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Research Paper

Organisational Image's Moderating Effect on Cynicism and Turnover Intentions in Public Sector Employees

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Abstract

This study examines the relationship between organizational cynicism and the intention to leave an organization, emphasizing the moderating role of corporate image. The research explores how organizational cynicism impacts an employee's desire to leave, focusing on how the organization's image might influence this relationship. This study fills a gap by specifically analyzing the interplay of these elements, especially among public sector employees in Indonesia. In this study, the perceived external prestige was an indicator of organizational image. A survey was conducted with 80 public sector employees from a government agency in a district in Indonesia to collect data for this study. Social exchange theory served as the theoretical framework of the investigation. The data were then analyzed using Moderated Regression Analysis to determine the regression coefficients, followed by a two-way interaction ANOVA test. According to the data, cynicism is a major predictor of the desire to leave the organization, and organizational image helps mitigate the link between cynicism and intention to leave. This study contributes to the existing body of knowledge by shedding light on the influence of adverse workplace perceptions on employees' intentions to leave their employers, particularly in public sector firms. Notable because it analyzes the interplay between these variables, this study stands out. Prior research has not investigated all three components concurrently in the manner proposed by the model.

Keywords: *Organizational Cynicism; Turnover Intention; Organizational Image; Perceived External Prestige; Social Exchange Theory*

INTRODUCTION

The phenomenon of staff turnover has garnered heightened attention from a myriad of organizations across the globe(Ait Alla & Rajâa, 2019). An escalating turnover trend has been observed across diverse sectors and has increased in every field (Chun Chiat & Aisyah Panatik, 2019a). This is not exclusive to private enterprises; public sectors also report significant staff turnover rates (Ko & Campbell, 2020). Employee turnover has been one of organizational behavior's most extensively studied phenomena. Historically, it has been a pivotal concern in organizational management. Such turnover has presented itself as a significant challenge for many organizations with deep implications. Particularly within human resources management, it had been viewed as a pressing issue (Wu & Polsaram, n.d.-a). The repercussions of employee turnover on organizations have been profound, primarily because of the associated costs. These effects could have adversely impacted productivity, sustainability, competitiveness, and profitability (Al-Suraihi et al., 2021).

The turnover phenomenon has attracted significant academic scrutiny, resulting in a more thorough exploration of turnover intention (Martini et al., 2023; Moreira et al., 2020). Selden and Sowa (2015) defined employee turnover as the act of resigning or departing from an organization, while Moreira et al. (2020) offered similar insights, while Meyer, Allen, and Smith (1993) previously posited that turnover implies employees pursuing new employment opportunities. Lee et al. (2019a) posited that employee turnover intention was the preeminent predictor of turnover. Many studies have explored employee turnover intention (Abugre and Acquaah, 2022; Martini, Gerosa, and Cavenago, 2023. Moreover, within the realm of employee behavior studies, it had been

viewed as a critical element and typically represented the final stage before an employee's voluntary departure.

Multiple studies have linked turnover intention to individual-related organizational aspects. Organizational cynicism causes attrition and incivility (Manzoor et al., 2020). Cynicism and turnover intentions are highlighted as detrimental to organizations' sustainability, and the cognitive and affective dimensions of cynicism are significant predictors of turnover intention.(Cicek et al., 2021). Organizational cynicism is a negative attitude towards an organization and its members and is often caused by a lack of trust in the organization.(Pfrombeck et al., 2020). Moreover, cynicism predicts turnover (Arsalan Khan, 2014; Cicek et al., 2021; Herrbach et al., 2004a; Manzoor et al., 2020).

On the other hand, enhancing corporate reputation is an effective strategy for reducing turnover intention in the Saudi Arabia banking sector (Alnehabi, 2023). Business prestige affects absenteeism, extra-role activity, and engagement (Rho, Yun, & Lee, 2015), and previous research shows that organizational image affects employee behavior (Hameduddin & Lee, 2021). Organizational image is defined as the internal perceptions held by members of the organization itself. These perceptions have a significant impact on both organizational-level outcomes, such as the retention of talented employees, and individual-level outcomes, such as the attraction of competent future employees (Banking & Waterhouse, 2019; Gioia et al., 2014; Rho et al., 2015). Prior research has shown that organizational image is associated with turnover intention, with negative perceptions potentially leading to increased intention to leave (Herrbach et al., 2004; Peña-González et al., 2021; Serrano Archimi et al., 2018).

These findings highlight the significance of understanding and addressing organizational cynicism and its impact on turnover intentions in the public sector. Effectively managing and mitigating the factors contributing to organizational cynicism may prove crucial in enhancing employee retention and overall organizational effectiveness. This study explored how organizational image influences organizational cynicism and employee turnover intentions. Recognizing and managing the organizational image is paramount for entities, given its profound effects on internal operations and external standing. Scholarly literature emphasizes the pivotal role of organizational image and cynicism in shaping employee behaviors, engagement, and turnover propensities, rendering it a critical research domain to bolster organizational performance and efficacy.

LITERATURE REVIEW
Organizational Cynicism and Turnover Intention

Management's role in mitigating cynicism's adverse effects is pivotal (Sen et al., 2022). A conducive work culture that promotes transparency, open dialogue, and inclusive decision-making can curtail cynicism (Fattah et al., 2022). Prioritizing employee well-being, work-life balance, and development can deter turnover intentions. In sum, organizational cynicism and the inclination to leave public organizations have a nuanced relationship shaped by multiple individual and organizational factors. Addressing organizational cynicism and fostering a positive work environment can enhance organizational efficacy and reduce turnover risks (Namin et al., 2022).

Organizational cynicism pertains to individuals' skepticism towards their institution, characterized by diminished trust and the belief that the organization prioritizes its interests over employee welfare (Noh et al., 2019a; Sen et al., 2022). In contrast, turnover intention indicates an employee's inclination to leave their current role in search of another job opportunity (Abugre & Acquaah, 2022). In public entities, organizational cynicism and turnover intention can be closely linked(Noh et al., 2019). High cynicism often precipitates reduced job satisfaction and commitment, fostering feelings of being undervalued and disengagement (Sen et al., 2022). This disillusionment

can prompt employees, especially in competitive labor markets, to seek alternative employment that better aligns with their professional aspirations (Lazzari et al., 2022; Moreira et al., 2020). However, the relationship between organizational cynicism and leaving is not always linear. Despite doubts, some employees may remain driven by financial stability, limited job alternatives, or personal reasons (ShiChao et al.). Employees may also exhibit diverse reactions to cynicism, with some developing coping strategies (Yüksel & Şahin, 2017).

The previous research reported that organizational cynicism predicts turnover intention, which is seen as a negative consequence (Chun Chiat & Aisyah Panatik, 2019b; Cicek et al., 2021; Pfrombeck et al., 2020). For instance, (Abugre & Acquaah, 2022; Afghan et al., 2018) recently concluded that organizational cynicism directly affects turnover intention. Therefore, it can be proposed that:

H1: There is a relationship between organizational cynicism and turnover intention in public organization
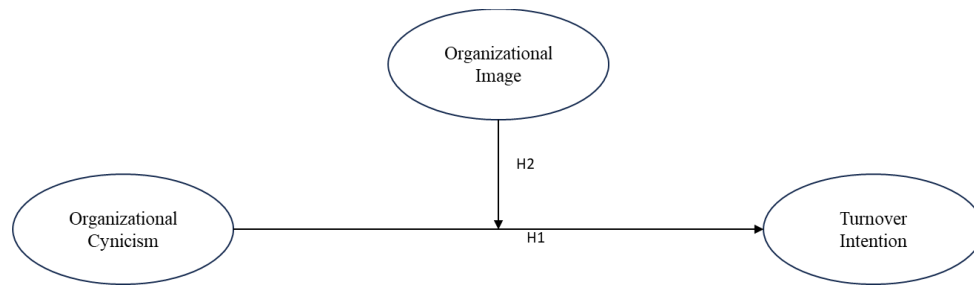
Organizational Image as Moderator

Organizations constantly interact with both internal and external environments. Within the external milieu, the organizational image emerges as a pivotal representation of the entity to the outside world. Public organizations, particularly, have reputations anchored in community service and professionalism (Dutton et al., 1994; Lee et al., 2023). An existing correlation links employee satisfaction to turnover intentions. This research analyzes the impact of Perceived External Prestige (PEP) on public sector employees' propensity for job change (Hameduddin & Lee, 2021). Organizational image encompasses messages directed externally by management to craft a consistent and positive perception (Lee et al., 2023). The perception of external prestige strongly predicts employees' emotions and relevant behaviors (Khan et al., 2021).

Building on Lazzari, Alvarez, and Ruggieri's (2022) study, which utilized predictive modeling to explain turnover intentions, this research adds new dimensions. They incorporated job satisfaction, management perceptions, and organizational pride. Our examination perceives these factors as manifestations of cynicism and organizational image, suggesting their role as precursors to turnover intentions. While organizational cynicism and turnover intention are anchored internally, organizational image leans externally. Organizations, influenced by both spheres, manifest these dual influences in myriad ways (Daft, 2010).

Public sector reputation, the external façade, represents symbolic beliefs about organizational capacities, intentions, and missions, as discerned by a wide audience (Moynihan et al., 2011). Contrary findings by Herrbach (2004) and Kamasak (2011) asserted that PEP lacked a moderating effect on job satisfaction and turnover intentions. Nevertheless, given the public sector's external challenges, these external factors undeniably shape public employee attitudes(Khan et al., 2021). Notably, Hameduddin (2023) discerned perceived organizational identity (POI) as a crucial moderator between construed external image (CEI) and employee engagement. As POI and CEI contribute to the organizational image, this research probes its potential as a modulating factor in public sector employee attitudes and behaviors.

In conclusion, while expanding on Lazzari, Alvarez, and Ruggieri's foundational research, this study delves into deeper factors influencing turnover intentions. The causality approach elucidates trust and satisfaction as paramount influencers. Based on these elucidations, we propose the subsequent hypothesis:

H2: Organizational Image moderates the relationship between organizational cynicism and turnover intention in the public organization

Source: Researcher, 2023

Figure 1. Conceptual Model

RESEARCH METHOD

We quantified cynicism, organizational image, and turnover intention in public sector enterprises with image difficulties. It transfers Indonesian personnel. To broaden the study, we used a census. To gain varied perspectives on the examined constructions, we included 80 employees. Google Form surveyed personnel in June 2023. Each questionnaire's cover page briefly defined the study's goal and pledged anonymity and confidentiality. The cover page lists the researcher's contacts. Management would not see the data collected and accessed anonymously by the study crew. Academic research emphasized participant anonymity. We also reminded people that participation was voluntary and no wrong answers existed. Organizational image moderated public sector employee cynicism and turnover intention. Structural moderated regression and two-way ANOVA examined the moderator. We surveyed 80 employees. Before agreeing, the CEO sought a questionnaire and study specifics. We shared the questionnaire to explain the study's purpose and ethics. Eighty completed questionnaires yielded 100% responses. 27 (33.8%) had Grade 2, 48 (60%) Grade 3, and 5 (6.3%) had Grade 4. These grades show the respondents' jobs. The youngest was 23, and the oldest was 55. From three to 31, the average tenure was 15.89 years.

Measurement

We used Brandes et al.'s (1999) Organizational Cynicism Scale to measure the independent variable in our study. The scale has three dimensions (cognitive, affective, and behavioral) with 12 items. Cognitive has five items, and affective and behavioral have four items each. Hom et al. (1984) and Mitchell et al. adapted a three-item scale to measure turnover intention. Examples include: "Thinking about the institution I work for makes me angry" and "I express my dissatisfaction with work to people outside the institution." The original items were in English, so we used a blind translation technique (Brislin, 1980) to translate them into Indonesian (2001). An example item: "Do you plan to leave the organization in the next 12 months?" Overman et al. (2020)'s scale was used to measure organizational image as a moderating variable. It has three dimensions (performative, moral, and legal procedural) with seven items.

FINDINGS AND DISCUSSION
Validity and Reliability

Table 1 shows that each statement item's loading factor ranges from 0.648 to 0.913, making this research's operational items viable. Thus, the next test assessed variable internal and external consistency. According to the table, the operational items utilized in this research are legitimate and reliable since Cronbach's alpha varies from 0.930 to 0.940 and internal consistency (Corrected Item Total Correlation) is 0.552 to 0.887.

Table 1. Validity, Reliability and Common Method Bias

Variables	Items	Factor Loading	Corrected Item Total Correlation	Cronbach Alpha	Total % Variance
TurnOver Intention	TOI1	0.913	0.887	0.940	
	TOI2	0.905	0.887		
	OCY1	0.788	0.757		
	OCY2	0.653	0.552		
	OCY3	0.787	0.751		
	OCY4	0.696	0.593		
	OCY5	0.648	0.553		
Organizational Cynicism	OCY6	0.855	0.867	0.935	
	OCY7	0.821	0.832		
	OCY8	0.842	0.842		40.499%
	OCY9	0.846	0.827		
	OCY10	0.751	0.699		
	OCY11	0.736	0.729		
	OIM1	0.774	0.668		
	OIM2	0.855	0.812		
	OIM3	0.869	0.843		
Organizational Image	OIM4	0.902	0.877	0.930	
	OIM5	0.799	0.730		
	OIM6	0.801	0.760		
	OIM7	0.811	0.764		

Source: Data Processed, 2023

In addition, table 1 also shows that the value of the total % variance < 50%, which means that it can be concluded that there is no common method bias in this study.

Regression Analysis

To answer the formulation of problems and hypotheses formed in this research, we test the hypotheses using Moderated Regression Analysis, The hypothesis test results are shown in Table 2.

Table 2. Moderated Multiple Regression

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OUTCOME VARIABLE:
 Turnover

Model Summary
          R        R-sq       MSE          F         df1         df2           p
      .3911       .1530     .4185     4.5752      3.0000     76.0000        .0053

Model
             coeff         se           t           p         LLCI        ULCI
constant   -2.7185     1.7822     -1.5254       .1313      -6.2681       .8311
Cynicism    1.7730      .6443      2.7516       .0074        .4897      3.0563
Image        .8071      .3939      2.0490       .0439        .0226      1.5916
Int_1       -.3615      .1449     -2.4943       .0148       -.6501      -.0728

Test(s) of highest order unconditional interaction(s):
        R2-chng          F         df1         df2           p
X*W       .0693     6.2215      1.0000     76.0000        .0148
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    Focal predict: Cynicism (X)
          Mod var: Image     (W)

Conditional effects of the focal predictor at values of the moderator(s):

     Image     Effect         se           t           p         LLCI        ULCI
    3.4628      .5213      .1644      3.1716       .0022        .1939       .8487
    4.1378      .2773      .1001      2.7719       .0070        .0781       .4766
    4.8127      .0334      .1102       .3029       .7628       -.1861       .2528
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Source: Data Processed, 2023

Table 2 supports hypotheses 1 and 2, which state that there is a relationship between organizational cynicism and turnover intention and that organizational image moderates this relationship. The unconditional interaction test in Table 2 shows that when the image is low or medium (image = 3.4628; t = 3.1716 and image = 4.1378; t = 2.7719 respectively), it increases cynicism towards the institution (Figure 2).
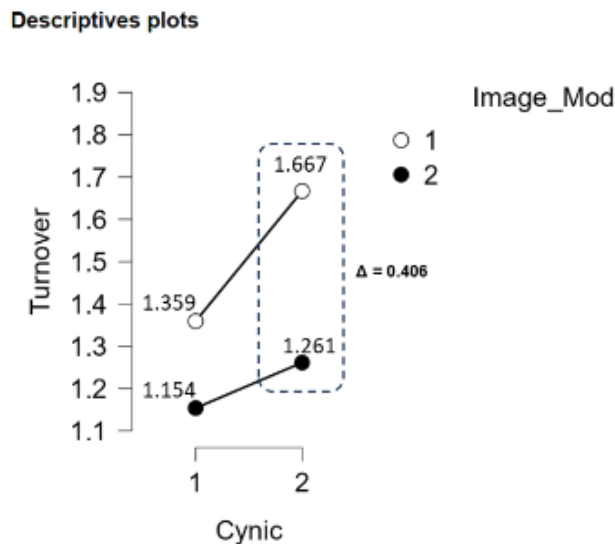
Source: Researcher, 2023

Figure 2. ANOVA two-way interaction

Organizational image moderates skepticism and turnover intention (Figure 2). Cynicism in an organization increases turnover but promotes the company's reputation, which decreases turnover. Organizational cynicism boosts turnover. It creates a terrible environment, diminishing job satisfaction, dedication, and motivation. Cynical workers are unmotivated. Unappreciation, lack of power, and missed expectations might lead to job searches. Other factors may affect organizational cynicism and turnover intention. Finances, family, and work confidence influence employee relocation. Organizational factors include HR, career development, work environment, and management support. Skepticism management and a pleasant workplace diminish turnover intention. A company's image reduces skepticism. A positive image minimizes turnover and skepticism. Employees' opinions shape the company's image. Company image reduces employee skepticism. Attractive workplaces. This image is shaped by awards, reputation, employee satisfaction, and product/service quality. Positive working attitudes motivate and engage workers. It makes companies seem sympathetic, career-oriented, and desirable. Cynicism decreases. Marketing and communication improve company image. Transparency benefits employees and the public. Creating a healthy work culture and aligning rules and practices with principles can boost trust and reduce skepticism. By focusing on its image and offering a nice work environment, the company may reduce skepticism and retain people.

CONCLUSIONS

Building upon Lazzari, Alvarez, and Ruggieri's (2022) work that utilized predictive modeling to discern employee turnover intention. Our study broadens this realm. They had previously identified factors such as work conditions, management satisfaction, and organizational pride as predictors. We highlight the role of anguish, dissatisfaction, and hopelessness—factors aligned with

cynicism and turnover intention as conceptualized by Stern (1990). Therefore, these elements are considered precursors to turnover intention. Our investigation contributes to the scholarship of Bankins and Waterhouse (2019), Carmeli and Freund (2009), and Herrbach et al. (2019) by delineating the influence of organizational image on turnover intentions. Significantly, we introduce organizational image as a moderator, analyzing its impact on employees' propensity to leave.

Employees' skepticism towards organizational strategies, policies, and relationships often underscores turnover intentions. For public sector leaders, these findings advocate incorporating insights on cynicism into retention planning. These leaders must prioritize the company's image, ensuring a conducive work environment to mitigate organizational skepticism. Our study underscores that enhancing organizational image can diminish employee cynicism. While this augments the discourse on cynicism, turnover, and organizational image, limitations persist. Our focus primarily hinged on cynicism and organizational image, suggesting that bolstering corporate image might counteract cynicism-induced turnover intentions, a prevalent challenge in the public sector.

LIMITATION & FURTHER RESEARCH

Future research should delve deeper into the behavioral attributes influencing turnover and the severity of public perceptions impacting an organization's image. Investigating how frequently a company's image is tarnished and which dimensions significantly affect organizational trust is crucial.

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