Job Satisfaction as Mediator between Job Characteristics, Personality Traits, Work Engagement and Voluntary Turnover Intention: A Conceptual Paper

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Abstract
In today's workplace, the rate of turnover has risen. Employee turnover is divided into two categories, which defined as voluntary turnover and involuntary turnover. Due to the rising voluntary turnover rate, organizations are confronted with difficulties, since the issue of voluntary turnover has become a major concern for businesses all over the world. Thus, this study focus on investigating voluntary turnover and predicting factors which influence voluntary turnover intentions with job satisfaction as the mediator. Besides, this paper introduces a new conceptual framework to better understanding about voluntary turnover intentions. Most studies on turnover intention (dependent variable) focus on establishing the direct relationship between the independent variables (predictors) and the dependent variable. To date, there is not been sufficient research that examine the "indirect" relationship between the predictors and the dependent variable. Hence, the current study attempts to fill the gap by using job satisfaction as a mediator to determine whether an indirect relationship exist, which can have enhanced our understanding between the predictors and the dependent variable. The present study also fulfilled the gaps in adopting different factor models in predicting job satisfaction and voluntary turnover other than personality traits, which are job characteristics model and work engagement, as recommended by previous researcher that follow up analysis could investigate whether different factor models have greater goodness of fit in different groups. The present study adopted Partial Least Squares-Structural Equation Modeling (PLS-SEM) as the research method for data analysing in this paper, the expected output in this study is to determine whether the hypotheses tested are accepted or rejected, and the significance of output in this study is to contribute to literature on factors that can reduce voluntary turnover intentions.
Keywords: Job Characteristics, Personality Traits, Work Engagement, Job Satisfaction, Voluntary Turnover Intention

Introduction

Turnover is described as an employee's voluntary departure from a company. Cascio (1982) defines turnover as the permanent end of a working connection between an organization and its employees or a separation between an organization and its workers, whereas Novliadi (2007) defines turnover as the flow of labor to and from an organization (Ramlawati et al., 2021). Employee turnover is divided into two categories, which defined as voluntary turnover and involuntary turnover. When employers terminate or lay off employees, involuntary turnover occurs, whereas voluntary turnover occurs when people leave on their own (An, 2019). The key difference of both turnover depends on who conducts the action.

Background

Malaysia's attrition rate (voluntary turnover) has been steadily increasing over the last few years. According to AON Hewitt statistics, the attrition rate (voluntary turnover rate) across Malaysia's various industries increased from 9.5 % in 2015 to 13% in 2017 (healthmetrics.com, 2021). Data from the result of a survey conducted by Employee Movement and Retention Report in 2021 showed that, 61% of Malaysian workers intends to change jobs in the coming year (Ben, 2021). Due to the rising voluntary turnover rate, organizations are confronted with difficulties, since the issue of voluntary turnover has become a major concern for businesses all over the world.

The COVID-19 epidemic devastated the world in 2020, causing a worldwide recession to every country included Malaysia, causing its economic growth contracted by double digits in the second quarter of 2020, while unemployment rate in Malaysia became the highest in the world since May 2020, when it was 5.3 percent and at the 3rd quarter of year 2021, there are over 746 thousand of people who are jobless in Malaysia (Dosm.gov.my, 2021). In addition, manufacturing sector suffered the highest percentage of the unemployment rate from January to November in year 2021 at the 3rd quarter of year 2021(Mohr.gov.my, 2021).

Manufacturing as one of the top 5 industries in Malaysia (Fdinews.info, 2021), plays a significant role on providing employment opportunity to the citizens in the country. There are a total of 2,241,048 people becoming the employees in manufacturing companies in October 2021 (Dosm.gov.my, 2021), while 87% of them considered as skilled and semi-skilled employees. However, there was also a large amount of people losing job from manufacturing sector in year 2021, making manufacturing sector became the largest portion of unemployment rate in this year, while Voluntary Turnover and Voluntary Termination Scheme (VSS) included in the top 10 reasons people lose their job in year 2021 (Mohr.gov.my, 2021).

While manufacturing sector has the highest turnover rate and voluntary turnover intention became the top 10 main reasons to quit the job, there will be a serious issue to manufacturing sectors as this sector will faces troublesome due to lack of talented workforce. For the economy of the country, manufacturing industry holds a large number of share in economic growth as it requires such a large number of people to working in this industry. Hence, high rate of voluntary turnover will bring a serious problem to manufacturing company due to the loss of large number of skilled and talented employees and lead the industry to face underperformance. As a result, there will be a trouble to the country economic growth due to underperformance of manufacturing industry.

Since manufacturing appears as the industry which is suffering voluntary turnover the most nowadays, employees who are currently working in Malaysian manufacturing organization become the research sample of this study.

The present study fulfilled the gaps in adopting different factor models in predicting job satisfaction and voluntary turnover other than personality traits, which are job characteristics model and work engagement, as Grover (2018) recommended in his study that follow up analysis could investigate whether different factor models have greater goodness of fit in different groups.

Most studies on turnover intention (dependent variable) focus on establishing the direct relationship between the independent variables (predictors) and the dependent variable. To date, there is not been sufficient research that examine the "indirect" relationship between the predictors and the dependent variable. Hence, the current study attempts to fill the gap by using job satisfaction as a mediator to determine whether an indirect relationship exist, which can have enhanced our understanding between the predictors and the dependent variable.

In addition, most studies attempting to determine the relationship between job characteristics did not fully incorporate all the five elements of job characteristics model as developed by Hackman and Oldham (1975) (Okache, 2020; Ababneh and Hackett, 2019; Zhang, 2020). Hence, the current study contributes to the literature by systematically incorporating all the five elements of Job Characteristics Model. It would be interesting to know the degree to which all these 5 elements factors account for job satisfaction and turnover intention when the model is fully tested.

Problem Statement

Moreover, with regards to personality, most of the studies on personality are carried out by psychologists and based on six general approaches. These are the psychoanalytic approach, the trait approach, the biological approach, the humanistic approach, the behavioural/social learning approach and the cognitive approach. The focus of most of the research on personality has been with the objectives to establish the relationship between personality and psychological disorders and personality with personality disorders. To date, there has not been sufficient research that examines the relationship between personality and voluntary turnover intentions and personality with job satisfaction. Hence, the present study intends to fill the gap by studying the direct relationship between personality and voluntary turnover and the indirect relationship between personality and voluntary turnover, using job satisfaction as mediator.

Employee Turnover Model

Mobley's (1977) ETM was a suitable conceptual framework for this study because business leaders must understand the 10 stages that an employee experiences in the turnover process to identify strategies that business leaders used to reduce voluntary employee turnover. Which are: (a) evaluates current job, (b) determines job satisfaction or dissatisfaction, (c) thinks about resigning from current job, (d) evaluates the idea of searching for a new job and the costs related to leaving current job, (e) plans the new job search, (f) searches for a new job, (g) evaluates alternatives, (h) compares current job to alternatives, (i) plans to resign or stay, and (j) resigns or stays.

Reed et al. (2016) noted that job satisfaction and organizational commitment is important regarding the turnover intent of an employee in the organization.

Theory of Voluntary Turnover- Theory of Planned Behaviour

There are several explanations for why individuals change jobs, and these many predictors of job shifting behaviour may be described as being influenced by people's attitudes (e.g., valuing extrinsic incentives), norms (e.g., turnover culture), or perceived control (e.g., job availability) (Qin and Tao, 2021). As a result, the theory of planned behaviour (TPB) (Ajzen, 1991) provides a valuable framework for predicting job hopping behaviour in a more systematic manner.

The TPB is concerned with how people's intentions to engage in a certain action are influenced by their attitude toward the conduct, subjective norms, and perceived behavioural control. These three determinants are derived from three separate types of important beliefs: behavioural, normative, and control beliefs (Ajzen, 1991).

Job Characteristic Model (JCM)

Over three decades ago, Hackman and Oldham (1975) established the job characteristic model (JCM) hypothesis, which stated that five major job characteristics improve the motivating ability of employment and have a substantial impact on work outcomes such as job satisfaction and performance.

Job Characteristics are used as the variables which influence voluntary turnover intentions with the mediating effect of job satisfaction. Thus, the hypotheses are as follows:

H1: There is a significant relationship between job characteristics and voluntary turnover intention.

H4: There is a significant relationship between job characteristics and job satisfaction.

H8a: The relationship between job characteristics and voluntary turnover intention is significantly mediated by job satisfaction.

Theory of Personality Traits- The Big Five Theory

According to this model, personality can be described by five basic dimensions namely Openness, Conscientiousness, Extraversion/Introversion, Agreeableness, and Neuroticism (OCEAN) (McCrae and John, 1992).

Personality traits are used as the variables which influence voluntary turnover intentions with the mediating effect of job satisfaction. Thus, the hypotheses are as follows:

H2: There is a significant relationship between personality traits and voluntary turnover intention

H5: There is a significant relationship between personality traits and job satisfaction.

H8b: The relationship between personality traits and voluntary turnover intention is significantly mediated by job satisfaction.

Job-Demands-Resources Model of Work Engagement by (Demerouti et al, 2001)

The Job Demands-Resources (JD-R) paradigm placed a strong emphasis on two key work-related factors: job demands and job resources. Both of these elements included a variety of circumstances that contribute to favourable and bad job outcomes for individuals in companies. Job demands are associated with the features of the job to which an employee is allocated, whereas job resources are associated with the organization's working environment. Despite the fact that both aspects are distinct and distinctive in their own right, they are interconnected.

Work Engagement are used as the variables which influence voluntary turnover intentions with the mediating effect of job satisfaction. Thus, the hypotheses are as follows:

H3: There is a significant relationship between work engagement and voluntary turnover intention.

H6: There is a significant relationship between work engagement and job satisfaction.

H8c: The relationship between work engagement and voluntary turnover intention is significantly mediated by job satisfaction.

Theory of Job Satisfaction- Herzberg's Two Factor Theory (1959)

The two factor theory, also known as the motivator-hygiene theory, is a type of content theory that was created by Frederick Herzberg in 1959 based on the notion of employee motivation. In general, this idea maintains that job satisfaction and unhappiness are two distinct and unrelated variables, and thus reducing portions of a job does not always increase an employee's job satisfaction. According to Herzberg, an employee's contentment or discontent with their job is highly dependent on the motivators, hence there is a good chance that an employee will not be happy or unsatisfied with their work.

In this study, job satisfaction is used as the mediator between job characteristics, personality traits, work engagement and voluntary turnover. Thus, the hypotheses are as follows:

H7: There is a significant relationship between job satisfaction and voluntary turnover intention.

H8a: The relationship between job characteristics and voluntary turnover intention is significantly mediated by job satisfaction.

H8b: The relationship between personality traits and voluntary turnover intention is significantly mediated by job satisfaction.

H8c: The relationship between work engagement and voluntary turnover intention is significantly mediated by job satisfaction.

Gaps in Current Studies

Previous study introduced and mentioned the influence of training satisfaction on organisational citizenship behaviour and voluntary turnover (Memon et al., 2017). The paper came out a conclusion that, voluntary turnover intention will be decreased by increasing employees' satisfaction.

The present study incorporating job characteristic with more detailed explanation in a new setting, which is the manufacturing sector in Malaysia, as Mereish (2020) mentioned in his study that it would also be useful for future research to consider alternative measures for assessing the big five in business contexts.

The present study also fulfilled the gaps in adopting different factor models in predicting job satisfaction and voluntary turnover other than personality traits, which are job characteristics model and work engagement, as Grover (2018) recommended in his study that follow up analysis could investigate whether different factor models have greater goodness of fit in different groups.
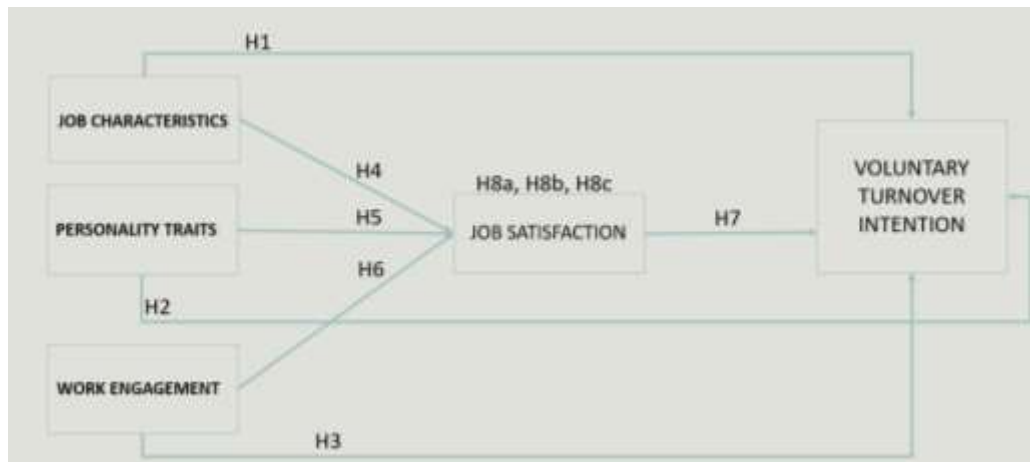
Figure: Proposed Conceptual Framework

Methodology
Method and Research Philosophy
In the research domain, there are two main research paradigms namely, positivism and phenomenology (Howell, 2012). Because the current study relies on data obtained using a quantitative technique based on seen phenomena, positivism principles will be used in this study. All of the hypotheses produced in this study were based on data from previous empirical investigations.

The independent variable's predictive connections on the dependent variables were examined in this study using a cross-sectional research methodology, as well as the interactions between the variables of interest. Time should be set aside for research. Considering temporal horizon is a crucial requirement for the study design, regardless of the research methodology used (Saunders and Towsend, 2016)

According to the Department of Statistic Malaysia, there are a total of 2,241,048 people becoming the employees in manufacturing companies in October 2021 (DOSM, 2021), in 2019, there were a total 1019 of approved manufacturing project in Malaysia (MIDA,2021). In year 2021, according to the Data from Pikas (Klse.i3investor.com. 2021), 5,494 companies and 325,684 employees are located in Selangor.

Sample Selection
The participants in this study were recruited using a probability sampling method, probability samples used for guaranteeing that the study results are generalizable to the target population (Acharya et al., 2013). By using probability sampling method, this study adopted multi-level cluster sampling and simple random sampling under probability sampling. In the first level, the researcher divided the population into 13 states as 13 clusters in Malaysia, and chose Selangor as the selected cluster. In the second level, the selected cluster further narrowed down to 21 industries as 21 clusters (mohr.gov.my, 2021), and the researcher chose manufacturing industry as the selected cluster. In the third level, the selected cluster further narrowed down to five manufacturing companies, and the researcher used simple random sampling to randomly choose 384 employees as the respondents in this study.

A set of questionnaire comprising of socio-demographic, Brazilian Work Design Questionnaire (Morgeson & Humphrey, 2006), Minnesota Satisfaction Questionnaire (MSQ; Weiss et al., 1967), Utrecht Work Engagement Scale (UWES-17; Schaufeli & Bakker, 2003), The 16 Personality Factors Questionnaire – Form C;16PF. (Cattell et al., 1970), and Turnover

cognitions (five item scale) Mowday et al (1984) and Mobley, Horner, and Hollingsworth (1978) was distributed to the employees who had agreed to voluntarily participate in this study.

The Statistical Package for the Social Sciences (SPSS) version 24.0 was applied to analyze the data through descriptive and inferential statistical techniques to determine the acceptability of each hypothesis developed in the present research. Besides that, Partial Least Squares-Structural Equation Modeling (PLS-SEM) was performed to access the relationship between the variables as per proposed in the beginning of this research.

Mediation Analysis

The mediating effect is formed when the third variable (mediator) rules the relationship between the two variables (constructs). PLS analysis determines if the change in exogenous construct gives to the changes in the mediator variable and this led to the change in the endogenous construct (refer to Figure 1).

Conclusion

Employees as the main asset of an organization, voluntary turnover must be considered as a serious issue by an organisation as well as the government to prevent the loss of talents. Despite voluntary turnover intentions is getting much more attention than a decade ago, the researcher find a lack of study on determining whether job satisfaction is a mediating variable between job characteristics, personality traits and work engagement and turnover intention. With the help of previous literature, this paper discusses the conceptual level the framework of Job Satisfaction as Mediator between Job Characteristics, Personality Traits, Work Engagement and Voluntary Turnover Intention.

In concluding, the majority of personality research has focused on establishing the relationship between personality and psychological disorders, as well as personality and personality disorders. There hasn't been enough research done on the relationship between personality and voluntary turnover intentions, or personality and job satisfaction. As a result, the current study aims to bridge the gap by investigating the direct relationship between personality and voluntary turnover, as well as the indirect relationship between personality and voluntary turnover, with job satisfaction serving as a mediator.

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