Validity and Reliability of Measurements for Perceived Organizational Support and Turnover Intention among Employees in the Services Sector

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Abstract

Employee turnover is a major challenge faced by Small and Medium-sized Enterprises (SMEs) in the services sector in Malaysia. It is found that this sector has faced a conservative turnover for the past two years and further studies need to be done to solve this problem. To minimize turnover, employees need to feel safe, valued, and satisfied. Many previous literatures showed that organizations that implement and increase the level of Perceived Organizational Support (POS) among employees could help to overcome turnover problems. Increasing the level of POS is believed to help strengthen the relationship between employee and employer, thereby reducing employees' intention to seek or accept other jobs. This study aims to analyze the validity and reliability of measuring tools designed to identify how POS affects employee turnover in Malaysian SMEs. This study also extends POS research by demonstrating support for a multidimensional measure of supervisor support, organizational justice, and organizational rewards & work conditions. A quantitative method was used and a pilot test for the reliability of the questionnaires was carried out by using SPSS to examine the results of Cronbach's Alpha. There were 33 respondents from the services sectors who participated in answering the questionnaires. The questionnaire contained 42-items and was developed after a detailed analysis of the literature. Overall, all components show measuring components under the given component providing a reliable internal consistency measure as the alpha of Cronbach for POS and Turnover Intention ranged from 0.784 to 0.856.

Keywords: Perceived Organizational Support, Turnover Intention, Services Sector, SMEs

Introduction

SMEs activities were dominated by the services sector, which accounted for 62.4 percent of SMEs and was recognized as one of the economy's most potential sectors and a key player in the coming industrial revolution. In addition, the services sector employs 3.9

million people. Nonetheless, according to ILMIA (2020), the services sector had the highest employee turnover, with an average turnover of 30%, followed by the other services sector at 23%. The rise in Malaysian employee's turnover rate was the main reason why foreign workers were recruited (MEF, 2016).

Improving retention is one way to reduce an organization's costs associated with hiring foreign workers. Therefore, organizations, particularly SMEs, must have well-implemented strategies and policies that can assist them in improving employee recruitment, increasing retention rates, and increasing employee productivity (McDougall, 2018). The high turnover rate indicates potential retention issues, and more research is needed to determine the causes of such a high turnover rate. The issue of employee turnover should not be taken lightly as it could lead to dire consequences such as job dissatisfaction, lower productivity, increased retaining costs and others. All of these, strain the resources and hinder the growth of the companies. The success of an organization depends upon the support and the contribution of the employees. Studies have shown that turnover is exorbitant (Salleh, Samah & Anwar, 2017) as turnover can cost two times of current employee's salary due to the organization needs to spend additional money on advertising, recruiting, hiring and training new employees.

The challenges of employee retention have always been discussed by most researchers, academicians, top-level management, as well as Human Resource Specialist, but it is yet to be solved (Wright, 2017). In addition to the new task created due to the changing workforce and technology advancement, yet human skills were still required for the organization to run the technology. Unfortunately, the turnover rate continues to rise, while employee retention rates have begun to fall year after year. The decrease in the rate has made turnover and retention problems more relevant today (Warner, 2018). Sinniah and Kamil (2017) support the notion that the majority of organizations in Asian countries, such as South Korea, Malaysia, Singapore, and Taiwan, currently have a high turnover rate.

Despite the fact that the vast majority of empirical research on employee turnover has been conducted, this issue remains debatable. Irrespective of the support and incentives which were given in retaining employees, the retention strategy was not strong enough implemented by some of the organizations (Juhdi, Pa'Wan & Hansaram, 2013). Due to the high turnover rate experienced by most organizations among SMEs, particularly in the services sector, it is proposed that this study will suggest potential solutions to these problems. This study intends to fill a knowledge gap by investigating the relationship between POS and turnover intention since most of the past studies were conducted in the western setting. Thus, this study was conducted in Malaysia with the goal of gaining a different perspective.

Literature Review
Perceived Organizational Support
In today's changing workforce, organizations are currently facing difficulties when it comes to attracting and maintaining skilled employees. Over the past few years, challenges such as job uncertainty, merger and acquisition, lack of trust and interest for the mutual well-being between employers and employees have been the area of interest by most researchers (Seppänen, 2012). It is found that many employers have yet to completely comprehend the

significance of having a positive employee and employer relationship in reducing absenteeism and increasing commitment (Eisenberger, Malone & Presson, 2016). Many current literatures are interested in investigating the effect of POS on several organizational and behavioural outcomes. Research has been shown to use POS alone to predict behaviours such as extra-role behaviour (Rhoades & Eisenberger, 2002) and withdrawal behaviours such as absenteeism, tardiness and voluntary turnover of employees (Rhoades & Eisenberger, 2002).

POS was described as the employee's belief that their contributions and well-being are valued by the organization (Eisenberger et al., 1986). The relationship between employees and organization can be strengthened by increasing the level of POS among employees. Employers need to assist the employees in improving this POS to the extent whereas the employees give positive feedback regarding the treatment they obtained from the organization. Employees with a high level of POS will have a high level of affective commitment, increase retention, reducing stress and increase performance as POS is found to has advantage between the relationship of employers and employees (Eisenberger et al., 2016; Kurtessis, Eisenberger, Ford, Buffardi, Stewart & Adis, 2015; Rhoades & Eisenberger, 2002). It is proven that the study of POS is one way that can help the organization to create and engage the workforce through the application of well-implemented strategic policies and strategies, which can help the organization to increase the employee's belief and attitudes.

In this study, there were three dimensions of POS used which are supervisor support, organizational justice and organizational rewards & job conditions. These dimensions were developed by Eisenberger et al. in 1986. These three POS dimensions were used to describe the relationship between individual and organizational support (Aselage & Eisenberger, 2003; Rhoades and Eisenberger, 2002; Wayne, Shore & Liden, 1997). The topic of supervisor support has gained a tremendous amount of attention in the literature and is significantly related to turnover and other outcomes in organizations (Rhoades & Eisenberger, 2002). Based on the organizational support theory, the result revealed a positive relationship between supervisor support and POS (Hutchison, 1997; Malatesta, 1995; Rhoades, Eisenberger & Emerli, 2001; Yoon, Han & Sou, 1996; Yoon & Lim, 1999). Pleasant treatment from colleagues can enhance the positive organizational orientation of a person (Alfisyahri, Etikariena & Gatari, 2018). In addition, supervisor support can address social and emotional requirements that strongly affect the development of perceived organization support (Kurtessis et al., 2015).

Rhoades and Eisenberger (2002) assert that organizational justice is an important antecedent of POS. The study by Fatt, Khin and Heng (2010) indicated that there is a significant relationship between organizational justice and employee turnover intention. When people feel exposed to injustice, absenteeism and turnover increase and the higher the employee's perception of organizational justice will result in better job satisfaction, commitment and a decrease in turnover (Virgolino, Coelho & Ribeiro, 2017). Many previous studies have shown that organizational justice contributes to many positive attitudes and behaviours, as employees report less emotional exhaustion and a lower intention to leave (Ambrose & Schminke, 2009; Colquitt, Scott, Rodell, Long, Zapata, Conlon & Wesson, 2013; Cole et al., 2010).

Employees expect appropriate rewards and recognition for their contributions to the organization through organizational rewards & job conditions, which are significant dimensions of POS (Shore & Shore, 1995). According to research on organizational rewards & job conditions, these two variables have a negative relationship with turnover intention (Kim & Stoner, 2008; Luna-Arocas & Camps, 2007; Dane & Brummel, 2014). As a result, it is agreed that when organizations value their employees' contributions, employees will be more willing to perform at a higher level, which will have a strong impact on POS (Eisenberger et al., 1986; Shore & Shore, 1995).

Turnover Intention

This study focuses on the effect of POS on turnover intention. Turnover intention is an employee psychological response where employees intend to leave the organization for another (Aliyu & Nyadzayo, 2018). Turnover is a major problem for the services sector in Malaysia due to the high turnover experienced by this sector in 2018 and 2017 (ILMIA, 2020). As a result, the organization usually looks at the monetary and non-monetary costs of turnover, including the need for the organization to spend additional costs on recruitment, recruitment, training of new staff when employees leave the organization (Bonds, 2017). In addition, employee turnover is found to significantly impact organizational performance, productivity, and commitment (Bonds, 2017).

Perceived Organizational Support and Turnover Intention

The general negative relationship has been well established between POS and withdrawal behaviour, retention and turnover intention (Rhoades & Eisenberger, 2002). According to Krishnan and Mary (2012), POS has a significant impact on employee turnover. It has been discovered that such POS is significantly related to employees' well-being, and as a result, employees will develop a more positive attitude toward the organization and behavioural outcomes (Allen, Shore and Griffeth, 2003; Eisenberger, Fasolo & Davis-LaMastro, 1990; Rhoades & Eisenberger, 2002). Kurtessis et al. (2015) discovered that POS was negatively related to turnover intention in their meta-analytical assessment of the Organizational Support Theory. Employees with a high POS are more engaged and committed, more satisfied with the organization's mission and vision, and less likely to leave.

Theoretical Framework
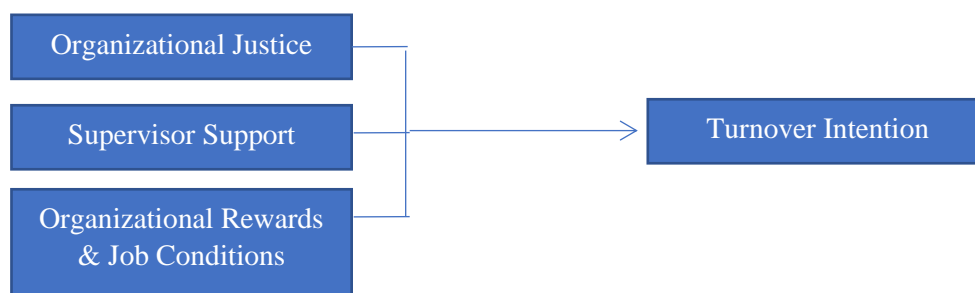
Adapted from: Eisenberger et al. (1986), Rhoades and Eisenberger (2002)

Research Methodology

The study was conducted by using a quantitative approach, via questionnaire method. A total of 33 employees working in lower, middle and upper-level management in the services sector except for the owner of the SMEs in Peninsular Malaysia were randomly selected for

this pilot study. According to Isaac and Michael (1995), the appropriate number of pilot test respondents in the survey questionnaire is between 10 and 30 respondents. Peninsular Malaysia has been selected due to the high percentage of SMEs establishment in Peninsular Malaysia with 86.8% as compared to Sabah and Sarawak 13.2%. The chosen employees were asked to answer the questions related to their knowledge regarding POS and turnover intention. The survey questionnaires consist of three sections. In the first section, the respondents were asked regarding their demographic profile that is related to their age, gender, education level, position, number of years they had served in their current position and salary.

In the second section, the respondents were asked questions related to POS. The questions related to supervisor support (i.e. my supervisor really cares about my well-being and my supervisor is willing to help me to perform my job to the best of my ability), organizational justice (i.e. my organization would not replace me even when they could find someone at a much lower salary and my organization appreciates any extra effort from me) organizational reward & job conditions (i.e. my organization values my contribution to its well-being and my organization provides me with the opportunity to move up the ranks) were asked to identify factors that make them stay. The measurement of POS was adapted from the 36-item Survey of POS developed by Eisenberger et al. (1986). The original scale of POS was unidimensional and had high internal reliability. However, for the purpose of this study, the researcher develops a multidimensional conceptualization of POS consisting of supervisor support, organizational justice and organizational rewards & job conditions. The 7-point Likert-scale format (0= Strongly Disagree, 6=Strongly Disagree) was used to indicate the respondent's response towards the statement given.

The final section of the survey questionnaires asks respondents how far they will stay at the organization. The measurement of turnover intention consists of a 6-item survey and adopted from Spector, Dwyer and Jex (1988), Lawler, Cammann, Nadler dan Jenkins (1975) and Roodt (2004). The scale ranges from 1 to 7 (strongly disagree).

Content Validity

Content validity pertains to the degree to which the instrument fully assesses or measures the construct of interest (Kumar, Abdul Talib & Ramayah, 2013). It occurs when the experiment provides adequate coverage of the subject being studied. In this study, the questions were adopted from past researchers. An industry expert panel was contacted to confirm the measurement tool and asked to provide feedback on how well each question measures in the question. The expert assessed the appropriateness, meaningfulness, usefulness and effectiveness of each question to determine how accurately the measuring tool taps the various aspects of the construction questions.

Reliability

A pilot test is performed to detect weaknesses in the questionnaire design and instrumentation and to provide proxy data for a probability sample selection process. Therefore, it should draw subjects from a target population and stimulate the procedures and protocols for data collection. Depending on the method to be tested, the pilot group may range from 25 to 100 subjects (Cooper & Schindler, 2014). The data obtained from the pilot study were analyzed using SPSS and the method used was calculated using the Cronbach Alpha Coefficient. The tools to analyze the data in this study were POS (supervisor support, organizational justice and organizational rewards & job conditions).

Findings

In this study, the pilot test was distributed conveniently among 33 employees in the services sector. The results of this study have been assessed using Cronbach Alpha reliability. A pilot study is important as it helps to ensure that the research is done properly before the actual survey can be conducted. The Cronbach Alpha score of each construct was presented in Table 1 below.

Table 1
Cronbach Alpha Score

Constructs	Items	Cronbach's Alpha
Supervisor Support	9	0.856
Organizational Justice	17	0.894
Organizational Rewards and Job Conditions	10	0.894
Turnover Intention	6	0.784

The table above shows the reliability analysis of POS and turnover intention. The Cronbach Alpha shows the alpha ranges from 0.784 to 0.894, which indicates the instrument has high reliability. The reliability score for each instrument is 0.856 for supervisor support, 0.894 for organizational justice and organizational rewards & job conditions and 0.784 for turnover intention. A reliability score can range from 0.00 to 1.00 and a higher score represent a higher level of reliability (Kimberlin & Winsterstein, 2008). In this study, the reliability is greater than 0.7, which is the threshold usually used for reliability and can continue to the next level of the research (Fornell & Larcker, 1981). It can be concluded that all constructs have satisfactory internal consistency reliability.

Discussion

This study aims to analyze the validity and reliability of measuring tools designed to identify how POS affects employee turnover in Malaysian SMEs. Reliability testing is very important in this study as the researcher wants to ensure consistency and stability of multidimensional conceptualization of POS developed as the original scale developed by Eisenberger et al. in 1986 was unidimensional. To determine the reliability of the questionnaire, the researcher used the Cronbach Alpha value. The result has shown that the three variables of POS are suitable for use in research conducted by the researchers in determining the effect of POS on the turnover intention of Small and Medium-sized Enterprises in Peninsular Malaysia. The Cronbach Alpha values between the three dimensions of the POS was between 0.856 and 0.894 and it can be concluded that the reliability index questionnaire instrument is high and acceptable at its level of reliability.

Conclusion

After testing the POS instrument's reliability and validity, it was determined that these measurements are deemed appropriate for measuring the impact of POS and turnover intention among employees in the services sector. Furthermore, the high-reliability value of the measurements can be used to assess the organization's support for its employees in terms of organizational justice, supervisor support, and organizational rewards and job conditions. These three antecedents can serve as a guideline for the organization in lowering the turnover and increase the retention rate among employees in the services sector. Since this is a pilot study, it is hoped that these measurement can be used as a reference to guide future POS

research, as research on multidimensional POS instruments is still in an infant stage.

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