The effects of organizational culture on turnover intention: The mediating role of job satisfaction, a case of Oromia Forest and Wild Life Enterprise

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Received 12 July, 2018; Accepted 11 December, 2018

The purpose of this study was to identifying the effects of organizational culture on turnover intention with mediated role of satisfaction. Data were gathered by closed ended questionnaires distributed to five OFWEs in Oromia. The scales used were the organizational culture index, job satisfaction survey, and the turnover intention questionnaire. The collected data was statistically analyzed by SPSS 20 and AMOS 21. The data were collected using a questionnaire. Three hundred and fifteen (315) questionnaires were distributed and analyzed by using Structural Equation Model (SEM). To validate interdependence relationships between each variable, confirmatory factor analysis by using structural equation modeling (SEM) has been employed. Some of the results were as expected after theory examination, but others were surprisingly contradictive. Bureaucratic culture was significant with direct relationship with turnover intention. Based on the results, it is recommended that supportive culture could be practiced in OFWEs to gain satisfied and committed employees.

Key words: Job satisfaction, organizational culture, turnover intention, Oromia Forest and Wild Life Enterprise.

INTRODUCTION

Employees are the greatest resource and play an important role in organizations; their involvement and commitment in the organization, making organization become competitive (Roodt et al., 2002). Smith, Kendall and Huhn (1969) contend that satisfied employees are those who have positive attitude and achieve positive results for their organization as well as in relation to their jobs. Satisfied employees would generate new ideas and could participate more in the decisions that need to be made (Kivimaki et al., 1994). The aforementioned facts result in improved inter-communication among workers and workforce support for the organization (Lok and Crawford, 2004). Organizational culture is defined as beliefs, values, norms and philosophies of how things are done (Wallach, 1983). Employee’s behavior (their attachment and job satisfaction), attitude and their performance would be determined if the implementation of plans, policies and strategies is successful and if the organization was competitive. The existence of job satisfaction is the result of good value, belief and perception practice in the organization. Job satisfaction does not happen in isolation, as it is dependent on organizational variables such as structure, size, pay, working conditions and
leadership, which constitute organizational culture. Moore (2002) explained that there are many external and internal factors that influence employee turnover.

Turnover intentions are defined as conscious and deliberate willingness to leave an organization (Tett and Meyer, 1993). Employees leaving organizations cause expenses in all personnel activities including selection, training and development of personnel (Stallworth, 2003). In addition to the direct cost, turnover intentions resulted in different indirect loss to the organizations. Indirect costs of turnover include reduced morale, increased pressure among the remaining staff, work overload, and loss of social capital (Hussain and Asif, 2012).

Having good organizational culture and satisfied employees is very critical and important to reducing turnover intentions. Organizational culture is getting more important than ever, because organizations need to ensure that those employees who add benefit to their bottom line need to be satisfied at the organization level and required to continue applying their hard work into their jobs to the benefit of their organization (Brown and Leigh, 1996). Taking into consideration that very little information is known regarding the relationship between organizational culture, job satisfaction and turnover intention; this study was conducted to identify the relationship between organizational culture and job satisfaction, relationship between job satisfaction and turnover intention, investigate the effects of organizational culture on turnover intention and to identify the mediating role of job satisfaction between organizational culture and turnover intention in case of Oromia Forest and Wild Life (OFWL) Enterprise.

However, the direct relationships between organizational culture, turnover intention and job satisfaction interpreted by the level of fit between the employee and the organization working for. On that account, we conducted a research in order to probe the relationships between these variables.

LITERATURE REVIEW

Several steps are required to be taken to assess the aforementioned proposed hypothesis. One of these steps is referring to the relevant theory about the concepts organizational culture, job satisfaction and turnover intention.

Organizational culture (OC)

Organizational culture is a complex phenomenon (Dubkевичs and Barbars, 2010; Schein, 1984; Peters and Waterman, 1984). Schein (2006) and Daft (2005) reveal that there are three levels of culture: the observable values (artifacts), this is the level that can be observed; the visible organizational structures; and processes. This level is still hard to understand; the espoused values: on this level an image of the organization is created. The strategies, goals and philosophies are formulated through answering certain questions to create that image. Basic underlying assumptions: these are deep beliefs which form the essence of culture. In this research, the following definitions for organizational culture would be applied.

Wallach (1983) stated that “understanding of the beliefs, values, norms and philosophies of how anything is done”. Wallach (1983) also asserted that culture is divided into three main parts, namely: (1) bureaucratic, (2) innovative or (3) supportive cultures. Based on the adopted culture, an employee is more effective in doing the assigned job and realizes his objectives. This is very important in recruiting, managing, motivating, developing and retaining employees.

Job satisfaction

Robbin and Judge (2008), Nasarudin (2001), and Luthans (2006) state that job satisfaction has positive feeling, pleasant emotional feeling or positive emotions come from the work valuation or experience. Worrell (2004) stated that, a satisfied employee is influenced by several factors sorted into three categories: personnel data (age, sex…), intrinsic factors and extrinsic factors. On the other hand, Smith and Kendall (1969) and Locke (1970), consider job satisfaction to be the degree to which an employee, by means of a positive attitude, achieves a positive result in relation to his/her job. Also, Cranny et al. (1992) and Lambert et al. (2002) stated that job satisfaction is an individual directive feeling to reflect whether his/her needs are being met or not. From the negative side, the employees expressed their dissatisfaction through so many ways such as leaving the organization, raising their voice to demand to improve the working conditions, be patient by passively waiting for the conditions to improve and neglecting everything in work. A person with a positive attitude is likely to have more job satisfaction, while a person with negative attitude is likely to have job dissatisfaction towards his or her job.

Major determinants of job satisfaction of mentally challenging work are equitable rewards, supportive working conditions, supportive fellow employees, personality-job fit, company policies and programs. Most researchers showed more interest about job satisfaction for several decades and consider that it can influence work productivity, employee commitment, employee turnover and employee retention (Esami and Gharakhani, 2012). This depends on how many of his/her feelings are achieved. Job satisfaction is assessed in many levels and can be examined from multiple viewpoints using multiple constructs or scales (Schmidt, 2007). For example, the Job Description Index (JDI), developed by Smith and Kendall (1969) defines five aspects of a job: work, pay, promotion, supervision,
and coworkers. Spector (1985) identified nine subscales for the Job Satisfaction Survey (JSS): pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work, and communication. As a result, these facets or subscales may have varied significantly when evaluating overall job satisfaction (Spector, 1985). The researcher used five scales of job satisfaction surveys (JSS).

### Turnover intention

Turnover intention is argued to be a strong indicator for actual turnover (Firth et al., 2004). Turnover intention refers to the intention to leave a job voluntarily. Karin and Birgit (2007) defined it as “the intention to voluntarily change companies or to leave the labor market altogether” (p. 711). Price and Mueller (1981) argue that the use turnover intention over actual turnover is better and more practical. They noted that there are many external factors that influence actual turnover behavior. Moore (2002) explained that although actual turnover behavior is still a popular construct among researchers, turnover intention represents a strong surrogate variable. Moreover, in some contexts, turnover intention can be a barometer than actual turnover for management practices. For example, in some economic cycles, such as high unemployment rates, actual turnover is low despite high turnover intention. However, it is acknowledged that some researchers argue against the use of turnover intention as it does not equal actual turnover behavior and unless this intention to quit is acted on, it is just little more than “talk” (Firth et al., 2004). However, Griffith et al. (2000) carried out a meta-analysis on predictors of actual turnover in which turnover intention was a key predictor and this finding is supported by many studies.

### The study

Figure 1 shows the conceptual model of the research.

### Research hypotheses

The following research hypotheses guided the study:

- **H1**: Innovative culture has a positive direct effect on turnover intention;
- **H2**: Supportive culture has a positive effect turnover intention;
- **H3**: Job satisfaction positively mediates the relationship between Bureaucratic culture and turnover intention;
- **H4**: Job satisfaction negatively mediates the relationship between innovative cultures and turnover intention;
- **H5**: Job satisfaction positively mediates the relationship between supportive culture and turnover intention;
- **H6**: There is a positive relationship between organizational culture and turnover intention;
- **H7**: Job satisfaction positively mediates between organizational culture and organizational commitment;
- **H8**: Experience has positive direct impact on turnover intention;
- **H9**: Organizational culture has positive impact on turnover intention;
- **H10**: Job satisfaction is positively mediated between organizational culture and turnover intention.

### MATERIALS AND METHODS

The current research is a descriptive and correlational study that was conducted using the survey method. The statistical population of the research consisted of permanent employees in the selected five branches of OFWE’s. The gathered data was statistically analyzed with SPSS 20, and AMOS 21. The number of employees during the research was 3200 persons, and 315 persons were selected to form the sample by using Carvalho (1984) method. Considering the total number, 73% of participants were male, more than 72% of them had BA and higher degree, nearly 34% of them had 11 to 15 years of work experience, and more than 44% of them were over 36 to 45 years old salary division, 50% of the sample population earns more than 7000 a month. In this research, three questionnaires were used to collect the data. These questionnaires were adjusted based on 5-level Likert scale ranging from 1 to 5. The first questionnaire was to evaluate the organizational culture and included 18 questions and the AFL for these items is 0.86; the composite reliability and Cronbach’s alpha for the scale is 0.83. The second questionnaire was to assess the job satisfaction and involved 20 questions. The AFL for these items is 0.6 and Cronbach’s alpha for the scale is 0.724; and the third questionnaire was to evaluate turnover intention and included 18 questions. The AFL for these items is 0.85, and the composite Cronbach’s alpha for the scale is 0.78. According to Hejase and Hejase (2013), “the generally agreed upon lower limit for Cronbach’s alpha is 0.70, although it may decrease to 0.60 in exploratory research” (p. 570).

### RESULTS AND DISCUSSION

Connecting theoretical and experimental knowledge for better understanding of real universe is a feature of approach of structural equation modeling. Such analysis provides possibility of modeling based on latent variables and unobserved variables. To this end, this feature is very appropriate to analyze the theoretical models. In the current study, structural equation modeling was used to investigate the conceptual model and hypotheses of the research and the results are as shown in Figures 2 and 3 whereby information indicates that conceptual model of research had very good fit. Fit indices in Tables 1 and 2 support the fact that the conceptual model of research has very good fit with the assumptions of the model which were statistically accepted. In other words, the suggested model has an appropriate fit. Table 3 presents the testing results of the research hypotheses whereby organizational culture components had positive effects on turnover intention such that supportive culture had positive and statistically significant effect on turnover intention (β=0.212,
p=0.0140), while both innovative cultures (β=0.106, p=0.186) and bureaucratic culture (β=0.126, p=0.140) had non-statistically significant effect on turnover intention. In addition, the results of path analysis indicated that organizational culture in addition to its direct effects on turnover intention (β=0.403, p=0.001), was also influenced by the mediating factor of job satisfaction (β=0.026, p=0.001). Thus, it can be inferred that employee’s job satisfaction had a mediator impact on the relationship between organizational culture and turnover intention.

Figures 2 and 3 show the accepted fit model; it is now
possible to evaluate the hypotheses and assessments. To evaluate the hypotheses testing, the researchers divided the path into two major parts. They are (1) direct/indirect effects of organizational components on turnover intention (Figure 2), (2) organizational culture and job satisfaction as mediator relation with turnover intention path (Figure 3).

**Hypothesis 1 (Not supported)**

H\textsubscript{1} stated that an innovative culture has a positive effect on turnover intention. Data shows that this statement is not statistically supported (\(\beta = 0.106, p = 0.186\)).

**Hypothesis 2 (Supported)**

H\textsubscript{2} stated that supportive culture has a positive effect on turnover intention. As expected, this hypothesis is accepted (\(\beta = 0.212, p = 0.014\)). That is, the regression weight for supportive culture in the prediction of turnover intention is significantly different from zero at the 0.05 level (two-tailed). The standardized direct (unmediated) effect of supportive culture on turnover intention is 0.212.

That is, when supportive culture goes up by 1 standard deviation, the turnover intention goes up by 0.212 of a standard deviation.

**Hypothesis 3 (Not supported)**

Hypothesis 3 stated that bureaucratic culture has a positive direct effect on turnover intention. Data shows that this statement is not statistically supported (\(\beta = 0.126, p = 0.14\)).

**Hypothesis 4 (Supported)**

Hypothesis 4 states that job satisfaction positively mediates between bureaucratic culture and turnover intention. As expected, the data support prior research by revealing that hypothesis 4 is accepted (\(\beta = 0.024, p = 0.014\)) and is statistically significant with \(p \leq 0.05\) level (two-tailed) (Figure 2). The standardized indirect (mediated) effect of bureaucratic culture on turnover intention is 0.024. Because of indirect (mediated) effect of bureaucratic culture on turnover intention, when bureaucratic culture goes up by 1 standard deviation, turnover intention goes up by 0.024.
Table 3. Hypothesis testing.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Regression coefficient</th>
<th>P-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: Innovative culture has a positive direct effect on turnover intention</td>
<td>0.106</td>
<td>0.186</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂: Supportive culture has a positive effect turnover intention</td>
<td>0.212</td>
<td>0.014</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃: JS positively mediates the relationship between Bureaucratic culture and turnover intention</td>
<td>0.126</td>
<td>0.140</td>
<td>Supported</td>
</tr>
<tr>
<td>H₄: JS negatively mediates the relationship between Innovative cultures has and turnover intention</td>
<td>0.024</td>
<td>0.0140</td>
<td>Supported</td>
</tr>
<tr>
<td>H₅: JS positively mediates the relationship between Supportive culture and turnover intention</td>
<td>0.002</td>
<td>0.186</td>
<td>Not supported</td>
</tr>
<tr>
<td>H₆: There is a positive relationship between organizational culture and TOI</td>
<td>0.000</td>
<td>0.014</td>
<td>supported</td>
</tr>
<tr>
<td>H₇: JS positively mediates between organizational culture and organizational commitment</td>
<td>0.001</td>
<td>0.982</td>
<td>Not supported</td>
</tr>
<tr>
<td>H₈: Experience has positive direct impact on turnover intention</td>
<td>0.061</td>
<td>0.299</td>
<td>supported</td>
</tr>
<tr>
<td>H₉: Organizational culture has positive impact on turnover intention</td>
<td>0.403</td>
<td>0.001</td>
<td>supported</td>
</tr>
<tr>
<td>H₁₀: JS positively mediates between organizational culture and turnover intention</td>
<td>0.026</td>
<td>0.001</td>
<td>supported</td>
</tr>
</tbody>
</table>

Figure 3. Organizational culture direct indirect effects on turnover intention.
Source: Generated by author.
Hypothesis 5 (Not Supported)

Hypothesis 5 states that job satisfaction negatively mediates the relationship between innovative cultures and turnover intention. Results show that this hypothesis is rejected ($\beta=0.002 \ p=0.186$). Therefore, this path is rejected.

Hypothesis 6 (Supported)

Hypothesis 6 states that job satisfaction positively mediates the relationship between supportive cultures and turnover intention. Hypothesis 6 is accepted ($\beta=0.000 \ p=0.014$) (Figure 2). The standardized indirect (mediated) effect of supportive culture on turnover intention is 0.000. That is, due to the indirect (mediated) effect of supportive culture on turnover intention, when innovate culture goes up by 1 standard deviation, turnover intention is not affected.

Hypothesis 7 (Not supported)

Hypothesis 7 states that there is a negative relationship between salary and turnover intention. As expected, hypothesis 7 is rejected ($\beta= 0.001 \ p=0.982$). Therefore, this relationship is eliminated from the conceptual framework.

Hypothesis 8 (Not supported)

Hypothesis 8 states that there is a positive relationship between experience intentions. Results show that this hypothesis is rejected ($\beta= 0.061 \ p=0.299$). Therefore, this relationship is eliminated from the conceptual framework.

Hypothesis 9 (Supported)

Hypothesis 9 states that there is a positive relationship between organization culture and turnover intention. Hypothesis 9 is accepted ($\beta= 0.403; \ p =0.001$), the standardized direct (unmediated) effect of organizational culture on turnover intention is 0.403.

Hypothesis 10 (Supported)

Similarly, hypothesis 10 states that job satisfaction positively mediates between organizational culture and turnover intention. Hypothesis 10 is accepted ($\beta=0.026 \ p=0.001$) (Figure 3). The standardized indirect (mediated) effect of organizational culture on turnover intention is 0.026. That is, due to the indirect (mediated) effect of organizational culture on turnover intention, when organizational culture goes up by 1 standard deviation, turnover intention goes up by 0.0026 of a standard deviation.

Conclusions

Organizational culture (OC) influences the attitudes of employees, which in turn induces or contributes to organizational outcomes. Therefore, employees believe in their organization’s support, employees feel satisfied toward their job and may reduce any intentions they may have to leave the organization. Having a good connection with employees and having a clear vision, plays an important role in attaining positive results from employees (Bass and Avolio, 1990; Shamir, 1995).

Accordingly, the main goal of the researcher was to assess the effects of “organizational culture (Bureaucratic, Innovative or Supportive) on turnover intention in OFWL enterprise, through the mediating role of job satisfaction” based on collected and analyzed data; the researcher observed the following.

Innovative culture has positive impacts ($\beta=0.106, \ p=0.186$) on turnover intention while job satisfaction has negative mediating role ($\beta=0.002; \ p=0.186$) between innovative culture and turnover intention. An innovative culture has a creative, result oriented, challenging work environment (Walker and Plotnikova, 2018) and is portrayed as being entrepreneurial ambitious, stimulating, driven and risk-taking. These indicate that Oromia Forest and Wild Life Enterprise should be more practicing innovative system of organizational culture for reducing employee turnover intention.

Similar results also stated that Bureaucratic culture has a positive direct effect ($\beta=0.126$), on turnover intention and supportive culture has positive ($\beta=0.212$) direct effects turn over intention. Lahiri and Kedia (2009) stated weak relation between organizational culture and turnover intention with these results; organizational culture has positive ($\beta=0.403; \ p=0.001$) direct effects on turnover intention, while job satisfaction was positively ($\beta=0.026, \ p=0.001$) mediated by the relationship between organizational culture and turnover intention. Salary has positive ($\beta=0.001; \ p=0.982$) direct effects on organizational commitment, which indicated that when salary is increase by 1 standard division, turnover intention increase by 0.001. The present study confirms that job satisfaction does act as partial mediating role associated between organizational cultures on turnover intention in OFWLEs needs to improve the working quality.

Recommendations

(1) Management of Oromia Forest and Wild Life Enterprise should be considering a great attention to employees’ commitment in order to achieve increased productivity.
This could be achieved by making supportive culture. (2) Other research could be reviewing on organizational culture and employee commitment in OFWLEs. (3) Further research also could be viewing influence turnover intention. Leaders should realize that influencing the commitment of employees leads to higher performance and lower turnover rates among other things.

**CONFLICT OF INTERESTS**

The author has not declared any conflict of interests.

**ACKNOWLEDGMENTS**

The author expresses gratitude to all those who gave their time and assistance towards the completion of this article. Permission was obtained from all Oromia Forest and Wild Life Enterprise branch concerned and the collection of data is based on the consent of the participants.

**ABBREVIATIONS**

JS, Job Satisfaction Survey; OC, Organizational Culture; OCI, Organizational Culture Index; TOI, Turnover intention Questionnaire; OFWE, Oromia Forest and Wild Life Enterprise; SPSS, Statistical Product and Service Solutions; OCOM, Organizational Commitment; JOBSA, Job Satisfaction; AMOS, Analysis of Moment Structure.

**REFERENCES**


