Does Job Satisfaction Help in Understanding Automotive Employees' Turnover Intention?

* Vijai N. Giri ** S. Pavan Kumar ***Vishnukant Rajesh

Abstract

The present paper explored the mediation effect of job satisfaction (JS) on the relationship between subjective well-being (SWB), affective organizational commitment (AOC), employee performance (PRFM), and turnover intention (TI). Data were collected from 457 employees working in various automotive industries across India. Structural equation modelling (SEM) technique using WarpPLS 5.0 was used to verify the proposed hypotheses. The results revealed that SWB, AOC, and JS significantly influenced employee turnover intention and JS acted as a potential mediator between SWB, AOC, PRFM, and TI. The findings are pertinent for the managers of the automotive industries since it would help them to reduce employee turnover intention. Implications of the findings were discussed in greater detail in the discussion section of the paper.

Key words: subjective well-being, affective organizational commitment, job satisfaction, employee performance, and turnover intention

JEL Classification: D23, J28, J63, J81, M12, O15

Paper Submission Date: August 31, 2016; Paper sent back for Revision: April 8, 2017; Paper Acceptance Date:

April 28, 2017

In the context of increasing global spread of businesses, it is essential for the organizations to keep focus on progressive management practices (Budhwar, 2003). Organizations always look for the ways and means to keep their employees motivated so that the performance and commitment is maintained intact. This practice has led to finding out suitable avenues that can be used by the organizations in shaping their employees' attitudes and behaviours in the interest of sustained growth and development of the organization.

As with any organization, workers in the automotive industries face multiple challenges in identifying a progressive working environment. Prominent among them are how to retain employees once they are trained according to the organization's requirement and how to overcome the resistance shown by them to new challenging changes in favour of the prevailing environment.

A poorly motivated workforce may not be willing to work hard to realize the organization's objectives. Inflexible attitudes would act as major road blocks for the progress of the organization. Such issues lead to poor performance and low employee organizational commitment; whereas, today's organizations demand high

^{*}Professor, Department of Humanities and Social Sciences, Indian Institute of Technology Kharagpur, Kharagpur-721 302, West Bengal. E-mail: vng.iit@gmail.com

^{**(}Corresponding Author) Assistant Professor, School of Management, National Institute of Technology Karnataka, Surathkal, Mangalore - 575 025, Karnataka. E-mail: pavankumar@nitk.ac.in, saraf pavan@rediffmail.com

^{***} Manager (HR & QMS), Suraj Logistix Pvt. Ltd., Large Sector, Adityapur Industrial Area, Gamharia, Dist.: Seraikella-Kharsawan, Jharkhand. E-mail: vishnu rjsh@yahoo.com

performance and organizational commitment from their employees. Hence, attitudes and behaviours like organizational commitment, job satisfaction, employee performance, subjective well-being, and turnover intention are a few emerging perspectives in today's automotive industries, which need attention.

Theoretical Background and Hypotheses Development

(1) Subjective Well - Being and Turnover Intention: The concept of subjective well-being belongs to the personality literature that refers to the degree to which individuals are happy and satisfied with their lives (Diener, 1994). Whereas, turnover intention has been identified as the immediate precursor for turnover behaviour (Tett & Meyer, 1993). In particular, intention to leave has been considered as a proximal outcome since it captures employees' perceptions and evaluations of job alternatives (Allen, Shore, & Griffeth, 2003). Turnover of employees represents a practical problem to an organization in terms of loss of talent and additional recruitment and training costs.

Subjective well-being posed low employee turnover and high employee performance; strong, negative correlations were found between subjective well-being and turnover, and positive correlations were found between subjective well-being and employee performance (Cotton & Hart, 2003). In general, subjective well-being influences turnover intentions of the employees. Thus, the following hypothesis has been proposed:

🖔 H_{1(a)}: Subjective well-being is negatively related to turnover intention.

(2) Subjective Well-Being and Affective Organizational Commitment: Affective organizational commitment has been defined as "the relative strength of an individual's identification with, and involvement in a particular organization" (Mowday, Steers, & Porter, 1979, p. 226). Commitment evolves from a good work environment where employees feel their needs are being taken care of properly. Commitment is a very important variable in organizational behaviour studies; the impact of demographic variables such as age, education, and tenure on commitment has also being studied in earlier research (Saha & Kumar, 2016). Employees who have a very good work life in organizations tend to get more attached towards their organizations. Also, studies suggest that those unhappy with their lives are more likely to be committed towards their jobs (Staw, Bell, & Clausen, 1986), and are more likely to make attempts to change their behaviour at work (George, 1989; Judge, 1990), and are less likely to display vigour for one's activities in life (Diener, 1994). However, on the flip side, this lack of zeal may translate to the job, where unhappy employees might be more willing to shirk their job responsibilities. Hence, subjective well-being can have the ability to influence affective organizational commitment.

以 H_{1(b)}: Subjective well-being is positively related to affective organizational commitment.

(3) Subjective Well - Being and Job Satisfaction: In organizational sciences, job satisfaction occupies a central role in many theories and models of individual attitudes and behaviours. Hulin and Judge (2003) noted that job satisfaction includes psychological responses to one's job, and such responses have cognitive (or evaluative), affective (or emotional), and behavioural components. The major factors that contributed to job satisfaction were working relationship with supervisor, pay, benefits and development, work environment, leadership and support, prioritized values, security, and clarity of communication (Eapen & Annamalai, 2014). Whereas, subjective well-being, known colloquially as happiness, is described as a positive state of mind that involves the whole life experience (Page & Vella - Brodrick, 2009). Evidence of a comprehensive data-based analysis indicates that job satisfaction is strongly and consistently related to subjective well-being. Further, significant positive relationship between job satisfaction and life satisfaction was found by Judge, Klinger, Simon, and Yang (2008). Warr (1999)

noted a positive correlation between subjective well-being and job satisfaction. These features emphasized upon the importance of job satisfaction as a construct worthy of attention in the organizational science as well as subjective well-being research. Thus, the following hypothesis has been proposed:

(4) Subjective Well - Being and Employee Performance: Performance of employees refers to the quality and quantity of work done by them. It is a strategic tool for achieving the objectives of any organization. Hart and Cooper (2001) argued that only a few studies have been done in view of the direct effect of work environment factors on workers' performance. Cote (1999) suggested that good performance leads to a positive affect of subjective well-being. Russell (2003) discussed the impact of positive forms of subjective well-being on job performance and explained that a positive form of subjective well-being is a combination of high pleasure and high activation, which is needed for optimal job performance. Based on the above discussion, it may be conjectured that:

🖔 $\mathbf{H}_{1(d)}$: Subjective well-being is positively related to employee performance.

(5) Affective Organizational Commitment and Turnover Intention: Employees who have a high organizational commitment tend to put extra efforts on behalf of the organization. Thus, employees with a strong emotional attachment tend to work harder. Such employees are more productive and have a strong emotional desire to remain with the organization (Meyer, Allen, & Smith, 1993). Organizational commitment was found to be negatively associated to turnover intention of employees by Meyer, Stanley, Herscovitch, & Topolynytsky (2002). Organizational commitment was also found to be inversely related to turnover intention (Chang, Du, & Huang, 2006). Decreasing organizational commitment leads to increase in turnover intention (McKeown, 2003). The measurement of organizational commitment includes the willingness of employees to remain with a firm in the future (Vashishtha & Mishra, 2004). Several research evidences demonstrated a negative relationship between organizational commitment and turnover intentions. Thus, the following hypothesis has been formed:

🖔 H_{2(a)}: Affective organizational commitment is negatively related to turnover intention.

(6) Affective Organizational Commitment and Job Satisfaction: The relationship between organizational commitment and job satisfaction is one of the issues that has generated a considerable amount of debate among researchers in the field. Tiwari (2006) noted that job satisfaction might be an important predictor of organizational commitment. A study by Steel (2002) reported a positive relationship between organizational commitment and job satisfaction. Harrison, Newman, and Roth (2006) found a strong positive relationship between organizational commitment and job satisfaction of employees. Thus, the following hypothesis has been framed:

🖔 H_{2(b)}: Affective organizational commitment is positively related to job satisfaction.

(7) Employee Performance and Turnover Intention: An overwhelming amount of previous research indicates that turnover is expensive. On a personal level, the employee may decide to leave a stressful form of employment and move into a different job that may be more in line with their career objectives. Voluntarily, turnover is associated with an individual's ability to move into new organizations. Whatever may be the reason, job performance of employees was found to be negatively related to intentions to quit the organization (Zimmerman & Darnold, 2009).

Another notable study in this regard is that of Bishop, Scott, and Burroughts (2000), who examined the mutual

relationship among employee performance, team commitment, and turnover intentions and concluded that each outcome made a unique contribution to the other one. Wright and Bonett (2007) asserted that turnover intention negates the benefit that should be derived by the organizations when they spend time and money on scarce resources (i.e., attracting, selecting, socializing, developing, and retaining performing employees). This leads to the formulation of the following hypothesis:

🖔 H_{3(a)}: Employee performance is negatively related to turnover intention.

(8) Employee Performance and Job Satisfaction: In the field of industrial/organizational psychology, one of the most researched areas is the relationship between job satisfaction and job performance (Judge, Thoresen, Bono, & Patton, 2001). Morrison (1997) conducted a study between the relationship of job satisfaction and employee performance and reported that there was a strong relationship between these two variables, but it depended upon specific circumstances such as mood and employee level within the organization. If this is the case, then we can argue that there is a positive relationship between employees' job satisfaction and job performance because satisfaction is an attitude toward their jobs. Thus, the following hypothesis has been proposed:

🖔 H_{3(b)}: Employee performance is positively related to job satisfaction.

(9) Job Satisfaction and Turnover Intention: Studies on meta-analyses have concluded that there is a distinct link between job satisfaction and turnover intention (Hom & Griffeth, 1991). Researchers (Falkenburg & Scyns, 2007; Nasab 2008) observed a negative relationship between job satisfaction and turnover intention. Thus, employees who are satisfied with their job are less likely to leave their organization. Based on the above discussion, it may be conjectured that:

🖔 H_a: Job satisfaction is negatively related to turnover intention.

(10) Job Satisfaction as a Mediator: The presence of cognitive abilities and emotional attachment with the organization can lead to the employee not thinking about leaving. Subjective well-being is known to have a pronouncing impact on turnover intention (Page & Vella - Brodrick, 2009). Job satisfaction can act as a mediator in explaining how this relationship unfolds. The presence of job satisfaction leads to higher levels of well-being, thus lowering the levels of turnover intention (Nasab, 2008). Hence, the following hypothesis is formulated:

🖔 H_{5(a)}: Job satisfaction mediates the relationship between subjective well-being and turnover intention.

Not only subjective well-being, but also affective organizational commitment plays an important role in lowering turnover intention (Meyer, Stanley, Herscovitch, & Topolynytsky, 2002). Satisfaction with pay, health benefits, working hours, and other aspects of the job will make the employee attached to the organization (Tiwari, 2006). One's preference will be to continue working with the organization. Job satisfaction is believed to increase commitment levels of employees (Harrison et al., 2006). So, it can have a mediating effect on the impact that commitment has on turnover intention. These arguments help in proposing the following hypothesis:

 $\mbox{\ensuremath{\,\triangleleft}}\mbox{\ensuremath{\,\vee}}\mbox{\ensuremath{\,\mathsf{H}_{\mathsf{s(b)}}}}\mbox{\ensuremath{\,\mathsf{:}}}\mbox{\ensuremath{\,\mathsf{Job}}}\mbox{\ensuremath{\,\mathsf{satisfaction}}}\mbox{\ensuremath{\,\mathsf{mediates}}}\mbox{\ensuremath{\,\mathsf{turnover}}}\mbox{\ensuremath{\,\mathsf{intention}}}\mbox{\ensuremath{\,\mathsf{e}}}\mbox$

Employees who have positive feelings about their jobs tend to reciprocate by generating better performance (Judge et al., 2008). This generates further suitable effects for the organization in terms of lowering turnover

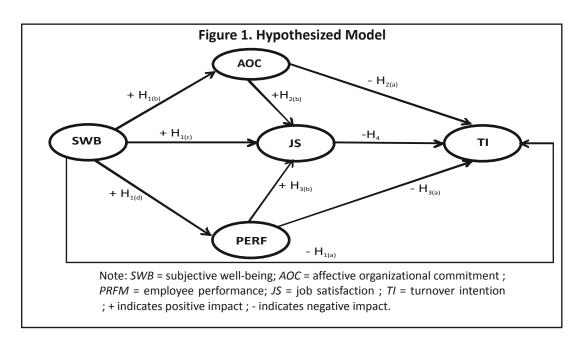
(Wright & Bonett, 2007). The organizations reap on the positive aspects of job satisfaction that employees experience in the organizations. Hence, it can be deduced that job satisfaction can act as a mediator between performance and turnover intention (Falkenburg & Scyns, 2007). However, empirical validation is needed for confirming the same. Thus, the following hypothesis is proposed:

🖔 **H**_{s(c)}: Job satisfaction mediates the relationship between employee performance and turnover intention.

Measures

Based on the theoretical development, a hypothesized model is developed. To know about the proposed relationship, see Figure 1.

- (1) Subjective Well Being: Subjective well-being was measured with a five item scale developed by Diener, Emmons, Larsen, and Griffin (1985). Sample items included, 'In most ways, my life is close to my ideal' and 'I am satisfied with my life'.
- (2) Affective Organizational Commitment: Affective organizational commitment was measured with a scale of eight items developed by Meyer and Allen (1991). Sample items on affective commitment included, "I would be very happy to spend the rest of my career with this organization" and "I do not feel like part of the family at my organization". Four items of affective commitment were negatively scored. The scores of negative items were reversed at the time of analysis.
- **(3) Employee Performance :** Employee performance was measured by using the scale developed by Lynch, Eisenberger, and Armeli (1999). This scale comprised of nine items. The questionnaire was developed and validated in the context of specific responsibility of employees during their work to evaluate the formal performance requirement for their job, for example, assigned duties, responsibilities specified in job description, advanced notice when unable to come to work, etc. Sample items included, "Employees perform tasks that are expected of them" and "Employees exhibit punctuality in arriving at their work station on time after break".



(4) Job Satisfaction: Job satisfaction was measured by using the scale developed by Jenkins, Nadler, Lawler, and Cammann (1975). The scale consisted of three items. Sample items included, 'I get a feeling of personal satisfaction in doing my job' and 'I am satisfied with the overall benefits of my job'.

For all the above measures, the response categories against each item were on a 5-point Likert scale ranging from *strongly disagree* = 1 to *strongly agree* = 5.

(5) Turnover Intention : Turnover intention was measured with a scale of four items developed by Jenkins, Nadler, Lawler, and Cammann (1975). Sample items included, "If I got the chance, I would take up a different job in another organization" and "I will probably look for a new job next year". Response categories were on a 5-point Likert scale ranging from *strongly disagree* = 1 to *strongly agree* = 5 against first two items and *very much unlikely* = 1 to *very much likely* = 5 against the next two items.

Data Analysis and Results

This section describes the sample characteristics, data collection procedure, and measuring instruments including assessment of constructs, overall reliability and validity through confirmatory factor analysis. The Statistical Package for Social Sciences (SPSS) version 21.0 and WarpPLS version 5.0 were used to analyze the data. The structural equation model (SEM) based on the hypotheses emerging out of the review of theoretical framework was subjected to analysis and fit tests. For this purpose, a variety of goodness-of-fit indices as provided by WarpPLS 5.0 were utilized. The hypothesized model was tested and the conclusions regarding the model fit and acceptance are reported.

- (1) Demographic Characteristics of the Sample: Worker level employees from various private and public sector automotive industries situated in different parts of India participated in this study. Respondents included in the sample had at least one year of service experience in the same industry. Singh (2010) asserted that one year minimum service was kept for inclusion of employees in the sample because they were likely to experience and reveal work-related outcomes. The questionnaires were personally administered to the respondents by us. Convenient sampling method was used for data collection. Data were collected from 588 respondents of 20 industries; 457 (77.72%) usable samples were obtained after rejecting the incomplete questionnaires. The demographic characteristics of the respondents are shown in detail in the Table 1. The major part of the research work was conducted during 2013 2014. As the values for Cronbach's alpha are well above the recommended threshold of .70, hence the reliability of the measurements is considered valid (Fornell & Larcker, 1981).
- **(2) Outer Model / Measurement Model Validation :** The Table 2 presents the correlations among the latent variables with square roots of average variance extracted (AVEs) shown on diagonals. Correlation analysis was employed to examine the relationship among participation in decision making, quality of work life, group commitment, and organizational commitment. For assessing discriminant validity, square root of AVE of a construct should be greater than its bivariate correlation with any other construct (Fornell & Larcker, 1981; Hulland, 1999). Thus, discriminant validity of the constructs is established (in Table 3, values .79, .81, .72, .91, and .88 are greater than all other values in the row for the variables *PDM*, *QWL*, *OC*, *GC*, and *JI*, respectively).

The relationship of the observed variables with their respective latent constructs comprises the outer model. Indicator reliability, construct reliability, and construct validity (convergent and discriminant validity) is examined. Indicator reliability is established when the indicator (factor) loading is greater than .50 (Hair, Anderson, Tatham, & Black, 1998). Construct validity is established by composite reliability values of the construct. Composite reliability is considered to be a superior alternative to Cronbach's alpha (Chin, 1998). This value should be greater than .60 for the validity of a construct. CR values above the threshold of .70 indicate strong

Table 1. Demographic Characteristics of the Sample Respondents

SI. ı	no. Ite	ems	No.	%
1.	Gender	Male	450	98.47
		Female	7	1.53
2.	Age	Below 30 years	148	32.38
		30 to 45 years	246	53.83
		Older than 45 years	63	13.79
3.	Marital Status	Single	95	20.79
		Married	362	79.21
4.	Qualification	i) General		
		Below Matriculation	34	7.44
		Matriculation	356	77.90
		Intermediate	65	14.22
		Graduate/Others	02	0.44
		ii) Technical		
		Hands on Skillness	86	18.82
		ITI	101	22.10
		Trade Apprentice	108	23.63
		Diploma Engineering	82	17.94
		Others	80	17.51
5.	Year of service in the	1 to 4 years	149	32.60
	present industry	5 to 8 years	217	47.49
		9 years or more	91	19.91
6.	Total working	10 years or less	226	49.45
	experience	11 to 20 years	173	37.86
		21 years or more	58	12.69

Table 2. Descriptive Statistics, Reliability Coefficients, and Correlations Among Latent Variables with Square Roots of AVEs Shown on Diagonals

Variable	Mean	Standard Deviation (SD)	Reliability (Cronbach's Alpha)	SWB	AOC	PRFM	JS	TI
SWB	3.76	.91	.85	.79				
AOC	3.92	.92	.92	.57	.81			
PRFM	3.95	.81	.88	.68	.67	.72		
JS	3.91	1.04	.90	.56	.61	.67	.91	
TI	2.23	1.09	.90	55	57	57	60	.88

Note: All correlations are significant at p < .001; the diagonal elements represented in bold are square roots of AVEs of the respective latent variables; SWB = subjective well-being; AOC = affective organizational commitment; PRFM = employee performance; JS = job satisfaction; TI = turnover intention.

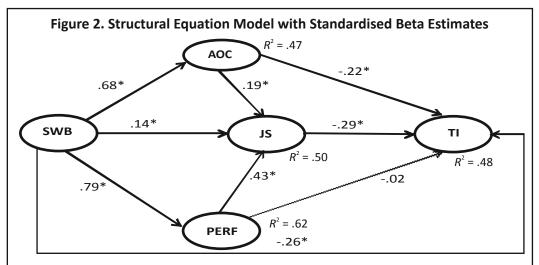
convergent validity (Nunnally & Bernstein, 1994).

From the Table 3, the composite reliabilities of all variables range from .90 to .94. Moreover, both composite reliability indicators and Cronbach alpha values are above the threshold value of .70. Hence, measurements have

Table 3. Outer Loadings of Indicators, Composite Reliability, Average Variance Extracted (AVEs), and Variance Inflation Factor (VIFs) of Variables

Variable	Outer Loadings	Composite Reliability (CR)	Average Variance Extracted (AVE)	Variance Inflation Factor (VIF)	t-statistics
SWB		.90	.63	2.08	
SWB1	.75				18.75
SWB2	.85				21.25
SWB3	.81				20.25
SWB4	.84				21
SWB5	.72				18
AOC		.93	.67	2.13	
AOC1	.87				21.75
AOC2	.87				21.75
AOC3	.74				18.5
AOC4	.84				21
AOC5	.73				18.25
AOC6	.85				21.25
AOC7	.85				21.25
AOC8	.82				20.5
PRFM		.91	.83	2.17	
PRFM1	.74				18.5
PRFM2	.62				15.5
PRFM3	.68				17
PRFM4	.78				19.5
PRFM5	.70				17.5
PRFM6	.72				18
PRFM7	.75				18.75
PRFM8	.77				19.25
PRFM9	.71				17.75
JS		.94	.83	2.72	
JS1	.92				23
JS2	.90				22.5
JS3	.92				23
TI		.93	.78	1.87	
TI1	.88				22
TI2	.91				22.75
TI3	.84				21
TI4	.90				22.5

Note: SWB = subjective well-being; JS = job satisfaction; PRFM = employee performance; TI = turnover intention; AOC = affective organizational commitment



Note: SWB = subjective well-being; AOC = affective organizational commitment; PRFM = employee performance; JS = job satisfaction; TI = turnover intention; + indicates positive impact; - indicates negative impact.

Table 4. Model Fit and Quality Indices

Index	Model Results	Model Fit Criteria
Average path coefficient (APC)	.34, <i>p</i> <.001	p <.001
Average R-squared (ARS)	.52, <i>p</i> <.001	p <.001
Average adjusted R-squared (AARS)	.52, <i>p</i> <.001	p <.001
Average block variance inflation factor (AVIF)	3.06	<= 3.3
Sympson's paradox ratio (SPR)	1.00	>= .7, ideally = 1
Average full collinearity VIF (AFVIF)	2.19	<= 3.3
R-squared contribution ratio (RSCR)	1.00	>= .9, ideally = 1
Statistical suppression ratio (SSR)	1.00	>= .7
Nonlinear bivariate causality direction ratio (NLBCDR)	1.00	>= .7

Table 5. Path Coefficients, t-statistics, and Inferences Drawn on Hypotheses

SI. No. of Hypotheses	Paths	Hypothesized Direction	Beta (β) Estimates	t -statistics	Results
H _{1(a)}	$SWB \rightarrow TI$	-	.26**	6.5	Accepted
H _{1(b)}	$SWB \rightarrow AOC$	+	.68**	17	Accepted
H _{1 (c)}	$SWB \rightarrow JS$	+	.14**	3.5	Accepted
$H_{1(d)}$	$SWB \rightarrow PRFM$	-	.79**	19.75	Accepted
H _{2(a)}	$AOC \rightarrow TI$	-	.22**	5.5	Accepted
H _{2(b)}	$AOC \rightarrow JS$	+	.19**	4.75	Accepted
$H_{3(a)}$	$PRFM \rightarrow TI$	-	.02	.5	Rejected
H _{3(b)}	$PRFM \rightarrow JS$	+	.43**	10.75	Accepted
H_4	$JS \rightarrow TI$	-	.29**	7.25	Accepted

Note: ** denotes significant at p < .01 level; SWB = subjective well-being; AOC = affective organizational commitment; PRFM = employee performance; JS = job satisfaction; TI = turnover intention; + indicates positive impact; - indicates negative impact.

Table 6. Direct, Indirect, and Total Effects for Mediation by JS Between SBW, AOC, PRFM with TI

Hypotheses Variable		JS			TI			Results	
		Direct	Indirect	Total	Direct	Indirect	Total		
SWB→JS→TI	SWB	.14**	.00	.14**	26**	21**	61**	Accepted	
$AOC \rightarrow JS \rightarrow TI$	AOC	.19**	.00	.19**	22*	06*	28**	Accepted	
PRFM→JS→T	I PRFM	.43**	.00	.43**	02	13**	15**	Accepted	

Notes: ** denotes significant at p < .01 level; * denotes significant at p < .05 level; SWB = SW

strong convergent validity. In the present study, most of the indicator loadings are above or very close to 0.5. Hair, Anderson, Tatham, and Black (1998) had suggested that the indicators with weaker loadings may be considered for removal only when their deletion causes an increase in the composite reliability. AOC 4 has very weak loading. Hence, it was removed from further analysis. Also, the cross loadings of the indicators are less compared to their factor loadings. Hence, it was decided to include all the indicators except AOC 4 for further analysis. The values of *t* - statistics of all the indicators are reported to be greater than 2.57 in the Table 3. This suggests that all outer loadings are significant. In addition, it is evident from the Table 2 that all variance inflation factor (VIF) values are less than 3.3. A rule of thumb rooted in the use of WarpPLS 4.0 for many SEM analyses in the past, as well as past methodological research, suggests that VIFs of 3.3 or lower avoid issues of multicollinearity and high inter-associations among latent variables (Kock & Lynn, 2012).

(3) Inner Model / Structural Model Validation: The proposed hypothetical model was prepared in a recursive manner to avoid problems associated with statistical identification (Hair, Black, Babin, Anderson, & Tatham, 2006). The Figure 2 shows the results of the structural equation modelling analysis aimed at testing the hypothesized effects among the latent variables. Full arrows represent statistically significant effects. Dotted arrows represent statistically insignificant effects. The β coefficients for each link are shown near the arrows, and they refer to the standardized regression path coefficients associated with statistically significant effects.

The strength of each path of the structural equation model and the variance (*R*-squared coefficients) of the endogenous constructs should be greater than .1 (Falk & Miller, 1992). The Figure 2 shows that the *R*-squared coefficients of endogenous latent variables are greater than .15 (good amount of variance is explained by the hypothesized variables). As evident in the Figure 2 and Table 4, all the path coefficients are significant. The values of *t*-statistics are also shown. The value for *t*-statistics above 2.57 is considered significant above the .01 level. All the *t*-statistics of the significant paths are above 2.57. Hence, the structural model is validated.

The Table 5 shows the *t*-statistics of the hypothesised paths. All significant paths have a value greater than 2.57, which indicates significance above the .01 level.

The Table 6 shows the results for mediating role of JS based on the suggestions of Baron and Kenny (1986). The total mediation effects for all the paths are significant at p < .01. The results confirm the mediating effects of JS in the relationship between the variables, SWB (Sobel z value = 2.75, p < 0.01), AOC (Sobel z value = 3.48, p < 0.01), and PRFM (Sobel z value = 5.37, p < 0.01) with a dependent variable - TI. For Sobel test, the statistics are compared with the standard prior critical values (z = 1.645 when p < .05, z = 2.326 when p < .01). Thus, these measures - Baron and Kenny (1986) method and Sobel (1982) method confirm the mediation effect of JI in all the three relationships.

Discussion

Hypothesis H_{1(a)} states the relationship between subjective well-being and turnover intention. The results of the

16 Prabandhan: Indian Journal of Management • May 2017

correlation analysis reveal that a significant negative correlation exists between subjective well-being and turnover intention of employees. Furthermore, the same result is obtained after analysis through SEM. The findings confirm that measures of subjective well-being exert an inverse relationship with turnover intention (i.e., higher levels of subjective well-being are associated with lower levels of turnover intention towards an organization). Worker level employees in the Indian automotive industries judged and evaluated their lives positively and their good feeling reduced their quitting intention towards their organizations. The positive appraisal towards life satisfaction denotes low level of unpleasant feelings because subjective well-being primarily includes life satisfaction, pleasant affect, and low levels of unpleasant affect. This findings supports the past study of Cotton and Hart (2003) that high level of subjective well-being of employees is associated with low level of turnover intention towards the organization. Therefore, high perception of subjective well-being leads towards exhibition of low intention to quit the organization.

Hypothesis H_{1(b)} states the relationship between subjective well-being and affective organizational commitment. The results obtained support this hypothesis. In congruence with the present findings, Judge, Klinger, Simon, and Yang (2008) reported that commitment is positively correlated to subjective well-being of employees.

Hypothesis H_{1(c)} states the relationship between subjective well-being and job satisfaction, and the results of correlation analysis depict a significant and positive correlation between them. Further analysis portrays the positive relationship, which indicates more the employees are satisfied with their jobs, the more satisfied they are with life and feel happiness. Therefore, job satisfaction has practical implications for the enhancement of individual life satisfaction in Indian automotive organizations. These findings support the previous studies that job satisfaction is an influencing parameter to subjective well-being of employees. Rice, Near, and Hunt (1980) found a positive correlation between job satisfaction and subjective well-being of employees.

Hypothesis H_{1(d)} states the relationship between employee performance and subjective well-being, and the results demonstrate that employee performance is positively related to subjective well-being of employees. High correlation score between employee performance and subjective well-being indicates that employees with higher performance in Indian automotive industries perceive their subjective well-being much better. They experience better life satisfaction, joy, and affection. High performers feel high activation, high pleasure, and increased happiness in their work. Thus, they evaluate positively their perception about subjective well-being. This evaluation takes the form of cognitions when an employee makes a conscious evaluative judgment about his or her satisfaction with life as a whole. The findings are analogous to the previous study that performance of employees is positively associated with their subjective well-being (Bakker & Oerlemans, 2011). Performance of employees also depends on mental and physical health, which are the parts of subjective well-being.

The hypothesis H_{2(a)} states the relationship between organizational commitment and turnover intention. The results demonstrate that organizational commitment is negatively associated with turnover intention of employees. Employees in the Indian automotive organizations exhibited their psychological attachment to and involvement in the employing organization, which fostered their commitment towards the organization; such feelings and beliefs increased their willingness to maintain membership in the organization. Highly committed employees strongly identify themselves with the values and goals of the organization and have a strong desire to remain as a member of the organization, which reduces their turnover intention towards the organization. The findings are consistent with numerous studies which confirm that organizational commitment has an inverse relationship with turnover intention. Higher levels of organizational commitment are associated with lower levels of turnover intention (Camp, 1993). In another study, Guest (1991) concluded that high organizational commitment is associated with lower turnover intention. Meyer and Allen (1997) reported a negative correlation between organizational commitment and turnover intention. Thus, the present study suggests that turnover problems of worker level employees should be tackled by stimulating organizational commitment.

Hypothesis H_{2(b)} states the relationship between organizational commitment and job satisfaction, and the results

show that affective organizational commitment is positively associated with job satisfaction of employees. The high correlation score indicates that more the employees are committed to their organizations, the more satisfaction they perceive with their jobs. Most of the worker level employees in Indian automotive organizations exhibited organizational commitment more actively and their positive orientation generated interest over the remarkable aspects of their jobs. High committed employees get opportunities for their career advancement and their good behaviour is rewarded. Past studies also support the present findings. It was found that organizational commitment is positively associated with job satisfaction of employees (Aydogdu & Asikgil, 2011).

Hypothesis H_{3(a)} states the relationship between employee performance and turnover intention, and the results show a non-significant relationship between employee performance and turnover intention. However, employee performance has a significant bivariate correlation with turnover intention. It has been found in the premise that detachment from an establishment would have negative psychological outcomes which would manifest itself in decline in the performance of employees. However, the results reveal a contrary outcome and illustrated that employees' turnover intention towards the organization did not necessarily display regress in performance on-the-job. Nevertheless, it does not imply a result that is contradictory to real-world situation when discussed in conjunction with the psychological mode of individuals in whom the intention to quit the organization has taken some concrete shape. The non-significant relationship between employee performance and turnover intention may be explained that employees with intention of leaving the organization did not necessarily display a lackadaisical attitude in their performance on-the-job. This shows that, while turnover intention reflects an individual's desire to quit the organization, it may not be related with his/her job and hence, their performance may not be affected. Worker level employees perform repetitive types of job and their job performance more or less gets standardized over a period of time. Therefore, they do their work with usual tempo irrespective of inertia, even though a turnover intention develops towards the existing organization.

The hypothesis H_{3(b)} states the relationship between employee performance and job satisfaction, and the results of the correlation analysis demonstrate that employee performance is significantly and positively associated with job satisfaction. The high score on this correlation indicates that greater the level of job satisfaction perceived by the employees, the higher is the level of job performance. Satisfied employees in Indian automotive organizations showed positive attitudes regarding their jobs, which extended their efforts and enhanced their level of performance. Therefore, the satisfied employees felt better towards their job and positively evaluated their performance. A high performing employee is always satisfied, which improves his/her performance. The findings obtained depict a significant positive relationship between job satisfaction and employee performance, which denotes that most of the satisfied employees have greater effort to attend to work. They have willingness to attend to work whenever possible because high job satisfaction results in employees' perception of how well their job provides those things that are viewed as important. These reflect in employees' high performance on their jobs. The findings corroborate with earlier studies that job satisfaction is positively associated with performance of employees. Abdullah, Bilau, Enegbuma, Ajagbe, and Ali (2011) investigated the relationship between overall job satisfaction and job performance of employees.

The hypothesis H₄ states the relationship between job satisfaction and turnover intention, and the results demonstrate that job satisfaction is negatively related to turnover intention of employees. Most of the worker level employees generally focus on relations with co-workers and supervisors, learning opportunities, working environment, monetary rewards, and overall benefits of the job. It is no surprise that combined effect of these expected needs and wants of job and their achievement provides job satisfaction. The negative association indicates that the employees in the Indian automotive organizations expressed a higher attachment to the present job as well as to the organization. Therefore, these positive attitudes of satisfied employees tend to retain them in their present jobs. Hence, it relates with less turnover intention of employees. Highly satisfied employees also make greater efforts to contribute more time to the present job. On the other hand, less satisfied employees put

little effort to extend the job and attend to work. Therefore, it implies a negative correlation between job satisfaction and turnover intention. Wright and Bonett (2007) stated that there existed a negative relationship between job satisfaction and turnover intention. Cotton and Tuttle (1986) reported in their meta-analytic review that there was a negative relationship between job satisfaction and turnover intention. The present findings are in line with these past studies and strengthen them. Satisfied employees are more motivated, and in turn, they repose more pride in their jobs, feel happiness in their work, give maximum time, and devote to it throughout their working lives.

The hypothesis $H_{5(a)}$ states that job satisfaction mediates the relation between subjective well-being and turnover intention. The results also support this hypothesis. Past studies also support this finding (Nasab, 2008). Subjective well-being is about psychological state of experiencing happiness which comes when there is job satisfaction. Certain benefits like good pay, job stability, and rewards help to motivate the employee and it creates positive feelings leading to job satisfaction. Also, when one is satisfied with the job, he/she would perceive positive feelings towards his/her organization. This will help him/her to continue working with the organization for a long period of time.

The hypothesis H_{s(b)} states that job satisfaction mediates the relation between affective organizational commitment and turnover intention. The results also support this hypothesis. In addition, this result is at par with the findings of Tiwari (2006). Commitment generates job satisfaction. An employee who can identify himself/herself with the organization will derive more satisfaction from the job. Turnover intention arises out of dissatisfaction from the job. A satisfied employee will always remain attached to the organization and hence, his/her turnover intention will reduce. The presence of job satisfaction benefits an organization in retaining its employees, and making them committed towards the organization.

The hypothesis $H_{5(c)}$ states that job satisfaction mediates the relation between employee performance and turnover intention. This is supported by previous research (Judge et al., 2001). A high performing employee is very much interested in the job he/she performs. So, when he/she is interested in his/her job, he/she tends to derive certain satisfaction from his/her good performance. Job satisfaction here intervenes the outcome, that is, turnover intention in a positive way such that better performance lessens the turnover intention of employees.

Implications

It is recommended that adequate emphasis should be given towards developing organizational environment to create self-interest amongst employees through various interventions in organizations. Subjective well-being portrays organizational environment as being rooted in the organization's value system and tends to present broadly applicable set of procedures subject to direct control. A systematic effort to look into the psychological approach of employees on a day-to-day working background may be viewed as a measure of employees' interest and motivation towards work and the organization. It is suggested that close monitoring of day-to-day working environment may be a step taken in understanding turnover behaviour if the management is interested in significantly reducing the turnover intention of employees. Increased employee job satisfaction, organizational commitment, and subjective well-being may reduce the turnover intention.

It is also suggested that by building a knowledge base in the organizations (i.e., what causes an employee to quit an organization) may give the opportunity to curtail voluntary turnover and/or to manage the turnover process more effectively. To reduce the turnover intention of employees, the primary aim should be to highlight first the variables that influence turnover intentions of employees. This study has explored the concept of turnover intention and throws light for practical applications by investigating and explaining its non-significant relationship with subjective well-being and employee performance in Indian automotive industries. Finally, it is suggested that managers should focus on developing a system for better job satisfaction so that employee performance, subjective well-being, and organizational commitment can be achieved to reduce turnover.

Limitations of the Study and Scope for Further Research

In the present study, specific type of organizations (automotive) have been studied. Therefore, caution must be exercised in generalizing the findings. The questionnaire method was used for data collection. Therefore, social desirability effects might have occurred in the responses. A more comprehensive sampling (including more female employees) could have given a better understanding of the variables. At least one-year work experience of employees in the same industry has been considered in the present sample. Therefore, the findings of this study should be used with caution in the viewpoint of newly joined employees.

The study may be extended for respondents belonging to other hierarchical levels in the organizations. The phenomenon of outcomes can ideally be approached by the scholars of widely varying disciplines such as sociology and organizational behaviour. Possible extensions of this study could be to test the effects of other variables as a mediator, such as employee performance and subjective well-being. Similar research may be taken up with other types of organizations. It can provide an organizational comparison among different attitudes and behaviours depending upon prevailing management practices.

References

- Abdullah, A., Bilau, A. A., Enegbuma, W. I., Ajagbe, A. M., & Ali, K. N. (2011). Evaluation of job satisfaction and performance of employees in small and medium sized construction firms in Nigeria. *2nd International Conference on Construction and Project Management, IPEDR* (15), IACSIT Press, Singapore.
- Allen, D. G., Shore, L. M., & Griffeth, R. W. (2003). The role of perceived organizational support and supportive human resource practices in the turnover process. *Journal of Management*, 29(1), 99-118.
- Aydogdu, S., & Asikgil, B. (2011). An empirical study of the relationship among job satisfaction, organizational commitment, and turnover intention. *International Review of Management and Marketing*, 1 (3), 43-53.
- Bakker, A. B., & Oerlemans, W. (2011). Subjective well-being in organizations. In K.S. Cameron & G. M. Spreitzer (eds.), *The oxford handbook of positive organizational scholarship* (pp. 178-189). New York: Oxford University Press.
- Baron R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51 (6), 1173-1182.
- Bishop, J. W., Scott, K. D., & Burroughs, S. M. (2000). Support, commitment, and employee outcomes in a team environment. *Journal of Management*, 26(6), 1113-1132.
- Budhwar, P. S. (2003). Employment relations in India. Employee Relations, 25 (2), 132-148.
- Camp, S. D. (1993). Assessing the effects of organizational commitment and job satisfaction on turnover: An event history approach. *The Prison Journal*, 74 (3), 279 305.
- Chang, C. S., Du, P. L., & Huang, I. C. (2006). Nurses' perceptions of severe acute respiratory syndrome: Relationship between commitment and intention to leave nursing. *Journal of Advanced Nursing*, *54* (2), 171-179.
- Chin, W. (1998). Issues and opinion on structural equation modeling. MIS Quarterly, 22(1), 7-16.

- Cote, S. (1999). Affect and performance in organizational settings. *Current Directions in Psychological Science*, 8 (2), 65 68.
- Cotton, P., & Hart, P. M. (2003). Occupational wellbeing and performance: A review of organizational health research. *Australian Psychologist*, 38(2), 118-127.
- Cotton, J. L., & Tuttle, J. M. (1986). Employee turnover: A meta-analysis and review with implications for research. *Academy of Management Review, 11*(1), 55-70.
- Diener, E. (1994). Assessing subjective well-being: Progress and opportunities. *Social Indicators Research*, *31* (2), 103-157.
- Diener, E., Emmons, R. A., Larsen, R. J., & Griffin, S. (1985). The satisfaction with life scale. *Journal of Personality Assessment*, 49 (1), 71-75.
- Eapen, M., & Annamalai, S. (2014). A study on job satisfaction among employees in an automobile sales and service company. *Prabandhan: Indian Journal of Management*, 7(1), 15-26. DOI: 10.17010/pijom/2014/v7i1/59238
- Falk, R. F., & Miller, N.B. (1992). A primer for soft modeling. Akron, OH: University of Akron Press.
- Falkenburg, K., & Schyns, B. (2007). Work satisfaction, organizational commitment, and withdrawal behaviors. *Management Research News*, *30*(10), 708-723.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39 50.
- George, J. M. (1989). Mood and absence. Journal of Applied Psychology, 74 (2), 317 324.
- Guest, D. E. (1991). Personnel management: The end of orthodoxy. *British Journal Industrial Relations*, 29 (2), 149-175.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis* (6th ed.). NJ: Pearson.
- Hair, J.F. Jr., Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate data analysis* (5th ed.). Upper Saddle River, NJ: Prentice Hall.
- Harrison, D. A., Newman, D. A., & Roth, P. L. (2006). How important are job attitudes? Meta-analytic comparisons of integrative behavioural outcomes and time sequences. *Academy of Management Journal*, 49 (2), 305-325.
- Hart, P. M., & Cooper, C. L. (2001). Occupational stress: Toward a more integrated framework. In N. Anderson, D. S. Ones, H. K. Sinangil, & C. Viswesvaran (Eds.), *Handbook of industrial, work, and organizational psychology* (pp. 93-114). Thousand Oaks, CA: Sage.
- Hom, P. W., & Griffeth, R. W. (1991). Structural equations modeling test of a turnover theory: Cross-sectional and longitudinal analyses. *Journal of Applied Psychology*, 76(3), 350 366.
- Hulin, C. L., & Judge, T. A. (2003). Job attitudes. In W. C. Borman, D. R. Ligen, & R. J. Klimoski (Eds.). *Handbook of psychology: Industrial and organizational psychology* (pp. 255-276). Hoboken, NJ: Wiley.
- Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal*, 20 (2), 195-204.

- Jenkins, G. D., Nadler, D. A., Lawler, E. E., & Cammann, C. (1975). Standardized observations: An approach to measuring the nature of jobs. *Journal of Applied Psychology*, 60 (2), 171-181.
- Judge, T. A. (1990). Job satisfaction as a reflection of disposition: Investigating the relationship and its effect on employee adaptive behaviors (Unpublished Doctoral Dissertation). University of Illinois, Urbana-Champaign.
- Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction-job performance relationship: A qualitative and quantitative review. *Psychological Bulletin*, *127*(3), 367-407.
- Judge, T. A., Klinger, R., Simon, L. S., & Yang, I. W. F. (2008). The contributions of personality to organizational behavior and psychology: Findings, criticisms, and future research directions. *Social and Personality Psychology Compass*, 2 (5), 1982 2000.
- Kock, N., & Lynn, G.S. (2012). Lateral collinearity and misleading results in variance-based SEM: An illustration and recommendations. *Journal of the Association for Information Systems*, *13* (7), 546 580.
- Lynch, P. D., Eisenberger, R., & Armeli, S. (1999). Perceived organizational support: Inferior versus superior performance by wary employees. *Journal of Applied Psychology*, 84 (8), 467-483.
- Mckeown, T. (2003). Commitment from a contractor workforce. *International Journal of Manpower*, 24 (2), 169-186.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review, 1*(1), 61-89.
- Meyer, J. P., Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Extension and test of a three-component conceptualization. *Journal of Applied Psychology*, 78 (4), 538 551.
- Meyer, J. P., & Allen, N. J. (1997). Commitment in the workplace: Theory, research, and application. Thousand Oaks, CA: Sage.
- Meyer, J. P., Stanley, D. J., Herscovitch, L., & Topolynytsky, L. (2002). Affective, continuance, and normative commitment to the organization: A meta-analyses of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61 (1), 20 52.
- Morrison, K. A. (1997). How franchise job satisfaction and personality affects performance, organizational commitment franchiser relations, and intention to remain. *Journal of Small Business Management*, 35(3), 39-68.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of Vocational Behaviour*, 14(2), 224-247.
- Nasab, R. (2008). Factors influencing job satisfaction amongst plastic surgical trainees: Experience from a regional unit in the United Kingdom. *European Journal of Plastic Surgery*, 31 (2), 55-58.
- Nunnally, J.C., & Bernstein, I.H. (1994). Psychometric theory. New York, NY: McGraw Hill.
- Page, K. M., & Vella-Brodrick, D. A. (2009). The "What", "Why" and "How" of employee well-being: A new model. *Social Indicators Research*, 90 (3), 441 458.
- Rice, R. W., Near, J. P., & Hunt, R. G. (1980). The job-satisfaction/life-satisfaction relationship: A review of empirical research. *Basic and Applied Social Psychology, 1* (1), 37-64.
- Russell, J. A. (2003). Core affect and the psychological construction of emotion. *Psychological Review, 110* (1), 145-172.
- 22 Prabandhan: Indian Journal of Management May 2017

- Saha, S., & Kumar, S.P. (2016). Impact of demographics on multiple commitments: Empirical evidence from Indian public sector undertakings. *Prabandhan: Indian Journal of Management*, 9 (11), 7-19. DOI: 10.17010/pijom/2016/v9i11/105317
- Singh, P. (2010). Antecedents and consequences of job burnout among Indian software developers (Unpublished Ph. D. Thesis). Indian Institute of Technology Kharagpur, India.
- Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural equation models. *Sociological Methodology*, *13*, 290-312.
- Staw, B. M., Bell, N. E., & Clausen, J. A. (1986). The dispositional approach to job attitudes: A lifetime longitudinal test. *Administrative Science Quarterly*, *31*(1), 56-77.
- Steel, R. (2002). Turnover theory at the empirical interface: Problem of fit and function. *Academy of Management Journal*, 27(3), 346 360.
- Tett, R. P., & Meyer, J. P. (1993). Job satisfaction, organizational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings. *Personnel Psychology*, 46(2), 259 293.
- Tiwari, S. K. (2006). *Psychological correlates of organizational commitment: A study on railway personnel* (Unpublished Doctoral Dissertation). Lucknow University, Lucknow, India.
- Vashishtha, A., & Mishra, P. C. (2004). Occupational stress and social support as predictors of organizational commitment. *Psychological Studies*, 49 (2&3), 202 204.
- Warr, P. (1999). Well-being and the workplace. In D. Kahneman, E. Diener, & N. Schwarz (Eds.), *Well-being: The foundations of hedonic psychology* (pp. 392 412). New York: Russell Sage Foundation.
- Wright, T. A., & Bonett, D. G. (2007). Job satisfaction and psychological well-being as nonadditive predictors of workplace turnover. *Journal of Management*, 33 (2), 141 160.
- Zimmerman, R. D., & Darnold, T. C. (2009). The impact of job performance on employee turnover intentions and the voluntary turnover process: A meta-analysis and path model. *Personnel Review, 38* (2), 142-158.