The Impact of Human Resource Practices on Turnover Intention: The Mediating Roles of Procedural Justice and Organizational Citizenship Behavior (Case Study: Employees of West Azerbaijan Province Electric Energy Distribution Company)

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Abstract: This survey aims to investigate the impact of human resource practices on turnover intention and test mediating effect of the organizational citizenship behavior and procedural justice by using descriptive statistics. The statistical population of this study covered all educated employees (higher diploma) of West Azerbaijan province Electric Energy Distribution Company (total 300) that among them 180 employees were selected randomly as research sample based on Morgan table. The data were collected through standard questionnaires including procedural justice (Trembley et al., 2001), organizational citizenship behavior (Podsakoff et al., 1997), turnover intention (Kim et al., 1996), and human resource practices (Trembley et al., 1998). Cronbach’s alpha reliability for questionnaires were obtained .84, .86, .90 and .94 respectively. Factor analysis was used to confirm the validity of questionnaires. For analysis of hypotheses, the Pearson’s correlation coefficient test and structural equation modeling was performed. Findings showed that any increases in human resource practices will not result in less turnover intention, but its impact with mediating effect of organization citizenship behavior and procedural justice was confirmed and the impacts of procedural justice and organizational citizenship behavior on the turnover intention were negative and significant. Moreover, the impacts of procedural justice and organizational citizenship behavior on turnover intention were negative and significant, too. Furthermore, human resource practices affect procedural justice and organizational citizenship behavior positively.

Keywords: Turnover Intention, Procedural Justice, Human Resource Practices.

I. Introduction

Due to the changes and developments in the present age and emergence of science-based economy, human resources are considered as a strategic vital element and an influential factor for increasing the efficiency and productivity of organization. Thus, the human resources who feel commitment to the goals and values of the organization are considered not only as a factor for the superiority of an organization to others but also as a sustainable competitive advantages. Therefore, recruitment and retention processes of human resources are the responsibilities of human resources managers, and an actual investment in human resources and using human resource practices can result in performance improvement and effectiveness of the organization (Foroozmand and Rahimi, 2012). Recently, findings of a study conducted by Yandet showed that human resource practices don’t influence the organization’s operations directly, but these practices help to reinforce the characteristics in human resources and finally will lead to developing value in the organization (Haj Karimi et al., 2008). Human resource practices have attracted little attention not only in Iran but also in other countries. Since such activities emphasize on the improving efficiency and effectiveness of the staff as well as the organization and they positively or negatively affect important organizational aspects, they should be studied. On the other hand, job turnover is one of the challenges that managers face. A lot of employees quit their organizations for different reasons and the best employees usually quit the organization before others, because they expect their organizations more than others in order to perform their duties as properly as possible. Consequently, this research attempts to investigate the reasons of turnover intention and offer some strategies for stopping it. Although Method of utilizing the human capital and human resources may improve the financial operations of some giant companies like (Huselid, 1995; Huselid et al., 1997; Vandenberg et al., 1999), our understanding of
mechanism or processes of human resource is still in its initial stage. Yandt (2000) showed that human resource practices do not directly affect the organization, but they help the organization to create knowledge capital, which in turn leads to an increase in the value making within the organization (Youndt, 2000 as cited in Pare & Tremblay, 2007). Some researchers found out the human resource practices play an indirect role in the effectiveness of the organization. It means that by enhancing the organizational commitment (Mayer & smith, 2000; Whitner, 2001 as cited in Pare & Tremblay, 2007) and through procedural justice or justice (Allen & Meyer, 1997 as cited in Pare & Tremblay, 2007) organizational citizenship behavior will improve (Podsakoff et al., 2000 as cited in Pare & Tremblay, 2007) and turnover intention will decrease (Vandenberg et al., 1999; Pare & Tremblay, 2007).

Despite all these results, the method of engaging in human resource practices remains unknown in this attitude. It should be said that the current literature on the organizational citizenship behavior and turnover intention provides a theoretical framework of human resource methods in the research model. In fact, unlike the growing consensus on the conceptual methods of human resources, choice of human resource practices has been attracted less attention in experimental studies (Wright & Boswell, 2002; Pare & Tremblay, 2007).

Researchers have shown that the occurrence of organizational citizenship behavior has negative relationship with turnover intention and employee absenteeism, in other words, the employees who actively engage in organizational citizenship behaviors are significantly less likely to quit the organization. On the other hand, it is obvious that any decrease in the rate of turnover can result in effectiveness and efficiency of the organization, so one of the practical consequences of the organizational citizenship behavior in the effectiveness of the organization is in decreasing rate of staff’s turnover intention (Chang et al., 2007).

The importance of this research lies in the fact that investigating the relationship of human resource practices (empowerment, recognition, Competence development, fair reward system, and information sharing practices) with turnover intention can answer to the question “How can the organizations reduce the turnover rate and help the employees get motivated at work to achieve their goals and objectives?”

II. Conceptual Model

![Figure 1: Research's Conceptual Model](image)

III. Methods

In terms of type and method, the present research is a survey study and in terms of purpose, it's an applicable research. The statistical population of this study consists of all educated employees (diploma degree and higher) of West Azarbijan province Electric Energy Distribution Company (total 300) that among them 180 ones were selected randomly as research sample based on Morgan table. For the purpose of data collection was used questionnaires follow:

A. Human resource practices questionnaire (Tremblay et al, 1998): this questionnaire contains 32 questions. Items set-out based on a Likert five degrees of “1” totally disagree” to“ 5” totally agree. Cronbach's alpha coefficient for this scale was obtained .84, and its validity was investigated by the confirmatory factor analysis.
B. Procedural justice questionnaire (Tremblay et al., 2001): this questionnaire contains 6 questions which are graded based on likert’s 5 degree measurement (from quite disagree = 1 to quite agree = 5). In this research, Cronbach's alpha coefficient for this scale was obtained .80, and its validity was investigated by the confirmatory factor analysis.

C. Organizational citizenship behaviors scale (Podsacoff et al., 1997): this scale has 5 questions which are graded based on likert’s 5 degree measurement (from quite disagree = 1 to quite agree = 5). Cronbach's alpha coefficient for this scale was obtained .90, and its validity was investigated by the confirmatory factor analysis.

D. Turnover intention scale (Kim et al., 1996): this scale consists of 4 questions which are graded based on likert’s 5 degree measurement (from quite disagree = 1 to quite agree = 5). The reliability of the scale was obtained through Cronbach’s alpha coefficient which was .94, and its validity was investigated by the confirmatory factor analysis. For analysis of hypotheses, the Pearson's correlation coefficient test and structural equation modeling was performed.

IV. Results

Table 1 show that human resource practices and organizational citizenship behavior have the largest and the smallest means (3.22, 3.96).

<table>
<thead>
<tr>
<th>Index</th>
<th>Human resource practices</th>
<th>Procedural justice</th>
<th>Organizational citizenship behavior</th>
<th>Turnover intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.96</td>
<td>3.78</td>
<td>3.22</td>
<td>3.38</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>0.59</td>
<td>0.51</td>
<td>0.72</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Table 2 shows that the relationship of human resource practices with justice and organizational citizenship behavior is significant and positive. The relation between human resource practices and turnover intention is significant and negative(r= -.31). The strongest relationship is between human resource practices and procedural justice with a correlation coefficient of .51 (r=0.51).

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practices</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>0.51**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>0.42**</td>
<td>0.28**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover intention</td>
<td>-0.31**</td>
<td>-0.34**</td>
<td>-0.31**</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**<0.01

From correlation analysis between variables, one can conclude that any increase in the of human resource practices will be accompanied by the increase in procedural justice and organizational citizenship behavior and any increase in human resource practices will be accompanied by the decrease in the level of turnover intention. Also, increase in the level of procedural justice and organizational citizenship behavior will be accompanied by a decrease in level to turnover intention.

The results of Structural equation modeling have been shown in Table 3. The value of chi-square for testing the difference between the observed covariance matrix and the predicted or model covariance matrix is 1173.21(X² = 1173.21, p < 0.01). In order to do a careful survey, the ratio of chi square to its degrees of freedom was used. The result was 4.05. Since the ratio of chi square to its degrees of freedom mustn’t be bigger than 3(Klaine, 2001) to confirm the model, the supposed model wasn’t confirmed. The Root Mean Square Error of Approximation is 1.32 (RMSEA = 1.32). Most researchers concur that an RMSEA of .1 or more indicates poor fit (Hooman, 2006). Other indices including NNFI, IIF, GFI, CFI (CFI=0.76, GFI=0.57, IIF=0.75, NNFI= 0.67) reflect some facet of model fit. These indices indicate that research model doesn’t have suitable goodness of fit.

<table>
<thead>
<tr>
<th>Index</th>
<th>X²</th>
<th>df</th>
<th>GFI</th>
<th>IIF</th>
<th>RMSEA</th>
<th>NNFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>1173.21</td>
<td>289</td>
<td>0.57</td>
<td>0.75</td>
<td>0.132</td>
<td>0.69</td>
<td>0.76</td>
</tr>
</tbody>
</table>
Figure 1: Software output as Standard coefficient

Figure 2: Software output as t coefficient

Chi-Square=1179.21, df=289, p-value=0.00000, RMSR=0.131

Software outputs (figures 3 & 4) and the results of path analysis (table 5) show goodness of fit for the model.
The value of chi-square for testing the linear association of latent variables is 172.15 ($X^2 = 172.15$, $p < 0.01$). The ratio of chi square to its degrees of freedom equals 2.02. Since the ratio of chi square to its degrees of freedom mustn’t be bigger than 3 (Kline, 1380) to confirm the model, the supposed model is confirmed. The Root Mean Square Error of Approximation equals .075 (RMSEA =.075). An RMSEA of .1 or more indicates poor fit (Hooman, 1385). Other indices including NNFI, IFI, GFI, CFI (CFI=0.94, GFI=0.83, IFI=0.94, NNFI= 0.93) indicate that final research model has suitable goodness of fit.

In the structural modeling, the significance of Path coefficients is determined by the value of $T$. If the value of $T$ is between 1.96 and 2.57, the relationship between two concepts is significant at $p<0.05$. But if the value of $t$ is more than 2.57, the relationship between two concepts is significant at $p <0.01$.

According to the results (figure 1 & table 4), the biggest effect belongs to effect of competence development on procedural justice ($t=8.54$, $β=0.79$) and the effect of procedural justice on turnover intention ($t=2.50$, $β=-0.79$).

According to the results of structural modeling (figures 1&2, table 5), we can mention the results of research hypotheses testing.

**Hypothesis one**: human resource practices have a significant impact on turnover intention.
As table 5 shows the effect of human resource practices on turnover intention isn’t significant ($β=0.26$, $t=6.26$, $p>0.01$), so we can conclude that the first hypothesis is rejected.

**Hypothesis two**: human resource practices have a significant impact on organizational citizenship behavior.
The effect of human resource practices on organizational citizenship behavior is positive and significant at $p<0.01$ ($t=5.48$, $β=0.56$), so the second hypothesis is supported.

**Hypothesis three**: procedural justice has a negative and significant impact on the level of turnover intention.
As table 5 shows the effect of procedural justice on turnover intention is negative and significant at $p<0.01$ ($β=-0.79$, $t=2.50$), so the third hypothesis is supported.

**Hypothesis four**: organizational citizenship behavior has a negative and significant impact on the level of turnover intention.
The effect of organizational citizenship behavior on turnover intention is significant and negative at $p<0.01 (\beta=-0.43, t=-2.45)$, so the fourth hypothesis is supported.

**Hypothesis five:** human resource practices have a significant impact on procedural justice

The effect of human resource practices on procedural justice is significant and positive at $p<0.01 (\beta=0.79, t=8.45)$, so the fifth hypothesis is supported.

**Hypothesis six:** procedural justice mediates the relationship between human resource practices and turnover intention.

Human resource practices have a direct, positive and significant effect on organizational justice with a coefficient of 0.79. Also, procedural justice has a negative and significant impact on turnover intention with coefficient of -0.79. As competency development doesn’t have direct effect on turnover intention, the mediating role of justice in relationship of human resource practices with turnover intention is supported. By confirming mediating role of justice, competency development of human resource practices will have significant negative indirect effect on turnover intention ($\beta = 0.62$).

**Hypothesis seven:** organizational citizenship behavior mediates the relationship between human resource practices and turnover intention.

Human resource practices has a direct positive effect on organizational citizenship behavior ($\beta = 0.56$). Moreover, organizational citizenship behavior has a negative and significant effect on turnover intention ($\beta = -0.43$). Since direct effect of human resource practices on turnover intention is not significant, the mediating role of organizational citizenship behavior in relationship between human resource practices and turnover intention in the model is approved. Through confirming the mediator role of organizational citizenship behavior, human resource practices has significant negative indirect effect on turnover intention ($\beta = -0.24$).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>$\beta$</th>
<th>$t$</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource practices $\rightarrow$ Procedural Justice</td>
<td>0.79</td>
<td>8.45</td>
<td>Direct effect</td>
</tr>
<tr>
<td>Human resource practices $\rightarrow$ OCB</td>
<td>0.56</td>
<td>5.68</td>
<td>Direct effect</td>
</tr>
<tr>
<td>Procedural justice $\rightarrow$ turnover intention</td>
<td>-0.79</td>
<td>-2.50</td>
<td>Direct effect</td>
</tr>
<tr>
<td>OCB $\rightarrow$ turnover intention</td>
<td>-0.43</td>
<td>-2.45</td>
<td>Direct effect</td>
</tr>
<tr>
<td>Human resource practices $\rightarrow$ turnover intention</td>
<td>0.26</td>
<td>1.26</td>
<td>Indirect effect</td>
</tr>
<tr>
<td>Human resource practices $\rightarrow$ turnover intention (Via procedural justice)</td>
<td>-0.62</td>
<td>-</td>
<td>Direct effect</td>
</tr>
<tr>
<td>Human resource practices $\rightarrow$ turnover intention (Via organizational citizenship behavior)</td>
<td>-0.24</td>
<td>-</td>
<td>Direct effect</td>
</tr>
</tbody>
</table>

### V. Conclusion and Discussion

The present study has been done with the aim of investigating the role of human resource practices on turnover intention and testing the mediating role of procedural justice and organizational citizenship behavior. The results of data analysis related to the first hypothesis revealed that the effect of human resource practices on turnover intention isn’t significant at $p<0.01 (\beta=0.26, t=6.26, p=0.01)$, but it isn’t consistent with the previous studies (Haj Karimi et al., 2008; Pare & Tremblay, 2007; Tsui, 2014 as cited in Ahmad, 2014). Perhaps, the main reasons for this inconsistent result include the low levels of human resource practices and unfamiliarity of employees with these practices in Iran. Perhaps, the individuals have to work in an undesirable organization or job because of the high rate of unemployment, and it causes their indifference toward any kind of human resource practices in their own organizations.

The results of data analysis related to the second hypothesis showed that the effect of human resource practices on turnover intention is significant at $p<0.01 (\beta=0.56, t=5.68)$ and this conclusion is consistent with the findings of studies conducted by Haj Karimi et al., 2008; and Foroozmand and Rahimi, 2012. Among five key factors of human resource practices, empowerment, competency development, procedural justice, and the information sharing have got the greatest impact on the organizational citizenship behavior (Haj Karimi et al., 2008) and these four factors are the same factors which have been described by Lowler, as aspects of human resource practices and operations (Haj Karimi et al., 2008) and perhaps, it is too soon to add fair reward system based on the findings of Pare and Tremblay, 2007 who couldn’t find any relation between human resource practices and organizational citizenship behavior and there is an urgent need for more investigations. Human resource practices which have positive impact on organizational citizenship behavior can aid managers to increase the level of organizational citizenship behavior directly in their organization and as a result, they will be able to improve efficiency and productivity and even to increase motivation of their staff.

Results of data analysis related to the third hypothesis showed that procedural justice has a negative significant effect on turnover intention which is consistent with the findings of previous researchers (Hassani & Jodat Kordlar, 2012; Ahmad et al., 2012; Pare & Tremblay, 2007; and Rokhman et al., 2012). As the level of turnover intention can decrease through promoting procedural justice, it is necessary for the managers to try hard to make the amount of staff’s salary and fringe benefits fair and increase their understanding from current procedures in
the organization. Since the more staff’s understanding from current procedures in the organization, the less their turnover intention.

In the fourth hypothesis, based on the significant relationship between the organizational citizenship behavior and levels of their turnover intention at p<0.01 (β=-0.43, t=-2.45), it can be concluded that the fourth hypothesis (organizational citizenship behavior has a negative impact on the rate of turnover intention) is supported and it is consistent with the findings of Foroozmand and Rahimi, 2012 and Haj Karami et al., 2013. As Pare et al. also showed that organizational behavior influences turnover intention, when the staff’s organizational citizenship behaviors increase, their turnover intention will become less, and vice versa. Therefore, the managers should take measures to increase staff’s motivation to engage in organizational citizenship behaviors, and as the result, to decrease their turnover intention.

Results of data analysis related to the fifth hypothesis showed that human resource practices have direct effect on procedural justice at p<0.01 (β=0.79, t=8.54) which is consistent with the findings of previous studies including Foroozmand and Rahimi, 2012; Pare and Tremblay, 2007; and Pare et al., 2001. So promoting human resource practices in the organization will result in the understanding of justice and procedural justice. The manager should empower the staff gradually through competency development and sharing information and should try to motivate the staff by fair rewards as well as recognition in order to increase their understanding of procedural justice.

According to the results of data analysis regarding to the sixth hypothesis, human resource practices have a direct positive effect on organization justice (β=0.79) and they have a negative significant effect on turnover intention, so it is obvious that the direct effect on turnover intention is not significant. Thus, the mediating role of justice in relationship between human resource practices and turnover intention is supported. By confirming the mediating role of justice, competency development of human resource practices has significant negative indirect effect on turnover intention which is consistent with the findings of Foroozmand and Rahimi, 2012. So procedural justice mediates the relationship between human resource practices and turnover intention and by promoting human resource practices, procedural justice will increase and turnover intention will decrease and vice versa. It is necessary for organization managers to pay attention to two categories of human resource practices and procedural justice simultaneously.

According to the results of data analysis regarding to the seventh hypothesis, human resource practices have direct positive effect on organizational citizenship behavior (β=0.56). Moreover, organizational citizenship behavior has negative and significant effect on turnover intention (β=-0.43), while we can see that direct effect of human resource practices on turnover intention is not significant, in this way, the mediating role of organizational citizenship behavior in relationship between human resource practices and turnover intention is supported. By confirming the mediating role of organizational citizenship behavior, human resource practices have significant negative indirect effect on turnover intention (β=-0.24), that is consistent with the findings of Foroozmand and Rahimi, 2012. So if we improve human resource practices, organizational citizenship behavior will improve and turnover intention will decreases and vice versa. It is necessary for the managers to try to decrease turnover intention by improving human resource practices and organizational citizenship behavior.

VI. Recommendation

The researches have shown the emergence of organizational citizenship behavior has a reversed relationship with turnover intention and absenteeism, in other words, the more an individual engages in organizational citizenship behavior, the less probability of absenteeism and turnover. From this point of view, since it’s clear that decreasing the level of staff’s turnover intention in any organization can improve operations and efficiency, one of the practical outcomes of organizational citizenship behavior in increasing organizational effectiveness is decreasing the level turnover intention. (Chang et al., 2007). Promoting organizational citizenship behavior and improving understanding of justice or procedural justice can result in the staff’s affective commitment and lower levels of the turnover intention.

Regarding the fact that there is a negative relationship between human resource practices and turnover intention, it is recommended that the organization managers should have a positive attitude to the role of human resource practices in order to increase such practices. Especially, both recognition and fair rewards are motivational factors and help to motivate the staff. Furthermore, the staff’s awareness of the common knowledge and technological progress through different informative channels and training courses designed to show how to work with new devices can highly help the development of organization. Finally, competency development in which education and learning is more important and valuable can speed up the staff’s empowerment and discretion hand over.

While improving human resource practices directly and positively affects organizational citizenship behavior and procedural justice, it directly and negatively affects turnover intention. And due to indirect effect of organizational citizenship behavior and procedural justice on turnover intention, the managers should take measures to decrease turnover intention through improving human resource practices and promoting procedural justice as well as organizational citizenship behavior simultaneously.
VII. References


