSEA at 0.04, GFI at 0.90, AGFI at 0.86, CFI at 0.91,

NFI at 0.92 are all within the recommended values. This suggests that the model provided a reasonably good fit to the data.

**Regression Weights:**

Hypothesis statements		Estimate	S.E	C.R	P
Organization Commitment	<--- Perceived Organization Support	.923	.405	2.280	.000
Turnover Intentions	<--- Perceived Organization Support	-.212	.481	-.442	.000
Turnover Intentions	<--- Organization Commitment	-.654	.651	-1.004	.000

**(i) Estimate of regression weight**

1. When Perceived Organization Support goes up by 1, Organization Commitment goes up by 0.923.
2. When Perceived Organization Support goes up by 1, Turnover Intentions goes down by 0.212.
3. When Organization Commitment goes up by 1, Turnover Intentions goes down by 0.654.

**(ii) Standard error of regression weight**

1. The regression weight estimate, .923, has a standard error of about .405
2. The regression weight estimate, -.212, has a standard error of about .481.
3. The regression weight estimate, -.654, has a standard error of about .651.

**(iii) Critical ratio for regression weight**

1. Dividing the regression weight estimate by the estimate of its standard error gives  

$$z = .923/.405 = 2.280.$$
 In other words, the regression weight estimate is 2.28 standard errors above zero.
2. Dividing the regression weight estimate by the estimate of its standard error gives  

$$z = -.212/.481 = -.442.$$
 In other words, the regression weight estimate is 0.442 standard errors below zero.
3. Dividing the regression weight estimate by the estimate of its standard error gives  

$$z = -.654/.651 = -1.004.$$
 In other words, the regression weight estimate is 1.004 standard errors below zero.

**6. IMPLICATIONS:**

There is also a need to consider the implications of these findings for managers, and to determine how these new insights can contribute to increased organizational effectiveness. For example, managers need to be aware that employee perceptions of the supportiveness of the organization will impact on turnover intentions, and therefore adapt their decisions and actions accordingly. As was highlighted in the literature review, turnover is an extremely important issue and a core focus of any organization which is striving to be

competitive, and seeking to keep personnel costs to a minimum. Additional implications of these findings relate to how tasks are assigned to employees, team building and development, or for evaluating employee effectiveness. This research also has potential implications relating to reporting and explaining how organizational events might impact and help the employees, with a view for facilitating employee's perceive organization support via more effective organizational communication and information strategies..

Organizational commitment feeling can be induced by several means. At first, employees who accomplished their projects successfully may be appreciated with a small celebration. Second, companies may plan social activities among employees or even IT professionals may participate in such activities along with their families. By doing this, employees may perceive themselves to be of worth and also as an important part of their organization and thus develop a higher degree of commitment to their organizations.

## 7. CONCLUSION:

This study identifies the significant relationship between perceive organization support and organization commitment towards turnover intentions. The hypothesis formulated based on review of literature was accepted. The result of the study further validates that there exists powerful relationship between perceived organization support and organization commitment which decreases the turnover intentions. Of the two factors (perceive organization support and organization

commitment), organization commitment has the highest effect on turnover intentions among the IT professional. Perceived organization support has moderate impact comparatively with organization commitment on turnover intentions among the IT professional.

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