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ACTUAL VOLUNTARY TURNOVER: A STUDY OF JOB EMBEDDEDNESS, PAY SATISFACTION, AND PERCEIVED ALTERNATIVE JOB OPPORTUNITIES

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DOCTOR OF PHILOSOPHY
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ACTUAL VOLUNTARY TURNOVER: A STUDY OF JOB EMBEDDEDNESS, PAY SATISFACTION, AND PERCEIVED ALTERNATIVE JOB OPPORTUNITIES

By

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Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
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in fulfillment of the Requirement for the Degree of Doctor of Philosophy
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ABSTRACT

Past literature supports negative links between job embeddedness, pay satisfaction and actual voluntary turnover (AVT), several meta-analytical studies have reported weaker links between these constructs. As a result, calls for further research has been suggested, particularly on the interactive process through which both job embeddedness and pay satisfaction are likely to influence AVT. The purpose of this study was also to explore the likely interactive effect of perceived alternative job opportunities on job embeddedness, pay satisfaction, and AVT. A mixed-method approach was used. Data were obtained from a survey sample of 216 and nine interviewed former faculty members of public universities in Nigeria. Using partial least square structural equation modelling (PLS-SEM), the quantitative results indicated that both organizational embeddedness and pay satisfaction were significantly and negatively related to AVT. On the contrary, community embeddedness demonstrated no significant effect on AVT. The results further showed that perceived alternative job opportunities moderated the relationship between organizational embeddedness and AVT, as well as between pay satisfaction and AVT. But, no significant interaction effect was found between perceived alternative job opportunities and community embeddedness. In addition to the survey, semi-structured interviews were conducted. The results of the interviews showed that the dysfunctional nature of the university’s work environment and longer commute time were important contributors to their reason for leaving. The qualitative result also revealed that the disparity in pay between public and private universities played a critical role in the participants’ decisions to actually leave. Additionally, unsolicited job offer was also identified as another reason that influenced their turnover decisions. Overall, the qualitative results complemented the survey findings in that they were able to further clarify and elaborate the latter. Implications of the results for future research and practice, as well as the limitations of the study are highlighted.

Keywords: actual voluntary turnover, job embeddedness, pay satisfaction, perceived alternative job opportunities, mixed-method, Nigeria
ABSTRAK


*Kata kunci:* lantik henti sebenar secara sukarela, sematan pekerjaan, kepuasan bayaran, peluang pekerjaan alternatif ditanggap, kaedah bercampur, Nigeria
ACKNOWLEDGEMENT

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<td>ASUU</td>
<td>Academic Staff Union of Universities</td>
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<td>AVE</td>
<td>Average Variance Extracted</td>
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<td>CAQDAS</td>
<td>Computer Assisted Qualitative Data Analysis</td>
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<td>CMV</td>
<td>Common Method Variance</td>
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<td>EM</td>
<td>Expectation Maximization</td>
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<td>EOI</td>
<td>Employment Opportunity Index</td>
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<td>Higher Education Institution</td>
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<td>MI</td>
<td>Multiple Imputations</td>
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<td>NUC</td>
<td>National Universities Commission</td>
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<td>Perceived Alternative Job Opportunities</td>
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<td>PSQ</td>
<td>Pay Satisfaction Questionnaire</td>
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<td>SET</td>
<td>Social Exchange Theory</td>
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<td>Social Interdependence Theory</td>
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<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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<td>VIF</td>
<td>Variance Inflation Factor</td>
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CHAPTER ONE

INTRODUCTION

1.1 Background of Study

In the recent past, actual voluntary turnover (AVT) has become a subject of importance among practitioners and researchers of organizational behavior (Allen, Bryan, & Vardaman, 2010; Hancock, Allen, Bosco, McDaniel, & Pierce, 2013; Segrest, Andrews, & Hurley-Hanson, 2015). As a self-initiated behavior (Morrell, Loan-Clarke, & Wilkinson, 2001), actual voluntary turnover occurs when employees actually disengage or leave the organization on their own accord (Böckermann, Ilmakunnas, Jokisaari, & Vuori, 2013; Davidson & Wang, 2011). In this instance, the actual permanent voluntary disengagement may have been influenced by another job which offers more in terms of meeting employee expectation, changes in personal circumstances, or a change in career direction (Donnelly & Quirin, 2006). Put differently, actual voluntary turnover refers to an employee exercising his or her free choice to voluntarily leave a current employment in favor of opportunities identified with another (Beecroft, Dorey, & Wenten, 2008).

As a costly and pervasive phenomenon, actual voluntary turnover has continued to draw the attention of practitioners and researchers (Clausen, Hogh, Carneiro, & Borg, 2013; Huffman, Casper, & Payne, 2014; Hom, Mitchell, Lee, & Griffeth, 2012; Law, 2010; Maertz & Boyar, 2012; Maynard & Parfyonova, 2013; Steel & Lounsbury, 2009). Existing literature has shown that AVT not only results in
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