An investigation of the influence of Job satisfaction determinants on the turnover intentions of new hires in Indian IT sector

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Abstract

Employee turnover is a complex issue in Indian IT sector. The high rate of employee turnover in Indian IT companies has become a major cost for these companies. The impact of job satisfaction on employee turnover intentions is a widely researched topic. This research aims to examine the main job satisfaction determinants that have significant influence on the turnover intentions of new hires in Indian IT sector. The job satisfaction determinants examined for this study are intrinsic and extrinsic job satisfaction, leader member exchange, organisational culture, organisational politics, peer support and interpersonal relationship and compensation. A deductive quantitative study was employed to research objectives. A total of 36 respondents working in the Indian IT sector selected using convenience sampling participated for the quantitative survey. The job satisfaction determinants that has statistically significant relationship with employee turnover intentions in Indian IT sector was identified for this study. The study found that the turnover intentions of new hires in the Indian IT sector is significantly influenced by job satisfaction determinant organisational culture, organisational politics, compensation, leader member exchange, intrinsic and extrinsic job satisfaction.
Chapter 1 Introduction

1.1 Background

Employee turnover remains one of the most troubling issues in the IT sector. Although employee turnover is a common issue in many industries, the rate of turnover in the IT sector is significantly higher than any other industry. A most recent survey conducted by PayScale among fortune 500 companies found that the turnover rate is highest in the IT industry (Techrepublic, 2015). Scholars have investigated several workplace issues to identify the main causes of employee turnover (Zopiatis et al. 2014). However, there are very limited studies conducted on the specific causes of employee turnover in the IT sector. Employee turnover is a significant cost to the organisation. It affects the organisation in the form of reduced organisational productivity, increased cost from recruitment and selection of new employees (Mohlala et al., 2012). Adopting suitable employee retention strategies require understanding the main cause of employee turnover.

Researchers have linked several components that contribute to employee turnover intention which includes age, tenure and job satisfaction. According to Ghiselli et al., (2001) job satisfaction is one of the most frequently cited predictors of employees’ intentions to leave an organisation. Several studies have emphasised the connection between job dissatisfaction and employee turnover intentions (Chen, 2006; Jou et al., 2013; Tnay et al., 2013). The job satisfaction experienced by employees influence their intention to quit the organisation (Jou et al., 2013). Furthermore, the different components of job satisfaction influence the employees’ attitude and intention to leave the organisation. According to Jou et al., (2013) the satisfaction and dissatisfaction with different job constructs within the organisation influence employee’s intention to leave organisation. Employee turnover is the response to the different factors of job satisfaction such as compensation, career advancement and so on. The discrepancy between employee expectations and the reality affects their job satisfaction which in turn affect job turnover intentions. Organisations ability to increase the job satisfaction
among employees can be the most beneficial strategy for employee retention and increased organisational commitment (Jou et al., 2013).

The shrinking pool of skilled IT employees provides the opportunity for young highly skilled employees to continuously seek for better opportunity results in high employee turnover (Mohlala et al., 2012). According to Zopiatis et al., (2014) job dissatisfaction is one main cause for reduced organisational commitment and job involvement which ultimately results in employee turnover intentions. Increasing demand for IT professionals, skill shortage and job dissatisfaction increases the opportunities for skilled IT professionals to seek better opportunities. Understanding and reducing the causes of job dissatisfaction can be one solution in reducing the high turnover intentions of IT professionals. Employee turnover behaviour has several adverse impacts on the organisational performance. Employees dissatisfied with the organisation ultimately leave the organisation directly affecting the human resource practices, productivity levels and knowledge loss (Tnay et al., 2013). In order to suggest the best retention strategies that increase job satisfaction that helps to reduce employee turnover in Indian IT sector, this research specifically focus on different job satisfaction determinants to identify which factors have the most significant impact on employee turnover intentions. The main job satisfaction determinants examined in this study include leader-member exchange, organisational culture, organisational politics, Compensation and peer support and interpersonal relationship.

1.2 Problem Statement

The idea for the research originated at the intersection of three different literatures (1) the significant employee turnover in the Indian IT sector (2) the influence of employee dissatisfaction and intention to leave the organisation and (3) the higher turnover rates among the new hires in the IT sector. The IT sector is one of the main industry that provide employment opportunity for young graduates (Techrepublic, 2015). Consistently, Rawat (2013) noted that IT sector employs the highest number of newly qualified individuals. It is necessary to understand the specific workplace issues that
affect the employee attitude and turnover intentions to develop strategies for employee retention and increased organisational performance.

The increased organisational costs due to the employee turnover behaviours have increased management vigilance on identifying the causes of employee turnover and adopt strategies to retain employees (Zopiatis et al., 2014). However, the factors that influence the turnover intentions new hires in the IT sector is an under-researched area. Young IT graduates are frequently cited as less loyal to organisations. The highly marketable skills of young IT employees is the most cited cause of employee turnover despite job satisfaction. With the increasing employee turnover and skill shortage it has become necessary for organisations to adopt strategies to retain talented employees (Mohlala et al., 2012).

Job hopping is identified to be high among new hires which when combined with highly marketable skills increases the turnover intentions (Techrepublic, 2014). The reduced employee turnover in 2012, in the midst of the recession, to an extent, confirms the employee turnover in the IT sector is attributable to the employees search for better opportunities. Increasing the compensation package is one main current employee retention strategy used by the human resource department of many Indian IT organisations. The strategy to retain employees through increased salaries not only does not identify the root cause of employee turnover but also threatens the longer term viability of the industry. This is because the low-cost attraction of Indian IT sector slowly erodes and results in the collapse of the industry. Therefore, this research aims to identify the job satisfaction determinants that affect the turnover intentions of new hires in the IT sector. This research specifically addresses the influence of job satisfaction determinants which includes intrinsic and extrinsic job satisfaction, Leader-member exchange, organisational culture, organisational politics and peer support and interpersonal relationship on the turnover intention of new hires in IT sector.

Improving job satisfaction is an effective response to the employee turnover issues in an organisation (Chen, 2006). However, the strategies to improve job satisfaction needs
to be dependent on the main factors that cause job dissatisfaction. To improve the job satisfaction of IT professionals, it is, therefore, necessary to identify the factors that cause job dissatisfaction and results in employee turnover. This research is an answer to many IT human resource departments as it identifies the job satisfaction determinants that has the most significant influence on IT professional turnover intentions. Despite the fact that many empirical studies have identified the main job satisfaction determinants that affect the turnover intentions, relatively few researchers have investigated the job satisfaction determinants on turnover among IT professionals. Although there are studies that show the differing turnover intentions of IT employees based on their age, there is no studies conducted on the influence of job satisfaction correlations on the turnover intentions of IT professionals in their first two years of experience. This study aims to fill this gap by identifying the job satisfaction determinants that influence the turnover intentions of employees in the first two years of experience.

1.3 Rationale for focusing on Indian IT sector

Indian IT market is a rapidly growing industry in this world. Many global IT players are scaling up their operations in India to take advantage of the low cost and availability of skilled and educated employees in the Indian labour market. The increased order flows to Indian IT market has increased the demand for skilled IT professionals and the high turnover rate is a barrier to the growing industry. Employee turnover is a critical issue in Indian IT sector that hinders the growth of the industry (Deepa and Stella, 2012). The turnover rate of IT professional in Indian is around 50% when the turnover rates in most industries in India is around 20%. Therefore, a strategic solution to managing high employee turnover is essential to maintain the competitive advantage of Indian IT industry (Nagadevara et al., 2008). Job dissatisfaction is one of the frequently cited cause of employee turnover in Indian industries (Kaur, 2013). Investigating the main components of job satisfaction that influence turnover of IT professionals help to identify expectation and needs of IT professionals in India. This research helps Indian IT organisations to manage the risks and challenges of increased employee turnover through devising retention strategies based on the needs of the IT professionals.
1.4 Research Question and Objectives

The research question guiding the study is:

“What are the main determinants of Job satisfaction that influence the turnover intentions of new hires in the Indian IT sectors? How do these factors influence the employee turnover intentions?”

The overarching goals of the study are twofold. (1) To examine the job satisfaction and turnover intention of employees in Indian IT sector in their first two years of experience and (2) To identify the main factors that influence job satisfaction and turnover intentions of IT professionals in their first two years of experience.

This research objectives of the study are as follows:

1. To examine the influence of intrinsic and extrinsic job satisfaction factors on the turnover intentions of new hires in Indian IT sector.
2. To identify which set of job satisfaction (intrinsic or extrinsic) has more significant influence on employee turnover intentions.
3. To identify the influence of employees perception of leader-member exchange, organisational culture and organisational politics on the turnover intentions of new hires in Indian IT sector.
4. To identify the influence of job characteristics of compensation, and peer support and interpersonal relationship on the employee turnover intentions.

1.5 Methods

The study is based on the survey of IT professionals in the first two years of their employment in Indian IT sector. The cross-sectional quantitative research design was mainly employed by the research to achieve the research objectives and test the hypotheses. The primary data for the research were collected using quantitative survey. The quantitative survey was conducted using self-administered questionnaire. Participants for the study are recruited using convenience sampling method. The contacts of the researcher were used to gain access to IT professional in Indian IT sector.
The questionnaires are then distributed by these contact to their peers. The quantitative data collected is analysed using SPSS statistical software to explain the relationship between different job satisfaction determinants with the turnover intentions of IT employees.

1.6 Significance

The Job satisfaction determinants that directly influence the turnover intentions of Indian IT sector is researched in this study. The low cost and the endless supply of human resource make India attractive country for IT investments (Ranganathan and Kuruvila, 2008). However, the high employee turnover is a serious threat to the growth and profitability of Indian IT sector. In this scenario, investigating the main job satisfaction determinants that impact employee turnover in Indian IT sector is essential. The theoretical significance of the research arises from its potential to uncover the main job satisfaction determinants that affect employee turnover intentions. According to Ranganathan and Kuruvila (2008) human resource departments of Indian IT organisations are continuously searching for variety of ways to address the issue of employee retention. Understanding the main causes of job dissatisfaction that affect the turnover intentions of new hires in the IT sector can benefit the human resource department to devise suitable employee retention strategies. Several studies have identified the need to identify new strategies for employee retention in IT sector and the investigation of the job satisfaction determinants can help to identify the factors valued by IT employees and devise strategies for employee retention.

1.7 Structure of Dissertation

This dissertation consists of 6 chapters. Chapter 2 provides a review of relevant literature on the determinants of job satisfaction that influence employee turnover intention. The main job satisfaction determinants reviewed in the literature review are intrinsic and extrinsic job satisfaction, leader-member exchange (LMX), organisational politics, organisational culture, compensation and peer support and interpersonal relationship. The chapter also reviews the influence of different factors on employees’ attitude of job satisfaction and the association between job satisfaction and employee
turnover intentions. Chapter 3 explains the hypotheses developed for the study based on the literature review. Chapter 4 outlines the research methods that were used in conducting the study. Chapter 5 details the results of the hypotheses test and the main findings from the study. Chapter 6 describes the implication and contributions of this research and offers ideas for future research in this area.
Chapter 2 Literature Review

2.1 Introduction

Indian IT sector has been recognised as the provider of millions of employment opportunities to both experienced and newly qualified individuals since its inception (Rawat, 2013). However, retaining talented employees is one of the major challenges faced by Indian IT organisations (Janani, 2014). Job satisfaction is a significant predictor of employees’ turnover intentions (Chiok, 2001, Lu et al., 2007). According to Medina (2012) job satisfaction is inversely related to employees' turnover intentions. Studies show that good working conditions, decent salary package, career advancement and continuous professional development are main factors that drive job satisfaction among IT employees (Rawat, 2013). Understanding the determinants of job satisfaction in an organisation can effectively reduce the problem of attrition and increase employee productivity (Ravari et al., 2012; Kristensena and Johansson, 2008). This chapter reviews existing research on intrinsic and extrinsic factors of job satisfaction, factors influencing job satisfaction of IT employees and turnover intentions in the IT organisation.

2.2 Intrinsic and Extrinsic Job Satisfaction

Extrinsic job satisfaction factors are defined as "those external benefits provided to the professional by the facility or organisation". This includes competitive pay continuing education, productivity expectations and flexible schedule (Randolph, 2005, p50). Extrinsic work value orientation is mainly focused on material acquisition and security (Vansteenkiste et al., 2007). Employees satisfied with extrinsic factors are motivated by external incentives like reward and praise and relate their self-worth to extrinsic factors (Vansteenkiste et al., 2007 p 255). Randolph (2005) identified that the only extrinsic factors that influence employee satisfaction is productivity expectation which is positively correlated with the intention to stay in the job.
Intrinsic job satisfaction factors are oriented towards self-actualization and self-expression (Vansteenkiste et al., 2007). Randolph, (2005) divided intrinsic factors into intrinsic context factor and intrinsic content factors. Intrinsic context factors are an organisation’s contextual factors that influence employee's internal satisfaction (Randolph, 2005, p50). This includes, staffing, workload, work environment stability and work life balance. Intrinsic content factors are influenced by the expectations, attitude, self-efficacy and competence of the employee (Randolph, 2005, p50). This includes challenging projects and greater responsibilities (Rawat, 2013). Intrinsic satisfaction of employees is related to the Maslow’s (1954) highest order needs of growth and self-actualisation (Saleh and Hyde, 1969).

Several researchers have stressed the importance of intrinsic factors to job satisfaction (Maslow, 1954; Saleh and Hyde, 1969; Hegney et al., 2006). Intrinsic factors to job satisfaction refer to the job factors such as the nature of the work, growth in skill and responsibility (Saleh and Hyde, 1969, p.47). According to Samad (2006) intrinsic job satisfaction comes with an individual’s needs to advance within the organisation. Employees who are satisfied with intrinsic factors are more concerned about developing their talents, skills and potentials, participating in job decision and experiencing autonomy in performing their job tasks (Vansteenkiste et al., 2007, p 255).

Rewards are an important part of intrinsic and extrinsic job satisfaction. Intrinsic work rewards are called task rewards and extrinsic work rewards are called organisational rewards (Mahdi et al., 2012). Task rewards is an intrinsic reward that an employee receives from doing the job. This includes interesting and challenging work, variety and opportunities to use one's skills and abilities, self-direction and responsibility (Mahdi et al., 2012). Organisation rewards are extrinsic rewards that are tangible rewards to facilitate or motivate task performance (Mahdi et al., 2012). They include pay, promotions, fringe benefits, security and comfortable working conditions.

Intrinsic job satisfaction is inversely related to employees’ turnover intentions (Mahdi et al., 2012). Several studies have identified the significance of intrinsic factors such as
recognition achievement, responsibility, personal growth as the job as motivators of job satisfaction (Mbah and Ikemefuna, 2012). Job is a representation of an individual's social status and its utility for society thereby job becomes a source of self-respect, respect and recognition by others (Peiro et al., 2010). Hegney et al., (2006) identified that failure to meet the intrinsic work values can cause job dissatisfaction in employees. Some studies have identified that intrinsic factors have far more influence on increasing the job satisfaction on employees than extrinsic factors (Vansteenkiste et al., 2007).

Mahdi et al., (2012) stressed that although intrinsic job satisfaction has more significant influence on employees’ turnover intentions, extrinsic job satisfaction also has a significant role in employee turnover intentions. The order of priorities with regard to the intrinsic and extrinsic rewards vary between employees. According to Olusegun (2013) the satisfaction from each of the component vary depending on the priority of the individual. Mahdi et al., (2012) mentioned that when some employees emphasise both extrinsic and intrinsic rewards, some values only one type and deemphasize the other. Nevertheless, Intrinsic and extrinsic factors can contribute towards job satisfaction (Mahdi et al., 2012). According to Samad (2006), intrinsic and extrinsic factors are necessary. While intrinsic rewards increase the job satisfaction with the meeting of self-actualization needs, extrinsic factors prevent job dissatisfaction. Herzberg (1973) viewed job dissatisfaction and job satisfaction are totally separate dimensions.

Boezeman and Ellemers, (2009) identified that paid employees derive job satisfaction with the meeting of their autonomy needs on the job. According to Herzberg (2003) extrinsic motivation merely prevents job dissatisfaction and does not contribute towards increasing job satisfaction. Consistently, Samad (2006) noted that intrinsic rewards are the need of psychological growth or motivating factors that motivate employees, whereas extrinsic rewards will not make people satisfied with their needs but prevent them from being dissatisfied. On the contrary, the study conducted by Ali (2007) found that extrinsic rewards such as pay, fringe benefits and contingent rewards have significant relationship with job satisfaction than intrinsic rewards of nature of work and operating conditions. The study conducted by Linz and Semykina, (2012) found
that the association of job satisfaction and extrinsic rewards are stronger when the employees desire extrinsic rewards.

Both intrinsic and extrinsic rewards give job satisfaction when employees perceive that the rewards received are capable of fulfilling their needs and desires. Job satisfaction is about the pleasure of working in a job. Intrinsic and extrinsic rewards can increase an employee’s pleasure of working in an organisation can reduce employee turnover (Olusegun, 2013). The presence of intrinsic rewards such as opportunity for autonomy, self-direction, challenging interesting and gratifying tasks and facility to use multiple skills and abilities can create positive emotional state that leads to job satisfaction (Mahdi et al., 2012). Similarly, extrinsic rewards such as good working condition, relationship with supervisors and co-workers can stimulate and create positive emotion and attitude of job satisfaction. Vansteenkiste et al., (2007) found that an extrinsic value orientation in an organisation over intrinsic value orientation is detrimental to the employee job outcomes and satisfaction since extrinsic value orientation thwarts the satisfaction of the basic psychological needs.

Intrinsic motivations such as rewards, recognition and feedback are necessary to retain talented employees in an IT organisation (Zetlin, 2001). In addition, Zetlin (2001) noted that the intrinsic rewards and extrinsic rewards are a necessary component of job satisfaction in an IT organisation mainly due to the high creativity among IT staff. According to Amabile (1997) extrinsic and intrinsic factors that include organisational encouragement, work group support, Supervisory encouragement and challenging work increases job satisfaction of IT employees and positively influence their intention to stay in the organisation. Employees’ attitude towards intrinsic and extrinsic factors of job satisfaction helps to identify the overall attitude towards work and job satisfaction (Belias and Kousteelios, 2014). This also helps to identify the determinants of job satisfaction in terms of whether they promote job satisfaction or prevent job dissatisfaction. Next section examines nine determinants of job satisfaction that influence the job satisfaction of IT employees.
2.3 Determinants of Job satisfaction

2.3.1 Leader-Member Exchange (LMX)

Leader-member exchanges refer to the quality of supervisor - employee relationship in an organisation rather than just examining the behaviour and traits of the leaders and followers (Scandura et al., 1986). Only limited research have been conducted on the relationship between job satisfaction and LMX (Volmer et al., 2011). The study conducted by Volmer et al., (2011) on the reciprocal relationship between job satisfaction and LMX in an information technology company found that quality supervisor-employee relationship results in increased job satisfaction and increased job satisfaction enables to engage in positive personal relations within the organisation. Quality Leader-member exchange that allows free flow of information between supervisors and subordinates has a negative impact on employee turnover intentions (Saeed et al., 2014). High-quality LMX helps to achieve desirable results easily thereby increasing employee job satisfaction, organisational commitment and reduced intention to quit the organisation (Saeed et al., 2014).

Supervisor encouragement is necessary to increase the job satisfaction among IT professional (Samad, 2006; Amabile, 1997). According to Amabile (1997) supervisor encouragement is important for job satisfaction in an IT organisation due to the need to effectively set and communicate appropriate goals, set a model for the employees and need to value both group work and individual contribution to motivate employees in an innovative IT environment. Mbah and Ikemefuna, (2012) noted that insufficient information on how to perform adequately, ambiguity with performance evaluation methods, extensive job pressure, unclear expectations of peers and supervisors and lack of consensus on job role or duties can cause employees to be less satisfied with their jobs and displays a propensity to leave the organisation. Studies show that the turnover levels are higher in an organisation when the quality of LMX is low (Morrow et al., 2005).
Exchanging information, support, trust, rewards and effort in a high-quality LMX improve the loyalty and support of employees (Michael, 2013). Lack of supervisor support is one of the best predictors of job dissatisfaction and intention to quit a job (Mahdi et al., 2012). The satisfaction with supervision creates a high level of job satisfaction (Mardanov et al., 2008). Poor quality LMX is cited in many cases as the reason for employees' decision to quit (Mardanov et al., 2008). Mardanov et al., (2008) found that poor quality leader-member exchange is one leading cause of job dissatisfaction and employee turnover. Several studies have identified the effect of satisfaction with supervision on job satisfaction and lower employee turnover intention (Mardanov et al., 2008; Mbah and Ikemefuna, 2012).

2.3.2 Organisational Culture

Organisational culture refers to a set of expected behaviour patterns that are generally exhibited in an organisation (Sempane et al., 2002). Organisation culture influences employee satisfaction and turnover intentions. Several studies have identified the role of organisation culture on employee job satisfaction (Olusegun, 2013). High performing organisational cultures produce excellent results in an organisation by attracting, motivating and retaining talented employees (Medina, 2012). Organisation culture is described as the shared thoughts, feeling and behaviours of a group (Christensen and Shu, 1999). It includes the company policies, friendly work environment, worker treatment in the organisation and the presence of union (Linz and Semykina, 2012). Workplace policies such as the availability of training, and promotion options, degree of job security, degree of work freedom and average levels of wages in the organisation have significant influence on the job satisfaction of employees (Linz and Semykina, 2012, p.818). The study conducted by Johnsona and McIntye (1998) found that empowerment and involvement, recognition and communication are the measures of organisational culture that has a significant impact on employee job satisfaction.

According to Robbins (2003) organisational environment is one of the most influential factors of jobs satisfaction. Satisfaction with organisation culture can increase an employee's job satisfaction and reduce turnover intentions (Medina, 2012). The values
and expectations of employees also influence the satisfaction with the organisational culture (Belias and Koustenios, 2014). The perception of the function and quality of the organisational culture affect the employee physical, mental and social wellbeing and satisfaction (Warr, 1992).

Yammarino and Dubinsky (1987) proposed that work environments that provide employees with high level of support, encouragement, and information and higher levels of discretion and well-designed job and set of tasks is necessary to increase the productivity, loyalty and attachment of employees.

Cameron and Freeman (1991) developed four organisational culture types; Clan, Adhocracy, market and hierarchy type. Clan culture is referred to as a relaxed environment where employees feel comfortable to work and has a good interpersonal relationship with co-workers (Gull and Azam, 2012). The main attributes of Clan organisational culture are cohesiveness, teamwork, participation and sense of family. Adhocracy culture refers to an innovative culture where employees and management work together in developing new ideas (Gull and Azam, 2012). The main attributes of Adhocracy culture are entrepreneurship, creativity and adaptability. Market refers to the organisational culture where the organisational achievement is measured based on producing the desired outcome (Gull and Azam, 2012). The main attribute of market culture is goal achievement and competitiveness (Cameron and Freeman, 1991). The main attributes of hierarchy culture are order, rules and regulations and uniformity (Cameron and Freeman, 1991).

The study conducted by Lund (2003) found that the job satisfaction levels vary depending on the type of organisational culture. Market and Hierarchy cultures were identified to negatively influence employee satisfaction and Clan and Adhocracy cultures improve employee satisfaction (Lund, 2003; Gull and Azam, 2012). However, Dadgar et al., (2013) found that Clan culture is the only culture that has a significant positive relationship with job satisfaction and other three culture has a negative impact on job satisfaction. This may be because the study was conducted in a medical context.
The influence of different organisational culture on the job satisfaction may vary depending on the industry. In an innovative environment like IT sector, adhocracy culture can also increase job satisfaction. The study conducted by Gull and Azam, (2012) in organisations from different industries found that Clan and Adhocracy culture has a significant influence on job satisfaction. In another study conducted in a banking sector found that all organisational culture can have a positive influence on job satisfaction (Aldhuwaihi, 2013). Zetlin (2001) noted the importance of role of organisation culture on the job satisfaction of IT professionals. According to Amabile (1997) an organisational culture that foster, appreciate, recognise and fairly rewards creativity, has environment and mechanisms to support innovation and has a shared vision and active flow of ideas is necessary in an IT organisation to retain employees.

2.3.3 Organisational Politics

Organisational politics refers to the actions in an organisation to promote self-interest inconsistent with organisational objectives and sometimes at the expense of organisational goals. According to Vigoda-Gadot and Talmud, (2010, p.2830) Organisational politics represents "a unique domain of interpersonal relations, characterized by the direct or indirect (active or passive) engagement of people in influence tactics and power struggles. These activities are frequently aimed at securing or maximising personal interests or, alternatively, avoiding negative outcomes within the organisation". Employees’ perception on politics has a significant influence on job outcomes such as job satisfaction and job-related stress (Vigoda-Gadot and Talmud, 2010). Many studies have identified that organisational politics is negatively associated with job satisfaction (Cropanzano et al., 1997; Valle and Witt, 2001). According to Cropanzano et al., (1997) the main consequences of organisational politics are turnover intentions, job dissatisfaction and poor organisational commitment.

Organisational norms such as withholding information, dysfunctional impression management are organisational politics that harm employee-employer relationship. When the employees perceive the existence of a high level of organisational politics in their organisation, the dissatisfaction with their job is higher (Kacmar and Baron, 1999;
Valle and Witt, 2001). The perception of organisational politics have a detrimental effect on individual and organisational outcomes that is decreased job satisfaction and increased employee turnover respectively ((Bozeman et al., 2001). Vigoda (2002) found that job-related stress is an immediate employee response to organisational politics which in turn results in job dissatisfaction. When employees perceive that the organisational politics is high, employees get dissatisfied with job, supervisor and compensation (Yang et al., 2013).

The impact of organisational politics on employee satisfaction is one of the most frequently examined topics by researchers. The study conducted by Valle and Witt (2001) identified that organisational politics is a major cause of dissatisfaction for employees. Organisational politics is a part of organisational culture that influence the job satisfaction of employees. The perception of organisational politics is detrimental to employee job satisfaction and increases employee turnover intentions (Valle and Witt, 2001). Individual perception of organisational politics is more important than the existence of real politics since the attitude and behaviour or individuals are based on their perception than the objective reality (Cropanzano et al., (1997). Perception of organisational politics refers to “an individual’s observations of others’ self-interested behaviours such as the suppression of competing entities and selective manipulation of organisational policies” (Bozeman et al., 2001 p.487). According to Valle and Witt (2001) a highly political environment adversely affects the employer-employee relationship and the social relationship between peers affecting job satisfaction. However, Fedor et al., (2008) argues that there is positive and negative organisational politics and is significantly influenced by the perception of the employee. The study conducted by Vigoda-Gadot and Talmud, (2010) found that negative aftermath of perceived organisational politics can be reduced by an organisational climate of social support and trust. This defines organisational politics as functional and dysfunctional based on situations. However, Cropanzano et al., (1997) noted that organisational politics is mostly viewed as a behaviour strategically used to maximise self-interest. The latter is more specific about defining organisational politics while the former is more general (Cropanzano et al., 1997).
2.3.4 Compensation

Compensation level is identified as one of the most important predictors of employee job satisfaction along with work environment and co-worker relationship (Lee et al., 2012). Compensation is an extrinsic reward repeatedly identified to have a significant influence on job satisfaction. According to (Mbah and Ikemefuna, 2012) higher the satisfaction with the pay, lower will be the employee turnover intentions. Medina (2012) identified that income levels below an employee’s expectation can cause job dissatisfaction and these employees are likely to search for new jobs. The desirable reward for employee job satisfaction depend on the personal expectations of the individual based on the value they create for the organisation (Linz and Semykina, 2012). The study conducted by Medina (2012) found that a significant majority of employees who are satisfied with their jobs are those who earn high incomes according to their expectations.

2.3.5 Peer support and Interpersonal relationship

Peer support and interpersonal relationship are another important component of job satisfaction and employees intention to stay in an organisation. Healthy interaction with co-workers is identified to increase job satisfaction of employees. Employees’ perception of co-worker support is reduce stress and increase job satisfaction (Babin and Boles, 1996). According to Amabile (1997) work group support is essential for the job satisfaction of employees in an IT organisation mainly due to the nature of job which requires skills diversity, honest communication, constructive challenge, openness to innovative ideas and mutual trust, support and commitment. Harmonious co-worker relationship creates a significant positive relationship on job satisfaction (Lee et al., 2012). Robbins (2003) noted that co-worker relationship is one of the most influential factors of jobs satisfaction. According to Lee et al., (2012) good co-worker relationship enable employees to effectively address the factors that affect service quality, address work challenges and improve job satisfaction. Consistently Adams and Bond (2001) identified the positive role of interpersonal relations of employees for job satisfaction.
Studies show that isolated employees are more likely to be dissatisfied with their job than employees who have good peer relationship (Aydogdu and Asikgil, 2011). Lee and Ok (2011) found that workplace relationship increases effective communication, respect and trust among employees which contributes to increased job satisfaction and reduced turnover intentions. Employees working together with quality interrelationship is identified to improve the job satisfaction (Kutzscher et al., 1997; Griffin et al., 2001). A high-quality interrelationship is necessary for efficient and effective teamwork in an organisation. The quality of teamwork in an organisation can reduce the negative impact of many organisational issues such as organizational politics. The study conducted by Valle and Witt (2001) found that the negative impact of organisational politics is lower when the organisation has good teamwork and employee interrelationship.

### 2.4 Job Satisfaction as an Employee Attitude

Employee attitude is a complex construct of Job satisfaction. In earlier research studies, job satisfaction was used interchangeably to job attitudes because both measures the effective orientation of an individual towards the work role (Jiang, 2004). Employee attitude refers to the viewpoints or perspectives of employees about their job, career and their organisation that influence job satisfaction (Saari and Judge, 2004). Personal values that correspond to an individual's expectation on how to function in a society is an important component of attitude that affects job satisfaction. Employee attitude is a complex interplay between the person and the surrounding environment. According to Samad (2006) job satisfaction is based on the differential perception of what employee expects to receive compared to the rewards he or she actually receive. Ravari et al., (2012) noted that personal values determines the employees’ expectations of the organisation and social climate. When the personal values are not met, it decreases job satisfaction (Hegney et al., 2006). Ravari et al., (2012) also noted the influence of personal values on the attitudes of a person which may vary with the organisational features and behavioural norms. The employee attitude of job satisfaction, therefore, depends on the personal and the internal and external factors surrounding.
The determinants of job satisfaction such as organisational support, supervisor support and workload influence employee attitude towards job satisfaction. The social context and the job characteristics such as hours of work, task identity and task significance affect the job perception and satisfaction (Wong et al., 1998). Ravari et al., (2012) identified that personal beliefs play a major role in job satisfaction than social interaction or organisational situations. Positive attitude towards ones job situation is identified to create job satisfaction and negative attitude creates job dissatisfaction (Jiang, 2004). Consistently, Olusegun, (2013) noted that positive attitude towards job equate to job satisfaction and negative attitude towards job equate to negative satisfaction.

Job satisfaction and turnover intentions are employees’ attitudes that develop with the intrinsic and extrinsic job motivation factors. According to Saari and Judge, (2004) cultural orientation of the individual and the organisation, intrinsic job characteristics and life satisfaction influence employee attitudes and thereby job satisfaction. Wong et al., (1998) stated that job satisfaction is a job attitude that is formed based on the job characteristics and social context. Both intrinsic and extrinsic factors influence job perception and job satisfaction.

## 2.5 Job Satisfaction and Turnover Intentions

Job satisfaction is an individual’s attitude towards his or her job and value judgement relating to the work related rewards (Mahdi et al., 2012). It is repeatedly identified by several authors as the main cause for employee turnover intention (Mahdi et al., 2012; Mbah and Ikemefuna, 2012; Olusegun, 2013). According to Olusegun, (2013) job satisfaction is an important predictor of employees’ attitude towards their job and their work behaviour. Turnover intentions refer to the perceived probability of staying or leaving an employing organisation (Mahdi et al., 2012). An employees' intention to quit can be significantly influenced by job satisfaction (Moore, 2002). Understanding the construct of job satisfaction based on the different components that affect job satisfaction and job dissatisfaction can identify employee turnover intention.

Turnover intentions among young graduates are identified to be significantly high in many organisational sections. A study conducted by Chen et al., (2014) found that the
significantly high turnover intention among young graduates mainly due to the time taking to adapt to a new work environment and the job stress that results from the work. A similar study conducted by Chong and Monroe (2015) on the job satisfaction and turnover intentions of new hires found that role ambiguity, role conflict and job-related tension decreases employees’ level of satisfaction and causes increased turnover intentions. Both studies have identified job-related stress as the main reason for decreased job satisfaction and increased turnover intentions among new hires.

The ability of young graduates to effectively adapt to the organisational environment and organisational support to easily adapt to the organisational environment is a significant predictor of job satisfaction and reduced turnover among young graduates. Adapting to a new work environment is stressful for young graduates and failure to adapt decrease job satisfaction and increase the turnover intention (Chen et al., 2014). The experience of employees is a significant predictor of job satisfaction. Belias and Koustelios (2014) found that the job satisfaction was higher in employees with a work experience. An unhealthy design of work environment can increase the levels of burnout, depression, mental exhaustion and job dissatisfaction among young graduates than experienced hires (Chen et al., 2014). Laschinger (2012) identified the workplace factors play an important role in the job satisfaction and turnover intentions. Employing strategies to enhance the high-quality work environment for employees can increase the job satisfaction and decrease turnover intention in new employees (Laschinger, 2012).

High turnover rates in IT sector is mainly attributable to the presence of organisational impediments such as destructive internal competition, risk avoidance, harsh rejection of new idea excessive support for the status quo, and internal politics (Samad, 2006, p14). Intensive time pressure, distraction on creative work and unrealistic productivity demands are some of the main reasons for increased turnover rates and job dissatisfaction among IT employees (Fisher, 2000). Laschinger (2011) noted the importance of transitional support for young graduates that an organisation needs to provide through good working conditions. Good working conditions is identified to increase job engagement and job satisfaction of new hires.
2.6 Summary

Job satisfaction is an important determinant of employee turnover intentions. This chapter covered intrinsic and extrinsic factors of job satisfaction, determinants of job satisfaction, and the influence of job satisfaction on employee turnover intentions. The job satisfaction determinants identified in this include both intrinsic and extrinsic factors of job satisfaction. This chapter identified the positive and negative determinants of job satisfaction. The job satisfaction determinants examined in this study are leader-member exchange (LMX), organisational culture Organisational politics, job characteristics, Compensations, Peer support and interpersonal relationship, workload and the level of education. Employee attitude of job satisfaction depends on these job satisfaction determinants and the influence of each determinant on job satisfaction vary between people, organisations and industry. The main job satisfaction factors that influence the turnover intentions of new hires in their first two years of experience is examined in this research. Next chapter explains the methodology used to achieve the research objectives.
Chapter 3 Hypotheses and Instrument Development

3.1 Introduction

Employee turnover is an important indicator of job dissatisfaction. To identify the main determinants of job satisfaction that influence employee turnover intentions, the relationship between the job satisfaction determinants of Leader-member exchange, organisational culture, organisational politics, compensation and peer support is examined in relation to employee turnover intention in this study. The independent variables for the research are extrinsic and intrinsic job satisfaction, organisational culture, peer support and interpersonal relationship and perception of organisational politics. The dependent variable for the research is Employee turnover intentions. The setting for the study is few IT organisations in India. IT professionals in their first two years’ experience are only included in this study. This helps to identify the main job satisfaction determinants that influence the turnover intentions of IT professionals in the first two years of experience.

3.2 Hypotheses

Based on the literature review given below are the hypotheses for the research:

**Hypothesis 1: Employees turnover intentions decreases with extrinsic job satisfaction**

The independent variable for the hypothesis is extrinsic job satisfaction and the dependent variable is employee turnover intentions. Employee turnover intentions for the study is measured using the three item turnover intention measure developed by Mobley, Horner & Hollingsworth (1978). The three items of the turnover intention measure are: (1) I think a lot about leaving the organisation, (2) I am actively searching for an alternative to the organisation, and (3) As soon as it is possible, I will leave the organisation. All the three items are measured on a scale of 1 to 5, form 1= strongly disagree to 5 = strongly agree. A higher score indicated the intention to quit the job. Several studies have used the turnover intention measure by Mobley, Horner & Hollingsworth (1978) to measure the employee turnover intentions in different cases (example: Miller et al., 1979; Dalessio et al., 1986; Yin-Fah et al., 2010).
Extrinsic Job satisfaction is the independent variable for this hypothesis. Extrinsic job satisfaction is measured using the Minnesota Satisfaction Questionnaire created by Weiss, Dawis, England, & Lofquist, (1967). Extrinsic job satisfaction is one subscale of the Minnesota Satisfaction Questionnaire. The items that are used to measure the extrinsic job satisfaction is used in the questionnaire. All the 8 items to measure the extrinsic job satisfaction are used in the questionnaire. Items 5, 6, 12, 13, 14, 17 and 8 measures of the scale measures extrinsic job satisfaction. The items are measured on a five-point Likert scale from 1 = Not satisfied, 2 = extremely satisfied. There are several studies that have used the Minnesota Satisfaction Questionnaire to measure extrinsic job satisfaction (example Yin-Fah et al., 2010; Martins and Proença, 2012).

**Hypothesis 2: Employees turnover intentions decreases with intrinsic job satisfaction.**

The independent variable for the hypothesis is intrinsic job satisfaction and the dependent variable for the hypothesis is employee turnover intentions. Intrinsic job satisfaction is measured using the Minnesota Satisfaction Questionnaire by Weiss et al., (1967). There are 12 items in the scale that measure intrinsic job satisfaction. Item 15 ‘The freedom to use my own judgement’ and item 16 ‘the chance to try my own methods of doing the job’ are not used in the questionnaire. This is because based on the conceptual ground these items were removed in the validation of the Minnesota Satisfaction Questionnaire by Buitendach and Rothman, (2009). Items 1, 2, 3, 4, 7, 8, 9, 10, 11 and 20 were used to measure intrinsic job satisfaction.

**Hypothesis 3: Intrinsic job satisfaction has significantly higher influence on employee turnover intentions than extrinsic job satisfaction**

The independent variables of the hypothesis are intrinsic and extrinsic job satisfaction and the dependent variable is the employee turnover intentions.
Hypothesis 4: Employees turnover intentions decreases with the satisfaction with the organisational culture

The independent variable of the hypothesis is organisational culture and the dependent variable is employee turnover intentions. The Organisational culture is measured using the organisational culture questionnaire by Van der Post et al. (1997) and validated by Sempane et al., (2002). Van der Post et al. (1997) identified 114 dimensions of organisational cultures. However, many studies that evaluate satisfaction with organisational culture based on the shortlisted 15 dimensions of organisational culture by grouping dimensions that overlap into logical categories (Erwee et al., 2001; Sempane et al., 2002). This research only uses 8 dimensions of organisation culture. They are conflict resolution, customer orientation, employee participation, goal clarity, human resource orientation, management style, performance orientation and reward orientation. The dimensions of organisational culture are measured on a scale from 1 to 5, where 1 = not satisfied to 5 = extremely satisfied.

Hypothesis 5: Employees turnover intentions decreases when there are no organisational politics at play

The independent variable of the hypothesis is organisational politics and the dependent variable is employee turnover intentions. Organisational politics is measured using the perception of organisational politics scale (POPS) developed by Kacmar and Ferris (1991). The measure adopted in the questionnaire for the research is the validated scale of POPS by Kacmar and Ferris (1991). All the 12 items of the scale were used to measure the employee’s perception of organisational politics. Responses are measured on a scale of 1 to 5 where 1 = strongly disagree and 5= strongly agree. Several researchers have tested the validity of the POPS scale (Fields, 2002; Nye and Win, 1992)

Hypothesis 6: Employee turnover intentions decreases with increased peer support and interpersonal relationship.
The independent variable of the hypothesis is peer support and interpersonal relationship and the dependent variable is the employee turnover intentions. The peer support is measured using an item 18 ‘The way my co-workers get along with each other’ in the Minnesota Satisfaction Questionnaire created by Weiss et al., (1967). It is measured on a scale of 1 to 5 where 1 = not satisfied and 5 = extremely satisfied.

Hypothesis 7: Employee turnover intentions decreases with satisfaction with leader-member exchange

The independent variable is the leader-member exchange and the dependent variable is employee turnover intentions. The leader-member exchange is measured using Leader-member Exchange scale by Graen & Uhl-Bien, (1995). The recommended Leader-member Exchange scale consists of 7 items. Only three items are used for this research. They include

1. ‘How well does your leader understand your job problems and needs? (How well do you understand)’. This item is measured on a scale of 1 to 5, from 1 = Not a Bit to 5 = A Great Deal.
2. ‘How well does your leader recognize your potential? (How well do you recognize)’. This item is measure on a scale of 1 to 5, from 1 = Not at all to 5 = Fully.
3. ‘How would you characterize your working relationship with your leader? (Your member)’. This item is measured on a scale of 1 to 5, from 1 = extremely ineffective to 5= extremely effective.

Hypothesis 8: Employee turnover intention decreases with better compensation for the work done

Compensation is the independent variable of the hypothesis and the dependent variable is the employee turnover intentions. Compensation is measured using item 13 ‘My pay and the amount of work I do’ in the Minnesota Satisfaction Questionnaire. It is measured on a scale of 1 to 5 where 1 = not satisfied and 5 = extremely satisfied.
3.3 Reliability and Validity of measures used

Minnesota Satisfaction Questionnaire (Weiss, Dawis, England, & Lofquist, 1967), Perception of Organisational Politics Scale – POPS (Ferris et al., 1989), Leader-member exchange (Graen & Uhl-Bien, 1995), Organisational culture questionnaire (Van der Post et al., 1997) and Mobley, Horner & Hollingsworth (1978) measures were used to measure Job satisfaction (intrinsic and extrinsic), perception of organisational politics, leader-member exchange, organisational culture and turnover intentions. The variables compensation and interpersonal relationship and peer relationship is measured using a single item scale used in the Minnesota Satisfaction Questionnaire (Weiss, Dawis, England, & Lofquist, 1967). The item used to measure peer relationship and interpersonal relationship from the Minnesota Satisfaction Questionnaire is “The way my co-workers get along with each other” and the item used to measure compensation from the Minnesota Satisfaction Questionnaire “My pay and the amount of work I do”. All the measures used for the study have been tested for validity and reliability. Furthermore, they have been applied effectively by several researchers.
Chapter 4 Methodology

This chapter first provides an overview of the research design of this research including the research philosophy, research strategy used to address the research problem and research questions. The specific methods used for instrument development, data collection and data analysis are also described.

4.1 Overview of research Study

The overarching research problem of the study was to identify the influence of five job satisfaction determinants including leader-member exchange, organisational culture, organisational politics, compensation and peer support on the turnover intentions of new hires in Indian IT sector. Additional goals of this study include determining whether intrinsic job satisfaction factors have more significant influence on turnover intentions of new hires in Indian IT sector than extrinsic job satisfaction and discovering the nature of influence of the five determinants of job satisfaction on employee turnover intentions. A quantitative cross-sectional study was designed to achieve the research objectives and answer the research question.

The specific research question guiding the research is:

“What are the main determinants of Job satisfaction that influence the turnover intentions of new hires in the Indian IT sectors? How do these factors influence the employee turnover intentions?”

Conducting research is a craft. Appropriate research techniques are essential to obtaining new knowledge (Daft, 1983). An explanatory quantitative research method is designed to achieve the research objectives. An explanatory study is conducted to establish casual relationships between variables (Saunders et al., 2009; Robson, 2002). The impact of the determinants of job satisfaction on the turnover intentions requires an explanation on the relationship between the determinants of job satisfaction and employee turnover intention. To establish the causal relationship between these
variables and to identify how determinants of job satisfaction influence employee turnover intentions of an explanatory research was carried out. Qualitative research methods are used to widen the knowledge and the pre-understanding through observation or interviews. Since the research aims to test the existing theories on the influence of job satisfaction determinants on employee turnover intentions and not performing an in-depth examination to create a new understanding of the employee turnover intention among new hires in Indian IT sector, quantitative research method is considered more suitable. The next section explains the research design for the study based on Saunders et al., (2009) research onion.

4.2 Research Design

The research design for the study is explained using the Saunders et al., (2009) research onion. The research onion deals with each stage of the research. The outer layers the context and boundaries of the research which starts with the research philosophy (Saunders and Tosey, 2013). The research onion consists of five layers with the first layer defining the research philosophy, then Research choice, Research strategy, Time Horizon and techniques and procedure. These layers define the methodology through which the research question is answered. Peeling away each layer reveals the next layer of the onion. The research philosophy of a research decides the bases on which the research question is understood and the personal view on the acceptable knowledge for conducting the research. Moreover the research philosophy determines the other choices of design for the study.

4.2.1 Research Philosophy

Research philosophy for a research explains the particular view of the knowledge and the process by which it is developed (Saunders et al., 2012). The research philosophy underlying this research is positivism. Under positivist research philosophy, an observable social reality is examined which results in law, like the generalisation of the results (Saunders et al., 2009). The influence of the determinants of job satisfaction on the employee turnover intention is the social reality examined for this research.
Furthermore, the findings of the can be used to generalise the main job satisfaction factors that influence the employee turnover intentions in Indian IT sector.

Positivist research paradigm is considered beneficial for conducting studies in behavioural information research (Orlikowski and Baroudi, 1990). Identifying the employee turnover intention falls into behavioural information research. Moreover, Positivist research philosophy is suitable to test the theories under different conditions (Orlikowski and Baroudi, 1990). There are several studies that have examined the relationship between job satisfaction determinants and employee turnover intentions. The existing theories on the relationship between job satisfaction determinants of Leader-member exchange, organisational culture, organisational politics, and compensation and peer support and employee turnover intentions are used to uncover the main job satisfaction determinants that influence the turnover intention among new hires in Indian IT sector. These existing theories on the influence of job satisfaction factors on the employee turnover intention are tested on the new hires in the Indian IT sector. Thus, the study is straightforward based the fixed relationship of employee turnover and employee job satisfaction studies with structured instrumentation. A positivist research philosophy is, therefore, best suited for this research since positivist research philosophy’s premised on a priori fixed relationship that primarily test theory (Orlikowski and Baroudi, 1990).

Existing theories on the influence of job satisfaction factors on the employee turnover intention is used to develop the hypothesis, which are then tested and confirmed to the further development of the theory (Saunders et al., 2009). The focus of the research is on collecting the facts about the relationship between job satisfaction factors and employee turnover intentions. Using quantitative questionnaires from existing theories helps to gather facts that can become the basis for the hypotheses testing.

4.2.2 Research Approach
Research approach of a research study depends on the extent to which the research is clear about the theory at the beginning of the research (Saunders et al., 2009). Since the relationship between the determinants of job satisfaction and employee turnover is determined at the beginning of the research based on the existing theories, the research approach for this study is deductive. A study can be conducted using deductive or inductive approaches. The main factor that determine the research approach to a study is the method used to form theory and reach conclusions. Reed (2006, p1) presented that inductive approach is “where specific observations or measurements are made in order to develop broader conclusions, generalisation and theories.” Whereas the deductive approach is “where one starts thinking about generalisations, then proceeds towards specifics on how to prove or implement the generalisations. The answer to the turnover intention of new hires in Indian IT sector is tried to be deduced from the existing theories and the theories are tried to be implemented in the scenario of employee turnover intentions in Indian IT sector for generalisation. A deductive approach is suitable for this research since the researcher develops a theory and hypotheses and design a research strategy to test the hypothesis. Moreover, a deductive approach is usually attached to the positivist research philosophy. Therefore, a deductive approach is considered to be suitable.

A deductive approach is more attractive in investigating the influence of the determinants of job satisfaction on the turnover intentions of new hires in Indian IT sector, since there is plenty of research on the influence of job satisfaction on employee turnover intention. One of the main characteristics of deductive approach is the search to explain the causal relationship between the variables (Saunders et al., 2009). Using a deductive approach in a research involves performing four main steps (1) The formulation of hypotheses based on the existing theories (2) Hypotheses are then operationalised with variables that can be identified and measured using a well-structured approach that can be replicated (3) Data is gathered and the information is used to test and confirm the hypothesis and (4) the outcome of the enquiry is compared against the original hypotheses, which is either modified or confirmed to the theory from which the hypotheses were derived (Saunders et al., 2009; CIPD, 2009).
4.2.3 Research Strategy

The research strategy chosen is based on the best way to answer the research question. Since the research is an explanatory research that establish a causal relationship between variables the most suitable research strategy is survey (Saunders et al., 2009). The research requires to collect data from new hires in the Indian IT sector about the employee turnover intention in a well-structured format a survey strategy is more suitable. The survey strategy allows to collect data quantitatively using the validated scale for employee turnover and determinants of job satisfaction which can be analysed quantitatively using descriptive and inferential statistics. A structured self-administered quantitative questionnaire is the research instrument used to collect the responses from the respondents. The research instrument only used validated scales on the employees’ turnover intentions, perception of organisational politics, organisational culture, leader-member exchange, compensation and peer support. One of the benefits of the survey strategy is to collect a large amount of data from a sizeable population in a cost effective manner. Another advantage go the survey strategy is that it allows to select samples that are representative of the whole population without collecting data from the whole population thereby saving cost and time.

4.2.4 Research Choices

The research choice for the research is a mono method. This is because only a single data collection technique and a corresponding data analysis procedure is used in this research. The data from the new hires in Indian IT sector are only collected using quantitative questionnaires and the data collected is analysed quantitatively using the SPSS.

4.2.5 Time Horizon

Time horizon is the period covered to answer the research question. The influence of the determinants of job satisfaction on the employee turnover intentions is studied at a particular point in time. In a cross-sectional study, the data is collected only once from all the participants at the same time. Therefore, the time horizon is cross-sectional. The
main focus of the researcher is to identify the current causes of turnover intentions among new hires in Indian IT sector and its relationship with the determinants of job satisfaction. Since the subject of the study is human beings and the human beings thoughts are continuously changing, the study solely focuses on the current factors that influence the employee turnover intentions. Although there is a scope for longitudinal research since the human nature is subject to change and a study can understand how turnover intentions of new hires changes over time and the influence of the determinants of job satisfaction, the time and budget constraints for this research has led to the selection of cross sectional approach to investigate the research topic. Thus a cross sectional study is considered suitable for this research. According to Rindfleisch et al., (2008) a cross sectional study are suitable for studies that sample highly educated respondents and a careful research design and appropriate statistical tools can maximize the validity of the approach.

4.3 Participant recruitment

The population is the full set of cases from which the samples are taken. The population for the research are new hires in the Indian IT sector. This includes all employees who are in their first or second years of experience in the Indian IT sector. Since the respondents for the research are from a different country and the researchers has friends working in the Indian IT sector, the participants were selected using convenience sampling. Convenience sampling is suitable when the data has to be collected within a limited timeframe and within a budget. Convenience sampling is the selection of samples involves selecting those cases that are easiest to obtain (Saunders et al., 2009, p. 241). Convenience sampling is a non-probability sampling technique. The choice of sampling depends on the feasibility and sensibility of collecting data to achieve the research objectives.

According to Marshall (1996) a well thoughtful approach to selection of samples using convenience sampling technique can produce data with quality and intellectual credibility. Hence, the non-probability sampling technique of convenience sampling is considered suitable for this research. A major issue when conducting an organisational
research is the difficulty to access to its people. The online survey tool of Google forms was used to collect the data from the respondents. The link of the questionnaire was sent to the friends who are new hires in the Indian IT sector who then sent the link to their peers who are also new hires in Indian IT sector. This method helped to collect a large amount of data with less cost and time. The sampling size of the research is a major determinant of this research to obtain a reliable conclusions for the research it is necessary to collect data from a large sample size. New hires in different Indian IT companies were collected as part of the research to increase the reliability of the data collected and generalisability of the study findings.

4.4 Data Analysis Methods

Data analysis proceeded simultaneously with and subsequently to data collection. Quantitative data from the questionnaires were entered into excel as soon as the respondents completed the questionnaires. The completed excel file was imported to SPSS to start the quantitative analysis. Both descriptive and inferential statistics were used to examine the characteristic of the responses and test the research hypothesis. The variables were tested for normality and analysed using parametric and non-parametric measures. Pearson product moment correlation, Independent samples T-test and ANOVA are used to test the relationship between variables.

4.5 Ethical Consideration

Ethical consideration for the research begins with the planning stage till the reporting of the research. The main research ethics while collecting the data from the employees in the organisation was to ensure the confidentiality of the responses by the respondents. No personal information such as the name and designation of the respondents were not collected during the data collection. Since the research is about a very sensitive issue of job satisfaction and employee turnover intentions the respondents were assured that the information they share is highly confidential and will be seen by the researcher. Only the analysed data will available for future verification. The respondents were
informed about the subject matter of the research in the cover letter of the questionnaires and the respondents were free not to participate in the survey. The respondents have the freedom to decide to participate or withdraw from the research.
Chapter 5 Results

5.1 Introduction

The analysis of the quantitative data collected from the first and second year employees in the IT sector in India is analysed in this chapter. The results chapter begins by identifying the characteristics of the sample participated for the study, followed by the distribution of variables through descriptive statistics. Descriptive statistical measures help to identify the distribution of responses for each variable and summarize the essential feature of the data. Measures of central tendency and measure of dispersion are two descriptive statistical measures used to summarize and describe data. For clarity of the distribution of data the graphical and tabular representations are used. The second part uses inferential statistics to test the hypotheses, examine the relationship between variables and answer the research questions. It allows making generalizations of the population based on the samples selected.

The characteristics of the sample are summarized in table 1 and table 2. The age, gender, education and years in the company. A total of 36 respondents participated for the study. A significant majority of the participants were male (80.6%). The age group of the respondents for the study was distributed between the ages of 20 to 37, with the highest number of participants within the age group of 26-35 (61.1%). The highest level of education for the majority of the respondents for the study was a degree (66.7%). The highest level of education for the remaining 33.3% of the participants were having a master’s degree. The study only included samples who are in their first two years of experience in the Indian IT sector. A significant majority of the respondents were in the second year of their experience in Indian IT sector. Of the 36 respondents who participated for survey only 19.4% respondents were in their first year of experience in Indian IT sector, the remaining 80.6% participants for the survey were in their second year of work.
<table>
<thead>
<tr>
<th>Age</th>
<th>Percent</th>
<th>Gender</th>
<th>Percent</th>
<th>Education</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25</td>
<td>30.6%</td>
<td>Male</td>
<td>80.6%</td>
<td>Graduate</td>
<td>66.7%</td>
</tr>
<tr>
<td>26-30</td>
<td>61.1%</td>
<td>Female</td>
<td>19.4%</td>
<td>Masters</td>
<td>33.3%</td>
</tr>
<tr>
<td>31-35</td>
<td>2.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36-40</td>
<td>5.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 1 Age, Gender, education Characteristics of Sample*

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year</td>
<td>19.4%</td>
</tr>
<tr>
<td>Second Year</td>
<td>80.6%</td>
</tr>
</tbody>
</table>

*Table 2 Characteristic of Samples*

5.2 Descriptive Statistics

The quantitative survey of Indian IT sector employees used validated measures to measure, intrinsic and extrinsic satisfaction, turnover intentions, organisational culture, organisational politics and leader-member exchange. To understand the characteristics of the data a descriptive analysis is done calculating the measures of central tendency and measures of dispersion. The measure of central tendency and measures of dispersion of each variable are separately provided in this section. Mean, median and mode are measures of central tendency and standard deviation examines the measures of dispersion. Additionally, graphs and charts are also used to explain the distribution of responses. The skewness of the variables are measured to examine the normality of distribution.
5.2.1 Employee Turnover Intentions

The turnover intention measure developed by Mobley, Horner & Hollingsworth (1978) was used to measure the turnover intentions of Indian IT sector employees. The items were measured on a scale of 1 to 5, where 1 = strongly disagree to 5 = Agree strongly. Table 3 given below shows the measure of central tendency and measures of dispersion and skewness of three items of employee turnover intention. The average of all the three items are used to calculate the total employee turnover intentions.

<table>
<thead>
<tr>
<th>Statistics</th>
<th>I think a lot about leaving the organisation</th>
<th>I am actively searching for an alternative to the organisation</th>
<th>As soon as possible I will leave the organisation</th>
<th>Employee Turnover Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>N Missing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>3.31</td>
<td>3.22</td>
<td>3.42</td>
<td>3.34</td>
</tr>
<tr>
<td>Median</td>
<td>3.00</td>
<td>3.00</td>
<td>3.50</td>
<td>3.00</td>
</tr>
<tr>
<td>Mode</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.348</td>
<td>1.533</td>
<td>1.381</td>
<td>1.365</td>
</tr>
<tr>
<td>Skewness</td>
<td>-.227</td>
<td>-.094</td>
<td>-.334</td>
<td>-.235</td>
</tr>
</tbody>
</table>

Table 3 Employee Turnover Intentions

The mean, median and mode of the employee turnover intentions and the standard deviation and skewness and employee turnover intentions variables is provided in table 3. The mean, median and mode of ‘I think a lot about leaving the organisation’ is 3.31, 3 and 5 respectively. Values closer to 3 suggests that the respondent were neutral in terms of leaving the organisation. However the mode value of 5 shows that 5 is the number which is most selected by the respondents. 5 denotes that the employees strongly agree to the statement that ‘I think a lot about leaving the organisation’. The standard deviation for the item is 1.348 and the skewness is -0.227. A skewness value closer to ‘0’ represents normal distribution. Thus, the variable is normally distributed. The item ‘I am actively searching for an alternative to the organisation’ is a mean, median and mode of 3.22, 3 and 5 respectively. The standard deviation and skewness
of 1.533 and -0.94 respectively. The mean, median and mode for item ‘As soon as possible I will leave the organisation’ is 3.42, 3.5 and 5 respectively.

Figure 1 shows the distribution of employee turnover intentions. 47.22% of the respondents agreed that they are intending to leave the organisation. While only 30.55% of respondents disagreed that they are planning to leave the organisation.

5.2.2 Organisational Politics

Organisational Politics in the organisation of the respondents are measured using 12 items. All the items were measured on a scale of 1 to 5 where, 1 = Disagree strongly
and 5 = Agree Strongly. The score for organisational politics was calculated by findings the average of the 12 items. Six items of organisational politics scale was reverse scored to obtain an accurate estimation of organisational politics.

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>Std. Deviation</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy changes help only a few</td>
<td>36</td>
<td>0</td>
<td>3.33</td>
<td>3.00</td>
<td>3</td>
</tr>
<tr>
<td>One group always gets their way</td>
<td>36</td>
<td>0</td>
<td>3.42</td>
<td>4.00</td>
<td>5</td>
</tr>
<tr>
<td>Promotions go to top performers</td>
<td>36</td>
<td>0</td>
<td>3.17</td>
<td>3.00</td>
<td>4</td>
</tr>
<tr>
<td>There is influential group in the organisation that no one crosses</td>
<td>36</td>
<td>0</td>
<td>3.44</td>
<td>4.00</td>
<td>4</td>
</tr>
<tr>
<td>Build themselves up by tearing others down</td>
<td>36</td>
<td>0</td>
<td>3.47</td>
<td>3.50</td>
<td>5</td>
</tr>
<tr>
<td>Favouritism not merit gets people ahead</td>
<td>36</td>
<td>0</td>
<td>3.56</td>
<td>4.00</td>
<td>5</td>
</tr>
<tr>
<td>Don’t speak up for fear of retaliation</td>
<td>36</td>
<td>0</td>
<td>3.31</td>
<td>3.00</td>
<td>3</td>
</tr>
<tr>
<td>Rewards come to hard workers</td>
<td>36</td>
<td>0</td>
<td>3.17</td>
<td>3.00</td>
<td>3</td>
</tr>
<tr>
<td>Encouraged to speak out</td>
<td>36</td>
<td>0</td>
<td>3.33</td>
<td>4.00</td>
<td>4</td>
</tr>
<tr>
<td>No place for yes men</td>
<td>36</td>
<td>0</td>
<td>2.75</td>
<td>3.00</td>
<td>3</td>
</tr>
<tr>
<td>Pay and promotion policies are not politically applied</td>
<td>36</td>
<td>0</td>
<td>3.14</td>
<td>3.00</td>
<td>2</td>
</tr>
<tr>
<td>Pay and promotion decisions are consistent with policies</td>
<td>36</td>
<td>0</td>
<td>2.89</td>
<td>3.00</td>
<td>3</td>
</tr>
<tr>
<td>Organisational Politics</td>
<td>36</td>
<td>0</td>
<td>3.14</td>
<td>3.00</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 4 Descriptive statistics Organisational Politics

The mean, median and mode for organisational politics where 3.14, 3 and 3 respectively. All the components of organisational politics has a mean, median and mode score closer to 3. Score closer to 3 suggests that the respondents neither agreed nor disagreed that there is organisational politics in their organisations. There are few variables with a median and mode of 4 and 5, which means that respondents agreed to the statement. For example, the variables ‘There is influential group in the organisation that no one crosses’, ‘Favouritism not merit gets people ahead’ and ‘Encouraged to speak out’ has a median of 4. The standard deviation and skewness of organisational politics is .639 and -.122 respectively. The distribution of responses on the respondents’ perception of organisational politics is shown in figure 2.
Figure 2 Organisational Politics

Figure 2 shows the distribution of the average of the variables for organisational politics. The pie chart shows that a significant majority of the participants had a neutral responses in terms of the presence of organisational politics in the organisation. When 27.78% of the respondents agreed that there is organisational politics at play, only 13.89% of the respondents disagreed that there is any organisational politics at play.
5.2.3 Organisational Culture

Eight Items were used to measure the organisational culture in the IT organisations that the respondents are working. The variables were conflict resolution, customer orientation, employee participation, goal clarity, human resource orientation, reward orientation, performance orientation and management style. The items were measures on a scale of 1 to 5, where 1 = extremely dissatisfied to 5 = extremely satisfied. The average score of all the eight variables are taken to obtain the value for organisational culture. The mean, median and mode for organisational culture is 2.97, 3, and 3 respectively. Moreover the mean median and mode for the eight variables of organisational culture and 3 or slightly less than 3. Score closer to 3 suggests that the respondents are neither satisfied nor dissatisfied with the organisational culture in their organisations and score less than 3 suggests that respondents are slightly dissatisfied with the variables of organisational culture. The standard deviation is .941 and the skewness is .057. A skewness closer to 0 suggests that the variable is approximately normally distributed.
Figure 3 shows the bar chart for the distribution of organisational culture. A significant majority of the respondents were neutral in terms of their satisfaction with the organisational culture. When 25% of the respondents were satisfied with the organisational culture, 28% of the participants were dissatisfied with the organisational culture.
5.2.4 Leader-member Exchange

Table 6 shows the means, median, mode, standard deviation, and skewness of the variables of leader-member exchange. Items ‘Leader-member Exchange’ and ‘How would you characterize your working relationship with your leader?’ were measured on a scale of 1 to 5, where 1 = extremely ineffective, and 5 = extremely effective. Items ‘How well does your leader recognize your potential? (How well do you recognize)’ and ‘How well does your leader understand your job problems and needs’ were measured on a scale of 1 to 5, where 1 = not at all, to 5 = fully. The mean, median, and model for all the variables are closer to 3, suggesting that the respondents were neutral about their relationship with leaders. The standard deviation and skewness of leader-member exchange is 1.068 and .183 respectively. A skewness closer to 0 suggests that the variable is approximately normally distributed.
Figure 4 shows the respondents' perception on the effectiveness of leader-member exchange in their organization. Majority of the respondents stated the leader-member exchange in their organization is average. 30.55% of the respondents stated that the leader-member exchange is effective, while an equal number of respondents (30.556%) stated that leader-member exchange is ineffective.
5.2.5 Intrinsic Satisfaction

Table 7 shows the mean, median, mode, standard deviation and skewness of the intrinsic satisfaction and the items used to measure intrinsic satisfaction. Intrinsic satisfaction is calculated by finding the average of the items used to measure intrinsic satisfaction. The items are measure on a scale of 1 to 5, where 1= extremely dissatisfied and 5= extremely satisfied. The mean, median and mode for intrinsic satisfaction is 2.83, 3 and 2 respectively. Mode of 2 suggests that respondents are dissatisfied with the intrinsic satisfaction that they receive at their organisation. Value of 3 shows that employees are neither satisfied nor dissatisfied with the intrinsic satisfaction factors. The standard deviation and skewness of intrinsic satisfaction is 1.028 and 0.019 respectively. Skewness closer to 0 suggests that the variables are approximately normally distributed.
5.2.6 Extrinsic Satisfaction

Table 8 shows the mean, median, mode, standard deviation and skewness of the extrinsic satisfaction and the items used to measure extrinsic satisfaction. Extrinsic satisfaction is calculated by finding the average of the items used to measure extrinsic satisfaction. The items are measure on a scale of 1 to 5, where 1= extremely dissatisfied and 5= extremely satisfied. The mean, median and mode for extrinsic satisfaction is 2.86, 3 and 3 respectively. Value of 3 shows that employees are neither satisfied nor dissatisfied with the extrinsic satisfaction factors. The standard deviation and skewness of intrinsic satisfaction is .931 and -.161 respectively. Skewness closer to 0 suggests that the variables are approximately normally distributed.

‘The way my co-workers get along with each other’ was used to measure the peer support and interpersonal relationship within organisation. The mean, median and mode for the item is 3.47, 4 and 4 respectively showing that the respondents are satisfied with the peer support and interpersonal relationship in their organisation. The standard deviation and skewness is 1.108 and -.660 respectively. Item ‘My pay and the amount of work I do’ is used to measure the employee satisfaction with the compensation for the work they do. The means, median and mode is 2.42, 2.5 and 3 respectively. Values
between 2 and 3 suggests that the respondents are slightly dissatisfied with the compensation they receive for employee turnover. The standard deviation and skewness of the item is 1.131 and .219

5.3 Inferential Statistics

Inferential statistical measures are used to test the hypotheses and answer the research question. Since all the variables are normally distributed parametric statistical measure of Pearson product moment correlation coefficient is used to test the hypothesis. The normality of the variables are tested using skewness.

5.3.1 Pearson Product Moment Correlation Coefficient

Pearson correlation help to identify the strength and direction of relationship between two variables. The variables that are examined need to continuous and normally distributed. Since all the hypotheses for the study uses continuous variables that are normally distributed a Pearson Product Moment Correlation Coefficient is used to examine the relationship between the variables.

Hypothesis 1: Employees turnover intentions decreases with extrinsic job satisfaction

The variables for hypothesis 1 are employee turnover intentions and extrinsic job satisfaction. Table 9 shows the results of the Pearson correlation between employee turnover intention and extrinsic job satisfaction. The correlation coefficient is -.499 and the significance value is .002. A correlation coefficient of -.499 shows that there is a medium negative correlation between extrinsic job satisfaction and employee turnover intentions. Since the sig value is lower than 0.01, there is a statistically significant negative correlation between extrinsic job satisfaction and employee turnover intentions [r= -.499, n = 36, p = .002]. A negative correlation means that when the extrinsic job satisfaction decreases employee turnover intention increases and vice versa. Hence, the hypothesis can be confirmed that Employees turnover intentions decreases with extrinsic job satisfaction. Improving the extrinsic job satisfaction of employees can reduce the turnover intentions of new hires in the Indian IT sector.
**Correlations**

<table>
<thead>
<tr>
<th></th>
<th>Employee Turnover Intentions</th>
<th>Extrinsic Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.499**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.002</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-.499**</td>
<td>1</td>
</tr>
<tr>
<td>Extrinsic Satisfaction</td>
<td></td>
<td>.002</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 9 Correlation Employee Turnover and Extrinsic Satisfaction

**Hypothesis 2: Employees turnover intentions decreases with intrinsic job satisfaction.**

The variables for hypothesis 2 are employee turnover intentions and intrinsic job satisfaction. Table 10 shows the results of the Pearson correlation between employee turnover intention and intrinsic job satisfaction. The correlation coefficient is -.405 and the significance value is .014. A correlation coefficient of -.405 shows that there is a medium negative correlation between intrinsic job satisfaction and employee turnover intentions. Since, the sig value is lower than 0.05, there is a statistically significant negative correlation between intrinsic job satisfaction and employee turnover intentions \[r = -.405, n = 36, p = .014\]. A negative correlation means that when the intrinsic job satisfaction decreases employee turnover intention increases and vice versa. Hence the hypothesis can be confirmed that Employees turnover intentions decreases with intrinsic job satisfaction. Improving the intrinsic job satisfaction of employees can reduce the turnover intentions of new hires in the Indian IT sector.
### Correlations

<table>
<thead>
<tr>
<th></th>
<th>Employee Turnover Intentions</th>
<th>Intrinsic Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.405*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.014</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-.405*</td>
<td>1</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).

**Table 10 Correlation Intrinsic job satisfaction and Employee turnover intentions**

**Hypothesis 3: Intrinsic job satisfaction have significantly higher influence on employee turnover intentions than extrinsic job satisfaction**

Hypotheses 3 can be tested using the Pearson correlation coefficient between intrinsic job satisfaction and employee turnover intentions and extrinsic job satisfaction and employee turnover intentions. The Pearson correlation coefficient for intrinsic job satisfaction and employee turnover intentions is \[r = -.405, n = 36, p = .014\] and the Pearson correlation coefficient for extrinsic job satisfaction and employee turnover intentions is \[r = -.499, n = 36, p = .002\]. The Pearson correlation coefficient of extrinsic job satisfaction and employee turnover intentions is slightly stronger than intrinsic job satisfaction. Hence the hypothesis intrinsic job satisfaction have significantly higher influence on employee turnover intentions than extrinsic job satisfaction cannot be confirmed.

**Hypothesis 4: Employees turnover intentions decreases with the satisfaction with the organisational culture**

The variables for hypothesis 4 are employee turnover intentions and organisational culture. Table 11 shows the results of the Pearson correlation between employee turnover intention and organisational culture. The correlation coefficient is -.479 and the significance value is .003. A correlation coefficient of -.479 shows that there is a medium negative correlation between organisational culture and employee turnover
intentions. Since the sig value is lower than 0.01, there is a statistically significant negative correlation between organisational culture and employee turnover intentions \([r= -.479, n = 36, p = .003]\). A negative correlation means that when the satisfaction with the organisational culture decreases, employee turnover intention increases and vice versa. Hence the hypothesis can be confirmed that employees’ turnover intentions decreases with the satisfaction with the organisational culture. Improving the employees’ satisfaction with the organisational culture can reduce the turnover intentions of new hires in the Indian IT sector.

<table>
<thead>
<tr>
<th></th>
<th>Employee Turnover Intentions</th>
<th>Organisational Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.479**</td>
</tr>
<tr>
<td>Employee Turnover Intentions</td>
<td>Sig. (2-tailed)</td>
<td>.003</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-.479**</td>
<td>1</td>
</tr>
<tr>
<td>Organisational Culture</td>
<td>Sig. (2-tailed)</td>
<td>.003</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

*Table 11 Correlation Organisational Culture and Employee turnover intentions*

Table 12 shows the components of organisational culture that has statistically significant correlation with employee turnover intentions. The Pearson correlation coefficient for employee participation \([r= -.413, n = 36, p = .012]\), goal clarity \([r= -.503, n = 36, p = .002]\), performance orientation \([r= -.502, n = 36, p = .002]\), management style \([r= -.501, n = 36, p = .002]\) and reward orientation \([r= -.444, n = 36, p = .007]\) with employee turnover intentions show that all these components has statistically significant medium negative correlation with employee turnover intentions. Thus improving employees’ satisfaction with these components of organisational culture can reduce employee turnover in Indian IT sector.
### Table 12 Correlation of Organisational culture and Employee turnover intentions

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Turnover Intentions</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee participation</td>
<td>-.413*</td>
<td>.012</td>
<td>36</td>
</tr>
<tr>
<td>Goal clarity</td>
<td>-.503**</td>
<td>.002</td>
<td>36</td>
</tr>
<tr>
<td>Performance orientation</td>
<td>-.502**</td>
<td>.002</td>
<td>36</td>
</tr>
<tr>
<td>Management style</td>
<td>-.501**</td>
<td>.002</td>
<td>36</td>
</tr>
<tr>
<td>Reward orientation</td>
<td>-.444**</td>
<td>.007</td>
<td>36</td>
</tr>
</tbody>
</table>

### Hypothesis 5: Employees turnover intentions decreases when there are no organisational politics at play

The variables for hypothesis 5 are employee turnover intentions and organisational politics. Table 13 shows the results of the Pearson correlation between employee turnover intention and organisational politics. The correlation coefficient is .532 and the significance value is .001. A correlation coefficient of .532 shows that there is a strong positive correlation between organisational politics and employee turnover intentions. Since the sig value is lower than 0.01, there is a statistically significant positive correlation between organisational politics and employee turnover intentions \([r=-.532, n=36, p=.001]\). A positive correlation means that the lower the organisational politics at play lower will be employee turnover intention and vice versa. Hence the hypothesis can be confirmed that Employees turnover intentions decreases when there is lower organisational politics at play.
Hypothesis 6: Employee turnover intentions decreases with increased peer support and interpersonal relationship.

The variables for hypothesis 6 are employee turnover intentions and peer support and interpersonal relationship. Table 14 shows the results of the Pearson correlation between employee turnover intention and peer support and interpersonal relationship. The correlation coefficient is -.275 and the significance value is .104. Since the sig value is higher than 0.05, there is no statistically significant negative correlation between peer support and interpersonal relationship and employee turnover intentions $[r = -.275, n = 36, p = .104]$.

Hypothesis 7: Employee turnover intentions decreases with satisfaction with leader-member exchange
The variables for hypothesis 7 are employee turnover intentions and satisfaction with leader-member exchange. Table 15 shows the results of the Pearson correlation between satisfaction with leader-member exchange and employee turnover intentions. The correlation coefficient is -.500 and the significance value is .002. A correlation coefficient of -.500 shows that there is a medium negative correlation between satisfaction with leader-member exchange and employee turnover intentions. Since the sig value is lower than 0.01, there is a statistically significant negative correlation between satisfaction with leader-member exchange and employee turnover intentions \([r = -.500, n = 36, p = .002]\). A negative correlation means that when the satisfaction with leader-member exchange decreases employee turnover intention increases and vice versa. Hence the hypothesis can be confirmed that Employees turnover intentions decreases with the satisfaction with leader-member exchange. Improving the employees satisfaction with leader-member exchange can reduce the turnover intentions of new hires in the Indian IT sector.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Employee Turnover Intentions</th>
<th>Leader-member Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.500**</td>
</tr>
<tr>
<td>Employee Turnover Intentions</td>
<td>Sig. (2-tailed)</td>
<td>.002</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Leader-member Exchange</td>
<td>Pearson Correlation</td>
<td>-.500**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.002</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

*Table 15 Correlation Leader-member Exchange and Employee turnover intentions*

**Hypothesis 8: Employee turnover intention decreases with better compensation for the work done**

The variables for hypothesis 8 are employee turnover intentions and compensation. Table 16 shows the results of the Pearson correlation between compensation and employee turnover intentions. The correlation coefficient is -.607 and the significance value is .000. A correlation coefficient of -.607 shows that there is a strong negative correlation between compensation and employee turnover intentions. Since the sig
value is lower than 0.01, there is a statistically significant negative correlation between compensation and employee turnover intentions \([r = -0.607, n = 36, p = .000]\). A negative correlation means that when the satisfaction with employees’ compensation for the work done decreases employee turnover intention increases and vice versa. Hence the hypothesis can be confirmed that Employee turnover intention decreases with better compensation for the work done. Providing reasonable compensation for employees for the work they do can reduce the turnover intentions of new hires in the Indian IT sector.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Employee Turnover Intentions</th>
<th>My pay and the amount of work I do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-0.607**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

*Table 16 Correlation Compensation and Employee turnover intentions*

5.4 Discussion of Findings

Job dissatisfaction has been identified as the main cause of employee turnover in Indian IT sector. However, there are no prior studies that have examined the main job satisfaction determinant that has significant influence on employee turnover. This research was able to identify the main job satisfaction determinants that has statistically significant relationship with employee turnover. The main job satisfaction determinants that has statistically significant relationship with employee turnover are leader member exchange, organisational politics, organisational culture, compensation and intrinsic and extrinsic job satisfaction factors. Several studies that have examined the impact of leader member exchanges on employee turnover intentions found that quality leader member exchange increases job satisfaction which in turn reduces employee turnover intentions (Volmer et al., 2011; Saeed et al., 2014). The findings from this study
confirms with previous studies that the satisfaction with leader member exchange has a negative correlation with employee turnover intentions.

Organisation culture include workplace policies that has significant impact on employee satisfaction. Several studies have identified that work place policies and organisation environment has significant influence on job satisfaction (RObbins, 2003; Linz and Semykina, 2012). The satisfaction with organisational culture is a major determinant of employee turnover intentions. The findings from the study confirms with the previous studies that satisfaction with organisation culture has negative correlation with employee turnover intention. Organisational politics is identified as one main cause for employee dissatisfaction. In an organisation where promoting self-interest inconsistent with organisational goals increases employee turnover. Several studies have identified employee turnover intentions as a direct consequence of organisational politics (Kacmar and Baron, 1999; Valle and Witt, 2001). The findings from the study confirms with existing studies that organisational politics has a positive relation with employee turnover intentions.

Compensation levels below employees’ expectation are major cause for job dissatisfaction and turnover intentions (Medina, 2012; Linz and Semykina, 2012). The findings from the study shows that compensation is a major cause for employee turnover in Indian IT sector. There is a significant negative relationship between employee turnover of intentions and satisfaction with compensation levels. Another major factor that was commonly identified to have significant relationship with employee turnover intentions was peer support and interpersonal relationship (Lee et al., 2012; Aydogdu and Asikgil, 2011). However, this study showed that peer support and interpersonal relationship is a major factor that affect the turnover intentions of new hires in Indian IT sector.
Chapter 6 Conclusions and Recommendations

This chapter opens with the recapitulation of findings from this study. The practical implication and suggestions for future research in this area are provided after the findings section of the chapter. Finally the chapter closes with concluding remarks.

6.1 Recapitulation of findings

The quantitative analysis of the data shows that organisational culture, compensation, organisational politics, leader member exchange, intrinsic and extrinsic job satisfaction are significant predictors of employee turnover intentions. The main factors that impact turnover intentions of Indian IT sector Employees are organisational politics, leader member exchange, organisational culture, compensation, intrinsic and extrinsic job satisfaction. The presence of organisational politics increases the employee intentions to leave the organisation. Organisational culture is another factor that has significant impact on the employee turnover intentions. Of the eight components of organisational culture examined Employee participation, Goal Clarity, Performance Orientation, Management Style and Reward Orientation of the organisation are identified to have significant impact on employee turnover intentions in Indian IT sector.

A strong leader member exchange is a significant predictor of turnover intentions of new hires in Indian IT sector. Employees also expect reasonable compensation for the work they do or else it has significant impact on turnover intentions among employees in Indian IT sector. The study also found that peer support and interpersonal relationship does not have significant impact on employee turnover intentions. Thus, organisations in the Indian IT sector that aims to reduce turnover intention need to focus on improving the intrinsic and extrinsic job satisfaction, leader member exchange, organisational culture and compensation. The organisational culture that is considered to satisfy employees in Indian IT sector need to have effective Employee participation, Goal Clarity, Performance Orientation, Management Style and Reward Orientation. Moreover, Organisations need to have control over politics within their organisation as
it can adversely affect employee satisfaction and thereby results in employee turnover intentions.

6.2 Practical Implications

The research study was able to identify the main factors that influence turnover intentions of new hires in the IT sector. The main factors examined in this study are leader member exchange, compensation, organisational culture, organisational politics, peer support and interpersonal relationship, intrinsic and extrinsic job satisfaction. The main factors that influence the turnover intentions of new hires in the IT sector are the organisational politics at play, the quality of leader member exchange, satisfaction with organisational culture, compensation for the work they do and satisfaction with intrinsic and extrinsic factors. Identification of the factors that has statistically significant relationship with the turnover intentions of new hires of Indian IT Sector can be beneficial for Indian IT companies to devise suitable strategies to reduce the high turnover in the sector.

Indian IT companies need to develop a culture that encourages employee participation, effective management style, goal clarity and with focus on employee performance and rewards. These factors have direct impact on the satisfaction of employees. Satisfaction with organisational is one main reason for employees to stay in the organisation. Improving the organisational factors that are valued by employees is key to improving employee satisfaction and retaining employees. Improving leader member exchange is another important factor necessary to retain IT employees. Poor leader member exchange was identified as one reason for increased employee turnover. Indian IT companies focusing on improving the retention rates of employees need to focus on improving the leader member exchange. IT companies also need to ensure that the employees are paid reasonable compensation for the work they do, since that is another factor that contributes to increased employee turnover. When employees perceive that they are not receiving enough compensation for the work they do they likely to leave the organisation.
Organisational politics at play is one leading cause for employee turnover in Indian IT sector. Indian IT companies need to take the effort to reduce organisational politics. IT employees value both intrinsic and extrinsic job satisfaction. The strategies that are devised by IT companies need to ensure that employees are provided with both intrinsic and extrinsic job satisfaction factors. Thus the factors identified in this study that have significant relationship with the employee turnover intentions can be used wisely by Indian IT companies to improve the retention of new hires in IT sector.

6.3 Future Research Recommendations

The research design and specific methods have several limitations. For example a research design with an extended data collection period could have identified how the impact of various factors on employee turnover varies over time. Another limitation with the research design was the use of quantitative deductive study to identify the factors that influence employee turnover intentions. Only very few factors that influence the turnover intentions of new hires in Indian IT sector was examined in this study. A qualitative inductive study would have resulted in a more accurate understanding of all the factors that influence employee turnover in Indian IT sector. The quantitative deductive study only allowed to establish the relationship of the factors identified with employee turnover intentions.

Another limitation with the research design and methods was the samples used for the study. The quantitative data for the study only included 36 respondents who were selected using convenience sampling. Convenience sampling of 36 participants limits the effective generalisation of data collected. Due to the sample size and sampling techniques, the findings from the study cannot be generalised to explain the employee turnover in the entire Indian IT sector. Thus, future research exploring employee turnover intentions in Indian IT sectors can use an inductive qualitative research to obtain an in-depth understanding of the leading cause of increased turnover among new hires in the Indian IT sector. Drawing samples using a probability sampling techniques to obtain a more representative samples can improve the generalisability of the data collected. Furthermore, a longitudinal study can also shed more insight into how the
influence of different factors that influence the turnover intentions of Indian IT employees over a period of time.

6.4 Conclusion

The main aim of the study was to identify the factors that have significant influence on the turnover intentions of new hires in the Indian IT sector. The study found that Indian IT employees value intrinsic and extrinsic job satisfaction factors. Based on the findings from the study, Indian IT companies aiming to reduce high employee turnover among new hires can focus on improving the leader member exchange, compensation, intrinsic and extrinsic job satisfaction factors. Reducing the organisational politics at play in Indian IT companies can reduce employee turnover. Moreover, an organisational culture with employee participation, goal clarity, performance focus, better reward structure and effective management style can be a solution to reducing employee turnover in Indian IT companies.
References


doi:10.1080/09687630902876171


69


Olusegun, S. (2013). Influence of Job Satisfaction on Turnover Intentions of Library


Appendix: Questionnaire

This study is conducted as part of a research to examine the Job satisfaction and turnover intentions of IT professionals in India. I would like you to complete the following questionnaire to evaluate the factors contributing to increased employee turnover in IT sector. All the information you provide will be treated in the strictest confidence and will be used for academic purposes only. This questionnaire is voluntary and you may withdraw from the research at any time. Please answer the following questions and provide additional information if needed.

Please rate the following rating scale to rate the items.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neither Agree nor disagree</td>
<td>Agree</td>
<td>Agree strongly</td>
</tr>
</tbody>
</table>

Employee Turnover intentions

1. I think a lot about leaving the organisation --------------------------1 2 3 4 5
2. I am actively searching for an alternative to the organisation ----1 2 3 4 5
3. As soon as possible I will leave the organisation------------------1 2 3 4 5

Organisational Politics

4. Policy changes help only a few --------------------------1 2 3 4 5
5. One group always gets their way-----------------------------1 2 3 4 5
6. Promotions go to top performers-----------------------------1 2 3 4 5
7. There is influential group in the organisation that no one crosses -------1 2 3 4 5
8. Build themselves up by tearing others down -------------------1 2 3 4 5
9. Favouritism not merit gets people ahead ---------------------1 2 3 4 5
10. Don’t speak up for fear of retaliation----------------------1 2 3 4 5
11. Rewards come to hard workers -----------------------------1 2 3 4 5
12. Encouraged to speak out -----------------------------------1 2 3 4 5
13. No place for yes men -------------------------------------1 2 3 4 5
14. Pay and promotion policies are not politically applied ----1 2 3 4 5
15. Pay and promotion decisions are consistent with policies.-----1 2 3 4 5

Please rate the following rating scale to rate the items.

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<th>2</th>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely dissatisfied</td>
<td>Dissatisfied</td>
<td>Neutral</td>
<td>Satisfied</td>
<td>Extremely Satisfied</td>
</tr>
</tbody>
</table>

Intrinsic Satisfaction

16. The chance to be “somebody” in the community -----------------1 2 3 4 5
17. Being able to do things that don’t go against my conscience ----1 2 3 4 5
18. The chance to tell people what to do --------------------------1 2 3 4 5
19. The chance to do something that makes use of my abilities------1 2 3 4 5
20. The feeling of accomplishment I get from the job -------------1 2 3 4 5
21. The way my job provides for steady employment ---------------1 2 3 4 5

Extrinsic Satisfaction

22. The way my boss handles his/her workers ----------------------1 2 3 4 5
23. The competence of my supervisor in making decisions ---------1 2 3 4 5
24. The chances for advancement on this job ----------------------1 2 3 4 5
25. The working conditions ------------------------------------1 2 3 4 5
26. The way my co-workers get along with each other -----------1 2 3 4 5

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27. The way company policies are put into practice------------------------1 2 3 4 5
28. My pay and the amount of work I do -------------------------------1 2 3 4 5
29. The praise I get for doing a good job -----------------------------1 2 3 4 5

Organisational culture

30. Conflict resolution ---------------------------------------------1 2 3 4 5
31. Customer Orientation --------------------------------------------1 2 3 4 5
32. Employee participation ------------------------------------------1 2 3 4 5
33. Goal clarity ----------------------------------------------------1 2 3 4 5
34. Human resource orientation -------------------------------------1 2 3 4 5
35. Management style -----------------------------------------------1 2 3 4 5
36. Performance orientation -----------------------------------------1 2 3 4 5
37. Reward orientation ----------------------------------------------1 2 3 4 5

Leader Member Exchange

38. How well does your leader understand your job problems and needs? (How well do you understand)

1 2 3 4 5
Not a Bit A Little A Fair Amount Quite a Bit A Great Deal

39. How well does your leader recognize your potential? (How well do you recognize)

1 2 3 4 5
Not at All A Little Moderately Mostly Fully
40. How would you characterize your working relationship with your leader? (Your member)

1                            2                        3
Extremely Ineffective          Average                                    Average
Worse Than Effective

41. Age: ____________

42. Gender: 1. Male                      2 Female

43. What is your highest level of education: ______________

1. Graduate
2. Masters

44. How long you been working in this company?

1. First Year                                 2. Second Year