ORGANIZATIONAL IDENTIFICATION AND TURNOVER INTENTION OF EMPLOYEES IN THE TURKISH CONSTRUCTION INDUSTRY

Demircioglu, Y.¹ and Giritli, F.H.²

Abstract:

Organizational identification is an important work attitude that affects performance and job satisfaction. Hence, exploring antecedents of organizational identification in organization settings within the construction industry is vital in understanding the role of organizational identification in performance outcomes.

Organizational identification, which refers to an individual's psychological attachment to the organization, has gained increasing attention because of its assumed link with behavior associated with enhanced organizational performance. Yet little work has been done on what fosters organizational identification, particularly within the context of construction industry.

The main aim of this study is to determine the relationships among organizational communication, self-construal, perceived external prestige, organizational communication, turnover intention and organizational identification within the context of Turkish Construction Industry. A research model, which incorporates these relationships will be developed and tested. It is proposed that collectivistic aspects of Turkish culture may influence the strength of an employee's identification with the organization.

A questionnaire accessible through Internet has been developed to collect information for measuring the study variables. Respondents in the present study are employees working in the construction industry. The questionnaire survey will be conducted through standardized assessment instruments. It is hoped that the findings will enhance our understanding of the nature and consequences of organizational identification among employees in the construction sector.

KEYWORDS: CONSTRUCTION INDUSTRY, ORGANIZATIONAL COMMUNICATION, ORGANIZATIONAL IDENTIFICATION, PERCEIVED EXTERNAL PRESTIGE, TURNOVER INTENTION

1. INTRODUCTION

Over the past decades, a growing body of research has been dedicated to the relationship between employees and their employing organization. This psychological relationship has been conceptualized in terms of both organizational identification and organizational commitment. Traditionally, employee attachment to the organization has been examined with regards to commitment (Meyer & Allen, 1997; Morrow, 1993). However, organizational scholars now are showing a keen interest to assess this relation with the concept of organizational identification (Ashforth & Mael, 1989; Ashforth, Harrison &

¹ Institute of Science and Technology, Istanbul Technical University, Turkey. Email: demircioglugy@itu.edu.tr
² Faculty of Architecture, Istanbul Technical University, Turkey. Email: giritli@itu.edu.tr
Corley, 2008) . This may be attributed to the fact that an individual’s identification with and involvement in a particular organization is likely to be associated with a number of outcomes that have the potential to significantly affect the organization’s ability to sustain itself over time. And hence, it is to be expected that the importance given to organizational identification will reduce work withdrawal and turnover. Moreover, low levels of work withdrawal which generate work force continuity is supposed to be a path leading to increased employee green behaviour (Jackson et.al.,2011). In their study, Ones et.al. (2010) reported that employees with the lowest levels of withdrawal performed the most green behaviours in their organization which was committed to enviromental sustainability.

As such, organizational identification is an important work attitude that may exert on a wide range of organizational outcomes. Previous studies have found that positive identification with the organization improves motivation, job satisfaction and commitment. Positive identification also decreases turnover and reduces conflict within an organization (Pratt, 1998; Van Dick et al., 2004). Many authors also argue that strong identification feelings can offer sustainable competitive advantage to the firm. Yet, important questions regarding its nature, the factors that fosters identification feelings, and the consequences of identification still require further exploration. This is also the case for the construction industry.

The aim of this study is to provide employers in the construction industry with information designed to reduce the potential for turnover of employees. To that end, the following research question was examined in this study:

‘Are there identifiable factors that increase or decrease an employee’s level of organizational identification and intention to stay with her/his current employer?’

2. THEORETICAL BACKGROUND

Organizational identification and communication

There exist various studies which emphasize the importance of communication as an antecedent of organizational identification (DiSanza & Bullis, 1999; Riordan & Weatherly, 1999; Scott, 1997). Although these studies show that frequent organizational communication strengthen organizational identification, they are lack of explaining the effects of different communication types on the concept of organizational identification.

Although there are many communication types in the literature, “Horizontal communication” and “Vertical Communication” types are examined in this study. Horizontal communication refers to the informal interpersonal and socio-emotional interaction with proximate colleagues and others in the organization who are at the same level. In contrast, vertical communication refers to work-related communications up and down the organizational hierarchy. Although vertical and horizontal communication styles in organizations include formal messages among employees, supervisors etc., vertical communication is only taken by its formal side, and horizontal communication is considered only by its informal side.
Empirical evidence from a prior meta-analysis of the literature suggests that communication is an important predictor of identification, but that horizontal communications are less strongly related to levels of organizational identification, than are vertical communications.

**Organizational identification and perceived external prestige**

A number of studies have shown that among variables influencing organizational identification, perceived external prestige of the organization is the most influential one (Dutton and Dukerich, 1991; Dutton et al., 1994; Dukerich et al., 2002; Lipponen, Delkama, Olkkonen & Justlin, 2005; Mael & Ashforth, 1992; Smidts et al., 2001, Wan Huggins et al., 1998; Karabey & Đscan, 2007).

Perceived external prestige concerns employees’ perception of how the outside world views their organization. In line with social identity theory, if employees see their organization as more respected or prestigious by important outsiders, organizational identification is more likely to take place (Dutton et al., 1994). This would also enhance their personal identity and contribute positively to their self-esteem. Moreover, organizational image has become of prime importance for many firms because their performance and survival today depend in large part on their reputation with respect to numerous stakeholders (Roberts & Dowling, 2002).

**Organizational identification and turnover intention**

Over the past few years, several papers have been published indicating the relationship between organizational identification and employees' reported turnover intentions (Van Dick et al., 2004; Wan Huggins et al. 1998). Meta analytic studies have reported that organizational identification exhibits strong, negative correlations with turnover intention (e.g., Meyer et al., 2002; Riketta, 2005).

This paper thus addresses the question of the relationships among the variables which form the basis of the study findings within the context of construction industry.

### 3. METHODOLOGY

**Sample and procedure**

A questionnaire accessible through Internet has been developed to collect information for measuring the study variables. Respondents in the present study are employees working in the construction industry. There are 103 returned questionnaires from a total of 499 contacted survey sample; giving a response rate of 20.60%. Of the 103 returned questionnaires, 5 were unusable due to missing information. Although a response rate of 20–40 per cent has been claimed to be accurate for representing the target group (Badger & Werret, 2005), we were disappointed with the high non-response rate.

The questionnaire survey has been conducted through standardized assessment instruments. It is hoped that the findings will enhance our understanding of the nature and
consequences of organizational identification among employees in the construction sector.

Measurements

Organizational identification (OID)
Organizational Identification was assessed with the Turkish translation of Mael and Ashforth’s (1992) 6-item organizational identification scale. Although there are a wide variety of organizational identification scales, the Mael and Ashforth measure is the most frequently used one. Examples of items are: “When someone criticizes this firm, I feel like a personal insult”, “When I talk about this firm I usually say ‘we’ rather than ‘they’” and “This firm's successes are my successes’.

Organizational communication
Organizational communication is measured with its two directions as; vertical communication and horizontal communication. The scale is adapted from Postmes et al.'s (2001) study. Horizontal communication scale has 3 items and it measures both the quantity and quality of the horizontal communication between employees. Sample items are; “I also communicate with my colleagues informally” and “The communication between me and my peers is qualified.” etc. Vertical communication scale has 12 items and it measures both the quantity and quality of the vertical communication between employees. Sample items are; “Senior management gives information about the changes in the organization.” and “Senior management gives information about the strategy that the company is following.” etc.

Perceived external prestige (PEP)
In order to measure the perceptions of the employees regarding the prestige of the company that they work for, Dutton and Dukerich’s (1991) perceived external prestige scale is used. Sample items are; “My company has a good reputation in the society.”, “My company generally has a good image” and “My company has a good reputation on its clients” etc… The higher the score, the more prestigious the employees perceive their company.

Turnover intentions
Turnover intention was measured by five items adapted from a meta-analysis by Cotton and Tuttle (1986). In this scale, subjects were asked to assess the last year of their experience on turnover intentions. Examples of item: “I often think of leaving my current job”, I don’t want to leave my current job within five years (reversed), “I look for other jobs”.

Unless indicated, all items had a response scale ranging from 1 (strongly disagree) to 5 (strongly agree). Higher scores indicated higher levels of endorsement of the construct.

Age, gender and organizational tenure were included as control variables in line with prior research (Meyer et al., 2002; Snape et al., 2006).
4. RESULTS AND DISCUSSIONS

Statistical Package for the Social Sciences (SPSS) was used to analyze data. Descriptive and inferential statistics were used to analyze the data. Descriptive findings include the following: (1) respondents ranged in age from 23 to 55 years old, with 46.8% of the respondents being between 23 and 29 years old, 44.7% between 30 and 39 years old, 6.4% between 40 and 49 years old, and 2.1% between 50 and 55 years old. In terms of the age composition of the sample, 55.3 percent represented those below 30 years, 41.5 percent were in the 31-45 age bracket, and 3.2 percent were above the 46 years age bracket. Bachelor and master degrees were the highest educational degree received for approximately 53.2 and 40.4 % of respondents respectively.

Table 1 presents the means, standard deviations, and internal consistency alphas for the study variables. The Cronbach alpha coefficients of the scales used in the study meet Van de Ven and Fry’s (1979) minimum criteria of 0.55 or above. Relative to the scale midpoint of 3 (neutral), the sample’s means for the focal variables were high and the mean for turnover intention was low.

Table 1. Means, Standard Deviations, and Cronbach Alpha Coefficients

<table>
<thead>
<tr>
<th>Variables</th>
<th>Descriptive Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Standard Deviation</td>
</tr>
<tr>
<td>Age</td>
<td>31.26</td>
<td>6.31</td>
</tr>
<tr>
<td>Gender</td>
<td>1.49</td>
<td>0.50</td>
</tr>
<tr>
<td>Organizational tenure</td>
<td>4.21</td>
<td>4.68</td>
</tr>
<tr>
<td>Vertical communication</td>
<td>3.01</td>
<td>0.93</td>
</tr>
<tr>
<td>Horizontal communication</td>
<td>4.19</td>
<td>0.78</td>
</tr>
<tr>
<td>Prestige (PEP)</td>
<td>3.89</td>
<td>0.91</td>
</tr>
<tr>
<td>Organizational Identification (OID)</td>
<td>3.43</td>
<td>0.92</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>2.77</td>
<td>1.18</td>
</tr>
</tbody>
</table>

5-point Likert scales were used for all scales

Because it fits the purposes of the present study better, a hierarchical multiple regression analysis was used in the study. Table 2 next presents the results of hierarchical multiple regression analyses which aim to analyze the predictors of organizational identification and turnover intentions. In hierarchical regression analysis, variables are entered into the model in stages: first, a group of independent variables are evaluated in terms of how much information they provide about the dependent variable, and then, another group of variables are entered into the model.

The hierarchical ordering of the independent variables in the study is as follows: the first set includes the control variables (i.e. age, gender, organizational tenure); the second set includes the predictor variables. These sets are entered into the analysis through two steps.

Statistical analysis was conducted separately for OID (termed Model A) and turnover intention (termed Model B). Firstly, organizational identification was put into regression...
as the dependent variable. The value of the adjusted R-squared was 15.5%, which meant that organizational identification can be partially explained by the predictors included. There are two possible reasons for this. First, the model constructed was not comprehensive enough to incorporate all possible predictors of organizational identification. Second, this study was exploratory and its sample was not large enough.

Table 2. Hierarchical regression analyses of the predictors of organizational identification and turnover intentions. The entries are standardized betas

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Model A</th>
<th>Model B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Identification</td>
<td>-.101</td>
<td>.062</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-.052</td>
<td>.002</td>
</tr>
<tr>
<td>Age</td>
<td>.094</td>
<td>-.192*</td>
</tr>
<tr>
<td>Tenure in the organization</td>
<td>.272*</td>
<td>.007</td>
</tr>
<tr>
<td>Vertical communication</td>
<td>.169*</td>
<td>-.177**</td>
</tr>
<tr>
<td>Horizontal communication</td>
<td>.089</td>
<td>-.208***</td>
</tr>
<tr>
<td>Prestige (PEP)</td>
<td>.129</td>
<td>-.470***</td>
</tr>
<tr>
<td>Adjusted R2</td>
<td>.155</td>
<td>.427</td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.101</td>
<td>.062</td>
</tr>
<tr>
<td>Age</td>
<td>.168</td>
<td>-.404*</td>
</tr>
<tr>
<td>Tenure in the organization</td>
<td>.270*</td>
<td>.085</td>
</tr>
<tr>
<td>Adjusted R2</td>
<td>.115</td>
<td>.087</td>
</tr>
<tr>
<td>Δ R2</td>
<td>.040</td>
<td>.034</td>
</tr>
<tr>
<td>Δ F</td>
<td>5.017***</td>
<td>8.343**</td>
</tr>
</tbody>
</table>

*p <.05, **p <.01, ***p <.001

The only statistically significant variables at p<0.05 were vertical communication and organizational tenure, which had positive coefficients of 0.169 and 0.272 respectively. These findings provide evidence that horizontal communication is a weak predictor of organizational identification, whereas vertical communication is a stronger predictor (Bartels et.al., 2009; Postmes et al., 2001; Smidts et al., 2001; Bartels et al., 2006, see among others). On the basis of this explanation, one may venture that a clearly positive relationship between vertical communication and organizational identification thus appears to exist within the construction context.

Furthermore, the findings are also consistent with prior research findings which confirm the direct impact of length of tenure on organizational identification (Hall and Schneider, 1972; Hall et al., 1970; Mael and Ashforth, 1992). This indicates that employee identification are stronger for highly tenured employees as opposed to employees who had been working at the organization for a shorter period of time.

According to multiple regression analysis, perceived external prestige is not an antecedent of organizational identification, contrary to expectations. The results highlight that the contribution of PEP is not large enough to have statistically significant predictive capability, meaning that individuals high in OID are not necessarily those who perceive their company as prestigious. This evidence is in contrast with previous studies which have indicated that PEP influences organizational identification (Mael and Ashforth, 1992; Dutton et al., 1994; Smidts et al., 2001; Riketta, 2005; Carmeli et al., 2006; Fuller
et al., 2006; Bartels et al., 2007; Carmeli and Freund, 2009; Cohen-Meitar et al., 2009). These studies have showed that employees preferred to enter into a contract with a firm that has a favorable reputation. However, the findings presented here contribute by showing that a low prestige organization has little negative impact on construction professionals’ well-being and sense of self. In other words, PEP does not have a statistically significant effect on organizational identification among construction employees. This may be due to the fact that their professional and work-team identities may offset the negative impact of low prestige on organizational identification. Furthermore, the participants selected for this study were prestigious professionals working in back-end, positions.

Secondly, turnover intention was put into regression as the dependent variable. The same variables – age, perceived external prestige (PEP), horizontal communication and vertical communication - emerged as significant predictors of turnover intention. The full model has an exploratory power of 42.7% and change in F value statistically important (p <.01). Standardized regression coefficients (beta) indicate that most of the contribution to the exploratory power of the model is provided by the variables “perceived external prestige (PEP)”, age, horizontal communication and vertical communication.

Perceived External Prestige, as being the strongest predictor of turnover is thought to have the strongest differentiative contribution between organizational identification and turnover. The difference between organizational identification and turnover intention was also explained by organizational tenure. Some scholars have found that tenure is not a predictor for turnover intention (Griffeth et al., 2000). The finding of a relationship between age and turnover intention supports earlier research stating that younger employees show higher turnover intention than older employees (Cho & Lewis, 2011; Smith & Hoy, 1992). Also, gender was significantly associated with none of the dependent variables in Model A and B.

In addition to the results above, organizational identification was put into regression as the independent variable and turnover intention was put into regression as the dependent variable in order to see the contribution of organizational identification on turnover intention.

Table 3. Simple Regression Analysis: Turnover Intention

<table>
<thead>
<tr>
<th>Predictor</th>
<th>R2</th>
<th>B</th>
<th>Standard Error</th>
<th>β</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational identification</td>
<td>.142</td>
<td>-.501</td>
<td>.124</td>
<td>-.389***</td>
<td>16.413***</td>
</tr>
</tbody>
</table>

***p < .001

As is seen from Table 3, the relation between construction employees’ identification and turnover intention reaches statistical significance (p <.001), as expected. This finding is consistent with the idea that identification is a more proximal predictor of turnover intention, and offers a sting psychological anchor that discourages turnover intention within the context of construction industry (Randsley de Moura et al., 2009). This
suggests that higher levels of organizational identification among construction employees will lead to lower levels of turnover intentions.

In the context of construction industry, these results are interesting because there have not been many studies on the predictors of organizational identification and turnover intentions.

5. CONCLUSION

The results of this study suggest some important recommendations for construction firms to enhance their performance outcomes leading to competitive advantage. Organizational identification was found to influence employees’ attitude towards turnover intention in a negative way. Therefore, fostering identification will contribute to the long-term success of an organization.

In contrast to the majority of prior studies on OID that have been conducted in the Western countries (Chughtai & Buckley, 2010; Edwards, 2005), this study has been conducted in Turkey in general and construction industry in particular.

It is suggested that a detailed conceptual model relating to the antecedents of organizational identification be tested by means of structural equations modelling based on larger scale data collection. The present regression analysis provides a basis to support the relationship of identification and turnover intention, but further model development is required to take into account other possible antecedents of organizational identification. Accordingly, future research can replicate the present study’s findings, implications for theorizing on hierarchical status and its influence on organizational identification and turnover intention may be realized.

6. REFERENCES


