The Impact of Organizational Support and Ethical Climate
On Turnover Intention: Job Satisfaction as a Mediator

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Abstract

An ethical climate and organizational support are among the most significant determinants of the effectiveness of an organization’s operations. This study intends to analyze the influence of ethical climate and organizational support on the turnover intention with the mediating role of job satisfaction. The data was collected through a questionnaire distributed to employees working in the Kingdom of Saudi Arabia in both public and private sectors. A sample of 274 employees was obtained and analyzed using IBM SPSS Statistics 26 and the path analysis was conducted through Amos 23. The results showed that both perceived organizational support and ethical climate have a positive effect on job satisfaction. In addition, there is a negative relationship between job satisfaction and workers’ turnover intention. The research also argues that job satisfaction acts as a mediating factor between turnover intention and both factors of organizational support and ethical climate. This research differs from previous studies in that its model has not been previously investigated in the Saudi work environment. The study provides managers with relevant recommendations on approaches to increase job satisfaction and reduce turnover intention using some human resource management practices which are increasing ethical climate and ensuring organizational support. Therefore, it contributes to the administrative literature on social exchange theory and also has practical applications to human resource management.

Keywords: Perceived Organizational Support, Ethical Climate, Job Satisfaction, Turnover Intention.

Introduction

The transformations taking place in the business environment led to a talent shortage observed in various industries. The reason for this situation is, in particular, the declining number of highly qualified employees and the aging of workers. Even companies that focus on acquiring and developing talent within their staff are currently at risk of losing valuable employees (Varma & Chavan, 2020). The concept of turnover intention is gaining popularity in the managerial literature due to its potentially high impact on organizations’ productivity and associated operational costs (Ganji & Johnson, 2020; Shareef & Atan, 2019; Ganji et al., 2020; Lin & Liu, 2017; Palanski et al., 2014). Recently, the phenomenon of turnover intention, its causes, and its consequences has been widely considered in academic circles from both theoretical and practical perspectives.
Modern organizations must be aware of what variables affect employees’ turnover intentions and what relevant management strategies can be applied. Timely actions to mitigate the negative effects of this phenomenon can largely optimize the activities of companies to maintain a competitive advantage. The researchers note that job satisfaction is the main determinant of turnover intention (Ganji & Johnson, 2020; Li et al., 2019; Chen & Wang, 2019). This concept describes the contentedness of employees with their job, including the positive and negative emotions that certain aspects evoke in them (Varma & Chavan, 2020; Zehir et al., 2011). Job satisfaction also refers to how employees feel about the work climate and how much it contributes to their productivity (Tsai, 2014). A direct correlation between such factors as job satisfaction and turnover intention can be found in the literature (Ahanchian & Ganji, 2017).

Researchers also identify several factors that affect job satisfaction and, accordingly, turnover intention. According to the literature, ethical climate and organizational support have the most significant impact (Ahanchian & Ganji, 2017; Ganji & Kafashpor, 2016; Ganji & Ahanchian, 2016; Albalawi et al., 2019). However, there is a lack of evidence in the literature about the mediating role of job satisfaction between both organizational support and ethical climate from one side and turnover intention from the other side. This study discusses in detail the impact of both ethical climate and organizational support on employees’ turnover intention when job satisfaction works as a mediator. Results aim to provide managers with better awareness of the significance of creating an ethical climate and organizational support within the workplace as a tool for increasing employees’ job satisfaction and achieving decreased turnover intention.

**Literature Review and Hypothesis Development**

**Job Satisfaction**

Job satisfaction is one of the basic concepts in the research field of organizational behavior and psychology (Shafique et al., 2018; Li et al., 2019). This term describes the attitude and feelings that employees have towards their job and its constituent elements. (Idris et al., 2018; Zehir et al., 2011). Researchers define job satisfaction as the perception of fulfillment and gratification that employees experience concerning the work they perform (Chan, 2019; Olcer, 2015; Top et al., 2015). It can also mean the emotions and feelings the employee experiences concerning both specific sectors of the job and the job as a complete unit (Oluwaseun, 2016). In general, job satisfaction can be defined as the pleasant emotions, feelings, and attitudes an employee experiences about their job, including the work atmosphere and rewards earned (Yousef, 2017).

**Turnover Intention**

There is a significant difference between the concepts of actual turnover and turnover intention within an organization. The first refers to the actual step of leaving the company by the employee, while the second describes the desire of an employee to willingly relinquish their position in the organization (Li et al., 2019; Shafique et al., 2018). Therefore, the turnover intention is the anticipation of the actual turnover. This concept describes the desire of an employee to leave the current job to find a new position (Olawale & Olanrewaju, 2016). The transition from intention to actual turnover begins with an inactive search for a new job and, over time, results in the employee’s decision to leave the current company (Oluwaseun, 2016).

**Ethical Climate and its Effect on Job Satisfaction**

The ethical climate is a type of shared code and informal perceptions of organizational arrangements that shape matters about ethical issues within a company (Victor & Cullen, 1988). It is the psychological interpretation of employees of their company’s ethical policies (Shapira-Lishchinsky & Rosenblatt, 2010). The ethical climate provides guidance that helps employees understand acceptable and unacceptable behaviors (Teresi et al., 2019). Usually, positive work behaviors
and the avoidance of deviant behaviors in the organization are related to ethical climate. Some studies address ethical climate as a one-dimensional concept (e.g., Asgari et al., 2019; Chinomona, 2017), while others consider it a multi-dimensional component (e.g., Teresi et al., 2019). The current literature refers to five ethical climates, including caring, instrumental ethical climate, rules, law and codes, and independence (Buchan et al., 2019; Ismail and Yohannes, 2019; Martin and Colin, 2006). A caring climate promotes consideration of others and caring for them.

An instrumental climate promotes working for the interests of the organization. Rules climate emphasizes decisions guided by internal rules and regulations. Law and codes climate emphasize decisions guided by external codes such as the law or professional codes of conduct. Independence climate encourages decisions according to personal moral beliefs (Naiyananont & Smuthranond, 2017). Studying various dimensions of ethical behavior can enrich and lead to an understanding of the ethical climate of the organization. Therefore, these five dimensions were considered in the study.

The researchers examined the outcomes of ethical climate and found that a common and important one is job satisfaction (e.g., Ahanchian & Ganji, 2017; Asgari et al., 2019; Olayiwola, 2016). Studies often explain and show that moral climate can positively predict job satisfaction (e.g., Asgari et al., 2019; Özden et al., 2019). For example, Bordia et al. (2004) found that Guidelines about ethical climate gives the salesperson a feeling of comfort and security, resulting in greater satisfaction with the job. Asghari et al. (2019) also showed that employees who found their workplace morally appropriate were more likely to have a high degree of job satisfaction. Based on these discussions, the following hypothesis is established:

**H1: Ethical climate has a positive effect on the job satisfaction of employees.**

**Perceived organizational support and its effect on job satisfaction**

Organizational support theory states that human resources feel the amount of effort the organization makes to meet their needs and reward them for work (Worku, 2015). Perceived organizational support is an important construct in the employee-company relationship. Eisenberger et al. (2016) defined perceived organizational support as employees’ perceptions about the amount of attention the organization delivers for their contribution.

Organizational support can be defined as the deal between the company delivering social and economic support and its diligent loyal employees (Chinomona et al., 2017). Organizational support refers to an employee’s belief that his or her contributions are valued, his or her well-being is considered and his or her needs are met. This support can be appreciation, moral support, provision of information, training, development, and other tools used by employers (Choi & Chiu, 2017, Varma & Chavan, 2020).

The organizational behavior literature has confirmed that one of the most important antecedents of job satisfaction is the perceived organizational support. For example, Karatepe (2012) asserted that if the organizational support perceived by employees has a low level, this will affect and reduces job satisfaction. Pahlevan Sharif et al. (2021) proved that there is a positive relationship between organizational support and job satisfaction. His result agrees with the literature which argues that employees’ satisfaction with their company results from the support it gives them (Sharif Nia et al., 2021; Dupre & Day, 2007; Stamper & Johlke, 2003).

Furthermore, those employees who see their organization as supportive and grateful have more possibility to be satisfied with their jobs (Chinomona et al., 2017). Ganji et al., 2021 in their research on their university employees have found that perceived organizational support influences job satisfaction positively, and one of the employees said that if the university is so supportive financially and non-financially, most of the employees like the university and will desire to keep their jobs. Many studies consider organizational support as an important antecedent of job satisfaction such as (Miao et al, 2011; Colakoglu et al, 2010; Randall et al. 1999; Shore & Shore 1995). Building on the previous discussion, this paper assumes:

**H2: Perceived organizational support has a positive effect on employee job satisfaction.**
Job Satisfaction and its effect on Turnover Intention

Job satisfaction is defined as the degree of satisfaction with the job and its main aspects (Cicolini et al., 2014). Based on the literature, job satisfaction can negatively predict turnover intentions (Olayiwola, 2016), and thus dissatisfied employees usually have intentions to leave the organization, resulting in actual turnover (Griffeth et al., 2000). Pahlevan Sharif et al. (2021) proved that there is a negative correlation between job satisfaction and turnover intention. Previous studies have shown that employees’ job satisfaction had an adverse influence on their intention to leave (Kihye et al., 2015; Li et al., 2019). Ganji et al., (2021) in their research on their university employees have found that job satisfaction correlates negatively with turnover intention. Li et al. (2019) also show that job satisfaction is a major forecaster of employee turnover intention. According to Silva, R., 2022, work satisfaction is the most important predictor of employees’ turnover intention in organizations. Increased job satisfaction is linked to lower turnover intention, according to studies by Nguyen et al. (2020), Schleicher et al. (2015), Yuh & Choi (2017), and Yanchus et al. (2017). Accordingly, the following hypothesis can be assumed:

H3: Employees’ job satisfaction negatively affects their turnover intention.

The mediating effect of job satisfaction

Researchers show that ethical behavior in an organization leads to a pleasant feeling in employees about their work, who then tend to feel safe in the workplace. This translates into higher job satisfaction and positive attitudes and behavior that reduce employee turnover intentions (Eisenbeiss, 2012; Ganji & Johnson, 2020). Few studies have tested the mediating effect of job satisfaction on the relationship between ethical climate and workers’ turnover intention. Ganji et al. (2021) state that job satisfaction mediates the impact of ethical climate and perceived organizational support from one side and turnover intention from the other side. Furthermore, job satisfaction is a mediator by which ethical leadership is linked to the employee turnover (Shafique et al., 2018). Therefore, the ethical climate in the company can reduce employees’ turnover intention by increasing their job satisfaction. Thus, the following hypothesis can be suggested:

H4: Job satisfaction mediates the effect of ethical climate on employee turnover intention.

Moreover, through job satisfaction, perceived organizational support can influence turnover intention. Jayasundera et al. (2016) and Imran et al (2014) found that job satisfaction has a mediating role in the relation between perceived organizational support and turnover intention. Furthermore, other studies confirmed the mediating effect of this relationship such as Cropanzano et al. (1993), Ganji et al. (2021), and Zhou (2009). In addition, Pahlevan Sharif et al. (2021) shown that work satisfaction plays a mediation function in the organizational support-turnover intention connection. This finding reinforces prior research that found work satisfaction to be a mediator in the mechanisms behind turnover intentions (Li et al., 2020; Regts & Molleman, 2013). According to this literature, this hypothesis can be established:

H5: Job satisfaction mediates the impact of perceived organizational support on employee turnover intention.

According to Hertzberg’s motivational theory, this study depicts the influence of ethical climate and organizational support as motivational factors, on job satisfaction. Moreover, the effect of job satisfaction on turnover intention is supported by social exchange theory, which shows that employees are expected to stay in a job in exchange for its perceived benefits and respect.

Methodology

Participants

This research was carried out on public and private sector employees in Saudi Arabia. The data was collected through a self-administered questionnaire evaluating the study variables, i.e., organizational sup-
port, ethical climate, job satisfaction, and turnover intention. Using the random sampling technique, the questionnaire was sent to more than 300 employees. However, only 274 employees responded fully.

**Measures**

**Organizational support**

The questionnaire used an organizational support scale of six questions according to Cheng et al. (2013); Ganji and Kafashpor (2016).

**Ethical Climate**

Ethical climate questions were six written based on Olayiwola’s (2016) questionnaire.

**Job Satisfaction**

Job satisfaction questions included five questions derived from the questionnaires of Fock et al. (2011), and Kinicki et al. (2002).

**Turnover Intention**

Finally, the questionnaire used a turnover intention scale consisting of three questions according to Ganji and A Hancock (2016) and Cheng et al. (2013).

**Scaling**: Each question was recorded on a five-point Likert scale: [1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), 5 (strongly disagree)]

**Data Analysis Method**

The quantitative methods used to analyze data are descriptive statistics (mean and standard deviation), reliability statistics and Cronbach’s Alpha, and the correlation matrix of all variables were examined using SPSS software. Then, path analysis was conducted using AMOS.

**Results**

**Descriptive Frequencies:**

Table 1 illustrates the respondents’ demographic variables, including gender, age, and experience of participants.

**Descriptive Statistics**

Table 2 illustrates the descriptive statistics of the studied variables, including the minimum and maximum scores, mean, and Std. deviation. In the table, organizational support had the lowest mean of 2.9845, and ethical climate had the highest mean of 3.7182. This means that organizational support in the sample was suitable, but it needs to be improved. In Table 3, the correlations between variables are demonstrated.

According to the findings, there was a significant positive correlation between organizational support and job satisfaction ($r=0.666; \ p<0.01$). Relatively, the ethical

<table>
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<th>Table 1 – Demographic Variables</th>
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<tr>
<td><strong>Gender</strong></td>
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<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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<tr>
<td>Total</td>
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<th>Table 2 - Descriptive Statistics</th>
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<tbody>
<tr>
<td><strong>Minimum</strong></td>
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<tr>
<td>Organizational Support</td>
</tr>
<tr>
<td>Ethical Climate</td>
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<td>Job Satisfaction</td>
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<td>Turnover Intention</td>
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climate had a positive correlation with job satisfaction (r=0.481; p<0.01). There was a significant negative correlation between job satisfaction and turnover intention (r = 0.597; p<0.01).

According to Table 3, all variables are correlated with each other at the 0.01 significance level.

**Reliability Analysis of the Scales**

Table 4 shows the reliability analyses we had conducted for the Organizational support, Ethical Climate, Job Satisfaction, and Turnover Intention. According to the reliability analysis, the Cronbach’s Alpha for Organizational support was .881. While the reliability of the Ethical Climate was .882. The reliability of Job Satisfaction was .885. The reliability of Turnover Intention was .811. Based on these findings, the scales are reliable and acceptable.

**Path Analysis for Testing Research Model**

A path analysis was conducted using the (AMOS) version 23 to test the hypotheses. The theoretical model displayed in Figure 1 was tested. Table 5 shows a summary of the results of model fit. The indicators show that the study’s model fit adequately (CFI = .996, IFI = .996, TLI = .989, χ2= 3.295 df = 2, RMSEA = .049). The study reached the best model.

**Structural Path Analysis Results**

<table>
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<tr>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Label</th>
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<tbody>
<tr>
<td>Job.Satisfaction &lt;&lt;&lt; Organizational Support</td>
<td>.577</td>
<td>.050</td>
<td>11.456</td>
<td>***</td>
</tr>
<tr>
<td>Job.Satisfaction &lt;&lt;&lt; Ethical Climate</td>
<td>.246</td>
<td>.055</td>
<td>4.460</td>
<td>***</td>
</tr>
<tr>
<td>Turnover Intention &lt;&lt;&lt; Job.Satisfaction</td>
<td>-.703</td>
<td>.057</td>
<td>-12.285</td>
<td>***</td>
</tr>
</tbody>
</table>

According to Figure 2, the impact of ethical climate on job satisfaction was confirmed (β=0.25, P<0.01), supporting (H1). Moreover, there is a significant effect of organizational support on job satisfaction, supporting (H2). Finally, a significant negative effect of job satisfaction on turnover intention was found (β=0.70, P<0.01), supporting (H3). Previous results support (H4 and H5)**
that suggested that job satisfaction mediates the effect of both organizational support and ethical climate on turnover intention.

**Discussion and Conclusion**

This study aims to investigate the effect of ethical climate and organizational support on turnover intention and to examine the mediating role of job satisfaction in the Saudi private and public sectors.

According to the results, the first hypothesis (H1) supported that an ethical climate can positively predict job satisfaction. This result agrees with the findings of some studies such as Ahanchian and Ganji (2017), Chinomona et al. (2017), Ganji and Ahanchian (2016), and Olayiwola (2016). This result means that when there's a great extent of ethical climate in the organization, employees have a great level of job satisfaction. Thus, to have employee job satisfaction, organizations should promote behavioral guidelines that drive the interpretation of what is right and wrong.

According to the results, the second hypothesis (H2) supported that perceived organizational support can positively affect job satisfaction. This result consents with the findings of Cheng et al. (2013) and Chinomona et al. (2017). This result implies that the employees’ contentedness with their job raises when companies provide an environment that contributes to and cares about the employee’s well-being.

According to the results, the third hypothesis (H3) supported that job satisfaction can negatively affect turnover intention. This result agrees with the findings of Zamanan et al. (2020), Ganji and Johnson (2020), Li et al. (2019), and Olayiwola (2016). This result implies that the greater the extent of job satisfaction in the organization, the greater the intention of employees to stay in it. Thus, to have low employee turnover intention, organizations should promote reasons for job satisfaction such as ethical climate and organizational support, as mentioned in H1 and H2.

According to the results, the fourth hypothesis (H4) supported that job satisfaction mediates the effect of ethical climate on employee turnover intention. This result agrees with the findings of Ganji et al. (2021). This result implies that the job satisfaction caused by the ethical climate organizations provide will lead to a positive rise in the feelings and cognitions of employees towards their work, and thus show positive behaviors at work because of what they perceive in the organization of moral atmosphere and virtuous ethics practiced. As a result, employees desire to maintain their work and have less intention to leave it.

According to the results, the fifth hypothesis (H5) supported that job satisfaction works as a mediator between perceived organizational support and employee turnover intention. This result agrees with the findings of Ganji et al. (2021). The result indicates that the job satisfaction caused by organizational support provided by organizations will lead to a positive rise in the feelings and cognitions of employees towards their work, and thus show positive work behaviors because they believe that their organization values their contributions, fulfills their socioemotional needs, and cares about their well-being. As a result, employees’ turnover intention decreases, and their desire to maintain their work increases.

**Practical Implications**

We conducted the study to help the human resource management departments in the private and public sectors in Saudi Arabia to discover how motivational factors such as ethical climate and organizational support and their effect on job satisfaction could help organizations acquire and maintain their talented workforce and decrease their turnover intention.

Human resource is important for organizations, so they should implement the best practices to obtain and maintain their human capital. One of the best approaches used to decrease turnover intention is to improve employees’ feeling of organizational support. When organizations use favorable HR practices such as giving financial and non-financial benefits, providing aid with their job when needed, paying attention to
their training, solving their complaints, listening to their voice, rewarding their increased performance, and defending their rights, then employees, based on the norm of reciprocity, are more satisfied with their jobs, feel more closely connected with the organization, view organizational goals as their own and give their organizations more loyalty and commitment.

Thus, organizational support leads to increased employee job satisfaction and lessened turnover intention. (Eisenberger et al., 2016) and Ganji et al. (2021). To improve the ethical climate, companies should provide employees with more power over their work, enforce penalties evenly for violations of the ethics policy, regardless of the offender’s high or low status, and develop some rules and procedures to change unethical behavior. If workers have an ethical climate and more control over the results of their work, they are ready to, based on the norm of reciprocity, justify the company’s trust in them and make the proper decision. These variables significantly increase productivity and create a healthy workplace that is needed for today’s labor market.

**Limitations and Further Research Directions**

This study has some limitations. One limitation is that the data was collected in the Saudi workplace. It is suggested for further research to test the model in other societies and to increase the sample so that results can prove generalizability. Moreover, this research studied the mediator effect only, so there’s a chance for further research to study if any variable can work as a moderator. Finally, this study questionnaire has been filled by employees working in the private and public sector, further research can include nonprofit organizations as ethical climate and organizational support may be seen differently in this kind of organization.
References:


