

## The Relationship Between Organizational Justice and Turnover Intention Among Malaysian ICT Employees

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### ABSTRACT

Researchers focused on organizational justice (OJ) dimensions as a predictor of turnover intention (TI) to answer a call for future study on the antecedent of turnover intention, especially justice. Thus, this study determined the relationship between OJ and turnover intention among Malaysian information and communication technology (ICT) employees. This study used simple random sampling approach to collect data from 30 ICT employees in several organizations in Selangor, Malaysia. SPSS 23 statistical software was used to test the formulated hypotheses. This study provided empirical findings on negative and significant relationships between OJ dimensions and turnover intention. Results revealed that procedural justice influenced the most on turnover intention among the other dimensions of OJ namely distributive justice, interpersonal justice, and informational justice. This study contributed for practical guidance to the managerial side in ICT organizations to pay more attention to procedural justice among the ICT employees. Thus, a depth understanding of turnover intention predictor among the OJ dimensions has been revealed based on these study findings. Therefore, it is expected that turnover intention can be decreased, and the shortage problem of Malaysian ICT employees might be potentially reduced by making them retained in the industry.

**Keywords:** Information and Communication Technology (ICT) employees, Organizational Justice (OJ), Turnover Intention (TI).

### 1. INTRODUCTION

Nowadays, the ICT industry in Malaysia is well-developed and the Malaysia Digital Economy Corporation (MDEC) forecasted 1 million of digital workers are demanded by 2025 due to the emerge of Industry 4.0. Howbeit the Sun Daily (2016) reported that the National ICT Association of Malaysia (PIKOM) highlighted that Malaysia ICT industry currently has a shortage of ICT employee. In the meantime, Aon (2017) stated that ICT organizations across Asia are facing the challenge with a high level of voluntary turnover rates in Australia (12.9%), followed by in Malaysia (12.8%). This clearly showed that Malaysia ICT industry is having a severe phenomenon of high employee turnover despite the growth of the ICT industry. It may arise as a threat toward the organization and subsequently, the whole ICT industry as well. These issues had caught the attention of the researcher as it is relevant and worthy to conduct this study so that, the turnover rate among ICT employees in the coming future is reduced.

Employees are considered as the essential asset for every organization ensuring the operation to be run smoothly; thus, one of the pressing challenge organization needed to face most of the time is the employee turnover (Abdul Latif and Saraih, 2016). This provides the reason why the topic of employee turnover is an issue that organizations have dealt with for a long time (Saraih, Zin Aris, Sakdan and Ahmad, 2017). The scenario of turnover and turnover intention among employees is seen as non-stop issues at the workplace (Saraih, et al., 2017). Turnover intention is like a seed which grows slowly and leads to a turnover. Because of that, the seed shall shrink

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first for the sake of reducing turnover. It is understood that turnover is expected to decrease as turnover intention decreased. Not to mention that turnover is also well predicted by turnover intention (Saraih, et al., 2017). Formerly, the turnover intention is defined as the employee's decision to quit voluntarily from an organization (Sinniah and Kamil, 2017). Thus, researchers studied turnover intention measurement in this study to measure turnover. In return to decrease turnover intention, the factors affecting turnover intention among Malaysian ICT employees are also investigated in this study.

Interestingly, ICT employees still filled many complaints about being treated unfairly as reported by The Star Online (2017). The ICT employees disclosed that they are being passed over from expected promotions and at the same time their colleagues took credit for their work done. Because of these unmet expectations, Malaysian ICT employees felt unfair for themselves being undervalued, unimportant or helpless and intended to leave the organization voluntarily. OJ appeared as an important construct in Industrial-Organizational psychology in the last decade (Saraih, Ali and Khalid, 2015). Concurrently, OJ is defined as the fairness of practices in an organization based on employees' perception (Kaur, Mohindru and Pankaj, 2013). The importance of OJ is to make sure employees feel valued and treated fairly (Annette, 2019). Indeed, fair treat and non-discriminatory promotions in an organization could potentially make them feel being valued by their organization and continue to contribute to their work. Being fair-minded also get them to see clearly on the transparency and fairness of procedures in their organization. Hereby, ICT employees who felt that they are treated honestly, respectfully, and fairly will stay remained in their organization. This can develop mutual respect, supportive working environment and increase productivity in the workplace. Hence, OJ is important in reducing turnover intention, especially among Malaysian ICT employees. To achieve this objective, the relationship between OJ and turnover intention is investigated in this study. The next section explained the literature review, methods, results, and discussions as well as the conclusion of this study.

## **2. LITERATURE REVIEW**

Previous studies found that there are significant results between the relationship of OJ and turnover intention (So, 2015; Iqbal, Rehan, Fatima, and Nawab, 2017). The influenced of OJ towards turnover intention among lecturers from Indonesia private colleges discovered that the desire to quit the organization among the lecturers was determined by the level of equity within their organization (Zagladi, Hadiwidjojo, Rahayu, and Noermijati, 2015). The findings of past studies are meaningful for this study although in a different context. Moreover, four dimensions such as distributive justice, procedural justice, interpersonal justice, and informational justice yielded good results (Colquitt, 2001; Hassan and Noor, 2008; So, 2015). Distributive justice referred to equity once employees feel they are adequately rewarded for their contributions towards the organization while procedural justice referred to procedures that take place in a mannerly way without personal bias. Interpersonal justice referred to politeness, respect, truthful and clear information in a decision executed by an organization while informational justice referred to thorough explanation and free flow information in a communication without bias (Rahim, Magner, and Shapiro, 2000).

In this study, distributive justice concerned with fairness in tangible or intangible resources distribution which includes payments or promotions among ICT employees. Procedural justice concerned with fairness in the process that brings out the sequel which refers to the arrangement of promotion that determined the sequence of elevation among ICT employees. Interpersonal justice concerned with the decisions is delivered courteously while information justice concerned with opportunity in voicing out opinions regarding the decision. Past study about the comparison on the effect of justice systems on turnover intention found out that interaction justice (combining interpersonal justice and informational justice) had more effect on turnover intention

compared to others form of justice (Muzumdar, 2012). In line with the past study, this study also examined the four dimensions of OJ on turnover intention.

This study applied the Attribution Theory to understand the ways people form opinion or reason for a situation to have happened (Winkler, 2010). As human formed intention based on how they perceive their reality surrounding, Attribution Theory also mentioned that different people might perceive things differently even though under the same focus point. This linked human understanding, perception, sense-making, and intention together. This also relates to human especially interpersonal (i.e.: human-human) relationships. So, the rationale of employing Attribution Theory depends on the suitability to engage among ICT employees and ICT organizations, whereas Alony, Hasan and Paris (2014) defined that organization is made up of a group of people. Therefore, the human-human relationship is implied to the relationship between the organization (human) and the employees (human) in this study to provide a good understanding of this relationship. By this means, it is referred to the employees' perception on OJ that formed turnover intention. ICT employees' turnover intention was based on the way how they feel about their organization through the received treatment either fairly or unfairly. Undeniably, Malaysian ICT employees perceived that they are not treated fairly that triggered high turnover intention in this study. Aptly, Attribution Theory nurtured the relationship OJ and employees' turnover intention. It is also evidently supported that employees' perception of human resource practices influenced employees' turnover intention where due to their advancement and promotion resulting in lower turnover intentions (Kim, 2012). Hence, Attribution Theory is relevantly employed in this study.

### 3. METHODS

The sample for this study included 30 ICT employees from Selangor ICT organizations. This study utilized an individual unit of analysis which is the ICT employees. The questionnaires were then distributed to the selected respondents based on simple random sampling. All the data from questionnaires were analyzed using SPSS version 23.0. The measurement of turnover intention in this study consisted of 8 items adopted from Viator (2001). The measurement of OJ in this study used 22 items adopted from Colquitt (2001). This paper investigates the relationship between OJ and turnover intention.

Table 1 shows the Cronbach's Alpha of OJ construct. The Cronbach's Alpha value of OJ was reported at 0.868, while each of the dimensions was found to be 0.770, 0.781, 0.739, and 0.706, respectively. Overall, the findings show that the Cronbach's Alpha fall between 0.706 to 0.868 which exceeds 0.7 which is the acceptable range (Nor Irwani, Kamsol, Shaiful and Sarina, 2014). Thus, the reliability based on Cronbach's Alpha value has been achieved in this study.

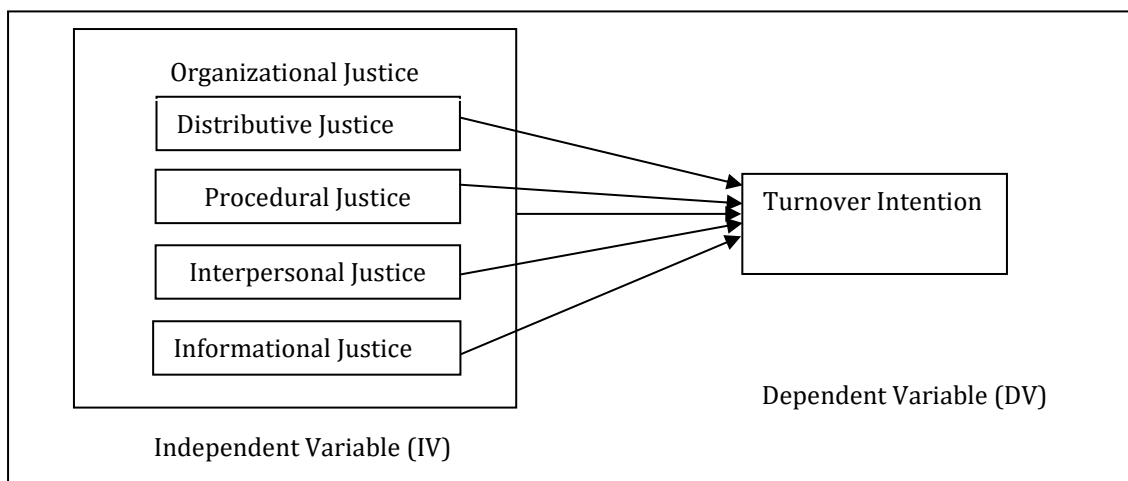
**Table 1** Cronbach's Alpha

Construct	Items	Cronbach's Alpha
Organizational Justice (OJ)	22	0.868
Distributive Justice (DJ)	6	0.770
Procedural Justice (PJ)	8	0.781
Interpersonal Justice (INTJ)	4	0.739
Informational Justice (INFJ)	4	0.706

In this section, Hypothesis 1, Hypothesis 1a, Hypothesis 1b, Hypothesis 1c, and Hypothesis 1d were developed to study the relationship between OJ, distributive justice, procedural justice, interpersonal justice, informational justice, and turnover intention among ICT employees. The hypotheses in this study are as follows:

H<sub>1</sub>: There is a significant relationship between OJ and turnover intention among ICT employees.

- H<sub>1a</sub>: There is a significant relationship between distributive justice and turnover intention among ICT employees.
- H<sub>1b</sub>: There is a significant relationship between procedural justice and turnover intention among ICT employees.
- H<sub>1c</sub>: There is a significant relationship between interpersonal justice and turnover intention among ICT employees.
- H<sub>1d</sub>: There is a significant relationship between informational justice and turnover intention among ICT employees.



**Figure 1.** Research Framework.

#### 4. RESULTS AND DISCUSSIONS

The profile of respondents is presented in Table 2 based on the demographic factors such as age, designation, and ICT segments. Table 2 shows most of the respondents are in the range between 26 to 30 years old (36.67%), followed by 31 to 40 years old (20%). Respondents in the category above 50 years old become the least percentage of respondents (6.67%). Regarding the designation, most of the respondents are junior executive (40%), followed by entry-level (20%). The ICT segments among the respondents vary as follows: ICT manufacturing (33.33%), ICT trade (13.33%), ICT services (30%), content and media (16.67%) and others are (6.67%). ICT manufacturing segment has the most percentage of employees while the least comes from ICT trade segment.

**Table 2** Demographic Profile of the Respondents (N=30)

Profile	Descriptions	Frequency	Percentage (%)
Age	Less than 25 years old	7	23.33
	26 – 30 years old	11	36.67
	31 – 40 years old	6	20.00
	41 – 50 years old	4	13.33
	Above 50 years old	2	6.67
Designation	Entry Level	6	20.00
	Junior Executive	12	40.00
	Senior Executive	5	16.67
	Manager	4	13.33
	Senior Manager	2	6.67
	Others	1	3.33
ICT Segment	ICT Manufacturing	10	33.33
	ICT Trade	4	13.33

ICT Services	9	30.00
Content and Media	5	16.67
Others	2	6.67

Table 3 shows the Pearson Correlation of OJ construct. The Pearson Correlation value of OJ was reported at -0.764 while each of the dimensions was found to be -0.562, -0.642, -0.545, and -0.542, respectively. Overall, the findings show that the Pearson Correlation value of OJ, DJ, PJ, INTJ, and INFJ is negatively correlated to TI and significant at the 0.01 level (1-tailed) in this study.

**Table 3** Correlations

Construct	TI	OJ	DJ	PJ	INTJ	INFJ
Pearson Correlation	1.000	-0.764**	-.0562**	-0.642**	-0.545**	-.542**
Sig. (1-tailed)		0.000	0.001	0.000	0.001	0.001
N		30	30	30	30	30

\*\* Correlation is significant at the 0.01 level (1-tailed).

\* Correlation is significant at the 0.05 level (1-tailed).

Next, the regression results of OJ, DJ, PJ, INTJ, INFJ on turnover intention using a significance level of 5% and one-tailed test, are summarized in Table 4. The findings from this study show that the relationship between OJ and turnover intention is negatively significant, hence the hypothesis is supported ( $\beta=-0.566$ ,  $t=-6.262$ ,  $p=0.000$ ). This implies that there is a significant relationship between OJ and turnover intention which conclude that ICT employees with low-level OJ are more likely to leave their organizations in terms of turnover intention. The same results were also presented for the relationship between the dimensions of OJ such as DJ, PJ, INTJ and INFJ towards turnover intention. As shown in Table 4, DJ ( $\beta=-0.278$ ,  $p=.001$ ), PJ ( $\beta=-0.448$ ,  $p=.000$ ), INTJ ( $\beta=-0.279$ ,  $p=.002$ ), and INFJ ( $\beta=-0.294$ ,  $p=.002$ ) were negatively related to turnover intention. The  $R^2$  value indicates that 58.3% of the variance in turnover intention can be predicted from the existence of OJ. This also implies that among the dimensions of OJ, PJ influences the most on turnover intention (41.3%). Therefore, all hypotheses were supported.

**Table 4** Testing the Relationship.

Relationship	$R^2$	Beta	t-Value	p-Value	Findings
OJ -> Turnover Intention	0.583	-0.566	-6.262	0.000	Supported
DJ -> Turnover Intention	0.316	-0.278	-3.595	0.001	Supported
PJ -> Turnover Intention	0.413	-0.448	-4.436	0.000	Supported
INTJ -> Turnover Intention	0.297	-0.279	-3.443	0.002	Supported
INFJ -> Turnover Intention	0.294	-0.254	-3.415	0.002	Supported

## 5. CONCLUSION

Ultimately, with respect to OJ on turnover intention, this study provides evidence that turnover intention of employees is negatively significant influenced by OJ and its four dimensions such as 1) distributive justice, 2) procedural justice, 3) interpersonal justice, and 4) informational justice. This can help increase knowledge and understanding of OJ in the context of employees' turnover intention. The findings also provide evidence on the importance of OJ construct and its four dimensions based on the Attribution Theory in the domain of turnover intention of employees in the Malaysian ICT industry. So, the current research contributes to the Attribution Theory literature by extending the studies in examining the relationship between OJ and turnover intention among the ICT employees. This indicates that fair or unfair treatment from the organization could influence the level of turnover intention among employees. As ICT employees have high sensitivity towards the justice treatment that they received from their organization,

they are expected to leave their organization when undergoes low justice treatment mainly procedural justice. This is because OJ influenced 58.3% on turnover intention. In addition, procedural justice became the most significant predictor to turnover intention. Seeing most of the ICT employees are 26 to 30 years old young and ambitious employees who comes from the level of junior executives, it is understandable that they are willing to fight competitively fair for more opportunity to sit at a senior position in their organization through their hard work. The evidence from this study can guide ICT organization to treat their young employees properly in term of OJ based on its four dimensions especially procedural justice in order to reduce the ICT employees' intention to leave the organization. This study is also spread awareness among Malaysian ICT employers about the importance of providing sufficient amount level of OJ in the organization to overcome the shortage of ICT employees as well as retaining the employees in ICT workforce. However, the data was collected from only the ICT industry in Malaysia. Therefore, future research is suggested to further expand the scope of the study by conducting a comparative study among different industries in Malaysia.

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