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The Effect of Conflicts in Organization on Turnover Intention: The Mediating Effect of Job Satisfaction

Hyeon-dal Jeong

Post-Doc Researcher, School of Business Administration,
Kyungpook National University, South Korea

Abstract:

A company or organization implements a strategy to retain a diverse workforce to secure competitive advantage. Organizations want to promote new ideas, increase creativity, and innovation because of their diverse workforce. However, due to various human resources, many conflicts occur among employees. Relationship conflicts, which have a strong influence on employees' emotional aspects, negatively affect employee attitudes. The task conflicts that arise as a result of performing tasks within an organization also negatively affect employee attitudes. Therefore, it is necessary for organizations to minimize the negative influence of conflict through conflict management and to enhance positive influence. In other words, a company that is well-managed in conflict within an organization will experience sustained growth. This study examined the influence of conflict in the organization and verified the mediating effect of job satisfaction. In order to analyze this, we conducted a survey of 302 employees in Korean companies. As a result of the analysis, conflicts in organization had a positive effect on the turnover intention, and negative effect on the job satisfaction. Also, the relationship between conflicts in organization and turnover intention was mediated by job satisfaction, and all the hypotheses set in this study were supported. Based on the results of the study, implications and future research directions were suggested.

Keywords: *Conflicts in organization, job satisfaction, turnover intention, conflict management*

1. Introduction

Conflicts in organization exist in various forms and affect the behavior of employees. Companies or organizations seek to secure competitive advantage by securing a diverse workforce. But the conflict caused by diversity has rather negative effects. For example, by securing members with diverse knowledge, they try to come up with new ideas or solve difficult problems, but diversity can lead to conflicts among members. According to previous studies, organizational diversity has a negative impact on performance variables by causing conflict among employees (Jehn, Northcraft & Neale, 1999; Leonard, Levine & Joshi, 2004). Therefore, there is a growing need to manage conflicts within organizations. This study examines the direct influence of conflicts in organization and identifies the mechanisms through which negative influences appear. Although there are many studies on conflict and job attitude in the organization, there is insufficient to identify the mechanism of conflict in the organization. Therefore, this study aims to analyze how conflicts in organization improves turnover intention through the process of lowering job satisfaction of employees. The purpose of this study is to identify the negative mechanisms of conflict in organizations and to draw implications for managing them.

2. Theoretical Background and Hypothesis

2.1. Conflicts in Organization and Turnover Intention

Conflicts in organizational can be defined in a wide variety of ways. There is a study of individual conflicts, group conflicts, and organizational conflicts (Robbins, 2001). However, in this study we focus on the relationship conflicts and task conflicts, which are very common types of conflicts in organizations. This is because it is a type of conflict that always occurs among the members of the organization. Specifically, task conflict refers to the inconsistency of opinions and ideas about the contents of tasks performed among members. The task conflicts can lead to positive outcomes for the organization in terms of offering various opinions on complex tasks and alternatives to various problem solving (Amason, 1996). In addition, when there is a task conflict within an organization, task conflict can increase decision making result of group productivity in terms of improving decision quality. However, in some studies task conflicts still have a negative effect on employee attitudes (Jeong & Baek, 2016).

Relationship conflict is a concept that includes tensions, hate, and other disagreements about personal issues that are not related to the task. According to previous studies, relationship conflicts continue to have negative effects. The relationship conflict has a negative effect on the productivity, satisfaction, and commitment of the members (Wall & Nolan, 1986). Relationship conflicts interfere with new information sharing among members and inhibit the efficiency of the organization by restraining the acceptance of innovative ideas.

The turnover intention means that the members of the organization voluntarily leave the organization. Specifically, it is a concept that includes activities such as searching for another organization to leave the current organization, seriously considering turning over. In the previous studies on conflicts and turnover intention in organizations, the higher the relationship conflict and task conflict, the higher the turnover intention of members (De Dreu & Weingart, 2003). Conflicts in the organization promotes stress and emotional exhaustion of members. Therefore, members try to leave the organization to resolve negative feelings. Turnover intention can also be linked to negative behaviors or absenteeism in the organization. In sum, the conflict in the organization can induce the possibility of increasing the intention to leave the organization by inhibiting the cohesiveness among the members and inducing the competition.

- Hypothesis 1. Conflicts in the organization will have a positive impact on turnover intention.

2.2. Conflicts in Organization and Job Satisfaction

Job satisfaction is defined as the product of a psychological, physiological, and environmental combination that members feel sincerely satisfied with their job (Hoppock, 1935). In addition, Locke (1976) defined job satisfaction as 'pleasant or positive emotional state resulting from evaluation of job and job experience'. In many previous studies, job satisfaction represented an individual 's general attitude toward job, meaning an evaluation of his or her job and experience gained through it. In summary, job satisfaction is a satisfactory or positive emotional state for one's job.

If there is a conflict between the members of the organization, what will be the satisfaction of their job? Many previous studies have found that organizational conflict negatively affects organizational performance and attitudes (Saavedra, Earley & Van Dyne, 1993). The relationship conflict and task conflict, which is a type of conflict within the organization, has a negative effect on job satisfaction (Bailey, 2000). As a result, task conflicts as well as relationship conflict can seriously result in conflicts among members, which can reduce job satisfaction. What can be inferred from several previous studies is that conflict in the organization leads to negative emotions with members, thereby reducing job satisfaction.

- Hypothesis 2. Conflict in the organization will have a negative impact on job satisfaction.

2.3. Mediating Effect of Job Satisfaction

Conflicts in the organization increases the turnover intention of the members. However, it is part of the purpose of this study to clarify what process increases the turnover intention. As a result of previous studies, conflicts in organization has generally had a negative effect on employee attitudes (Jehn, 1995). In previous studies, it was found that conflicts in organization negatively affects the attitude of the members through the process of interfering with the cohesiveness among the members. However, there is insufficient to explain the process of enhancing the turnover intention through the process of hindering the satisfaction of the members. Therefore, this study intends to empirically analyze the fact that conflicts in organization reduces the satisfaction of the members by integrating the existing research results.

- Hypothesis 3. Job satisfaction will mediate the relationship between conflicts in organization and turnover intention.

2.4. Research Model

The research model discussed above is as follows. Conflicts in organization has a negative effect on the turnover intention, and job satisfaction mediates this relationship. (Fig. 1).

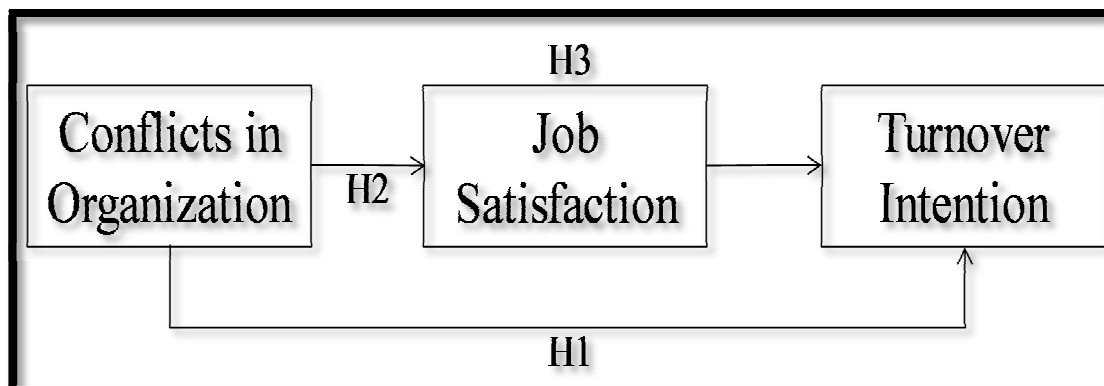


Figure 1: Research Model

3. Method

3.1. Sampling

The sample of this study is employees who work for companies in Korea. The data were collected through questionnaires and finally the number of data used for analysis was 302 persons. As for the characteristics of the respondents, 206 (68.2%) were male, and the age was 31 to 40 (115 persons, 38.1%).

3.2. Measures

In this study, all variables were measured using Likert 5 point scale. Conflicts in organization was measured using the eight items used in the study by Jehn (1995). Job satisfaction was measured using 10 items of Warr & Routledge (1969). Turnover intention was measured using four items of Michael & Spector (1992).

4. Results

4.1. Exploratory Factor Analysis

Exploratory factor analysis was conducted to verify the validity and reliability of the questionnaire items used in the analysis. As a result of the analysis, two items that reduce the validity and reliability of the items of job satisfaction were removed. As a result of exploratory factor analysis, there were 3 factors with eigenvalue of 1 or more as a whole. To verify the reliability of each factor, the Cronbach's alpha value was obtained. Conflicts in organization was .925, job satisfaction was .872, and turnover intention was .852, satisfying the criterion .7 (Table 1).

Variables	Items	Factor1	Factor2	Factoe3
Conflicts in Organization	conflict_2	.853	-.103	.005
	conflict_4	.845	-.124	.002
	conflict_3	.833	-.011	-.079
	conflict_7	.821	-.155	.070
	conflict_8	.796	.121	.060
	conflict_5	.781	.035	.108
	conflict_8	.767	-.135	.133
	conflict_1	.738	-.195	.008
Job Satisfaction	satisfaction_3	-.111	.793	-.087
	satisfaction_8	.066	.740	-.214
	satisfaction_9	.032	.731	.072
	satisfaction_1	-.173	.729	-.118
	satisfaction_4	.060	.715	-.094
	satisfaction_2	-.141	.706	-.207
	satisfaction_6	-.094	.676	.023
Turnover Intention	turnover_2	.046	-.144	.870
	turnover_4	.127	-.105	.831
	turnover_1	.172	-.221	.813
	turnover_3	-.108	.018	.757
Eigen value		6.096	4.008	2.448
Proportion of variance (%)		30.481	20.038	12.238
Cumulative proportion of variance (%)		30.481	50.519	62.758
Cronbach's α		.925	.872	.852

Table 1: The Results of Exploratory Factor Analysis (n=302)

4.2. Confirmatory Factor Analysis

Confirmatory factor analysis was conducted to verify the reliability and validity of the questionnaire items used in the analysis. As a result of confirmatory factor analysis, all the verification values were found to be appropriate for the criteria, and the reliability and validity of the factors were verified (Table 2). IFI (incremental fit index) .928, CFI (comparative fit index) .927, TLI (tucker-lewis index) .903, RMSEA (root mean squared error of approximation) .079

4.3. Descriptive Statistics and Correlations

The mean and standard deviation of the variables were calculated with the control variables. In addition, correlation analysis was performed to determine the relationship between variables. As a result of the analysis, it was found that there

was a negative correlation between conflicts in organization and job satisfaction, and positive correlation between turnover intention (Table 3).

Variables	Items	B	S.E	T	β	AVE	C.R
Conflicts in Organization	conflict_1	1	-	-	.759	.580	.916
	conflict_2	1.193	.077	15.468***	.847		
	conflict_3	1.144	.076	14.976***	.808		
	conflict_4	1.202	.075	15.962***	.874		
	conflict_5	1.022	.083	12.248***	.689		
	conflict_6	1.020	.077	13.188***	.737		
	conflict_7	1.093	.078	14.049***	.753		
	conflict_8	1.002	.078	12.814***	.697		
Job Satisfaction	satisfaction_1	1	-	-	.738	.508	.890
	satisfaction_2	.988	.066	15.044***	.712		
	satisfaction_3	1.236	.109	11.317***	.788		
	satisfaction_4	.969	.111	8.696***	.710		
	satisfaction_5	.812	.100	8.163***	.709		
	satisfaction_6	.899	.102	8.803***	.547		
	satisfaction_8	1.175	.110	10.702***	.723		
	satisfaction_9	.980	.109	8.980***	.568		
Turnover Intention	turnover_1	1	-	-	.843	.549	.827
	turnover_2	.960	.059	16.265***	.863		
	turnover_3	.587	.055	10.682***	.600		
	turnover_4	.825	.058	14.313***	.763		
Model fit	$\chi^2=411.466$ (d.f.=143, p<.001), CMIN/DF=2.877, IFI=.928, TLI=.903, CFI=.927, RMSEA=.079, ***P<.001						

Table 2: The Results of Confirmatory Factor Analysis (n=302)

Variables	M	SD	1	2	3	4	5
gender	1.32	.466	1				
age	2.78	1.339	-.410***	1			
education	4.01	.502	-.046	.004	1		
conflict	2.99	.841	-.118*	.037	.037	1	
satisfaction	3.46	.652	-.104	.183**	.060	-.173**	1
turnover	3.23	.941	.103	-.307***	.081	.138*	-.251***

Table 3: Descriptive Statistics and Correlations (n=302)

Notes. ***p<.001, **p<.01, *p<.05, M: mean, SD: Standard Deviation

4.4. Results

In order to verify the hypothesis of this study, we performed hierarchical regression analysis. The Baron & Kenny (1986) analysis method was adopted to verify the mediating effect. Hypothesis 1 examined the relationship between conflicts in organization and turnover intention. Hypothesis 1 was supported because statistically significant results ($\beta= .161$, p<.01) were obtained from the analysis. Hypothesis 2 examined the relationship between conflicts in organization and job satisfaction. As a result, Hypothesis 2 was supported because statistically significant results ($\beta= -.145$, p<.01) were obtained. Finally, Hypothesis 3 examined mediating effects of job satisfaction. Hierarchical regression analysis showed that job satisfaction mediated the relationship between conflicts in organization and turnover intentions, and Hypothesis 3 was supported. According to model 4 of table 4, statistically significant results were obtained in a model that includes both conflicts in organization and job satisfaction (Table 4).

Variables		DV: satisfaction	DV: turnover intention		
		Model 1	Model 2	Model 3	Model 4
Control Variables	gender	-.078	-.047	-.011	-.032
	age	.080**	-.223***	-.221***	-.199***
	education	.082	.153	.144	.167
Independent Variable	conflict	-.145**		.161**	.122*
Mediating Variable	satisfaction				-.271**
R ²		.072	.102	.122	.155
ΔR ²		-	-	.020	.033
F		5.776***	11.241***	10.322***	10.839***

Table 4: Results of Hypotheses Test

Notes N=302, DV: Dependent variable, ***p<.001, **p<.01, *p<.05

4.5. Sobel Test

The Sobel test was conducted to further verify the mediating effect of job satisfaction. Based on the analysis results, all of the hypotheses set in this study were supported (Table 5).

Hypothesis	Path(Mediating effect)	Sobel Test Statistic	p-value
H3	Conflicts in Organization→Job Satisfaction →Turnover Intention	2.362*	0.018

Table 5: Results of Sobel Test (*p<.05)

5. Conclusion

This study examined the influence of conflict in the organization. In addition, it is meaningful to identify how the negative influence appears by confirming the mechanism of conflict in the organization. In order to achieve the purpose of the study, a survey was conducted on 302 employees who worked in Korean companies. As a result, all three hypotheses were supported. First, conflicts in organization increased the turnover intentions of employees. These results show that conflict management is needed to reduce conflicts within organizations in all companies and organizations. Second, conflicts in organization reduces job satisfaction of employees. As the job satisfaction of the members decreases, the commitment and loyalty to the organization decreases, so human resource management that can eliminate conflicts will be needed. Finally, the mediating effect of job satisfaction was also supported. It is meaningful that the conflict in the organization revealed a mechanism to increase the turnover intention by reducing the job satisfaction of the employees.

Conflicts in organization generally have a negative impact. Therefore, we need to plan ways to reduce the negative attitude of the members through conflict management. Conflict management is needed to minimize negative impacts of conflict and improve positive impacts.

Despite the implications of the negative impacts and mechanisms of organizational conflict, there are some limitations to this study. First, since there are limitations that do not reflect various samples, more samples should be collected and analyzed in future studies. Second, because of the reliance on collecting data through questionnaires, it is possible that common method bias problems have occurred. Therefore, in future studies, the reliability of research should be improved by reflecting objective performance indicators. Finally, since this study uses only the mediator of job satisfaction, and it is necessary to expand the scope of research considering various mediator variables.

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