

Moderating Role of Organizational Justice on the Relationship between Organizational Climate and Employees Turnover Intention: An Empirical Study

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ABSTRACT

This correlational survey study investigates the relationship between organizational climate's dimensions (responsibility, reward, support and structure of organization) and employee turnover intention and the moderating role of organizational justice on their relationships. The data used in this study was physically collected using questionnaire from 388 lecturers of public universities in northeast Nigeria who were chosen as the sample of the study out of the population of 6669 academic staff. The outcome revealed that three of the four dimensions of organizational climate; responsibility, reward and structure of organization have significant relationship with employee turnover intention. Whereas, support shows an insignificant relationship with employee turnover intention. Also, organizational justice moderates the relationships between responsibility, reward and employee turnover intention but does not moderate the relationships between support, structure with employee turnover intention. Partial least squares structural equation modeling (PLS-SEM) was used for the analysis. The study recommends that further studies should take into cognizance the possibility of introducing additional intervening constructs on different organizations in other sectors of the economy.

KEYWORDS: Turnover Intention, Organizational Climate, Organizational Justice

1. Introduction

The executive director, centre for open, distance and e-Learning, Federal University of Technology, Minna, Musa Aibinu, assert that about 23,000 lecturers emigrate annually from Africa mostly from Nigeria to other countries yearly, (Aibinu, 2015). According to Aibinu (2015), retention of staff has been a mind boggling discourse in human resource management field. In conformity with the above, the president of Academic Staff Union of Universities (ASUU), Kogi State University chapter, raised panic

that the Nigerian public university is fast losing qualified and competent lecturers to greener pastures due to many factors, (Oluwagbemiga, 2016). He further revealed that qualified lecturers are leaving in droves due to delay in payment of salaries and other issues such as non- settlement of outstanding earned academic allowance from 2009 to 2014, (Oluwagbemiga, 2016). In the same vein, the president of Academic Staff Union of Universities in Nigeria, Professor Ogunyemi busted that “no fewer

than 100,000 lecturers are required to beef-up academic activities in the Nigeria's public universities", (Ogunyemi, 2016). Every industry strives to retain their best staff because they know that they will lose a lot if they leave and to hire new ones entails more funds. Nigeria University is confronted with trials such as derisory qualified lecturers, inadequate cross- ventilated classrooms, epileptic power supply for laboratory analysis and non- implementation of retirement age for lecturers by federal government and inadequate funding.

2. Literature Review

In this section, relevant literature will be reviewed and synthesized.

2.1 Organizational Climate and Employee Turnover Intention

The rate of workers turnover most importantly in higher institutions of learning has been growing from time to time due to a lot of reasons. Several common factors were discovered to be correlated to turnover intentions; they are; organizational commitment, job satisfaction, perceived organizational support, perceived supervisor support, organizational climate, and opportunities and organizational justice, (Alkahtani, 2015). The detrimental effect of high turnover rate on the hospitality industry is a major cause for concern among human resource practitioners. Students of organizational behavior have found many reasons for turnover of employees. Organizational climate has been cited as a possible reason because of the way it has been found to influence the behavior of Studies employees.

Organization climate have being found to be related to turnover intention in so many studies. For instance, a study conducted by (Askiyanto & Soetjipto, 2018; Djamil, Sutawijaya, & Irawan, 2018; Kuang & Wu, 2021; Park & Pierce, 2020) reports that organizational climate was discovered to have a significant positive relationship with turnover intention. So also, found a positive significant relationship between organizational climate and turnover intention

Organizational climate is a set of characteristics that makes an organization's work environment unique. According to Liou and Cheng (2017) these characteristics are enduring over time implying that the organizational members would be subjected to its effect considerably.

Ohly and Fritz (2019) show that work environment can play a significant role in influencing the behavior of the employees. Therefore, organizational climate could influence an employee's work-based outcome.

Research by Russel et al. (2010) found that organizational climate to be associated with turnover intention. The works by Subramaniam (2005) and Donoghue (2010) found that a positive organizational climate contributes toward a decrease in intention to leave. Intention to leave and actual turnover are often highly correlated. According to Pack et al. (2017) this is the reason why researchers often use intent to leave as a proxy for turnover. Turnover intention is defined by Lee (2012) as the

subjective perception of an organizational member to quit the current job for other opportunities. Shore and Martin (2016) and Khatri et al. (2018) noted that turnover intention is an appropriate dependent variable because it is linked with actual turnover. Bluedorn (2014) and Price and Mueller (2019) recommended the use of turnover intention over actual turnover because actual turnover is more difficult to predict than intention and there are many external factors that can affect a person's turnover behavior.

Inarguably, Fatemeh *et al.*, (2021) states that moderating effects in their study were not addressed and recommended that moderating variables like organizational justice, inclusion climate or top management commitment should be considered on the relationship between organizational climate and turnover intention in similar models and contexts of research. So also, Hadjri, (2019), revealed that organizational climate had a negative influence on workers' turnover intention.

2.2 Organizational Justice

It has been perceived by the study of De Yreh (2012) that when organizational decisions and managerial undertakings are observed unfair and unjust by the employees, the organization is most probable to experience employees' reaction by conveying their moods by displaying discomfort, dissatisfaction and other undesirable manners. Fissure of organizational injustice are circumstances that may lead to employee negative feedbacks in the organization.

Turnover intention of employee is affecting both the employees and employer. Most organizations have been experiencing high turnover owing to how they handle organizational justice (procedural, interactional and distributive justice). Generally, studies about organizational justice have engrossed on two foremost issues: employees' reactions to the upshots they receive, and the way by which they get these outcomes, that is, the procedures used (Cropanzano & Greenberg, 1997). Akanbi & Ofoegbu (2013) glossed organizational justice as a vital element related with the success or otherwise of every organization. In order to keep employees well satisfied, committed, and loyal to the organization, the organization must be fair in its system concerning distributive justice, procedural justice and interactional justice. Furthermore, Akanbi & Ofoegbu (2013) while looking into impact of perceived organizational justice on organizational commitment of a food and beverages firm in Nigeria established that both distributive justice and procedural justice have significant relationship with organizational commitment and subsequently to the employees' turnover intention.

Turnover intention also impacts internal employees as well as employee–customer relationships (Isfahani, 2017). Previous research explains the negative relationship between organizational climate and turnover intention. This is evidenced by research conducted by (Burli & Chan, 2020) on several nurses at Taiwan Hospital. Based on these results, it is known that the hospital where they work is not a

place of work that shows concern for its employees.

Huang *et al.*, (2019) also reveals that in terms of internal fit, organizational justice presents significant relationships with organizational climate, organizational climate indicates notable correlations with employee turnover intention, and organizational justice divulges significant associations with organizational commitment. Thus the hypotheses of this study are:

Hypothesis₁: Responsibility is significantly related to employee turnover intention

Hypothesis₂: Reward is significantly related to employee turnover intention.

Hypothesis₃: Support is significantly related to employee turnover intention.

Hypothesis₄: Structure is significantly related to employee turnover intention.

Hypothesis₅: Organizational justice moderates the relationship between responsibility and employee turnover intention.

Hypothesis₆: Organizational justice moderates the relationship between reward and employee turnover intention.

Hypothesis₇: Organizational justice moderates the relationship between support and employee turnover intention.

Hypothesis₈: Organizational justice moderates the relationship between organization structure and employee turnover intention.

Theoretical Framework: This study was conducted to understand the organizational climate in the public universities in the northeastern Nigeria with the intention to reduce employee's turnover intention and improve retention. Employees' turnover may result from various factors and by understanding the organizational climate, it would benefit the management to identify the dimensions, which impact the most on employee turnover intention. Thus organizational climate in this study refers to the employees' perception of four different climate dimensions within the organization, namely: responsibility, support and structure of the organization.

Turnover intention in this study refers to the extent of the staffs' desire and intention to leave the organization at current stage of their employment. The theoretical framework for this study is presented in Fig. 1.

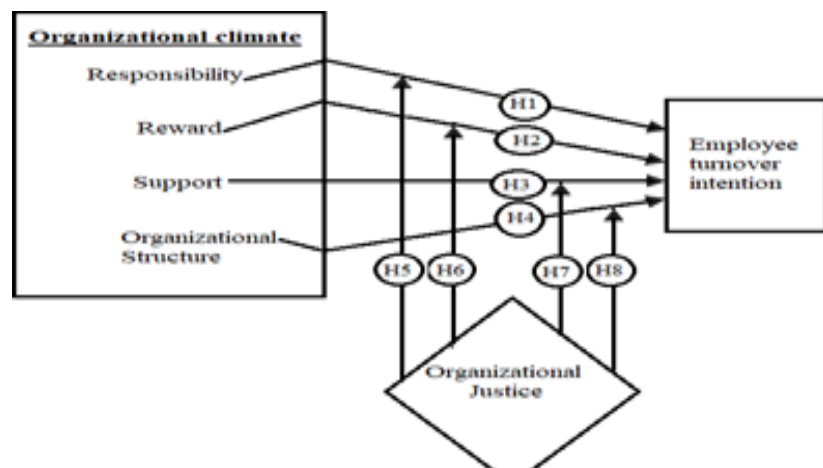


Figure 1: Framework of the Study

3 Methodology

Quantitative approach has been deployed by the researchers to test the phenomenon. The population of this study is the academic staff of public universities in the northeast zone of Nigeria. Therefore the population of this study is 6669 lecturers who as at the time of the research were on the payrolls of their respective universities. Based on the sampling table suggested by Krejcie and Morgan (1970), the number of samples required to represent this population (6669 lecturers) is 388. The survey questionnaires were distributed among the targeted employees to collect important data. Structural Equation Modeling -Partial Least Square (SEM-PLS) was employed to establish the validity and reliability of the measurements and to test the postulated hypotheses.

4. Results and Discussions

This study used Partial Least Squares Structural Equation Modelling (PLS-SEM) to test the hypotheses earlier formulated as it is specifically suitable for this study since it permits the simultaneous estimation of multiple causal relationships between one or more independent variables and one or more dependent variables as suggested by Matthews, Hair, and Matthews (2018). The reflective latent variables of this study were subjected to reliability test, convergent validity, and discriminant validity tests. Reliability test was conducted using Cronbach's Alpha and composite reliability. Composite reliability (CR) and Cronbach

alpha (CA) values were relatively higher than the cut-off value of 0.70, hence, the instrument's reliability was achieved, this suggests an acceptable construct reliability (Hair et al., 2019).

Figure 4.4 Shows the measurement model of this study.

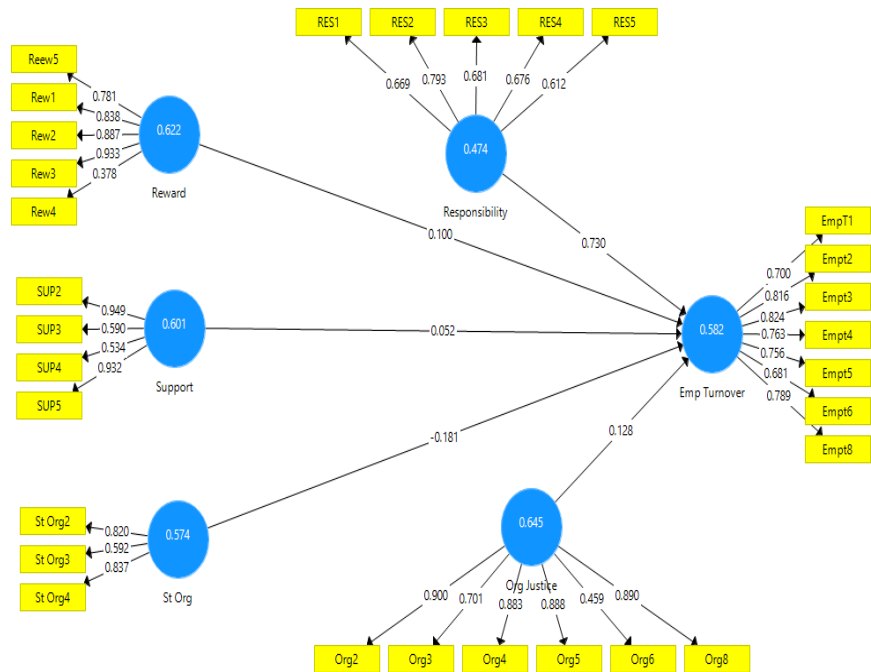


Figure 2: PLS-SEM Algorithm (Measurement Model) General Model

Construct	Loading	Cronbach's Alpha	Composite Reliability
Organizational Justice	0.901	0.879	0.913
Responsibility	0.902	0.795	0.859
Reward	0.781	0.835	0.885
Organizational structure	0.816	0.610	0.798
Support	0.708	0.823	0.869
Organizational Turnover	0.733	0.884	0.909

Table 2: Structural Model Assessment

Hypothes	Relations hip	Beta, β	Standard	T-values	P-Values	Remark
H_1	Responsibility -> Emp Turnover	0.730	0.074	9.834	0.000	Supported
H_2	Reward -> Emp Turnover	0.100	0.037	2.675	0.008	Supported
H_3	St Org -> Emp Turnover	-0.181	0.072	-2.518	0.012	Supported
H_4	Support -> Emp Turnover	0.052	0.035	1.490	0.137	Not-Supported

Note: In two-tailed test of significance $p < 0.01^{***}$, $p < 0.05^{**}$, $p < 0.1^*$, for 99%, 95%, 90% confidence level, the t- statistics level is 2.57, 1.96, and 1.65 respectively

relationship between responsibility and turnover intention where $\beta = 0.128$, $t = 3.044$, and $p < 0.002$, supporting Hypothesis H_1 . Likewise, Hypothesis H_2 was developed to examine if there is a relationship between Responsibility and Employee Turnover intention. Results further shows that reward and turnover intention had a strong significant positive relationship with $\beta = 0.730$, $t = 9.834$, and $p < 0.000$, supporting Hypothesis H_2 . Similarly, Hypothesis H_3 was developed to examine if there is a relationship between Reward and Employee turnover intention which indicates that there is a positive and significant association between reward and employee turnover intention with $\beta = 0.100$, $t = 2.675$, and $p < 0.008$ thereby supporting Hypothesis H_3 . However, Hypothesis H_4 was developed to examine if there is a relationship between organizational structure and employee turnover intention. Result shows that organiza tional structure and turnover intention has a negative significant positive relationship with $\beta = -0.181$, $t = 2.518$, and $p < 0.012$ rejecting Hypothesis H_4 . Finally, Hypothesis H_5 was developed to examine if there is a relationship between organizational support and turnover intention which shows positive and insignificant association between organizational Support and turnover intention was found with $\beta = 0.052$, $t = 1.490$, and $p < 0.137$ indicating non-support for Hypothesis H_5 .

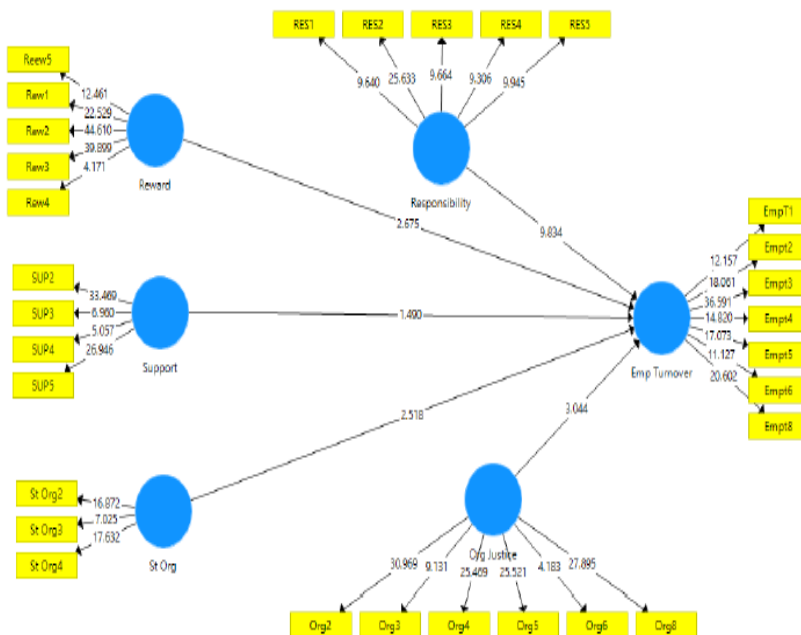


Figure3: PLS-SEM Bootstrapping

Hypothesis H_1 was developed to examine if there is a relationship between Organizational Justice and turnover intention. Results show a significant positive

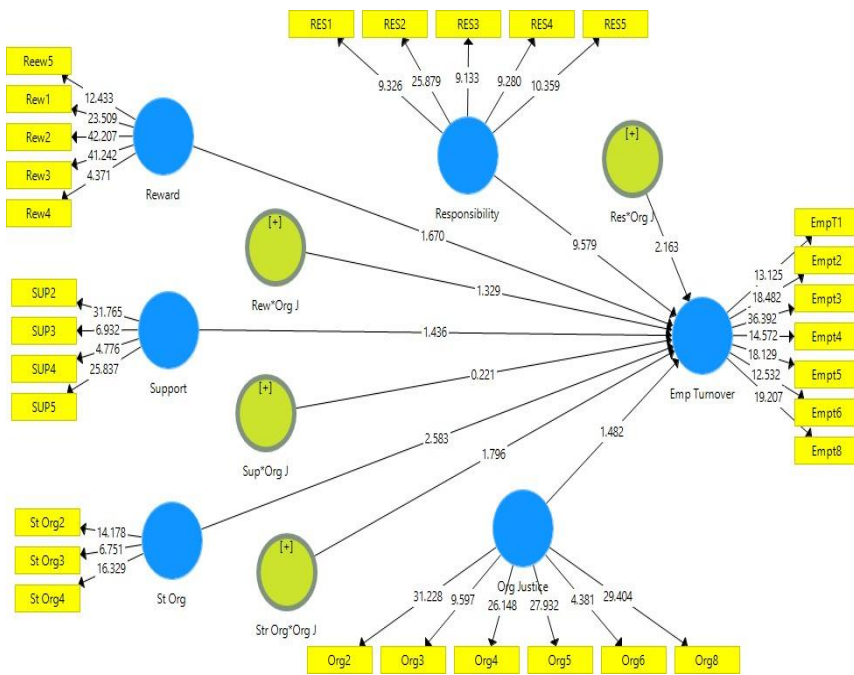


Figure 4: PLS-SEM Bootstrapping Interactions (Moderator)

The presence of a moderator is to examine if there is any change in the relationship between two variables. In this study, organizational justice was hypothesized to moderate the relationship between Responsibility, Reward, Organizational structure, and Support and Organizational justice (Hypotheses H_5 , H_6 , H_7 , and H_8 , respectively), and employee turnover. The study applied a product term approach using PLS-SEM to estimate and detect the strength of the moderating effect of Organizational justice on the relationship between organizational climate construct and employee turnover (Chin, Lo, & Ramayah, 2013; Chin, Marcolin, & Newsted, 2003; Henseler & Fassot, 2010). Henseler and Fassot (2010) suggested that to assess moderation, firstly, one has to examine only the main effects of the independent variable(s) on the dependent variables, followed by an examination of the effect of the

independent variable(s) including the moderator on the dependent variables, and lastly, to include the interaction terms.

The moderation model in Figure 4.7 test whether the prediction of employee turnover can be enhanced when organizational justice as a moderating variable becomes significant. Hence, the moderating effect holds only when these interaction terms are significant (Hair. et al., 2013).

The results of the moderating effects of organizational justice on the relationship between Responsibility, Reward, Organizational structure, and Support and Organizational justice were examined and reported. As in Figure 4.7 the path assessment when the moderator variable (Organizational justice) is included as the independent variable, show that the path coefficient is positively significant. Hence, it can be concluded that Organizational justice has a positive influence on employee turnover and the level of R^2 increased from 0.509 to 0.533. Hypotheses H_5 , H_6 , H_7 , and H_8 were tested to show the moderating effect of organizational justice.

Results shown in Table 4.17 and Figure 4.7 did not support Hypothesis H_5 which posited that organizational justice positively moderates the relationship between Responsibility, and Employee Turnover is supported With $\beta=0.180$, $SE=0.089$, $t=2.163$, $P=0.031$. Hypothesis H_6 which posited that

organizational justice moderates the relationship between, Organizational structure, and Employee Turnover revealed negatively significant relationship with parameter $\beta = -0.105$, $SE = 0.058$, $t = 1.796$, $P = 0.073$. However, hypothesis H_7 which posited that organizational justice moderates the relationship between Support and Employee Turnover. Is rejected with negative and insignificant result $\beta = -0.010$, $SE = 0.045$, $t = 0.221$, $P = 0.853$. in addition Hypothesis H_8 which posited that organizational justice moderates the relationship between Reward, and Employee Turnover is also rejected due to positive and insignificant result with the following parameters $\beta = 0.056$, $SE = 0.042$, $t = 1.329$, $P = 0.182$.

5. Conclusion and Recommendations

This study concludes that of all the dimensions of organizational climate, support is the only one that shows insignificant relationship with employee turnover intention. Thus, responsibility, reward and organizational structure portrayed significant

relationship with the employee turnover intention. So also, the outcome indicates further that organizational justice moderates the relationships between responsibility and reward employee turnover intention whereas, it doesn't moderate the relationship between organizational structure and support with employee turnover intention. Limitations of this study was that the sample of this study was drawn from some Universities in Nigeria, therefore, there is the need for future studies to conduct similar study with higher or different sample size and increases the scope, so that it is conducted in other organizations. Due to this limitation, the findings of this study cannot be generalized across all organizations and employees in Nigeria.

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