Turnover Intention among Employees of Small and Medium Enterprises (SMEs): The Moderating Role of Employee Engagement

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Abstract

Purpose – This study was conducted to ascertain the influence of person-organization fit (P-O fit) and job satisfaction on turnover intention within Small and Medium Enterprises (SMEs). Moreover, the mediating role of employee engagement in both of these associations was explored.

Methodology – A cross-sectional survey was administered, targeting Small and Medium Enterprises (SMEs) in Lampung, Indonesia. The study involved 198 participants and data collection was conducted through the utilization of a questionnaire. To test the hypotheses, a quantitative approach incorporating structural equation modeling (SEM) was employed, using the AMOS software package version 24.0.

Findings – The study showed that P-O Fit and job satisfaction had a negative impact on turnover intention. Employee engagement was also identified as a mediating factor in both of these relationships.

Originality – There was a lack of extensive study examining the correlation between the variables within the specific context of SMEs, particularly in Lampung. Therefore, this study was carried out to introduce a study model grounded in social exchange theory.

1. Introduction

Employees in Small and Medium Enterprises (SMEs) and turnover are directly related. Turnover poses a significant risk to the company's stability and success but serious concern lies in the presence of turnover intention (Suyono et al., 2020). Employees who harbor turnover intention show a diminished sense of work engagement and a limited emotional attachment to the organization. This is because they eagerly await the chance to transition to alternative employment opportunities. Additionally, this predicament negatively impacts their commitment level and overall productivity (Almohtasb et al., 2021; Hayes et al., 2006; Wardana et al., 2020). Turnover intention should be handled and measured appropriately (Long et al., 2014) to determine the possibility of leaving the organization.
One of the factors consistently linked to employee turnover intention is the concept of person-organization fit (P-O Fit) (Abdalla et al., 2018; Pariyanti, Adawiyah, & Wulandari, 2022). P-O Fit relates to the extent of congruence between an employee's values and those of the organization (Kristof, 1996). A stronger attachment and intention to stay with the organization is cultivated when a robust alignment exists between employees and their organization. Previous study reported that P-O Fit had a negative impact on employee turnover intention (Jin et al., 2018; Zhen & Chong, 2019) but there were some gaps in the study findings. Studies conducted by Jin et al. (2018), Kakar et al. (2021), Wen et al. (2016), and Zhang et al. (2017) showed a significant negative effect of P-O Fit on turnover intention. On the other hand, Chunjiang et al. (2011), Nuansa et al. (2018), Saufi et al. (2020), and Tak (2011) found a negative and insignificant effect of P-O Fit on the variable.

There were other factors associated with turnover intentions, such as job satisfaction (Lin, 2020). Examining job satisfaction and turnover intentions was vital since the variable exerted a substantial influence, affecting organizational performance (Zhang et al., 2019). Employees were inclined to consider departing from their current roles when diminished job satisfaction was experienced (Zhang et al., 2017). According to the Conservation of Resources (COR) Theory, this boost in job satisfaction reduced turnover intention (Jin et al., 2016). The results of study on the two variables also contained a gap in the study. Significantly, satisfaction was negatively related to turnover intention (Anees et al., 2021; Bakkal et al., 2019; Trisnawati & Yasin, 2021). According to (Addai et al., 2018; Chunjiang et al., 2011; Trisnawati & Yasin, 2021) Job satisfaction had no significant effect on turnover intentions. Therefore, it was imperative to address the gaps present in the connection between the two variables, as well as P-O Fit and turnover intention.

The current study bridged the gap between P-O Fit and job satisfaction concerning turnover intention by proposing employee engagement as a mediating variable. Employee engagement was selected as a consequent variable of P-O fit and job satisfaction and antecedent variable of turnover intention (Bakkal et al., 2019; Berisha & Lajçi, 2021). Furthermore, (Peng et al., 2014; Saks, 2006) found that the variable mediated the relationship between P-O fit and turnover intention (Memon, Rohani, et al., 2018; Morrow & Brough, 2019; Peng et al., 2014; Saks, 2006). Strong alignment between employees and the organization leads to an elevated level of engagement and commitment to work (Ababneh, 2021; Memon, Salleh, et al., 2018). Highly engaged employees are also less likely to quit their jobs. Similarly, when experience job satisfaction is experienced, they become more attached to the organization, resulting in a significantly reduced likelihood of leaving (Quek et al., 2021).

In conclusion, the intricate relationship between employee turnover, turnover intention, and factors such as person-organization fit (P-O Fit) and job satisfaction underscores the need for comprehensive understanding and strategic management in Small and Medium Enterprises (SMEs). The literature review revealed conflicting findings on the impact of P-O Fit and job satisfaction on turnover intention, creating a research gap that this study aimed to address. By introducing employee engagement as a mediating variable, this study contributes to bridging the existing gaps in the literature. The results of this research not only provide insights into the mediating role of employee engagement but also emphasize the importance of fostering a strong alignment between employees and the organization. Organizations can leverage these insights to develop targeted interventions that enhance job satisfaction, strengthen P-O Fit, and ultimately reduce turnover intention. In doing so, SMEs can cultivate a more stable and committed workforce, positively influencing organizational performance and success in the long run.
The theoretical basis is the social exchange theory of (Hill, 2010) and psychological contract (Denise M., 1989). Social exchange theory emphasizes that interactions between people are built to maintain a balance between giving and taking (Blau, 1964). In this scenario, individuals engaged in interpersonal relationships strive to maximize the desired benefits to be achieved. Meanwhile, psychological contracts, as categorized by Dabos and Rousseau (2004), can be grouped into transactional and relational contracts. These contracts revolve around the belief system that an employee and employer enter into an exchange agreement. Transactional contracts typically prioritize economic motives and short-term employment agreements, while relational contracts emphasize affective involvement, personality development at work, and the expectation of long-term working relationships (Millward & Brewerton, 1999). Matlay, (1999) highlighted the presence of an equality-based contract within psychological relationships between employers and employees. Concerning this study, the relationship between fit and turnover intention often draws on the perspective of social exchange theory, where employees who perceive a fit with their organization are motivated to fulfill their obligations to the organization and are more likely to stay for an extended period (Jin et al., 2016).

1.1 Person-Organization Fit and Turnover Intention

Turnover intention is defined as 'an individual's subjective estimate of the likelihood to leave an organization (Kashyap & Rangnekar, 2014). Furthermore, it can represent an employee's plan to leave their position or efforts to be replaced (Lin, 2020). Employee turnover is most likely to occur in any organization which may be voluntary or involuntary (Ozdevecioglu et al., 2015). Forced or involuntary turnover arises when employees are compelled to depart from their positions due to circumstances beyond their control, such as prolonged illness, demise, relocation abroad, or termination of employment initiated by the employer. Meanwhile, voluntary turnover refers to employees ending their employment, often driven by personal reasons, such as securing more favorable job prospects, pursuing enhanced career opportunities, or obtaining higher remuneration at alternative organizations (Zhen & Chong, 2019). The causes of turnover intention include working conditions, leadership, wages, and internal problems (Naiemaha et al., 2019).

P-O Fit is detected to affect turnover intention (Abdalla et al., 2018; Pariyanti et al., 2022). The variable is the degree of compatibility between the values and characteristics of individuals and their organizations Kristof-Brown et al., (2005). Previous study proved that person-organization fit (P-O Fit) had a negative impact on employee turnover intention (Jin et al., 2016; Pariyanti et al., 2022). Employees who experience a sense of contentment within an organization are less likely to consider pursuing opportunities elsewhere. Conversely, employees who harbor dissatisfaction are more inclined to contemplate leaving the organization. These findings are grounded in the theory of social exchange, where human interactions are established on the principles of give and take (Blau, 1964). A sense of alignment was experienced with the organization when employees respond by showing loyalty and commitment, decreasing the probability of departing from the organization. The following hypothesis was proposed by building on the aforementioned findings:

$H_1$: Person organization fit has a negative effect on turnover intentions

1.2 Job Satisfaction and Turnover Intention

Job satisfaction is characterized as a favorable or positive emotional state experienced by an employee concerning their work, which arises from an assessment of overall work experience (Abd-ellatif et al., 2021; Fu & Deshpande, 2014). According to (Mehmood et al., 2016; Trisnawati
& Yasin, 2021), several factors affect job satisfaction including salary, recognition, the relationship between supervisors and workers, and opportunities for the advancement of personal factors, achievement, coaching, work environment, benefits, and other incentives. The variable is an important predictor of employee behavior and also allows them to evaluate their behavior for change (Falkenburg & Schyns, 2007; Lin, 2020). The results of previous studies showed that job satisfaction was negatively related to turnover intention (Chunjiang et al., 2011; Findik et al., 2013; Jin et al., 2016; Lin, 2020; Xin Zhang et al., 2019). Therefore, satisfaction of employees is inversely proportional to the intention to leave. The assessment of employees' perceived satisfaction holds significant importance in predicting their future behavior (Pariyanti et al., 2021), particularly with turnover intentions. This is crucial since it directly influences intentions to remain with or depart from the organization (Mehmood et al., 2016). The current study hypothesizes that:

**H2:** Job satisfaction has a significant negative effect on Turnover Intentions

### 1.3 Employee Engagement as a Mediation variable

The term 'employee engagement' originates from the psychological literature. Kahn (1990) was the pioneering figure in conceptualizing the concept, acknowledging that individuals employ different dimensions, such as cognitive, emotional, and physical aspects. The cognitive dimension relates to employees' beliefs regarding the organization, its leaders, and working conditions. The emotional dimension revolves around their sentiments towards these factors and harbors a favorable or unfavorable attitude toward the organization and its leaders. The physical aspect refers to the energy employees invest in fulfilling their roles. Study (Peng et al., 2014; Saks, 2006; N. Sharma, 2019) has shown that employee engagement acts as a mediator between antecedents and consequences, indicating a positive relationship between P-O fit and employee engagement. Moreover, employee engagement is negatively associated with turnover intention. Schaufeli et al., (2002) stated that engaged employees tend to be psychologically and physically committed to their work, making it challenging to disengage due to their invested energy and personal identification of roles. This aligns with social exchange theory (Blau, 1964), suggesting that positive experiences of organizational fit create an obligation for employees to reciprocate. A way for employees to reciprocate is by becoming more involved in the workplace and remaining at work. Based on these findings, a hypothesis was proposed as follows:

**H3:** Employee engagement mediates the relationship between Person-organization fit (P-O Fit) and Turnover Intention

The subsequent hypothesis focuses on the connection between job satisfaction and turnover intention, with employee engagement acting as a mediating factor. Nassani et al., (2021) discovered a significant positive correlation between job satisfaction and job engagement. Both intrinsic and extrinsic job satisfaction contributed to the level of employee engagement in the workplace. Greater job satisfaction led to higher levels of employee involvement. The variables collectively decreased employee turnover intentions, as satisfied employees tend to be more engaged in their roles to reduce their inclination to leave the company (Nassani et al., 2021; Zhang et al., 2020). Based on the findings of these prior studies, the following hypothesis was proposed:

**H4:** Employee engagement mediates the relationship between job satisfaction and turnover intention
Figure 1. Study Model

2. Research Methods

2.1 Population Sample

The population was employees who work in several SMEs in Lampung, namely Culinary SMEs, Fashion SMEs, Handicraft SMEs, Tour & Travel, Event Organizers, and Lodging. Questionnaires were distributed online to 216 employees, but 198 were returned or equivalent to 56%. Table 1 showed the identity of the respondents in the section of the data analysis.

2.2 Measurement

Person organization fit is measured using a questionnaire Vogel & Feldman, (2009), consisting of 3 items, with a five-point Likert Scale from strongly disagree 1, to strongly agree 5. An example of an item is “My personal goals and my organizational goals are very similar”. Furthermore, job satisfaction is measured using a questionnaire (Fernandes & Awamleh, 2006) with 7 items. An example of an item is I am satisfied with the way I pay compared to similar jobs in other companies. Meanwhile, employee engagement was measured using a questionnaire consisting of 9 question items (Saks, 2006) with sample question I really “throw” myself into my job. The turnover intention was measured using a questionnaire (Bothma & Roodt, 2013), consisting of 6 items with sample question “How often have you considered leaving your job”.

In this study, a two-step data analysis approach, recommended by Hair, Ringle, and Sarstedt (2013), is employed. The first step involves analyzing the measurement model, while the second focuses on examining the structural relationships between the variables. This two-step approach ensures the reliability and validity of the variables established before evaluating the structural relationships of the model (Silintowe & Sukresna, 2022).

3. Results and Discussions

3.1 Result

Table 1 shows the total sample is 198 people, consisting of 102 men and 96 women. Respondents aged less than 25 years, 25-40 years, and remaining 40 years and over were 49%, 46% and 5%, respectively. The average tenure of 1-5 years, 6-10 years, and more than 10 years is 56.6%, 33.8% and 9.6%. The majority of employees possess educational backgrounds consisting
of Middle School-High School, accounting for 62.2% of the workforce. Additionally, 11.1% hold a D3 degree, while 24.2% possess an Bachelor degree, and 2.5% obtained an Master degree.

Table 1. Characteristics of Respondents

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Categories</th>
<th>Overall</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Frequency</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>Less than 25 year</td>
<td>98</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td></td>
<td>25-40 year</td>
<td>92</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>41-56 year</td>
<td>8</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>102</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>96</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1-5th</td>
<td>112</td>
<td>56,6</td>
<td></td>
</tr>
<tr>
<td>Length of work</td>
<td>6-10th</td>
<td>67</td>
<td>33,8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>More than 10th</td>
<td>19</td>
<td>9,6</td>
<td></td>
</tr>
<tr>
<td>Level of education</td>
<td>Middle School-High School</td>
<td>123</td>
<td>62,2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>22</td>
<td>11,1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>48</td>
<td>24,2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Master</td>
<td>5</td>
<td>2,5</td>
<td></td>
</tr>
</tbody>
</table>

Source: processed data

3.2 The Measurement Model

The measurement model was first examined to test the reliability and validity of the proposed model, as shown in Table 2 below:

Table 2. Outer Loading

<table>
<thead>
<tr>
<th>Variable</th>
<th>Code</th>
<th>Outer loading</th>
<th>Alpha Cronbach</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person Organization Fit</td>
<td>P-O FIT-1</td>
<td>0.831</td>
<td>0.902</td>
<td>0.782</td>
<td>0.835</td>
</tr>
<tr>
<td></td>
<td>P-O FIT-2</td>
<td>0.818</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P-O FIT-3</td>
<td>0.824</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>“JS-1”</td>
<td>0.841</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>“JS-2”</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JS-3</td>
<td>0.829</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>JS-4</td>
<td>0.796</td>
<td>0.876</td>
<td>0.812</td>
<td>0.816</td>
</tr>
<tr>
<td></td>
<td>JS-5</td>
<td>0.825</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JS-6</td>
<td>0.842</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JS-7</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-1</td>
<td>0.694</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-2</td>
<td>0.765</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-3</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-4</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-5</td>
<td>0.812</td>
<td>0.957</td>
<td>0.854</td>
<td>0.856</td>
</tr>
<tr>
<td></td>
<td>EE-6</td>
<td>0.841</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>EE-7</td>
<td>0.832</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-8</td>
<td>0.781</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE-9</td>
<td>0.812</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI-1</td>
<td>0.762</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI-2</td>
<td>0.871</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI-3</td>
<td>0.762</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI-4</td>
<td>0.823</td>
<td>0.877</td>
<td>0.822</td>
<td>0.845</td>
</tr>
<tr>
<td></td>
<td>TI-5</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI-6</td>
<td>0.772</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: processed data
The results showed that all variables have good reliability with composite reliability (CR) higher than 0.7. In addition, all constructs show convergence validity, as evidenced by the average extracted variance (AVE) greater than 0.5. Confirmatory factor analysis (CFA) results confirmed the convergent validity of all latent variables, with factor loadings exceeding 0.5 as shown in Table 3.

<table>
<thead>
<tr>
<th>Model Fit Statistics</th>
<th>Value</th>
<th>Cutoff Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMINDF</td>
<td>2.5</td>
<td>&lt;3</td>
</tr>
<tr>
<td>Goodness of Fit Index</td>
<td>0.92</td>
<td>&gt;0.90</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.05</td>
<td>&lt;0.06</td>
</tr>
<tr>
<td>Tuckker-Lewis Index (TLI)</td>
<td>0.93</td>
<td>&gt;0.90</td>
</tr>
<tr>
<td>Normal Fit Index (NFI)</td>
<td>0.92</td>
<td>&gt;0.90</td>
</tr>
</tbody>
</table>

Source: processed data

Based on these statistics, it can be concluded that all five statistical tests met the evaluation criteria, indicating a good fit for the model.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>β</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>Person Organization Fit =&gt; Turnover Intention</td>
<td>-0.224</td>
<td>0.012</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂</td>
<td>Job Satisfaction =&gt; Turnover Intention</td>
<td>-0.239</td>
<td>0.003</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃</td>
<td>Person Organization Fit =&gt; Employee Engagement =&gt; Turnover Intention</td>
<td>-0.024</td>
<td>0.006</td>
<td>Supported</td>
</tr>
<tr>
<td>H₄</td>
<td>Job Satisfaction =&gt; Employee Engagement =&gt; Turnover Intention</td>
<td>-0.031</td>
<td>0.023</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Source: processed data

In the above table, Hypothesis one (H₁), where person-organization fit has a negative effect on turnover intentions, is supported. This indicates that the variable has a negative impact on turnover intentions, as evidenced by the β value of -0.224 and a p-value of 0.012 less than the significance level of 0.05. Hypothesis two (H₂) is also supported with β value of -0.239 and a p-value of 0.003 below the 0.05 threshold. Similarly, Hypothesis three (H₃) is supported with β value of -0.024 and a p-value of 0.006 less than 0.05. Hypothesis four (H₄) is supported with β value of -0.031 and a p-value of 0.023 below the 0.05 threshold.

3.3 Discussions

After the inferred model aligned with the prerequisites of the external model, attention was directed toward the internal models within the structural framework. The R-square values corresponding to the variables were then considered:

This study highlights the complex interplay among employee turnover, turnover intention, person-organization fit (P-O Fit), and job satisfaction in Small and Medium Enterprises (SMEs). Addressing conflicting findings in the literature, the research introduces employee engagement as a mediating variable, contributing to the existing gaps in knowledge. The results underscore the significance of fostering strong alignment between employees and the organization. The first
finding $H_1$ is accepted, where person-organization fit (P-O Fit) has a negative impact on turnover intentions. This finding aligns with previous studies conducted by Boon and Biron (2016), Memon, Salleh, and Baharom (2015), and Wen et al. (2016). Employees develop a sense of obligation to contribute and engage actively, thereby reducing or minimizing their intention to leave when a strong fit is perceived within an organization. In the specific context of the SMEs in Lampung, the fit is characterized by workplace compatibility, alignment with the owner's established values, and synchronization with positive aspects. Ouyang et al., (2015) suggested that a robust person-organization fit provided employees with resources that enhance engagement levels, leading to reduced turnover intentions.

The second finding ($H_2$) is accepted, meaning that job satisfaction has a significant negative effect on Turnover Intention. This finding supported previous study (Mehmood et al., 2016; Park & Johnson, 2019) that job satisfaction reduced turnover intention. Employee job satisfaction is known to experience an increase, while turnover intention tends to decrease when organization genuinely prioritizes career planning, supports professional development, and acknowledges valuable contributions (Lin, 2020; Quek et al., 2021). Previous study (Lu et al., 2012; Park & Johnson, 2019) emphasized the significance of managerial practices in promoting job satisfaction among employees. These practices include providing necessary facilities, offering work support, ensuring a sense of career security, maintaining job stability, fostering transparency in decision-making processes, and providing regular feedback. Implementing these measures has been found to effectively enhance overall job satisfaction levels (Mehmood et al., 2016)(Naburi et al., 2017; Wang et al., 2020). This reaffirms the notion that a supportive and transparent work environment positively influences employee job satisfaction and reduces turnover intention.

The subsequent finding corroborates $H_3$, where employee engagement plays a crucial mediating role in the connection between P-O Fit and Turnover Intention. These findings provide substantial support to the relationship between P-O Fit, employee engagement, and the likelihood of turnover intention. Therefore, employee engagement is a confirmed variable that can mediate the association between the variables, aligning with previous study (Memon, Rohani, et al., 2018; Morrow & Brough, 2019; Peng et al., 2014; Saks, 2006). The results emphasize that employee engagement is not only an outcome but a key variable that significantly mediates the complex association between these factors. The significance of employee engagement becomes evident as individuals develop a profound connection with the organization when they perceive alignment between personal values and the core values upheld by the organization. This alignment fosters a sense of comfort, leading employees to be less inclined to actively seek opportunities elsewhere. Consequently, these findings underscore the strategic importance for organizations to focus on enhancing both Person-Organization Fit and employee engagement to effectively mitigate turnover intention among their workforce.

The acceptance of the last finding, $H_4$, underscores the role of employee engagement as a mediator in the intricate relationship between job satisfaction and Turnover Intention, corroborating insights from studies by (Calecas, 2019; Nassani et al., 2021; Xuewen Zhang et al., 2020). The findings suggest that heightened job satisfaction among employees serves as a catalyst for a strengthened connection and commitment to the organization, thereby contributing to a significant reduction in turnover intention. Satisfied employees exhibit elevated levels of work engagement, actively dedicating themselves to their tasks with increased energy, dedication, and a proactive approach to fulfilling assigned responsibilities, as highlighted by research such as that conducted by Nemțeanu et al., (2022). The importance of maintaining a high level of engagement cannot be overstated in fostering employee retention and securing their ongoing dedication to the
This study was conducted to show the significant influence of P-O fit, job satisfaction, and employee engagement on employee turnover intention. Employee engagement acted as a mediator in the relationship between P-O fit and turnover intention, as well as between job satisfaction and turnover intention. P-O fit and job satisfaction had substantial direct and indirect effects, mediated by employee engagement. Through a strong person-organization fit and job satisfaction, employees became actively engaged with the organization, resulting in a reduction in intention to leave. Organizations aiming to minimize employee turnover intention should focus on assessing and enhancing P-O fit and job satisfaction while employing effective engagement techniques. For small and medium-sized enterprise (SME) owners, it was advisable to recruit employees who were aligned with the organization, effectively fulfilled employees’ needs, and created a sense of career security and job stability to prevent turnover intention.

This study had several limitations, requiring further consideration. First, only a cross-sectional design was used, which affected the inaccurate drawing of causal conclusions between the examined constructs. Therefore, further testing was carried out to replicate the findings with longitudinal data. The study conducted in Lampung was limited and recommended to examine this phenomenon in a wider scope. Future should be performed to explore more mediating variables influencing intention.

References


