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THE EFFECT OF PERCEIVED CONTROL ON THE DECISION TO WITHDRAW FROM AN ORGANIZATION IN AN INEQUITABLE SITUATION

A Thesis

Presented to the

Faculty of

California State University,

San Bernardino

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

in

Psychology:

Industrial/Organizational Psychology

by

Marilyn Susie Lawrence-Fuller

June 2005

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ABSTRACT

Employee turnover is among the most pressing problems in organizations. Past research has been quite attentive to employee turnover due to the costly impact it has on organizations. When direct and indirect costs associated with voluntary turnover, replacement, and training are calculated, even a medium sized company could lose several million dollars a year resulting from employee turnover (Micco, 1999). It has been difficult for organizations to combat turnover because of their lack of understanding regarding this work outcome. This study attempted to understand the decision to turnover by evaluating the role individual differences would play in the process.

In an extension of Mobley's model, this study drew upon the first stage (evaluation of the existing job) and the ninth stage (intention to quit) of Mobley's model. This study concentrated on these two stages in an attempt to explain impulsive behavior. This study examined equity perceptions and locus of control in an effort to account for individual differences and its effect on turnover.

Correlation analyses supported the first hypothesis, that equity was negatively related to intention to quit. However, contrary to predictions, regression analyses did

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not show LOC as a moderator of the equity-intention to quit relationship. Results suggest that LOC probably plays a more prominent role on equity perceptions. Implications and suggestions for further research are discussed.

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CHAPTER ONE

INTRODUCTION

Statement of the Problem

Studies of the job satisfaction-turnover relationship have been exhaustive. Studies have consistently found a negative relationship between job satisfaction and turnover. But job satisfaction accounts for only a small amount of the variance in turnover. It has been demonstrated that dissatisfaction in one's job can lead to turnover but there are still many missing pieces to this puzzle. Theorists interested in turnover redirected their analysis to the withdrawal decision process.

Mobley's (1978) model of the withdrawal process set the groundwork for subsequent studies of this process. Mobley identified one possible exception to the rational thought process - impulsive behavior. Impulsive behavior is defined as acting on impulse rather than thought. In models of the withdrawal process, impulsive behavior is illustrated as a direct relationship between evaluation of the job and turnover. The purpose of this study is to explore whether individual differences may help explain impulsive behavior.

Theoretical Bases

Mobley (1978) offered a model of the withdrawal process in which he focused on the cognitive phenomenon behind the decision to turnover (APPENDIX B). He included the variables, satisfaction, thinking of guitting, intention to search, and intention to guit. The model proposes that 1) satisfaction has a strong effect indirectly on turnover by eliciting thoughts of guitting and 2) the direct effect satisfaction would have on turnover would be very weak or non-existent. The model hypothesizes that intention to guit is a function of intention to search, probability of finding an acceptable alternative, and job dissatisfaction (Mobley, 1978). The model was tested on 203 full-time employees at an urban hospital. Overall satisfaction was measured using the Index of Job Satisfaction. Intention of guitting, probability of finding an acceptable alternative, and intention to search were each measured using a 5-point scale ranging from very unlikely (1) to certain (5). Thinking of guitting was measured using a 5-point scale, ranging from never (1) to constantly (5). The correlation (.49) found between intention to guit and actual turnover was significantly stronger than the satisfaction-turnover

correlation (.01). The strongest correlations in Mobley's (1978) study were found between actual turnover and intention to quit (.58), intention to search and intention to quit (.56), and intention to search and thinking of quitting (.44). This research offered a simple explanation for a complex and multidimensional decision process.

Subsequent studies of the withdrawal decision process resulted from this earlier study and Mobley's (1982) model (APPENDIX B) became more detailed. Stage one of the model is an evaluation of the equity of the existing job or job related perceptions. He believed that a person begins by evaluating his/her current situation. Organizational factors, such as compensation, job security, communication networks, or flexibility can affect an employee's perception of their level of equity within the company. Studies have found that this evaluation of certain workrelated factors may determine whether or not a person will leave an organization. Kepner and Tregoe (1999) reported in a turnover study that 50% of workers said their company lacked fair, uniform performance standards and 56% said they don't have the sufficient resources to do the job. A company sends implicit messages to employees through the

way they do business. If employees' contributions to an organization outweigh their support, employees will feel as though the company is not treating them fairly. Kraft, Inc. (Micco, 1999) lowered turnover by adding social support and employee involvement to their retention plan. At Kraft, Inc. (Micco, 1999) employees requested and then designed a training/orientation program for new hires. Also, their suggestion for 360° feedback was implemented. These examples highlight the importance of considering an employee's perception of the way they are treated within their company, when studying turnover. Mobley was also aware of this connection and he used the first stage of his model to account for an individual's perceived equity. Perceptions of equity result in feelings of job satisfaction or dissatisfaction.

Stage two of Mobley's model is the experienced emotion of satisfaction or dissatisfaction. Stage three suggests that dissatisfaction leads to thoughts of quitting. These thoughts of quitting are followed by an evaluation of the chances of finding another job, the cost of quitting, and the cost of looking for an alternative job to the present job. When the individual examines the cost of quitting, he/she considers factors, such as losing

seniority and the loss of invested benefits. If the employee discovers that the cost of guitting is too high he/she will reevaluate the present job, engage in other forms of withdrawal behavior, or reduce thoughts of quitting. If the person does not think the cost of quitting will be too high, then the next stage in the decision to withdraw should be intention to search for alternatives followed by an actual search for alternatives. If the search results in no alternatives, then the employee will reevaluate the utility of the search, reevaluate the present job, decrease thoughts of quitting or participate in other forms of withdrawal behavior. If the employee does find alternatives, then he/she will evaluate the alternative job opportunities. During the next stage, the individual compares the alternatives to the present job. If the evaluation favors the alternative job, then the next step is intention to quit followed by actually quitting. In some rare cases, final withdrawal from the company is spontaneous, and there is no thought of alternatives or consequences.

While this study offered some insight into the withdrawal decision process, it had deficiencies. The models did not attempt to explain impulsive behavior and

they did not take into account changes in intentions or attitudes and personal differences. This study suggests that in order to understand impulsive behavior, there has to be an evaluation of individual differences, including personal perceptions and attitudes.

Research Objective

There have been limited studies that examined the causes of impulsive behavior and have taken into account the influence of personal differences on the turnover decision process. Mobley encouraged additional research on turnover to help explain "the individual and situational determinants of an impulsive decision process (Mobley, 1977)." In this project, Mobley's model will be partially studied; all of the stages of the model will not be explored. The stages between the first stage and the second to last stage represent the individual's decision process. In these stages the individual is going through a rational thought process. This project attempts to explain impulsive behavior which is described here as behavior that cannot be explained by a rational thought process. Rather than including these stages that represent the thought process, there will be a concentration on the

direct relationship between perceptions of equity and intention to quit. This project will attempt to show that the equity-turnover relationship is moderated by locus of control.

CHAPTER TWO

LITERATURE REVIEW

Equity Theory

The employer-employee relationship is an exchange process in which employees make investments for which they expect certain outcomes. According to the equity theory, employees evaluate this social exchange through social comparison; they compare their inputs and outputs to the inputs and outputs of a referent other. An employee's inputs may include performance, effort, experience, responsibility, education, training, and/or skill. The outputs refer to pay, fringe benefits, social support, job status, and status symbols. Inputs and outputs must meet two conditions to be considered in evaluating this relationship: 1) one or both parties must recognize it and 2) it must be considered relevant to the exchange (Mowday, 1991). The referent other or person in this theory may be someone in the organization, someone in another company, a person in a past job, or a person in a position in the future.

According to Adams (1963), inequity exists for a person when he/she perceives that the ratio of his

outcomes to inputs and the ratio of another person's outcomes to inputs are unequal. The individual may experience negative inequity or positive inequity. Negative inequity results from the underpayment of expected outcomes. Positive inequity is defined as overpayment of the outcomes.

Inequity can serve as motivation to withdraw from the organization or terminate a work contract. The most common reasons for an employee to leave an organization are: they are being treated unfairly; the person feels he/she is giving more than he/she is getting in the exchange; or the employee knows of opportunities outside of the organization which are more beneficial (Adams, 1963). Inequity causes tension and frustration, causing an individual to attempt to restore equity. The individual will attempt to restore equity by altering performance or productivity, stealing from the organization (Sieh, 1987), or leaving the field. Past studies and research findings support the notion that inequity is a motivator.

Perry (1993) studied the effects of inequity on job satisfaction and self-evaluation in a sample of African American workers. The study focused on the distress that

is caused by negative inequity and positive inequity. This study found that negative inequity causes distress that reduces the attraction to the job. According to the findings in this study, underpayment or negative inequity causes feelings of deprivation and of being cheated. The people who experienced negative inequity were likely to attempt to restore equity by withdrawing from their organization.

Greenberg (1990) conducted a study of employee theft as a response to pay inequity. In the study there were three groups of employees from manufacturing plants of a company. Plant A received a temporary 15% pay cut and reasons for the pay cut were clearly explained. Plant B received the temporary pay cut with an inadequate explanation. Plant C did not experience the pay cut during the time of the study. The employee's theft rate was measured. In addition to finding support for the hypothesis, they found support for another response to pay inequity - turnover. A significant number of employees in Plant B voluntarily left their position during the pay reduction period.

Dierendock & et. al. (1998) hypothesized that people who experienced less support from their supervisors or

colleagues would be more inclined to restore equity by withdrawing from the organization. They found that . professionals who perceived social support from their colleagues or their supervisors, showed more of an increase in equity than those with lower levels of support. Professionals with low levels of support tended to look for work outside of the organization. Turnover intention decreased for professionals with high levels of support.

Summers and Hendrix (1991) used a path analysis technique to explore the role of pay satisfaction, job satisfaction, organizational commitment, and intent to leave as mediators, between pay equity and job performance and voluntary turnover. The results of their research showed that perceptions of pay equity had an impact on turnover. Turnover was shown to be an indirect consequence of pay inequity. Significant but nonpredicted paths were the negative relationships from job performance to voluntary turnover, and time in the organization to voluntary turnover.

Oldham (1986) found that employees who felt disadvantaged on job complexity, compensation, supervisory behavior, and job security were typically less satisfied

and less internally motivated than did employees in the advantaged group. Employees who felt equity relative to their referents on the job complexity dimension withdrew from the organization less frequently than did employees who felt disadvantaged on the complexity dimension.

It is clear that inequity serves as a motivator because the tension pushes individuals to end their frustration by taking action. However, some studies have not found a relationship between inequity and turnover, and other studies have found a relationship with a small effect size. For example, Dittrich and Carrel (1979) explored the relationship between equity perceptions and job satisfaction and absenteeism and turnover. One hundred and fifty-eight clerical employees were given the Organizational Fairness Questionnaire and the Minnesota Satisfaction Questionnaire, and their employee data were used. They did not find a significant relationship between equity perceptions and turnover or job satisfaction and turnover. Employees chose other forms of withdrawal behavior such as absenteeism.

Additional studies have shown that individual differences determine how a person will handle perceived inequity. These studies have explored the inequity-

turnover relationship by incorporating dispositions as a moderator of the relationship. Fisher and Baron (1982) examined an equity-based model of vandalism. They found that inequity could include discriminatory practices, rules, and regulations. In the study, equity was used as a motivator and locus of control was used as a moderator. It was hypothesized that locus of control would guide how an individual would cope with inequity. They found that internals were passive and more likely to stay with the company. Externals would put forth effort by guitting and then search for a better job. Individuals with moderate levels of locus of control involved themselves in vandalism or theft. Hochwater (1995) attempted to show that individual differences determine how a person will handle perceived inequity. Hochwater (1995) found that negative affectivity moderates the inequity-turnover relationship. One hundred and four managers were given measures of negative affectivity, intention to turnover, perception of inequity, and availability of alternative employment. The control variables were gender, age, education, and tenure. The relationship between perceptions of inequity and turnover was stronger for low negative affectivity. Participants with high negative

affectivity perhaps felt that there was going to be negativity in their lives regardless of their job situation, so they didn't feel propelled to leave the company. These studies stressed the importance of looking at both dispositional and situational variables in predicting turnover. The different turnover patterns of individuals in an organization facing inequity are better understood by looking at dispositional factors.

Usually, inequity would motivate an individual to leave a company but this is not true in all cases. Adams (1965) identified six methods of restoring equity 1) altering inputs, 2) altering outcomes, 3) cognitively distorting inputs or outcomes, 4) leaving the field, 5) taking actions designed to change the inputs or outcomes of the comparison other or 6) changing the comparison other. Personal differences could influence the method an individual would choose. According to motivation theorists reactions or outcomes are a function of motivation (drive), utility of the reward, and learning (Campbell & Pritchard, 1976).

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Locus of Control

Learning theorists have consistently demonstrated that the likelihood that a person will perform an act is determined by whether or not the behavior is rewarded or reinforced. If a person performs an act and is rewarded, that person will expect to receive that reinforcement whenever that behavior is repeated. However, people perceive and react to rewards differently. Whether or not the person perceives that the reward is contingent on her/his own behavior or outside forces will influence how the person reacts to the reward. If the person perceives the reward as not being contingent on her/his behavior, then it is attributed to luck, chance, or fate. The predisposition toward this type of belief is labeled external control. A person who attributes rewards or outcomes to his/herself or personal characteristics is described as having a predisposition toward the belief labeled internal control (Rotter, 1966).

Internals perceive that work outcomes are contingent on his/her own behavior or characteristics. An internal would believe that his/her own skills or internal dispositions determine what reinforcements they receive. An internal is more likely to openly strive for an

achievement or exert effort. An internal with a history of failure would blame him/herself (Rotter, 1966). This belief leads an internal to take action when action is perceived to lead to rewards. Externals believe that work outcomes depend on external factors, such as knowing the right people (Spector, 1988). Externals may ignore the reinforcement contingencies in a work situation. Externals feel that others determine their successes and failures. Externals feel less empowered than internals.

The concept of locus of control has been generalized in organizational research as a dispositional factor that strongly influences a person's attitude and reactions to events. "Locus of control refers to the belief that individuals can influence events relating to their lives (Pasewark & Strawarks, 1996)." Individuals identified as "externals" based upon their locus of control tend to believe environmental forces control their destiny. They do not give individual effort credit in the fate of their lives. In contrast, "internals" believe they are capable of influencing outcomes controlling their lives.

The perception that work related factors is within one's control helps reduce the stress caused by the work environment. Von Emester and Harrison (1998) explored the

relationship between role ambiguity, perceived control, burnout, and work-related attitudes; the participants in this study consisted of 46 customer service representatives from financial and high-tech firms. Von Emester and Harrison (1998) found role ambiguity is less stressful for 'internals' who believe they have control over work related factors. Holder and Vaux (1998) examined the way African Americans cope with stress in a predominately white environment. As part of the study, they looked at spirituality and internal locus of control as possible moderators of the stressor-job satisfaction relationship. They used internal locus of control as a moderator in this model, because past studies have shown it to be an important personal resource. They also looked at the relationship between internal locus of control and job satisfaction. They found that internal locus of control was a significant predictor of job satisfaction, explaining an additional 14% of the variance in job satisfaction. The hypothesis that internal locus of control serves as a buffer to work related stress was supported.

Griffeth and Hom (1988) conceptualized commitment as a definite desire to maintain membership in an

organization. In this study, they found a relationship between locus of control and commitment to the organization. However, they expanded this thought by adding delay of gratification as a moderator of the locus of control-commitment relationship. They found that externals with a long reward delay were more committed and satisfied with the organization. Externals who have low reward delay were less committed and satisfied.

Daniels and Guppy (1994) looked at locus of control as an indicator of teachers' job attitude and job commitment. They found that teachers with high levels of internal locus of control were more committed to their school, more motivated in their work, had higher levels of overall job satisfaction, and had less role ambiguity. Teachers with internal belief tended to have more positive perceptions of the school organization than teachers with externality belief.

Hypotheses

Mobley's model takes us through various stages of the decision to withdraw from an organization. Perceived inequity is a strong motivator toward an employee searching out alternatives and intending to guit.

However, not all replications of the research on the withdrawal decision process have found consistent results. There have been studies in which a person, despite perceived inequity did not go through the stages described in the turnover model; instead, he/she remained in the organization. This project proposes that level of locus of control will influence whether a person intends to quit his/her job. Internals who perceive inequity will have higher levels of intention to quit. Externals are going to be more likely to cognitively re-evaluate their current situation and will have lower intentions to quit. Externals will attribute there perceived inequity to something outside of themselves that they do not have control over.

Hypothesis 1

There will be a negative relationship between equity and intention to guit.

Hypothesis 2

The relationship between equity and intention to quit will be moderated by locus of control.

CHAPTER THREE METHODOLOGY

Participants

Participants included individuals employed at public agencies in the greater Los Angeles area. The 79 participants were selected from the Personnel Testing Council - Southern California and classified employees of the Los Angeles Unified School District. The sample consisted of 67% female and 33% male. In this sample 1% had only completed high school, 13% had attended some college, 6% had received an Associate of Arts degree, for 51% the highest level of education completed was their Bachelor of Arts degree, and 29% had received a graduate/doctoral degree.

Procedure

The necessary sample size for a medium effect size, power of .80, and $\alpha = .05$ for three independent variables was 76 (Cohen, 1992). To ensure a response rate of 76 participants, questionnaires were sent to 160 individuals with cover letters asking potential respondents to participate in the study, instructions for completing the

questionnaire, and self-addressed, stamped envelopes. Eighty-five questionnaires were returned for a response rate of 53%; however 6 questionnaires had significant amount of data missing. There were 79 questionnaires that were returned completed.

Measures

Locus of Control

Locus of Control was measured using the Work Locus of Control Scale (WLCS) developed by Spector (1988). The WLCS is a 16-item scale used to measure control beliefs in the workplace. Participants rated their agreement with each item on a Likert scale ranging from 1(disagree very much) to 6 (agree very much). The scores for the measure ranged between 16 and 96. Individuals scoring low on the measure were classified 'internals.' Individuals scoring high on the measure were classified 'externals.' Internally worded items were reverse coded before summing. The instrument's reported internal reliability was .85 in Spector (1988) and in this study.

Intention to Quit

The 3-item scale from Camman, Fichman, Jenkins, and Klesh (1979) was used to measure intention to quit: (a) "I often think of leaving the organization," (b) "It is very possible that I will look for a new job next year," and (c)"If I may choose again, I will choose to work for the current organization." Participants responded to a 5point Likert scale with anchors ranging from 5 = Strongly Agree to 1 = Strongly Disagree. In this study the internal consistency coefficient was .83.

Equity Perceptions

The Organizational Fairness Questionnaire (Carrell & Dittrich, 1976) was used to measure equity perceptions. Participants responded to a 5-point Likert scale with anchors ranging from 5 = Agree Strongly to 1 = Disagree Strongly. The Organizational Fairness Questionnaire is a 31-item scale which includes 5 factor-derived dimensions: PAYRULES (9 questions), PAYADMIN (5 questions), WORKPACE (8 questions), PAYLEVEL (5 questions), and RULE ADMIN (4 questions.) PAYRULES is defined as perception of the fairness of one's pay relative to one's coworkers and the fairness of the rules for granting pay increases and promotion. PAYADMIN is defined as the perception of the

fairness of supervisors in administering the rules for pay raises and promotions. WORKPACE is defined as the perception of the fairness of supervision in maintaining a fair pace of work activity. PAYLEVEL is defined as the perception of the fairness of one's pay relative to others' pay outside of the employing organization. RULE ADMIN is defined as the perception of the fairness of supervisors in maintaining acceptable forms of general behavior in the workplace. One additional dimension is the OVERALL FAIRNESS dimension which is a sum of the five perceptions of fairness (Carrell & Dittrich, 1976). Carrell and Dittrich (1976) conducted a field study in which they explored the relationship between fairness, job satisfaction, absence, and turnover. In their study, the fairness dimensions entered stepwise regressions earlier than the satisfaction construct; these findings provided validation for the Organizational Fairness Questionnaire. Dittrich and Carrell (1979) noted the alpha reliability coefficients for the fairness dimensions: PAYRULES .89, PAYADMIN .84, WORKPACE .79, PAYLEVEL .70, and RULEADMIN .71. In this study the alpha reliability coefficient for the overall fairness measure was .92. The alpha reliability coefficients for the fairness dimensions were:

PAYRULES .91, PAYADMIN .85, WORKPACE .79, PAYLEVEL .46, and RULEADMIN .83.

Intention to Search for Acceptable Alternatives

This item was included in this study because intention to search is noted in Mobley's model to be a precursor to actual withdrawal behavior. The following item was selected from Sager, Griffeth, and Hom (1998) to measure intention to search: "For me, the likelihood of searching for another job in the next three months is

." Response scales ranged from 1 = Very Unlikely to 5 = Very Likely. In the Sager, Griffeth, and Hom (1998) study it was suggested that this item had discriminant and nomological validity. In this study, intention to search significantly correlated with Intention to Quit (<u>r</u>= .53, p<.01).

Perceived Alternatives

The following item was selected to measure perceived alternatives: "In your opinion, how many jobs are available in the job market that would be suitable for you?" (Vandenberg, 1999) Response scales ranged from 1 = None to 5 = Many. This item was included in this study because the decision to quit a job may be influenced by

CHAPTER FOUR

RESULTS

Analysis

The assumption of normality was examined before hypothesis testing. Histograms were plotted for each variable and examined. It was determined that the scores were from a normally distributed sample. Descriptive statistics are reported in Table 1.

Table 1. Means and Standard Deviations

	M	SD	Alpha
Intent to Quit	3.12	.78	.83
Perceived Equity	105.56	18.60	.92
Intent to Search	2.76	1.61	
LOC	43.09	10.91	.85
Perceived Alternatives	3.51	1.19	

The negative correlation (\underline{r} =-.39, \underline{p} <.00) between equity and intention to quit provides support for Hypothesis 1 (APPENDIX C). Equity was measured by summing participants' perception of treatment in the workplace on five subdimensions: PAYRULES, PAYADMIN, WORKPACE, PAYLEVEL, and RULEADMIN. In addition to looking at overall

perceptions of equity, subdimension correlations were also analyzed (APPENDIX C).

Step	В	SE B	β	R^2	ΔR^2
1				.18*	
Equity	007	.005	168		
LOC	.022	.009	.311		
2				.19	.01
Equity x LOC	.000	.000	543		

Table 2. Hierarchical Regression Analysis

* p < .001

It was hypothesized that LOC would moderate the relationship between equity and intention to quit. Equity and LOC were entered into the regression as predictors of intention to quit in step one of the analysis. Equity scores were multiplied with LOC scores to calculate a third variable. The third variable accounted for the interaction between equity and the moderator, LOC. This interaction variable was entered in step two of the analysis. LOC and equity accounted for 18 percent of the variance in intention to quit (\underline{R}^2 =.18, \underline{p} <.001); the interaction variable accounted for an additional 1 percent of the variance in intention to quit (\underline{R}^2 =.19, \underline{p} <.329). The moderating effect of LOC was not significant in this study

 $(\underline{R}^2\Delta=.01, \underline{p}<.329)$. LOC did not intensify or strengthen the relationship between equity and turnover.

Additional Analysis

Additional analysis was done to substantiate and bring further meaning to the findings. PAYRULES (\underline{r} =-.34, \underline{p} <.002), PAYADMIN (\underline{r} =-.35, \underline{p} <.002), and WORKPACE (\underline{r} =-.32, \underline{p} <.004) were significantly correlated to intention to quit. PAYRULES (\underline{r} =-.46, \underline{p} <.000), PAYADMIN (\underline{r} =-.45, \underline{p} <.000), WORKPACE (\underline{r} =-.36, \underline{p} <.001), and RULEADMIN (\underline{r} =-.24, \underline{p} <.035) were significantly correlated with LOC. The correlations between LOC and intention to quit (\underline{r} =.40, \underline{p} <.000) and LOC and equity (\underline{r} =-.51, \underline{p} <.000) were found to be significant.

There was a weak correlation between RULEADMIN and intention to quit (<u>r</u>=-.22, <u>p</u><.057). The relationship between intention to quit and perceived alternatives was nonexistent (<u>r</u>=-.07, <u>p</u><.531). The relationship between intention to quit and PAYLEVEL was also nonexistent (<u>r</u>=-.04, p<.742).

An analysis was conducted to investigate whether LOC may have an effect on the relationship between acceptable alternatives and intention to quit. Acceptable

alternatives and LOC were entered into the regression as predictors of intention to quit in step one of the analysis. A third variable was calculated to account for the interaction between acceptable alternatives and the moderator, LOC. This interaction variable was entered in step two of the analysis. LOC and acceptable alternatives accounted for 18 percent of the variance in intention to quit (\underline{R}^2 =.18, p<.00); the interaction variable did not account for any additional variance in intention to quit. LOC did not influence the relationship between acceptable alternatives and turnover.

CHAPTER FIVE

DISCUSSION

The purpose of this study was to understand the decision to turnover process. In particular, the interest was in the reasons some individuals do not go through all the stages indicated in Mobley's model. Personal differences were suggested to be one of the reasons. This paper attempted to move theory from focusing on only organizational factors that lead to turnover to an acknowledgement of personal differences among individuals. In order to understand the reasons for turnover, it is important to examine individual and organizational factors simultaneously.

This study hypothesized that there would be a significant relationship between perception of equity and intention to quit and that this relationship would be moderated by LOC. The correlation analysis results supported the first hypothesis. The relationship between perception of equity and intention to quit was found to be significant. Individuals that perceived that they were being treated fairly at work had lower intentions of quitting their job. Individuals that felt they were not

being treated equitably had higher intentions to quit their existing job. However, the results did not support the second hypothesis, LOC as a moderator was not significant.

While perception of equity and intention to turnover separately were significantly related to the moderator, the anticipated effect of the moderator on this relationship was not found. LOC exhibited the strongest relationship with perception of equity (r=-.51). Perhaps LOC impacts directly on perception of equity and influences equity perceptions. Bono, Judge, and Locke (2000) tested a model that hypothesized that both perceived job characteristics and job complexity mediate the relationship between core-evaluations (self-esteem, generalized self-efficacy, locus of control, and low neuroticism) and job satisfaction. They found a significant positive relationship between core selfevaluations and perceived job characteristics (r=.41). Individuals with positive self-evaluations may see their job as more equitable simply because they are predisposed to perceive aspects of their job positively. As previously cited in Daniels & Guppy (1994), LOC has been found to influence job attitudes.

The findings suggest that internals feel that the manner in which compensation is administered and the standards for pay raises and promotions are fair. Internals feel that the way management maintains acceptable forms of behavior in the workplace and the pace of work activity are fair. There was not a significant relationship between PAYLEVEL and other variables in the study, such as intention to guit or acceptable alternatives. There was a weak relationship found between LOC and PAYLEVEL (r=-.13). This group was employed by organizations (e.g., Los Angeles Unified School District and the County of San Bernardino) that pay higher than comparable agencies. The salary of this population could have influenced these findings. PAYLEVEL was correlated with perceptions of equity and PAYRULES. The findings suggest that individuals who feel that their salary is fair will perceive their employer as being fair and the rules for allocating pay increases and promotions as fair.

There were additional variables that were in this study that was not directly being studied or that was not included in any of the hypothesis. The variable acceptable alternatives was added because the likelihood of someone quitting their job could be contingent on

whether they have another job available to them. This variable could influence the results. In this study the there was no relationship between Acceptable Alternatives and Intention to Quit or between intention to search and equity. Clearly from these results the individuals did not go through a process of searching. These additional variables had either no relationship with our independent and dependent variables indicate that they did not

It is clear that perceptions of equity are related to quitting behavior. The findings reveal a clear link between a whether a person feels they can influence work outcomes and their perception of whether they are being treated fairly.

Limitations

The generalizability of these findings is limited by the fact that we surveyed a well-educated group. This sample represented individuals who at the very least had some college education. Eighty percent of the individuals in this sample had earned either an undergraduate or graduate degree. Possessing a degree could offer an individual some type of perception of control over his/her

work situation. The fact that they have a certain level of education probably makes them less tolerant of an inequitable work situation.

Another limitation is that this was a correlational study and therefore we cannot imply that LOC leads to perceptions of equity. The study considered the extent to which LOC moderated the equity-turnover relationship but it did not look at the process prior to the evaluation of job characteristics. It is not clear whether personal characteristics may lead to the perception of inequity. The measures used for intention to search and perceived alternatives consisted of only one item. This may have been a critical statistical limitation.

Future Research

Future research is necessary to address this study's limitations. Exploring a path analysis model would be a useful statistical technique in examining what leads to equity. There is a great need for additional research on impulsive behavior in the turnover decision process. Limited research has been conducted studying the effect personal differences have on an individual's method of restoring equity. It would be beneficial to study all the

steps of Mobley's model (APPENDIX B) and then identify the portion of the population that bypasses the process and participates in impulsive behavior. Then, investigate whether LOC predicts variance in intention to quit for that particular group.

Nevertheless, the implication for a manager is that turnover has to be addressed at the individual level, not only collectively. Pertinent predispositions or attitudes need to be assessed and then the allocation of outcomes to individuals has to appropriately address these beliefs. Studies that address turnover have to continually be explored and expanded to incorporate factors that may be involved in this complex work outcome.

APPENDIX A

SURVEY

SURVEY

Section A:

Please indicate your response to each of the following work-related statements. Give a response to each statement by placing a check mark to show how much you agree or disagree with the statement. For blanks marked (A) consider your present company and for blanks marked (B) consider your subgroup (e.g. department or section) within your present company.

Agree means I <u>agree</u> with the statement. Agree/Somewhat means I <u>agree somewhat</u> with the statement. Neither means I <u>neither</u> agree nor disagree with the statement.	what means I <u>agree somewhat</u> with the statement. Disagree/Somewhat means I <u>disagree somewhat</u> ins I <u>neither</u> agree nor disagree with the statement. with the statement.						
		Agree	Agree/ Somewhat	Neither	Disagned Somewhat	Disagree	
The rules for being late to work, playing around in the office, leasi other workers, icia, are strict enough	ng	÷	, ŭ	Ð.,	n -	ъ	
When I compare my pay with the pay of my working high school classmates, my pay is higher than theirs.		jEF:	D	<u>D</u>	П	B	
The rules for giving pay raises are not fair for some employees.		ι)î	D, -	Q.	201 \$	E.	
The rules that apply for someone to be promoted seem unfair.		<u>D</u> į	a	D	Ü	D	
Some people in my(B) get by without meeting work stand	iards.	ĻĻ	Ē	с.).	0	Ц.	
People are expecting to do a fair day's work in my	_(B).	Ø		þ	a	<u> </u>	
Persons who have the sume education as I have are paid more than being paid.	Lam	<u>d</u>	ĒÚ ,	- U	Ц	U	
The rules for giving pay raises to all employees are fair.		Ď,	Ę	ġ	D	Û	
My supervisor sees to it that all of us meet work standards.		11. 	СU.	Ъ.	П	U.	
Some jobs in my(B) are paid lower than they be when compared with other jobs in the(A		E):		<u>a</u>	D -	E) ·	
In my (B) the supervisor knows who shoul raise, and sees that they get one.	d get a		- Els		с. Ц	ni. Ti z	
After a period of training for new employees, my supervisor sees t every person does a fair day's work.	hat:	E	ď	0	Ö	Ū,	
The pay rate for my job is higher than the pay rate for the same jo other companies in this area.	b in	14 14	£1.	€I=	. (D)	LI 1	
My supervisor allows workers to tease other employees, be late to work stations, and to act improperly in other ways.	their	D.	<u>D</u>	<u>u</u>	<u> </u>	<u>.</u> [],	

Section A. (Continued)

ų,

For blanks marked (A) consider your present company and for blanks marked (B) consider your subgroup (e.g. department or section) within your present company.

ucparuncal or section, within your present company.		.		~ 18	
: 	Agree	Agreel Somewhs	Netter	Disagnee Somewhs	Diconnos
Jobs in my. (B) are paid about what they should be paid in relation to other jobs in (A).	сц.	Ű	. (j	П.,	Ę
My supervisor will get after workers if they are late to work, play around in the office, or behave badly in other ways.	Π	Ó	D	<u>a</u>	Ċ
t know that some members of my (B) area't required to work as hard as others.	Щ	D.	ΞŪ.	El -	, i
The differences in pay and privileges for different kinds of jobs seem very fair to me	þ	ņ	<u> </u>	ġ	Ĺ
My supervise expects people in my(B) to act properly.	р,	- D _*	D.		
My supervisor is fair in deciding who should get a pay raise.	, n	þ	Ū;	Ū.	ļ,
Other companies in this area pay people doing my kind of job less than 1 am getting path.	П.	Ð	0	ļ.	1
My supervisor knows who should be promoted and sees that they are promoted if he can.	E.	D	D	Ċ.	Ċ
Compared to others outside of the (A) who have the same education and experience as L 1 am being paid less.	<u>ц</u> .	Ц. Рад	, D	D	j.,T
The rules that are used to give pay raises in the(A) are fair.	:0	D	D	0	,E
My supervisor rates people unlairly in crusidering people for promition	e states States	цу.Ш.	U.	ι, Π	
Some employees can get away with working at a slow speed if they want to in my(B).	Ŭ	D	D.	D	T
My supervisor rates people (with in giving ration)	. D.	U.	wП.	р С	1
The rules for promotion in the(A) don't seem fair to me.	D	Ū	, Q	D,	Ľ
The system used to promite people is a fair one.	EL ;	р). Д	.*D	10) - [, v. c
My supervisor lets people get away with behaving improperly. (badly).	Ц.	D	. 🖸	Ę.	Ċ
The differences in pay for different work in the (A) do, not seen very fair to me.	. Dia 19		0 : 35	Ц	, l
2					

Section B.

4

Please indicate your response to each of the following statements. Give a response to each statement by placing a check mark to show how much you agree or disagree with the statement.

	Agree Very Much	Agree Moderately	Agree	Disagree	Disignee	Diserve Very
A job is what you make of it.	. Ц.,	Ū.	D.	U.	. ŋ	ър.
On most jobs, people can pretty much accomplish whatever they set out to accomplish.	D.	U	ÌĊ	jn	-0	C].
If you know what you want out of a job, you can find a job that gives it to you.	. LI	П.,		ΥŲ	П?,	2 D
If employees are unhappy with a decision made by their boss, they should do something about it.	D X	<u>0</u> ;	<u>.</u>	Ð	<u>D</u>	Ū,
Getting the job you want is mostly a matter of luck.	• U	Dj.	0		р Ц	
Making money is primarily a matter of good fortune.	<u>0</u>	ت	ģ	Ċ	۵	Π
Most people are capable of doing their jobs well if they make the effort.	L.	U.	٠D	Π	П.	'n
In order to get a really good job you need to have family members or friends in high places.	D	Ŭ.	D	ņ	ΞQ.	D,
Promotions are usually a matter of good fortune.	D,	0	<u> </u> D.:	10	0.	<u>_</u> [].
When it comes to landing a really good job, who you know is more important than what you know.	۵	Π	Ċ	D	Ì.	D
Promotions fire given to employees who perform well on the job.	<u></u> П,	. U.	, D	0.	1	11,
To make a lot of money you have to know the right people.	Ø	D	i)	Ū.	0	D
It takes a lot of luck to be an enstanding employee on most jobs.	Ц	ĮŪ,	ЭŪ.	D	ις Ει Σ	0
People who perform their jobs well generally get rewarded for it.	0:	D ,	D	i Di	<u>.</u> 0	D
Most couployees have more influence on their supervisors than they think they do.	Ц. , , , , , , ,	μÜ.	U.,	-D	, D	<u>.</u> 0
The main difference between people who make a lot of money and people who make little is luck.	0	Ď	D	· D·	0	<u>[]</u> .

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Section C.

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How much do you agree with each statement? Give a response to each statement by placing a check mark to show how much you agree or disagree with the statement.

			Strongly Agree	Agne	Neutral	Disagree	Strongly Disagree
often think of quitting	this job and finding anot	her.	ġ	П	D	D	ت
every possible that	I will look for a new jub i	nexi year.	آ آ.		40).	цU.	U
I had it to do over ag rganization.	ain, I would still choose i	to work for my c	current 🛛	D	Ö	Ø	Ŭ,
Section D.							
	circle the number which	provides the mo	st accurate descripti	m. -			
1) For me, the lik	elihood of searching for a	mother job in the	e next three months i	S.			
1 Very Unlikely	2 Slightly Unlikely	3 Neither	4 Slightly Likely		5 Very Like	lly	
2) In your opinio	n, how many jobs are ava	ilable in the job	market that would b	suitabl	e for you?		
1 none	· · · · · · · · · · · · · · · · · · ·	3	` 4	2	S. n	nany	
Section E.	37						
			king the boy that an	olies to v	you or wri	iting yo	ur ansy
Please provide backy in the space provided	round information about L	yourself by che	events ⁱ nie orisimment	6 900 00 1 0 4		1010	
Please provide backy in the space provided What is your gender	L.	yourself by che	- 1 6			,010	
in the space provided What is your gender	L.	E M	lale		iate Degr	1	

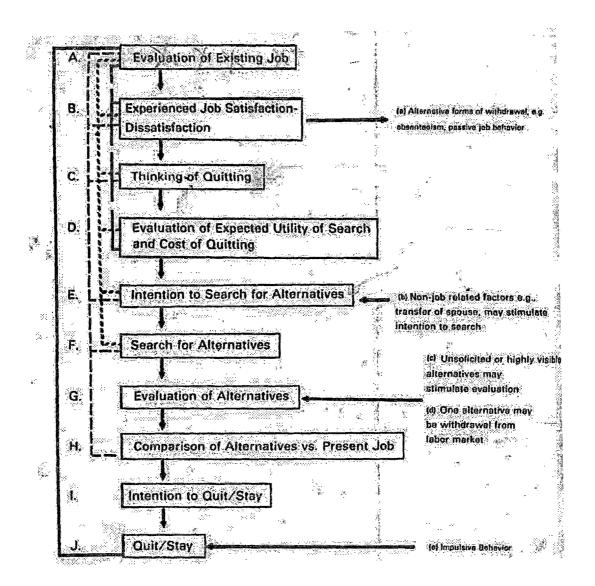
RETURNING THE SURVEY

4

Place the completed survey inside the pre-stamped and addressed envelope and drop the envelope at any US Post Office Mailbox for delivery.

APPENDIX B

MOBLEY'S MODEL (1977)



APPENDIX C

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CORRELATION MATRIX

.

ALTERNATE	SEARCH	QUIT	LOC (Low,	EQUITY	RULE-	PAY-	WORK-	PAY-	PAY-	
			Internal)		ADMIN	LEVEL	PACE	ADMIN	RULES	
0.06	12	34**	46**	.88**	.33**	.26*	.55**	.48**	1	PAYRULES
0.14	03	35**	45**	.69**	.33**	0.09	.50**	1	.48**	PAYADMIN
0.14	04	32**	36**	.82**	.65**	0.11	1	.50**	- 55**	WORKPACE
0.04	02	04	13	.32**	10	1	0.11	0.09	.26*	PAYLEVEL
0.22	02	22	24*	.60**	1	10	. 65**	.33**	.33**	RULEADMI
0.15	.09	39**	51**	1	.60**	.32**	.82**	.69**	0.88**	EQUITY
32**	0.20	.40**	1	51**	24*	13	36**	45**	46**	LOC
07	.53**	1	.40**	39**	22	04	32**	35**	34**	QUIT
01	1	.53**	0.20	09	02	02	04	03	-0.12	SEARCH
1	.01	07	32	0.15	0.22	0.04	0.14	0.14	0.06	ALTERNAT

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