



## JOB SATISFACTION AND TURNOVER INTENTION OF BPO WORKERS: THE MEDIATING EFFECT OF SERVICE PERFORMANCE

Princess G. Cole<sup>1i</sup>,

Reynaldo C. Castro<sup>2</sup>

<sup>1</sup>Faculty of Business Administration,  
University of Mindanao - Digos,  
Philippines

<sup>2</sup>Vice President of External Relations and International Affairs,  
University of Mindanao,  
Philippines

### Abstract:

This study investigated the mediating effect of service performance on the relationship between job satisfaction and turnover intention of BPO workers in Davao City. In order to do so, this study employed the quantitative research design using the descriptive and correlational method via mediation analysis. Using proportionate stratified random sampling, primary data were gathered through the use of online survey questionnaires addressed to 373 respondents working in selected BPO companies in Davao City. In addressing the hypotheses of the study, correlation analysis using Pearson product-moment correlation and mediation analysis using Sobel z test were used. The level of job satisfaction and service performance was very high among BPO workers, while the turnover intention was low. Results also revealed job satisfaction to have significantly predicted turnover intention and service performance which satisfied the ground for mediation. However, service performance did not significantly predict turnover intention. Further analysis through the Sobel z test confirmed that the mediating effect of service performance on the relationship between job satisfaction and turnover intention is not significant.

**Keywords:** business management, job satisfaction, service performance, turnover intention, mediation, regression, Philippines

### 1. Introduction

Organizations face stiff competition, and one way to sustain their competitive edge is to retain their top-caliber employees. Over the years, the turnover rate has become the main challenge for industries, particularly the BPO sector ranging from 20 – 30 percent based

---

<sup>i</sup> Correspondence: email [princessgcole@gmail.com](mailto:princessgcole@gmail.com), [princess\\_cole@umindanao.edu.ph](mailto:princess_cole@umindanao.edu.ph)

on the survey conducted by Towers Watson Philippines in 2015. This report is further substantiated by industry data, showing consistent records of a high turnover rate compared to other major industries with 60 percent company attrition (The IT and Business Process Association of the Philippines and TeamAsia, 2014). While it has been declining for the past few years, from as high as 50 percent in 2007, 20 percent attrition is still considered high for any industry.

A high employee turnover rate can be detrimental as it directly affects the overall performance of an organization. Not only does it drive the organization to incur a huge cost in recruitment and training, but it also hampers the quality and consistency of services that organizations provide to their customers (Kumar and Pansari, 2016). When workers have a strong desire to quit the company, they frequently consider quitting, searching for a new job or better opportunities, and eventually resigning (Milovanovic, 2017). Organizations then run the risk of a fall in results, both quantitative and qualitative, and the cost of integrating and training new employees (Zito et al., 2018). Hence, a good understanding of the negative effect of turnover intention is vital to many organizations.

Several studies have found a correlation between job satisfaction and turnover intention (Reukauf, 2018; Zito et al., 2018; Milana, 2018). Increased job satisfaction contributes to increased profitability and tenure for the company (Che Nawi et al., 2016). In addition, the study of Mbah and Ikemefuna (2012 as cited in Alam and Asim, 2019) in Total Nigeria revealed that high job satisfaction lessens the probability of turnover intention. However, a study conducted by Slatten, Svensson, and Svaeri (2009, as cited in Khan et al., 2020) showed that employees' impression of their service could also affect their decision to leave.

Most of the empirical works conducted on service performance are using external rather than internal perspective (Babić-Hodović, Arslanagić-Kalajdžić, Banda and Sivac, 2019; Baffour-Awuah 2018; Ajmal, Khan and Fatima, 2018). Very few studies have focused on assessing service performance from the perspective of employees. Also, most of the studies are conducted in Western organizations and service industries such as hospitality and banking sectors, but none in BPO (Martini, Suardana and Astawa, 2018; Ramseook-Munhurrun, Naidoo and Lukea-Bhiwajee, 2010). Hence, this treatise was proposed to explore the mediating effect of service performance on the relationship between job satisfaction and turnover intention of BPO workers particularly, call centers in Davao City.

## **2. Research Objectives**

This study aimed to test if service performance significantly mediated the relationship of job satisfaction and turnover intention in the context of BPO workers in Davao City. In more specific terms, the study sought:

1. To assess the level of job satisfaction of BPO workers in terms of:
  - 1.1 job/work;

- 1.2 relationship at work;
- 1.3 communication;
- 1.4 recognition of performance;
- 1.5 compensation and benefits; and 1.6 corporate culture/environment.
2. To ascertain the level of turnover intention of BPO workers in Davao City.
3. To determine the level of service performance of BPO workers in terms of:
  - 3.1 tangibles;
  - 3.2 reliability;
  - 3.3 responsiveness;
  - 3.4 assurance; and
  - 3.5 empathy.
4. To determine the significance of the relationship between:
  - 4.1 job satisfaction and turnover intention;
  - 4.2 job satisfaction and service performance; and service performance and turnover intention.
5. To test if service performance significantly mediates the relationship between job satisfaction and turnover intention.

### 3. Literature Review

The information of the study was gathered and selected from books, articles available via the internet, and other academic publications to have a better understanding of the study.

#### 3.1 Job Satisfaction

Job satisfaction is a person's emotional response to their job, which could either be positive or negative (Bayarcelik and Findikli, 2016). In this premise, job satisfaction varies from person to person in the organization at multiple levels. Positive evaluation towards the job indicates job satisfaction, while unfavorable or negative attitude towards the job indicates job dissatisfaction (Milana, 2018). Contrarily, Alias et al. (2018) cited that job satisfaction can be described as the difference between what the employee expected to get from the organization and what the employee actually receives. Furthermore, job satisfaction also affects employees' decisions and willingness to stay or leave the current organization.

Employees leave the organization if job dissatisfaction supersedes job satisfaction (Jannsen, 2018). A high number of dissatisfied employees can have a domino effect on the organization as it increases the turnover rate, which could lead to unnecessary costs for the organization. Similarly, Abuhashesh, Al-Dmour, and Masadeh (2019) stated that highly satisfied employees are more likely to remain in the organization. The long-term employee usually has a greater level of accumulated skill and expertise, resulting in increased performance.

Moreover, job satisfaction is marginally but positively related to general performance measures (Chicu, Ryan, and Valverde, 2016). Satisfied employees tend to

exert more effort and provide better service performance. As stated by Milana (2018), job satisfaction is a pre-requisite to high service performance because satisfied employees are more open to quality enhancement and continuous improvement. On the other hand, Squires, Hoben, Carleton, and Graham (2015) contended that though dissatisfied employees are unlikely to leave their jobs, their feelings of frustration can affect them, their co-workers, and the quality of their work. They also have a proclivity for showing aggression toward colleagues.

There seems to be no general agreement as to what factors determine job satisfaction. Milana (2018) suggests that job satisfaction is determined by several factors, including pay packages, prospects of promotion, working environment, and workgroup. However, the indicators used in this study are based on the Employee Satisfaction Survey of the University of Mindanao, which was taken from Q Insights and Zarca Interactive. Six indicators are included to measure job satisfaction: job/work, relationship at work, communication, recognition of performance, compensation, and benefits, and corporate culture/environment.

*Job/work* is an important aspect of a person's life, and it utilizes a lot of personal and professional time compared to any other activities. It provides financial support to individuals to sustain their daily needs. Ali (2016) defined a job as the task undertaken in a particular setting, whereas work is more generally taken to cover the job. Durai and Shaju (2017) found that the nature of work itself is an important determinant of job satisfaction. A mentally challenging job that allows individuals to grow and experience success can be a source of motivation.

In the study conducted by Panchal (2016), work is one of the components of job satisfaction that receive a high level of satisfaction among employees. Job challenge, autonomy, variety, and job scope were among the factors used in predicting employees' job satisfaction. Similarly, Raziq and Maulabakhsh (2015) found that the characteristics of work and the ownership employees have in their job help them find their worth with respect to the value given to them by the organization. This statement is parallel to the study of Janssen (2017), which encouraged to increase in the job satisfaction of employees by making the job itself as interesting and challenging as possible for the employees.

Job satisfaction is heightened by the level of ownership the employees take in their job or how much they are intrinsically motivated to do their job (Russel, 2017). Fundamentally, employees must take a personal interest or establish a personal connection towards their job. In the study cited by Amarasena, Ajward, and Haque (2015), results show that jobs that provide opportunities for using skills and abilities, diversity of tasks, autonomy, and evaluation of their performance tend to be preferred by the employees.

*Relationships at work* occur among individuals from all levels of the organizational structure regardless of rank or position. Employees' working relationships have long been considered to be critical in assessing their overall performance scores. Research has long found a positive effect on employees' working relationships with their managers and co-workers in organizations (Tran et al., 2018). A good working relationship

contributes to a positive atmosphere in the workplace. Employees would be less likely to look forward to working every day if they did not get along with their manager and colleagues. Hence, one cannot deny that organizational success is inextricably related to the quality and consistency of working relationships among employees (Ramjee, 2018).

Moreover, organizations or businesses that do not have successful working relationships appear to have high turnover. It may also impact the employee's mental state, causing them to perform below the anticipated threshold (Abun et al., 2018). Employees will be able to do their work if they feel valued by their boss and co-employees. Job satisfaction is a product of successful working relationships, which greatly contributes to organizational success (Bakotic, 2016). Interaction with colleagues can create a sense of belonging, reinforce social identity, and positively contribute to the workplace.

The significance of work relationships cannot be gainsaid. The need for belongingness needs to be sustained and nurtured; otherwise, it will deteriorate (Patricia, 2015). The working relationship commences when the employee is hired and signed an agreement that creates an obligation between the two parties. Organizational success depends on how well employers and employees work together; thus, both sides must develop a relationship with each other. Additionally, Tran (2018) stated that workers who have a good relationship with their manager are likely to achieve superior results and perform more than their formal duties require.

On the other hand, relationships with colleagues are critical aspects of a fun and efficient work atmosphere. According to Ariani (2015), co-worker relationship is a major source of professional and emotional support. They generally have a good understanding of how the organization works and tidbits about organizational knowledge that people cannot access outside the organization. Hence, employees must feel free to communicate with one another to do their work happily. It is also important because quality working relationships go a long way toward inspiring and improving employee trust and morale (Abun et al., 2018).

In addition, employees must be able to collaborate with companies to accomplish their goals and objectives. Despite its pivotal role in the organization, *communication* does not seem to have a universal definition. Nabi, Foysol, and Adnan (2017) viewed communication as exchanging views, ideas, opinions, and suggestions between one or more people in the same organization. Many researchers assert that communication has a positive effect on employees' satisfaction. Musa, Ghazali, and Isha (2017) stated that job satisfaction is affected by employees' perceptions of the overall organizational communication. In the study conducted by Abdullah, Widiaty, and Abdullah (2018), the results show a significant relationship between communication and job satisfaction. This signifies that the extent to which the employees' goals are achieved through effective and appropriate interaction can affect the satisfaction they have towards their job.

Individuals in the organization need to socially interact, collaborate and propose to be affiliated with a group. As mentioned by Izvercian, Potra, and Ivascu (2016), communication can be viewed as the intention to share positive or negative experiences

with others. Markiz (2017) observed that while internal communication provides workers with important organizational and employment-related information, employees typically need more information and interact to meet interpersonal needs, making them feel part of the organization. This stimulates job satisfaction, which then enhances the competence and effectiveness of organizations.

The study by Sharma, Lampley, and Good (2015) also demonstrates a positive relationship among employees between communication and job satisfaction. Therefore, as organizations become more complex in form and function, re-evaluating how organizational communication takes place to ensure that they work efficiently becomes important. In parallel to these findings, communication dimensions were explicitly defined by Borovec and Balgač (2017): quality of the medium, organizational perspective, and inter-departmental communication as important predictors of job satisfaction. Therefore, it is fair to state that internal communication is one of the key activities that maximize organizational performance.

*Recognition* is a significant key to an organization's success because it lets people realize how their conduct makes a difference to their interests and the organization's objectives (Shonubi et al., 2016). It makes staff feel a greater sense of ownership, accountability, and pride. Amoatema and Kyeremeh (2016) added that employee recognition programs had been recognized to point out employee value and contribution at the right moment due to its instantaneous nature and the continuing dynamism of the work environment. It is a highly motivational instrument with a significant effect on employee job satisfaction.

Workers have different needs, goals, as well as differing viewpoints regarding appropriate and acceptable rewards and recognition for effective motivation (Akafo and Boateng, 2015). For this reason, it takes an in-depth understanding of individual differences and expectations of acceptable rewards and benefits, as well as a combination of extrinsic and intrinsic rewards, to inspire employees and improve their job satisfaction. Ahmad et al. (2017) stated that employee recognition programs keep workers in good spirits, raise their self-esteem, and establish a link between performance and engagement, which eventually leads to job satisfaction.

Recognition is described as the appreciation, greeting, or positive happenings of the agreement of an individual or team's behaviors. Amarasena, Ajward, and Haque (2015) indicate that appreciation of success is one of the most commonly used elements cited as a source of employee satisfaction or dissatisfaction at work. Every undertaking that supports a company's goal is acknowledged through informal input or formal organization-wide recognition. Organizations should remain versatile in their recognition methods since employees are driven by different forms of recognition (Ndungu, 2017).

In management, the key to understanding the process of creating a satisfied workforce lies in the significance of the relationship between needs, motivation, and rewards (Muguongo, Muguna, and Muriithi, 2015). For as long as organizations have existed, compensation has been regarded as a primary motivator of employees and an

important instrument and cost for organizations. Rewards have become relevant in recent years due to the economic conditions of both workers and organizations. It is a significant consideration for employee retention and work satisfaction (Iqbal, Guohao, and Akhtar, 2017).

*Compensation* is an essential factor that affects the preferences of future workers to join and stay in a company afterward. It refers to all forms of financial rewards that employees earn in return for their job, taking into account the contract, competence, and skills (Koitalek, 2016). Compensation is a valuable tool for management to contribute to the organization's efficiency and effectiveness and can positively impact employees' actions and productivity. Mabaso and Dlamini (2018) attested that compensation influences employee attraction and retention to achieve organizational goals. In addition, Sudiardhita et al. (2018) stated that compensation is important to employees as individuals because the remuneration itself reflects the value of their work relative to the overall task performance.

Compensation and benefits include certain fundamental aspects that aim to make workers satisfied with their jobs, including wages, bonuses, rewards, allowances, promotion, and recognition (Rahaman, Rahman, and Abdul, 2016). Similarly, Muhammad and Abdullah (2016) stated that compensation could influence employee behavior and organizational effectiveness. From an individual standpoint, compensation can increase the feeling of self-reliance. On the other hand, compensation creates a domino effect; that is - the design and implementation of compensation schemes influence employee motivation and a myriad of other outcomes such as improved safety, increased productivity, creativity, and innovation.

In addition, Expectancy theory posits that employees who perform well at work and put in more effort expect their employer to reward them with equal remuneration and benefits. Workers who are not fairly compensated for their contributions do not perform well at work. Low performance has resulted from the lack of a well-respected compensation system (Aladwan, Bhanugopan, and D'Netto, 2015). Compensation reflects the value of the employees among other employees themselves, their relatives, and communities. Thus, when employees view their compensation as inadequate and incongruent to the job performed, their job satisfaction and performance could drop drastically (Rahardjo, 2017). Therefore, it is necessary to design a fair compensation structure that reflects the value of employees in the organization.

*Organizational culture* reflects the organizational members' common interests, beliefs, and values. It is a function of history, product, industry, technology and strategy, employee type, management style, and national culture. On the other hand, corporate culture refers to those cultures purposely developed by management to accomplish particular strategic goals (Ahamed and Mahmood, 2015). Studies have affirmed a positive connection between corporate culture and job satisfaction. Osei-Owusu (2016) posits that employees' job satisfaction is influenced by culture; thus, corporations should establish systems that may increase the degree of collaboration, mutual trust,

appreciation for colleagues' views and feelings, and open-mindedness to obtain and accept input from their employees.

Academic and managerial professionals have reached the consensus that the central competence of an organization is organizational culture. It will affect the individuals, groups, and the whole organization (Qazi and Kaur, 2017). Organizational culture is often viewed as the precondition for organizational coordination. Belias et al. (2015) found that organizational culture can partially predict the job satisfaction levels of employees. Employees generally prefer to work in a cordial environment, where mutual trust and casual relationships among colleagues are dominant, personal interests are taken into account, and teamwork is rewarded.

The work environment directly affects employee's job satisfaction. Shravasti and Bhola (2015) pronounced that organizations with favorable working conditions contribute to employee job satisfaction and ultimately leads to high organizational efficiency. This pronouncement is parallel with the study of Sree and Satyavathi (2017), which concluded that the working environment positively influences employees' job satisfaction. Poor working conditions restrict employees from displaying their talents and reaching their potential, so it is important that organizations must recognize the value of a good working atmosphere.

The importance of the work environment in job satisfaction cannot be gainsaid. According to Agbozo et al. (2017), employees' productivity is mainly dictated by the environment in which they work. The greatest empirical evidence that suggests working conditions become progressively worse has to do with the declining job satisfaction rate. Similarly, Bhanu and Babu (2018) pointed out that a good working environment enhanced employee output. It allows the employees to work easily and smoothly without problems that may prevent them from performing up to their maximum potential.

### **3.2 Turnover Intention**

The turnover intention of employees pertains to the possibility of employees leaving their current position (Belete, 2018). Simply put, it is a precondition for actual turnover. Similarly, the turnover intention was expounded by Çinar (2015) as an employee's inclination to leave an organization in search of greater opportunities relative to their job. Although various studies attached different meanings to turnover intention, most researchers such as McInerney et al. (2015) correlated it with an employee's willingness or intent to leave the current organization.

The turnover intention was a cognitive process that involved a series of mental decisions before the employees ended their employment with an organization (Dwivedi, 2015). The employee first evaluates their present position and then assesses their degree of satisfaction with the organization and the job. They then weigh the possible outcome and the cost they might incur once they are out of the organization. Lastly, they evaluate the advantages and disadvantages of the alternative jobs available (Saridakis and Cooper, 2016). Contrarily, Bonds (2018) argues that the driving force behind an employee's



decision to remain or leave a company is not a sequence of steps but rather the employee's action or conduct against the organization.

Employees who consider leaving their current organization have no interest in investing in their current job (Wong, YT, Wong, YW, and Wong CS, 2015). Hence, organizations need to consider why workers want to remain or leave organizations and how employees explain it, which can be done by using a method explicitly developed to assess turnover intentions (Rothausen, Henderson, Arnold, and Malshe, 2015). This study adapted Roodt's (2004) turnover intention scale to measure the turnover intention of BPO workers, which was also used by Taboli (2015) in his quantitative research.

### **3.3 Service Performance**

Service performance is defined as a customer's assessment of the quality, and excellence of an organization's services in relative terms (Hosseini, Zainal, and Sumarjan, 2015). It creates direct experiences that make it possible for the customers to become accustomed to brand recognition and brand meanings, thereby creating brand loyalty. As internal customers, employees are often the first to get in touch with customers and they can either create or destroy the organization's credibility; thus, knowing their perception of service performance is crucial because their assessment of the whole process or service transaction determines the type of service performance the organization can deliver to the organization (Promkaew and Tembo, 2017).

Service industries are seen as challenging sectors that serve a variety of customers. These services are delivered by the companies' employees (Palaniswamy et al., 2017). Therefore, there is a direct relation and interaction when delivering services between employees and their clients, which gives employees a strong hand in satisfying these clients. In fact, among other factors, employees' performance is the greatest factor influencing client satisfaction. Owing to the perceived importance of service employees in service delivery, many studies have stressed the need for service managers to monitor their job satisfaction (Gupta, 2016). Apparently, employees who are pleased and contented with their jobs are likely to be attentive, accommodating, polite, and mindful of both co-workers and customers.

There are two levels of service performance that have been taken into account: the organizational level and the individual level (Hanafi and Ibrahim, 2018). However, this study will focus on the individual level of performance and its mediating effect between job satisfaction and turnover intention. Schepers and van der Heijden (2016) mentioned two core elements of service performance: efficiency performance and quality performance. Efficiency performance considers the time for a given job to be done, while quality performance is considered a durable solution to customer issues and concerns.

Several authors mentioned different dimensions of service performance in their works. García-Buades et al. (2016) commend the use of service quality perceptions, customer satisfaction, and loyalty as relevant indicators to measure service performance. On the other hand, Aryee, Walumbwa, Gachunga, and Hartnell (2016) consider service performance a form of task excellence in a service context. However, this study adapted

the “SERVPERF” scale of Cronin and Taylor (1992) to measure the service performance from the employees’ perspective. This model consists of five indicators: tangibles, reliability, responsiveness, assurance, and empathy.

*Tangibles* have been described as features of a service that can be experienced without actually purchasing the service. It is the noticeable aspect of the service that organizations used to improve customers’ satisfaction (Rasyida, Ulkhaq, Setiowati, and Setyorini 2015). This may range from the cleanliness of washrooms, orderly car parking facilities, and waiting-lounge comfort to employees’ appearance. Hanaysha (2016) stressed that companies need to make their physical facilities appealing to create a positive impact and quality service to their customers. As stated by Awan and Tahir (2015), an attractive work environment motivates employees to combine their superior skills and competencies to perform their job effectively.

The working environment is described as a tangible workstation that can be seen and touched by employees (Morgan, 2015). Employees’ welfare is closely associated with productivity and efficiency, which can be accomplished by using any kind of equipment and facilities that employees need to execute their job (BizFilings, 2017). These pronouncements are congruent with the study of Promkaew and Tembo (2017), which cited that office design and layout influence employees’ productivity and work quality in the organization. They added that a lack of comfort in the workplace has a negative effect on workers.

To further elaborate, this dimension impacts the interaction between co-workers and customers (Agbozo et al., 2017). It is worth noting that tangibles create impressions and reflect the kind of services being offered by the company. Employees tend to have quicker and better service when they have adequate and modern equipment. On the other hand, the lack of better facilities and equipment impedes the smooth flow of operations, resulting in service delays (Eberendu, Akpan, Ubani, and Ahaiwe, 2018). As supported by Hafeez, Yingjun, Hafeez, Mansoor, and Rehman (2019), employees who are satisfied with their physical environment manifest a more positive work outcome and maintain the organization’s value.

Another factor affecting service performance is *reliability*. As cited by Promkaew and Tembo (2017), reliability is the ability to perform services in a dependable and accurate manner. Customers expect services to be rendered accurately, and if the services do not meet customers’ expectations, it is viewed as inaccurate and therefore not reliable (Egeland, 2017). This dimension can be attained by observing the company’s standard operating procedure, which is also an integral part of service performance. Having high reliability shows that organizations strive to fulfill their promises and pay attention to the results (Pakurár et al., 2019).

Two key traits involved in reliability are consistency and dependability. Consistency is marked by the regularity or evenness of service performance (Iberahim, Taufik, Adzmir, and Saharuddin, 2019). This means that the quality of service is invariably the same, always executed in the same manner, and has the same standards. On the other hand, dependability is associated with trustworthiness, that is – meeting the

customers' requirements without fail and maintaining the customers' trust and confidence which enables a good customer relationship (Promkaew and Tembo, 2017). In the BPO sector, reliability involves handling customer service issues at the indicated time, maintaining accurate records, and error-free measures (Raza, Burney, and Ahsanullah, 2019). Specifically, this dimension is shown through employee's ability to perform services such as solving customers' problems or answering customers' queries regarding a product in a timely and accurate manner.

Reliability, therefore, depends primarily on the expertise, experience, and abilities of employees. As stated by Perić et al. (2015), employees who are dissatisfied and professionally inadequate can have an adverse impact on the quality of services rendered. A full understanding of an organization's operation is crucial; however, it cannot be achieved overnight but through constant and continuous immersion in the working conditions (Esmailpour and Ranjbar, 2017). Therefore, it is necessary to attain high retention as the longer the employees stay in the organization, the higher the opportunity to gain mastery over their working area. An organization must also take into account employee job satisfaction as satisfied employees are equally vital in delivering high service performance. As stated by Milana (2018), satisfied employees tend to be more committed to continuous improvement.

*Responsiveness* is associated with the employees' ability and willingness to support customers in a timely manner (Liu, Yan, Phau, Perez, and Teah, 2016). Readiness to assist involves employees' availability to help the customers, but they also need to be intrinsically motivated. Simply put, it is the employees' willingness to exert more effort or go the extra mile in helping customers (Liu et al. 2016). Responsiveness of employees involves informing customers of the exact waiting time, concentrating on their needs, promoting services, and responding to their customers' demands (Pakurár et al., 2019). "*Promptness*" is one of the main attributes affecting responsiveness which pertains to employees' preparedness to deliver services in a timely manner (Wang, 2015). In a call center setting, the responsiveness of employees is measured through various metrics, including the service level or the percentage of calls that were answered in a specified period, the average time elapsed before answering, the percentage of callers being helped compared to the number of callers waiting in a queue, the number of inbound callers who encountered a busy signal, the percentage of callers who hung up without speaking to the employee, the longest waiting-time, and self-service accessibility (Chicu, Ryan, and Valverde, 2016). Hence, employees need to master the use of technology to deliver high service performance.

Waiting time affects customer satisfaction significantly. Just as delayed services cause negative feelings such as frustration and dissatisfaction on the customer's part, long waiting time leads to customer's poor experience (Wang, 2015). On the contrary, waiting time that is shorter than expected leads to higher customer satisfaction. Understanding customers' needs enable organizations to render appropriate services, thereby increasing customer satisfaction (Vasella, 2015). In the BPO sector, employees'

ability to swiftly detect errors and track down their causes is vital to maintain minimal interruption during the service transaction, thus increasing customer satisfaction.

Satisfied employees express greater initiative in dealing with customers' concerns (Perić et al., 2018). Employees' willingness to take on their roles in the organization improve both individual and organizational level (Abdulkhaliq and Mohammadali, 2019). However, in the call center context, the excessively demanding environment can cause stress among employees, making compliance more difficult. This stress can be positive if employees can control the conflicting demands between pressure to improve operational efficiency. However, loss of control leads to emotional exhaustion and burnout which eventually leads to turnover or absenteeism (Chicu, Ryan, and Valverde, 2016).

*Assurance* represents employees' expertise and deference as well as their ability to stimulate trust and credibility towards their customers (Promkaew and Tembo, 2017). This dimension is associated with the extent to how much customers put their trust and confidence in the organization's services. Assurance can be achieved even during the first customer interaction by providing services in a secure and competent manner and showing good behavior such as honesty, courtesy, and friendliness (Steenkamp, 2015). Nevertheless, loss of customers goodwill may also happen during the first encounter by giving inadequate or wrong information (Timney, 2017). In line with this argument, it is therefore essential that employees especially in customer service, be well-trained in their services to satisfy their customers.

In telephonic interactions, the assurance dimension can be easily determined through the language and tone used by call center employees. Quality assurance in call centers guarantees that customers receive the correct services from the organization (Promkaew and Tembo, 2017). Through various quality assurance metrics, call centers can monitor employees' service performance and customer satisfaction rates. It is found that highly satisfied employees are more enthusiastic and positive in dealing with customers, leading to superior services (Osman, 2017). This is parallel to the study of Godarzvand et al. (2016), which reveals that job satisfaction leads to employees' effective participation, which in turn significantly affects their service performance.

Assurance establishes a relationship between employees, customers, and the organization (Promkaew and Tembo, 2017). To enthusiastically and courteously deal with all customers is an integral component of this dimension. Employees need to remain composed and set aside their emotions, especially when interacting with irate customers. It is also imperative to attend the next call with equal enthusiasm and a positive tone, even when the previous caller verbally abused the employee (Gorde, 2018). The relationship between employees and customers is bidirectional by default which indicates that a negative predisposition from one end is likely to generate a negative interaction between both parties (Chicu, Ryan, and Valverde, 2016). An interaction with problematic customers results in emotional dissonance on the part of employees, leading to lower task performance. In this case, the organizations need to design policies and practices for employees to cope and thrive in the highly demanding environment.

*Empathy* represents sensitivity towards customer's situation (Promkaew and Tembo, 2017). This dimension mirrors the organization's propensity to extend individualized attention and give customers a greatly satisfying experience (Fluss, 2016). In the call center context, empathy relies primarily on the employees' interpersonal skills. For instance, clarifying and confirming the customers' requests or queries and the use of probing questions to ascertain all relevant facts of the query relates to this dimension. When employees express these, customers' satisfaction with service performance is guaranteed.

Being able to convey the feeling and understand the effect of the problem on the customer is the core of empathy. Empathy is reflected in the employee's efforts to do everything they can to resolve the customer's issue (Pakurár et al., 2019). The focus of this dimension is on personalized services that satisfy the different needs of customers. Thus, service providers need to understand the various and unique customers' needs and preferences to equip employees with adequate information beforehand (Ramya, Kowsalya, and Dharanipriya, 2019).

Altogether, this study strives on discovering the factors affecting job satisfaction that may influence turnover intention and the dimensions comprising the service performance of the BPO companies under study, may they be confirming or deviate from the measures in the studies previously conducted. These studies have seen the applicability of the three variables in multifarious organizations like banks, hotels, grocery and retail, manufacturing, and even higher education. These concepts avowed definitions of job satisfaction, turnover intention, and service quality that may give a clearer understanding as to how they may apply to business process outsourcing companies.

### **3.4 Correlation between Measures**

An organization's sustainability relies heavily on employees' job satisfaction. Quite a few studies reveal that job satisfaction has a significant negative impact on employees' intent to leave the organization, which means higher job satisfaction is associated with lower turnover intention (Reukauf 2018; Zito et al. 2018; Milana 2018; Gebregziabher et al. 2020). The study of O'Connor (2018) similarly yielded a moderate negative relationship between job satisfaction and turnover intention, implying that increased job satisfaction of employees can lengthen tenure. Still, the opposite, that is - job dissatisfaction manifested in extended periods could also turn into the intent to leaving the organization.

Moreover, the study of Tarigan and Ariani (2015, as cited in Reukauf 2018) of employees in a particular Indonesian manufacturing company also revealed a negative relationship between work satisfaction and turnover intention. Their findings are substantiated by Batura et al. (2016), who also found a significant relationship between the variables mentioned above in the healthcare industry. The multi-level perspective of job satisfaction conducted by Liu and colleagues (Liu et al., 2012, as cited in Kaiser, Hennecke, and Luhmann, 2020) further demonstrated that the employees' trajectory in job satisfaction predicts their turnover intention.

Job satisfaction is described as a behavioral cycle manifested towards different dimensions of a job or the extent to which employees like their jobs (Falkenburg and Schyns, 2007 as cited in Rahman and Syahrizal, 2018). Lack of satisfaction towards these dimensions leads to turnover intention, which eventually changes to a more serious response such as job turnover. One dimension of job satisfaction that strongly influences turnover intention is compensation. Higher compensation reportedly leads to lower turnover intention, and inversely, lower compensation results in higher turnover intention (Silaban and Rahmat, 2018).

Employees' intention to leave their current organization can also be triggered by other aspects of job satisfaction such as corporate culture or environment and employee recognition. For instance, the study by Yeun and Han (2015) reported that organizations that have innovative and social cultures tend to shape the employees' feelings and perceptions towards their job, which influence their perception towards the organization as a whole. This means that the more the employees perceived their organizational culture as positive and the more satisfied they are with their work environment, the less likely they intend to leave (Haggalla, 2017).

Recognition, on the other hand, is used to reduce the rate of turnover. Many organizations use employee recognition program which includes factors such as the employees' length of service and service performance (Mendis, 2017). To be recognized in their respective industries, modern companies often adopt recognition programs as part of their strategies. It goes on to say that by introducing a good recognition program that aligns with the organizational value and culture aids in retaining employees and lowers the intent of searching for alternative jobs (Mosley, 2016).

Another aspect of job satisfaction that is closely linked with turnover intention is the working relationship. During frequent interaction, employees may develop a sense of attachment toward their managers and co-workers (Hai and Park, 2021). Employees' closeness in the workplace translates to how much trust, support, encouragement, and empathy employees perceive from their colleagues. The manifestation of mutual trust, concern, and other positive organizational behavior engender familial bonds between employees in the organization (Ariani, 2015). The emotional attachment of employees to their colleagues is usually indicative of organizational attachment. This attachment grows when individuals engage in more extensive, consistent, and quality work relationships, which eventually leads to deeper organizational embeddedness and a lower desire to quit (Lu, Liu, and Zhao, 2017).

Customer satisfaction is contingent on employee's service performance as they are the ones who always have constant and direct interaction (Paul, 2016). Hence, understanding what influences individual service performance has been the object of many studies. Out of many factors associated with service performance, job satisfaction is found to be one of the most vastly- examined subjects in previous and existing literature (Darma and Supriyanto, 2017; Okeke, 2018; Shmailan, 2016). Job satisfaction and employee performance were studied in two directions, and each variable has an impact on the other (Alromaihi, Alshomaly, and George, 2017).

The positive link between job satisfaction and service performance is supported by a number of previous studies. For instance, the study conducted by Inuwa (2016), Kampkötter (2017), Platis et al. (2015), Torlak and Kuzey (2019), and Yuen et al. (2018) showed that job satisfaction significantly influenced the levels of employee performance. Researchers of these studies propounded that organizations should concentrate on keeping their employees satisfied to increase productivity. Existing literature also confirmed that satisfied employees performed better and contributed well to the overall goals and success of an organization (Shmailan, 2016). By contrast, studies also surmised that dissatisfied employees would not perform effectively, which may become one of the major constraints to organizational success (Al-Ali et al., 2019).

Employees' role in the service industry could not be downplayed as every transaction involves direct interaction with the customers. As stated by Gupta (2016), employees themselves are the "service" and the "face of the organization". They also act as the unofficial "marketers" for the organization as their services mainly become the basis of customers' perception of the organization's overall service. Transactions that result in customer delight are often associated with the employees' excellent service performance (Milana, 2018). Most of the factors considered by customers in assessing the perceived service performance, such as reliability, assurance, tangibility, empathy, and responsiveness, are all affiliated with the employees' extra behavioral effort. The idea that highly satisfied employees deliver better and quality service performance has almost become an adage in the existing literature of service industries (Al-Ababneh, Masadeh, Al-Shakhsheer, and Ma'moun, 2018).

As the human interface is inherent in the service industry, the quality of the service being provided cannot be set apart from the quality of the service provider (Palaniswamy et al., 2017). During the service transaction, the management cannot guide or control the behavioral efforts of service employees. Thus, it can be inferred that service employees largely determine the quality of the service performance they would deliver to satisfy customers (Gupta, 2016). Many scholars believed that service organizations must first improve their internal service performance in order to deliver quality services to their external customers (Almohaimmed, 2019). To achieve this, it is imperative that organizations provide their internal customers with the necessary knowledge, tools, equipment, training, recognition, and other factors that further increase employees' satisfaction (Al-Ababneh et al., 2018; Bizfilings, 2017).

The performance of its frontline employees often determines the success of service organizations. Hence, employee retention is a critical issue that is prevalent in the service industry. Several factors associated with turnover intention include work environment, performance evaluation, career development, and economic factors (Hossain, 2018). Job satisfaction, working conditions, and individual characteristics have also been examined in relation to turnover intention, as mentioned in the study by Wen, Zhang, Wang, and Tang (2018). Interestingly, it appears that service performance has also been associated with employee turnover intention. While the effect of job satisfaction on turnover

intention has been widely investigated, studies examining the consequences of employees' perceived service performance are largely lacking.

However, the limited number of empirical evidence on the effect of perceived service performance on turnover intention indicates that employees' perceived service performance significantly influences turnover intention (Slatten, Svensson, and Svaeri, 2009). Previous research suggests that there is a psychological connection between employees' assessment of the service provided and the customer's judgment of the service being experienced (Chung and Schneider, 2002, as cited in Slatten and Lien, 2020). Such an occurrence may provide the employees a clue as to whether or not they are cut out for the job. In other words, the transaction between employee and customer itself enables the employee to assess their level of service performance, which might be used as the basis for making turnover decisions.

Many studies have suggested that frontline workers are often overwhelmed and exhausted by the demands of communicating with customers, and high job stress reduces their intrinsic motivation and creativity, which adversely affect their service performance (Li, Zhu, Cai, Long, and Park, 2019; Harris and Fleming, 2017; Elmadag and Ellinger, 2018). Outbound call centers engaged in telemarketing often require employees to achieve a fixed sales quota which can be stressful and demanding. Still, when internal service performance is good such as the ease of use and functionality of working facilities and equipment, employee inputs are higher which increases their output (Sharma, Kong, and Kingshott, 2016). The lower their sales efficiency and overall performance, the more stressed and emotionally exhausted they are, which increases the likelihood of leaving (Li, Zhu, and Park, 2018).

## **4. Material and Methods**

### **4.1 Research Design**

This study used the non-experimental quantitative research design using the correlational technique. The non-experimental quantitative design was used to determine the relationship between variables and to figure out which of the variables are connected while the correlational technique describes the statistical association between two or more variables (Field, 2016). Mediation analysis using the technique of Baron and Kenny (1986) was used to determine if service performance significantly mediated the relationship between job satisfaction and turnover intention. These designs are appropriate since the study's goal is to examine the significance of the relationship among the three variables of the study and to establish the significance of the mediation effect of service performance on the relationship between job satisfaction and turnover intention.

### **4.2 Population and Sample**

The total estimated number of respondents in this study was 11,905 BPO employees, 373 of which were taken as the sample size of the study with a 5% margin of error and a confidence level of 95%. The sample size calculator Raosoft



(<http://www.raosoft.com/samplesize.html>) was used to determine the sample size of the respondents in order to conduct a reliability test of the instrument for the final survey. This study used the stratified, random via snowball technique which covered selected BPO companies catering to both inbound and outbound operations. Stratified random sampling divides the population into mutually exclusive groups in which random samples are taken. This was used to assure equal proportionate representation per BPO company that constitutes the total sample size (Rahi, 2017).

Respondents consist of individuals who are currently employed in the selected BPO companies located within Davao City. However, this study did not include home-based and freelance BPO workers who are not employed in any BPO companies within and outside the location of the study. Moreover, respondents who opted not to participate in the study for any reason were allowed to withdraw at any time and discontinue participation without penalty.

### 4.3 Research Instrument

The survey questionnaire consisted of four parts. The first part was intended for the profile of the respondents as well as the direction on how to rate the questions given. The second part includes specific questions about job satisfaction which consisted six (6) indicators with an acceptable reliability score as follows: job/work ( $\alpha=.849$ ), relationship at work ( $\alpha=.786$ ), communication ( $\alpha=.821$ ), recognition of performance ( $\alpha=.844$ ), compensation and benefits ( $\alpha=.922$ ), and corporate culture/environment ( $\alpha=.868$ ). The job satisfaction instrument was taken from the Employee Satisfaction Survey of University of Mindanao with approved consent from the Quality Management Office (QMO). Moreover, the scale used a 5-point Likert-type with options ranging from very high to very low.

The third part of the questionnaire consists of six items adapted from Roodt (2004) TIS-6 scale with Cronbach alpha reliability coefficient of 0.958 which is highly reliable. The turnover intention scale assesses the BPO worker's desire to exit an organization by measuring the six items on a 5-point Likert-type with a range of means, description, and interpretation. The fourth part of the survey questionnaire consists of explicit questions with regard to service performance. The scale for service performance was taken from the SERVPERF model developed by Cronin and Taylor (1992). There are five indicators under this variable with an acceptable reliability score as follows: tangibles ( $\alpha=.855$ ), reliability ( $\alpha=.776$ ), responsiveness ( $\alpha=.844$ ), assurance ( $\alpha=.842$ ), and empathy ( $\alpha=.935$ ). Some improvements were made to the items to make them more appropriate for use in a call center setting. Each item has been rephrased to capture the internal perspective of service performance.

Refinement of the questionnaires was done through the assistance of the adviser and four validators who ensured its validity with an overall mean score of 4.17 assessed to be excellent. Before administering the questionnaire, the researcher conducted a pilot test to thirty (30) BPO workers in Digos City to assess the suitability and coherence of the

instrument. The research instruments were subjected to Cronbach Alpha Test for reliability testing, the results of which are discussed in the subsequent paragraphs.

#### **4.4 Data Collection**

Due to COVID-19 pandemic, face-to-face distribution of printed questionnaires to the prospective respondents was not possible. Hence, data collection was conducted through an online platform. The questionnaire was encoded using Google Forms as an alternative to face-to-face surveys. The design and the features of the platform were constructed like the questionnaires validated by the experts. Prior to the online administration of questionnaires, the researcher sent letters of permission to conduct the study, signed by the adviser and favorably endorsed by the Dean of the Professional Schools, to the approving authorities of selected BPO companies in Davao City. Using a mix of proportionate stratified random technique and snowball sampling, a pre-filled link was sent electronically via email and other online channels to the respondents. During the conduct of the survey, respondents were asked to read and answer the questions honestly and religiously.

Due to the nature of the survey, respondents' cyber silence and lack of active social media presence were some of the challenges encountered by the researcher. Moreover, data was collected day and night as BPO companies observed shifting schedules. The online survey was conducted for three weeks commencing the first week until the third week of October 2020. After retrieval, the responses were tabulated and processed using appropriate statistical tools. The tabulated data was analyzed and interpreted in accordance with the problem statements.

#### **4.5 Statistical Tools**

Weighted Mean was used to characterize the job satisfaction (IV), turnover intention (DV), and service performance (MV) of BPO workers in Davao City. Pearson Product Moment Correlation was used to determine the significance of the relationship between job satisfaction (IV), turnover intention (DV), and service performance (MV). Mediation analysis using the technique of Baron and Kenny was used to determine if service performance significantly (partially or fully) mediated the relationship between job satisfaction and turnover intention of BPO workers in Davao City.

### **5. Results and Discussion**

#### **5.1 Job Satisfaction of BPO Workers in Davao City**

Table 1 presents the list of items in the six indicators of the job satisfaction scale that include job/work, relationship at work, communication, recognition of performance, compensation, and benefits, and corporate culture/environment. As seen in Table 1, the overall mean of job satisfaction is 4.32 (SD=0.628), assessed to be very high. The high level could be attributed to predominantly very high ratings given by the BPO workers on the job or work ( $\bar{x}$ =4.41, SD=0.591), relationship at work ( $\bar{x}$ =4.45, SD=0.632), communication

( $\bar{x}$ =4.32, SD=0. 727), recognition of performance ( $\bar{x}$ =4.25, SD=0. 821), corporate culture or environment ( $\bar{x}$ =4.34, SD=0. 707) with compensation ( $\bar{x}$ =4.12, SD=0. 861) being the only measure assessed as high.

The overall level of job satisfaction is very high which indicates that BPO workers in Davao City are highly satisfied with all the indicated factors. Relationships at work garnered the highest score among the six indicators which indicates that management and employees in the sector have a good working relationship and that employees generally get along well with one another. On the other hand, BPO workers were found to be highly satisfied (yet rated the least) in the aspect of compensation and benefits.

**Table 1: Level of Job Satisfaction of BPO Workers**

Indicators	Mean	SD	Descriptive Level
The job/work	4.41	.591	Very high
Relationships at work	4.45	.632	Very high
Communication	4.32	.727	Very high
Recognition of performance	4.25	.821	Very high
Compensation and benefits	4.12	.861	High
Corporate culture/ environment	4.34	.707	Very high
Overall	4.32	.628	Very high

These results are comparable with the pronouncement of Tran et al. (2018) that working relationships are necessary for employees to work happily and comfortably in the workplace. Moreover, businesses that struggle to develop quality working relationships are likely to have a high turn-over rate (Abun et al. 2018). On the other hand, the findings on the aspect of compensation and benefits are in line with the pronouncement of Koitalek (2016) that this factor significantly influences the decision of employees to remain in the organization and that if they perceived their compensation to be incongruent with the job they performed – it is likely that their satisfaction would drop drastically (Rahardjo, 2017).

### 5.2 Service Performance of BPO Workers in Davao City

Shown in Table 2 is the descriptive statistics results in measuring the level of service performance as perceived by BPO workers in Davao City. Overall mean of service performance is 4.51 (SD=0.480), assessed to be very high. The high level is reflective of very high levels of its indicators, including tangibles ( $\bar{x}$ =4.46, SD=0. 589), reliability ( $\bar{x}$ =4.47, SD=0. 571), responsiveness ( $\bar{x}$ =4.63, SD=0. 545), assurance ( $\bar{x}$ =4.66, SD=0. 516), and empathy ( $\bar{x}$ =4.64, SD=0. 530).

**Table 2: Level of Service Performance of BPO Workers**

Indicators	Mean	SD	Descriptive Level
Tangibles	4.46	.589	Very high
Reliability	4.47	.571	Very high
Responsiveness	4.63	.545	Very high
Assurance	4.66	.516	Very high

Empathy	4.64	.530	Very high
Overall	4.51	.480	Very high

The overall level of service performance as perceived by BPO workers is very high. A closer look at the results shows a very close difference in ratings among the five dimensions. Assurance, however, garnered the highest ratings which means the employees are more confident with their ability to instill trust and credibility towards their customers than any of the other dimensions. On the other hand; tangibles, despite being rated the least also garnered very high ratings. This means that BPO workers viewed their physical working environment as visually appealing and is generally congruent to the services being provided (Eberendu, Akpan, Ubani, and Ahaiwe, 2018).

These findings agree with the study of Osman (2017) that highly satisfied employees tend to be more enthusiastic to participate with positive and helpful attitudes that lead to superior services. While Timney (2017) argued that loss of customer goodwill may also occur during the first transaction by means of giving wrong information, it is safe to say that BPO workers are quite competent in terms of giving correct services and handling customers with courtesy and enthusiasm. On the other hand, the idea that physical facilities contribute to employees' productivity and service performance is asserted by Awan and Tahir (2015) who propounded that an attractive work environment stirs employees to put together their preeminent skills and competencies to execute their job efficiently.

### 5.3 Turnover Intention of BPO Workers in Davao City

Shown in Table 3 is the descriptive statistics results in measuring the level of turnover intention of BPO workers in Davao City which has an overall mean of 2.56 (SD=1.135), described as low. The low level could be reflective of generally low ratings given by the respondents to the six-item scale: considering leaving the job; the current job not satisfying their personal needs; being frustrated because of not being given the opportunity at work to achieve personal work-related goals; dreaming about getting another job that better suits their personal needs; thinking of accepting another job at the same compensation level should it be offered to them, and is no longer looking forward to another day at work.

**Table 3:** Level of Turnover Intention of BPO Workers

Indicator	Mean	SD	Descriptive Level
Turnover Intention	2.56	1.135	Low

Results revealed a low level of turnover intention which means the indicated factors of this variable are less apparent among BPO workers in Davao City. This could be attributed to their high level of job satisfaction which according to Zito et al. (2018) has a direct impact on employees' turnover intention. 'I dream about getting another job that will better suit my personal needs' garnered the highest ratings which means this factor is sometimes manifested. On the other hand, 'I no longer look forward to another day at

work' was rated the least among the six indicators which indicate that this statement was only seldom manifested.

The highest-rated indicator agrees with the view of Çinar (2015) who described turnover intention as an employee's desire to leave a company in search of better opportunities. However, that the employees no longer look forward to another day at work was predominantly low among BPO workers. This signifies a positive regard towards their job as a whole as the opposite means they would continually seek better opportunities which increases their turnover intention (Reukauf, 2018).

#### 5.4 Correlation between Job Satisfaction, Service Performance, and Turnover Intention of BPO Workers

Displayed in Table 4 are the results of the correlation between the independent (job satisfaction), dependent (turnover intention) and mediator (service performance) variables. Bivariate correlation analysis using Pearson product moment correlation was employed to determine the relationship between the variables mentioned.

**Table 4:** Correlation analysis of the variables

Pair	Variables	Correlation Coefficient	p-value	Decision on Ho
IV and DV	Job satisfaction and turnover intention	-0.457	0.000	Reject
IV and MV	Job satisfaction and service performance	0.640	0.000	Reject
MV and DV	Service performance and turnover intention	-0.283	0.000	Reject

The first zero-ordered correlation analysis between job satisfaction and turnover intention revealed a computed r-value of -0.457 with a probability value of  $p < 0.000$  which is significant at the 0.05 level. This indicates that there is a moderate negative correlation between the two variables, implying that an increase in job satisfaction results in a decrease in turnover intention. Hence, the null hypothesis of no significant relationship between job satisfaction and service performance is rejected. The second bivariate correlation analysis involving job satisfaction and service performance yielded an r-value of 0.640 with a probability value of  $p < 0.000$ , which is significant at 0.05 level. This indicates that there exists a positive and strong association between the two variables. Thus, the null hypothesis of no significant relationship is also rejected. The third correlational analysis between service performance and turnover intention yielded an r-value of -0.283 with a probability value of  $p < 0.000$ , which is significant at 0.05 level. This indicates that there exists a weak negative correlation between the two variables. Thus, the null hypothesis of no significant relationship is similarly rejected.

The current study found that there is a moderate negative correlation between job satisfaction and turnover intention, implying that an increase in job satisfaction results in a decrease in turnover intention. These results are analogous to the findings of Che Nawi

et al. (2016) that increased job satisfaction ultimately leads to higher profitability and longer tenure. On the other hand, the second bivariate correlation analysis involving job satisfaction and service performance also shows that there exists a positive and strong association between the two variables. This finding is in line with the postulation of Milana (2018) that satisfied employees are pre-requisite to high service performance because they have more commitment to continuous improvement. As supported also by Gupta (2016), employees who are pleased and contented with their jobs are likely to be attentive, accommodating, polite, and mindful of both coworkers and customers.

Lastly, the correlational analysis between service performance and turnover intention reveals a weak negative correlation. This was justified by the study of Slatten, Svensson, and Svaeri (2009, as cited by Khan et al. 2020), that employees' perceptions of their own service performance might serve as cues that influence their decision to leave the organization. Just as customers look for alternatives when they experience bad service, employees may also decide to quit and look for alternative jobs if they perceive their service performance as insufficient.

### 5.5 Mediation Analysis of the Three Variables

Data was analyzed with the linear regression method as input to the medgraph. In Table 5, the results of regression analyses are evidently displayed. Mediation analysis developed by Baron and Kenny (1986) is the mediating effect of a third variable in the relationship between two variables.

There are four steps to be met for a third variable to be acting as a mediator. In Table 5, these are categorized as Steps 1 to 4. In Step 1, job satisfaction as the independent variable (IV) significantly predicts the turnover intention of BPO workers, which is this study's dependent variable (DV). In step 2, job satisfaction significantly predicts service performance, the mediator (M). However, in step 3, service performance did not significantly predict the turnover intention of BPO workers.

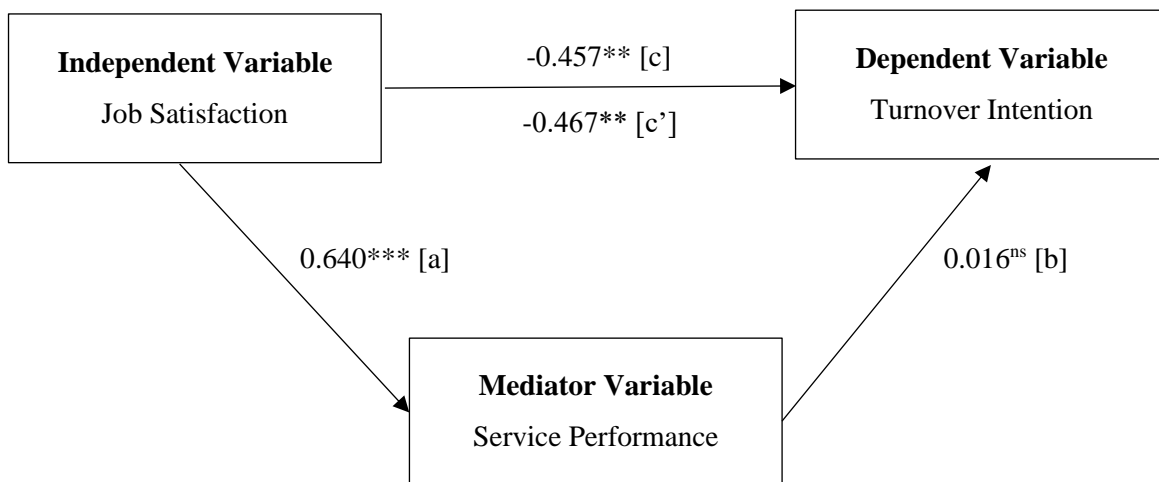
**Table 5:** Regression results of the variables in the four criteria of the presence of mediating effect

Step	Path	Beta (Unstandardized)	Standard Error	Beta (Standardized)
Step 1	c	-0.825	0.084	-0.457
Step 2	a	0.489	0.031	0.640
Step 3	b	0.037	0.142	0.016
Step 4	c'	-0.843	0.109	-0.467

Because not all of the three steps were significant, a further mediation analysis through medgraph is not essentially warranted. However, to test whether there is a significant mediating effect, Sobel z test was still carried out. Full mediation can be obtained if the influence of the independent variable on the dependent variable becomes non-significant at the final step. It means all of the effects of job satisfaction towards turnover intention runs through service performance. Moreover, if the regression coefficient is significantly reduced at the final step but remains significant, partial mediation is obtained, which

implies that part of job satisfaction (IV) is mediated by service performance (MV) but other parts are either direct or mediated by other variables that are not included in the model.

Shown in Figure 3 is the result of the computation of mediating effects. The Sobel test yielded a z-value of 0.259469 with a p-value of 0.795, which is not significant at the 0.05 level. This means that the mediation accounted for by service performance on the relationship of job satisfaction and turnover intention is not significant. Hence, the null hypothesis stating that service performance does not significantly mediate the relationship between job satisfaction and turnover intention is not rejected.



**Figure 3:** Medgraph Showing the Variables of the Study

### 5.6 Mediation Analysis

Sobel z-value	0.259469, $p=0.795^{ns}$
Percentage of the total effect that is mediated	-2.188%
Ratio of the indirect to the direct effect	-0.021412

#### Effect Size Measures

##### Unstandardized Coefficients

Total:	-.825
Direct:	-.843
Indirect:	.489
Ratio Index:	-.593

Job satisfaction was negatively correlated with a turnover intention which indicates that an increase in job satisfaction leads to a decrease in turnover intention. Moreover, job satisfaction was also found to have a positive correlation with service performance implying that an increase in job satisfaction results in an increased or higher service performance. On the other hand, service performance has a negative correlation with turnover intention, however, it did not actually translate into a direct effect which means that service performance did not mediate the relationship between job satisfaction and turnover intention.

Simply put, the effect of job satisfaction on turnover intention does not run through service performance which is the mediating variable. However, even though mediation was not fully established, the results of the study revealed that the presence of service performance in the regression model actually improves the direct effect of job satisfaction on turnover intention.

The results of the main problem of this study as mentioned in the preceding paragraph support the theoretical framework anchored on Homan's Social Exchange Theory which posits that when organization supports employees in different aspects or when employees are satisfied, they are likely to reciprocate by exerting more effort in performing their job and delivering excellent service performance leading to a greater sense of commitment which then triggers the desire to stay in the organization (Harden, Boakye and Ryan, 2018). It is also supported by Mobley's Intermediate Linkage Model which states that turnover intention starts with an employee's own assessment of experienced job satisfaction or dissatisfaction. When employees' needs are not satisfied, they are likely to continually seek new opportunities which increase the level of turnover intention (Reukauf, 2018).

### **5.7 Recommendations**

The Human Resource Department of BPO companies in Davao City may adopt the findings of this study to improve their current retention programs and policies. Despite showing very high ratings on the aspects of job satisfaction, compensation and benefits are found to be less pronounced in this highly competitive sector; hence, it is recommended that BPO companies increase their financial investment in strategic compensation and benefits packages to provide employees financial assurance and further improve job satisfaction. It is also suggested that operation managers constantly monitor the service performance as perceived by the employees and fill in the deficiencies that may cause them to feel unsuited for the job through relevant training. It should be established that enough work is being done to understand their development needs and that the management is willing to equip them with appropriate competencies to deliver service performance that falls within a generally acceptable range.

Additionally, even though a low level of turnover intention was determined in the area of study, the findings of this research may be used to address the problems of the turnover rate in the global context. Examining the factors that may prompt employees to leave their job presents a good opportunity for BPO organizations to review organizational processes and make necessary adjustments in order to enhance employee work satisfaction and minimize turnover, resulting in cost savings. Containing the factors that influence employee turnover intention could significantly improve the company's ability to remain competitive and sustainable. Lastly, future researchers may replicate the study in other geographic and industry-specific areas using different methodologies and instruments which may provide different results. Other aspects may also be included in determining employee job satisfaction such as factors relating to customer interaction and



the processes involved in delivering service performance. A qualitative analysis of the findings of this study is also recommended to corroborate the findings.

## 6. Conclusion

This study revealed a very high level of job satisfaction, a low level of turnover intention, and a very high level of service performance among BPO workers in Davao City. The relationship between job satisfaction and turnover intention indicates a significant and negative linear relationship between the two variables while the link between overall job satisfaction and service performance shows a significant and positive linear relationship between the two variables. However, the correlational analysis between service performance and turnover intention reveals a weak negative correlation. Furthermore, results revealed that service performance does not significantly mediate the relationship between job satisfaction and turnover intention.

However, albeit mediating effect is not evident, the presence of the mediating variable which is service performance actually improves the direct effect of job satisfaction (IV) towards turnover intention (DV). These results support the Social Exchange Theory in which this study was anchored. It agrees with what the theory posits that employee satisfaction derived from organizational support creates a greater sense of commitment and positive attitude towards the organization leading to a higher or improved service performance which then increases the desire of employees to stay in the organization.

## Conflict of Interest Statement

The authors declare that they have no conflicts of interest regarding the publication of this paper. The research was conducted independently and without any financial or personal relationships that could have influenced the results or interpretation of the data.

## About the Authors

**Princess G. Cole** is an Associate Professor in the College of Business Administration at the University of Mindanao. She is currently pursuing her doctorate degree in Human Resource Management at Ateneo de Davao University, Philippines. Her research interests lie in the field of Human Resources Management, with a focus on employee engagement and retention. [orcid.org/0000-0003-2877-7703](https://orcid.org/0000-0003-2877-7703); ResearchGate: <https://www.researchgate.net/profile/Princess-Cole>

**Reynaldo C. Castro** is the Vice President of External Relations and International Affairs at the University of Mindanao. He finished his Doctor of Philosophy (PhD) at the University of Southeastern Philippines. [orcid.org/0000-0001-8456-1881](https://orcid.org/0000-0001-8456-1881) <https://scholar.google.com/citations?user=iMCDm0UAAAAJ&hl=en&oi=ao>

## References

- Abdulkhaliq S, Mohammadali Z, 2019. The impact of job satisfaction on employees' performance: A case Study of Al Hayat company - Pepsi employees In Erbil, Kurdistan Region-Iraq. *Management and Economics Review* 4(2):163-176. DOI: 10.24818/mer/2019.12-07
- Abdullah A, Widiaty I, Abdullah C, 2018. *Global competitiveness: Business transformation in the digital era*. Routledge, London
- Abuhashesh M, Al-Dmour R, Masadeh R, 2019. Factors that affect employees job satisfaction and performance to increase customers' satisfactions. *Journal of Human Resources Management Research*. Vol. 2019, Article ID 354277, 23 pages, ISSN: 2166-0018 DOI: 10.5171/2019.354277
- Abun D, et al., 2018. The effect of workplace relationship toward job satisfaction of divine word colleges' employees in region I, Philippines. *International Journal of Modern Research in Engineering & Management (IJMREM)*, Vol. 1, Issue 11, 53-63
- Agbozo G, et al., 2017. The effect of work environment on job satisfaction: evidence from the banking sector in Ghana. *Journal of Human Resource Management* 2017; 5(1):12-18  
<http://www.sciencepublishinggroup.com/j/jhrmdoi:10.11648/j.jhrm.20170501.12>
- Ahamed M, Mahmood R, 2015. Impact of Organizational Culture on Job Satisfaction: A Study on Banglalion Communication Ltd, Bangladesh. *European Journal of Business and Management* [www.iiste.org](http://www.iiste.org) Vol.7, No.10, 2015
- Ahmad Z, et al., 2017. Impact of rewards, recognition & job stress on job performance and job satisfaction. *International Journal for Research in Business, Management, and Accounting*. Volume-3, Issue-4, April, 2017, Paper-2. ISSN: 2455-6114
- Ajmal H, Khan R, Fatima M, 2018. Impact of service quality on customer satisfaction in banking industry of Pakistan: A case study of Karachi. *Journal of Social and Administrative Sciences*. Volume 5 September 2018 Issue 3
- Akafo V, Boateng P, 2015. Impact of reward and recognition on job satisfaction and motivation. *European Journal of Business and Management*. Vol.7, No.24, 2015 ISSN 2222-1905
- Al-Ababneh, M., Masadeh, M., Al-Shakhsheer, F., & Ma'moun, A. (2018). The impact of internal service quality on job satisfaction in the hotel industry. *Research in Hospitality Management*, 8(1) doi: <http://dx.doi.org/10.1080/22243534.2018.1501182>
- Aladwan K, Bhanugopan R, D'Netto B, 2015. The effects of human resource management practices on employees' organizational commitment. *International Journal of Organizational Analysis*, 23(3), 472-492. Retrieved from <https://search.proquest.com/docview/1690993625?accountid=31259>
- Al-Ali W, et al., 2019. The mediating effect of job happiness on the relationship between job satisfaction and employee performance and turnover intentions: A case study

- on the oil and gas industry in the United Arab Emirates. *Journal of Business and Retail Management Research (JBRMR)*, Vol. 13 Issue 4
- Alam A, Asim M, 2019. Relationship between job satisfaction and turnover Intention. *International Journal of Human Resource Studies* 2019, Vol. 9, No. 2 ISSN 2162-3058
- Ali W, 2016. Understanding the concept of job satisfaction, measurements, theories and its significance in the recent organizational environment: A theoretical framework. *Archives of Business Research*, Vol. 4.
- Alias N, et al. 2018. Factors influencing turnover intention in a Malaysian manufacturing company. *Kne Social Science*. DOI: 10.18502/kss.v3i10.3171
- Almohaimmeed B, 2019. Internal service quality and external service quality using two versions of SERVQUAL scale: An empirical evidence from five malls in the capital city of Saudi Arabia. *Verslas: Teorija Ir Praktika*, 20, 158-169. doi: <http://dx.doi.org/10.3846/btp.2019.15>
- Alromaihi M, Alshomaly Z, George S, 2017. Job satisfaction and employee performance: A theoretical review of the relationship between the two variables. *International Journal of Advanced Research in Management and Social Sciences*. Vol. 6 | No. 1 | January 2017 ISSN: 2278-6236
- Amarasena T, Ajward A, Haque A, 2015. The impact of work autonomy on job satisfaction of academic staff: An empirical examination of government universities in Sri Lanka. *International Journal of Recent Advances in Organizational Behavior and Decision Sciences (IJRAOB) An Online International Research Journal* (ISSN: 2311-3197) 2015 Vol: 1 Issue 4
- Amarasena T, Ajward A, Haque A, 2015. Does social recognition impact job satisfaction of academic faculty members of state universities in Sri Lanka. *International Journal of Recent Advances in Organizational Behavior and Decision Sciences*. Vol: 1 Issue 4. ISSN: 2311-3197
- Amoatema A, Kyeremeh D, 2016. Making employee recognition a tool for achieving improved performance: Implication for Ghanaian Universities. *Journal of Education and Practice*. Vol.7, No.34, 2016. ISSN 2222-1735
- Ariani D, 2015. Relationship with supervisor and co-workers, psychological condition and employee engagement in the Workplace. *Journal of Business and Management* Volume 4, Issue 3 (2015), 34-47 ISSN 2291-1995 E-ISSN 2291-2002
- Aryee S, et al., 2016. Workplace family resources and service performance: The mediating role of work engagement. *Africa Journal of Management*. 2(2): p. 138-165.
- Awan A, Tahir T, 2015. Impact of working environment on employee's productivity: A case study of banks and insurance companies in Pakistan. *European Journal of Business and Management*, 7(1), 329-345.
- Babić-Hodović V, et al., 2019. IPA and ServPerf quality conceptualizations and their role in hotel services satisfaction. *Tourism and Hospitality Management*, Vol. 25, No. 1, 2019, 010204

- Baffour-Awuah E, 2018. A primary examination of SERVPERF dimensions and customer satisfaction relationship in the Automotive Electrical maintenance service industry. *IJISET - International Journal of Innovative Science, Engineering & Technology*, Vol. 5 Issue 3, March 2018
- Bakotic D, 2016. Relationship between job satisfaction and organizational performance. *Journal of Economic Research*, Vol. 29, 2016, Issue 1. DOI: doi.org/10.1080/1331677X.2016.1163946
- Baron R, Kenny D, 1986. The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology*, 51(6), 1173.
- Batura N, et al., 2016. Is the job satisfaction survey a good tool to measure job satisfaction amongst health workers in Nepal? Results of a validation analysis. *BMC Health Services Research* (2016) 16:308 DOI 10.1186/s12913-016-1558-4
- Bayarcelik E, Findikli M, 2016. The mediating effect of job satisfaction on the relation between organizational justice perception and intention to leave. *Procedia - Social and Behavioral Sciences* 235 (2016) 403 – 411. doi: 10.1016/j.sbspro.2016.11.050
- Belete A, 2018. Turnover intention influencing factors of employees: An empirical work review. *J Entrepren Organiz Manag* 7: 253. doi: 10.4172/2169-026X.1000253
- Belias D, et al., 2015. Organizational culture and job satisfaction of Greek banking institutions. *Procedia - Social and Behavioral Sciences* 175 (2015), 314 – 323
- Bhanu M, Babu P, 2018. Impact of work environment and job stress towards job satisfaction. *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 20, Issue 2. Ver. II (February. 2018), PP 01-07 [www.iosrjournals.org](http://www.iosrjournals.org)
- BizFilings, 2017. Policies for employee personal use of business equipment, Available online: <https://www.bizfilings.com/toolkit/research-topics/office-hr/using-policies-to-address-83-employees-personal-use-of-business-equipment> [Accessed 22 August 2017]
- Bonds A, 2018. Employees' organizational commitment and turnover intentions. Walden University Scholar Works. Unpublished Doctoral Study of Walden University.
- Borovec K, Balgač I, 2017. Contribution of internal communication in predicting job satisfaction among police officers. *Kriminologija & Socijalna Integracija*, 25(1), 17-33. Retrieved from <https://search.proquest.com/docview/1909302549?accountid=31259>
- Che Nawi N, Ismail M, Ibrahim M, Raston N, Zamzamin Z, Jaini A, 2016. Job satisfaction among academic and non-academic staff in public universities in Malaysia: A review. *International Journal of Business and Management*, 11(9), 148. doi:10.5539/ijbm.v11n9p148
- Chicu D, Ryan G, Valverde M, 2016. Determinants of customer satisfaction in call centres. *European Accounting and Management Review*, Issue 2 (2016). DOI: 10.26595/eamr.2014.2.2.2

- Chung B, Schneider B, 2002. Serving multiple masters: role conflict experienced by service employees. *Journal of Services Marketing*. 2002;16(1):70-87. DOI: 10.1108/08876040210419424
- Çınar O, 2015. The relationships between mobbing, organizational citizenship behavior and turnover intention: A survey study in Erzurum/Turkey. *Journal of Global Strategic Management*, 9(1), 87-98. doi:10.20460/JGSM.2015915631
- Cronin J, Taylor S, 1992. Measuring service quality: A re-examination and extension, *Journal of Marketing*, Vol. 56, No. 3, pp. 55-68
- Darma P, Supriyanto A, 2017. The effect of compensation on satisfaction and employee performance. *Management and Economics Journal*. Volume1, Issue 1, December 2017. Retrieved from <http://ejournal.uin-malang.ac.id/index.php/mec>
- Davidescu A, et al., 2020. Work flexibility, job satisfaction, and job performance among Romanian employees—implications for sustainable human resource management. *Sustainability* 2020, 12, 6086; doi:10.3390/su12156086
- Durai S, Shaju M, 2017. A study on the impact of job Satisfaction on job performance of employees working in automobile industry, Punjab, India. *Journal of Management Research*. SSN 1941-899X 2017, Vol. 9, No.1. doi:10.5296/jmr.v9i1.10420
- Dwivedi S, 2015. Turnover intentions: Scale construction & validation. *Indian Journal of Industrial Relations*, 50, 452-469. Retrieved from <http://www.srcirhr.com/ijir.php>
- Eberendu A, Okon P, Akpan E, Ubani E, Ahaiwe J, 2018. A methodology for the categorization of software projects in Nigeria based on performance. *Asian Journal of Research in Computer Science*, 1(4), 1-9. <https://doi.org/10.9734/ajrcos/2018/v1i424758>
- Egeland B, 2017. 4 reasons why accuracy is important on the project, Available Online: <https://www.projectinsight.net/blogs/project-management-tips/4-reasons-why-accuracy-is-important-on-the-project> [Accessed 1 August 2017]
- Elmadag A, Ellinger A, 2018. Alleviating job stress to improve service employee work affect: The influence of rewarding. *Service Business*, 12(1), 121-141. doi: <http://dx.doi.org/10.1007/s11628-017-0340-y>
- Esmailpour M, Ranjbar M, 2017. Investigating the impact of commitment, satisfaction, and loyalty of employees on providing high-quality service to the customer. *Romanian Economic and Business Review*, 12(1), 82-98. Retrieved from <https://search.proquest.com/docview/1927095858?accountid=31259>
- Falkenburg K, Schyns B, 2007. Work Satisfaction, organizational commitment, and withdrawal behaviors. *Management Research News*, 30 (10): 708-23.
- Field A, 2016. *An adventure in statistics: The reality enigma* 1st edition. SAGE Publications Ltd: UK
- Fluss D, 2016. Great customer service isn't an accident, Available Online: <http://www.destinationcrm.com/Articles/Columns-Departments/Reality-Check/Great-Customer-Service-Isnt-an-Accident-112515.aspx> [Accessed 14 July 2017]

- García-Buades E, et al., 2016. Engaged teams deliver better service performance in innovation climates. *European Journal of Work and Organizational Psychology*. 25(4): p. 597-612.
- Gebregziabher D, Berhanie E, Berihu H, et al. 2020. The relationship between job satisfaction and turnover intention among nurses in Axum comprehensive and specialized hospital Tigray, Ethiopia. *BMC Nurs* 19, 79 (2020). <https://doi.org/10.1186/s12912-020-00468-0>
- Godarzvand M, Yousefi S, Delshad M, 2016. The relationship between management commitment to service quality and organizational output according to mediating role of the effective participation of employees in the banks of Gilan province. *Journal of Development and Transformation Management*, 24(2): 39-50.
- Gorde S, 2018. A study of job satisfaction in a call centre with special reference to Pune in India. *International Journal of Engineering and Management Research*. Volume-8, Issue-5, October 2018. 163-168 DOI: [doi.org/10.31033/ijemr.8.5.20](https://doi.org/10.31033/ijemr.8.5.20)
- Gupta A, 2016. Service quality and delivery in banking services — An Indian perspective, *Cogent Business & Management*, ISSN 2331-1975, Taylor & Francis, Abingdon, Vol. 3, <http://dx.doi.org/10.1080/23311975.2016.1243504>
- Hafeez I, Yingjun Z, Hafeez S, Mansoor R, Rehman K, 2019. Impact of workplace environment on employee performance: mediating role of employee health. *Business, Management and Education*. 2019 Volume 17 Issue 2: 173–193. <https://doi.org/10.3846/bme.2019.10379>
- Haggalla K, 2017. Study on organizational culture and turnover intention in international information technology firms In Sri Lanka. *International Journal of Scientific Research and Innovative Technology*. 4(2)
- Hai S, Park I, 2021. The accelerating effect of intrinsic motivation and trust toward supervisor on helping behavior based on the curvilinear model among hotel frontline employees in China. *Journal of Hospitality and Tourism Management*, Volume 47, 2021, Pages 12-21, ISSN 1447-6770, <https://doi.org/10.1016/j.jhtm.2021.02.009>.
- Hanafi A, Ibrahim S, 2018. Impact of employee skills on service performance. *International Journal of Science and Research (IJSR)* 7(12):587-598 DOI: 10.21275/ART20193416
- Hanaysha J, 2016. Physical environment as a key success factor for building strong brand equity: A study on restaurant industry, *Journal of Research in Business, Economics and Management*, vol. 5, no. 5, pp.686-693
- Harden G, Boakye K, Ryan S, 2018. Turnover intention of technology professionals: A social exchange theory perspective. *Journal of Computer Information Systems*, 58:4, 291-300, DOI:10.1080/08874417.2016.1236356
- Harris E, Fleming D, 2017. The productive service employee: Personality, stress, satisfaction and performance. *The Journal of Services Marketing*, 31(6), 499-511. doi: <http://dx.doi.org/10.1108/JSM-11-2015-0347>

- Hossain K, 2018. Factors affecting employee's turnover intention in banking sector of Bangladesh: An empirical analysis. *ASA University Review*, Vol. 11 No. 2, July–December, 2017
- Hosseini S, Zainal A, Sumarjan N, 2015. The effects of service performance of hotel customers on quality of experience and brand loyalty in Iran. *Procedia - Social and Behavioral Sciences*. Volume 201, 22 August 2015, Pages 156-164
- Iberahim H, Taufik N, Adzmir A, Saharuddin H, 2019. Customer satisfaction on reliability and responsiveness of self-service technology for retail banking services. *Procedia Economics and Finance*. Volume 37, 2016, Pages 13-20. [https://doi.org/10.1016/S2212-5671\(16\)30086-7](https://doi.org/10.1016/S2212-5671(16)30086-7)
- IBPAP TeamAsia, 2014. Periodic Survey. Manila: March 2014. Retrieved from: <http://www.ibpap.org/publications-and-presstatements/researchinitiatives/periodic-surveys>
- Inuwa M, 2016. Job Satisfaction and Employee Performance: An Empirical Approach. *The Millennium University Journal*; Vol. 1, No. 1; 2016 ISSN 2225-2533
- Iqbal S, Guohao L, Akhtar S, 2017. Effects of job organizational culture, benefits, salary on job satisfaction ultimately affecting employee retention. *Review Pub Administration Manag* 5: 229. doi:10.4172/2315-7844.1000229
- Izvercian M, Potra S, Ivascu L, 2016. Job satisfaction variables: A grounded theory approach. *Procedia - Social and Behavioral Sciences* 221 (2016) 86 – 94. t [www.sciencedirect.com](http://www.sciencedirect.com)
- Janssen L, 2017. The mediating effect of job satisfaction in the relationship between work-family conflict and turnover intention and between work-family conflict and burnout: a secondary data analysis. Unpublished study of Tilburg University.
- Kaiser T, Hennecke M, Luhmann M, 2020. The interplay of domain-and life satisfaction in predicting life events. *PLoS ONE*15(9): e0238992. <https://doi.org/10.1371/journal.pone.0238992>
- Kampkötter P, 2017. Performance appraisals and job satisfaction. *The International Journal of Human Resource Management*, 28(5), 750-774.
- Khan M, et al., 2020. Extent of employee turnover in humanitarian logistics: an interpretive structural modelling approach. *International Journal of Supply Chain Management*. Vol. 9, No. 4, August 2020. *JSCM*, ISSN: 2050-7399 (Online), 2051-3771
- Koitalek J, 2016. Influence of compensation policy on employee commitment at teachers service commission in Kenya. Unpublished Masters study of Nairobi University.
- Kumar V, Pansari A, 2016. Competitive advantage through engagement. *Journal of Marketing Research*, 53, 497-514. doi:10.1509/jmr.15.0044
- Li L, Zhu B, Cai X, Long X, Park C, 2019. Internal service quality affects salespersons' performance and turnover intention: Mediating role of job involvement. *Social Behavior and Personality*, 47(8), 1-11. doi: <http://dx.doi.org/10.2224/sbp.8251>
- Li L, Zhu Y, Park C, 2018. Leader-member exchange, sales performance, job satisfaction, and organizational commitment affect turnover intention. *Social Behavior and*

- Personality: An International Journal, 46, 1909-1922.  
<https://doi.org/10.2224/sbp.7125>
- Liu D, Mitchell T, Lee T, Holtom B, Hinkin T, 2012. When employees are out of step with coworkers: How job satisfaction trajectory and dispersion influence 77 individual – and unit – level voluntary turnover. *Academy of Management Journal*, 55(6), 1360. doi:10.5465/amj.2010.0920
- Liu M, Yan L, Phau I, Perez A, Teah M, 2016. Integrating Chinese cultural philosophies on the effects of employee friendliness, helpfulness and respectfulness on customer satisfaction, *European Journal of Marketing*, vol. 50 no. 3/4, pp.464-487
- Lu L, Liu J, Zhao N, 2017. Why employees stay: The roles of psychological ownership, territoriality and work relationship closeness in affecting employee turnover intention. *Frontiers of Business Research in China*, 11(1), 1-16. doi: <http://dx.doi.org/10.1186/s11782-017-0010-x>
- Mabaso C, Dlamini B, 2018. Impact of Compensation and Benefits on Job Satisfaction. *Res. J. Business Manage.*, 11: 80-90.
- Markiz Y, et al. 2017. The influences of leadership styles, organizational communication, and job satisfaction toward employees' job performance in doing construction jobs: a study on three construction companies in Jakarta. *Russian Journal of Agricultural and Socio-Economic Sciences*. DOI <https://doi.org/10.18551/rjoas.2017-05.23>
- Martini L, Suardana I, Astawa N, 2018. Dimension effect of tangibles, reliability, responsiveness, assurance, empathy, leadership towards employee satisfaction (a university in Bali). *International Research Journal of Management, IT & Social Sciences*. Vol. 5 No. 2, March 2018, pages: 210~215
- Mbah S, Ikemefuna C, 2012. Job satisfaction and employees' turnover intentions in Total Nigeria plc. in Lagos State. *International Journal of Humanities and Social Science*, 2(14), 275-287.
- McInerney D, Ganotice F, King R, Marsh H, Morin A, 2015. Exploring commitment and turnover intentions among teachers: What we can learn from Hong Kong teachers. *Teaching and Teacher Education*, 52, 11-23. doi:10.1016/j.tate.2015.08.004
- Mendis M, 2017. The impact of reward system on employee turnover intention: a study on logistics industry of Sri Lanka. *International Journal of Scientific & Technology Research*. 2017 6(9):67-72
- Milana E, 2018. Impact of job satisfaction on public service quality: Evidence from Syria. *Serbian Journal of Management* 13 (2) (2018) 233 – 250
- Milovanovic I, 2017. Big-five personality traits, job satisfaction, and turnover intention: a heuristic model for hospital nurses in Japan. *International Journal of Scientific & Engineering Research*, 8, 322-331.
- Morgan J, 2015. How the physical workspace impacts the employee experience, *Forbes*, Available Online: <https://www.forbes.com/sites/jacobmorgan/2015/12/03/how-the-physical-workspace-impacts-the-employee-experience/#73e80c3d779e> [Accessed 22 August 2017]



- Mosley E, 2016. 3 ways that recognition reduces employee turnover. Retrieved from [http://www.huffingtonpost.com/eric-mosley/3-ways-that-recognition-r\\_b\\_7965532.html](http://www.huffingtonpost.com/eric-mosley/3-ways-that-recognition-r_b_7965532.html)
- Muguongo M, Muguna A, Muriithi D, 2015. Effects of compensation on job satisfaction among secondary school teachers in Maara Sub - County of Tharaka Nithi County, Kenya. *Journal of Human Resource Management* Volume 3, Issue 6, December 2015, Pages: 47-59
- Muhammad I, Abdullah H, 2016. Assessment of organizational performance: Linking the motivational antecedents of empowerment, compensation and organizational commitment. *International Review of Management and Marketing*, 6(4) Retrieved from <https://search.proquest.com/docview/1836590207?accountid=31259>
- Musa A, Ghazali Z, Isha S, 2018. Relationship between organizational communication and job satisfaction in temporary work environment: An empirical study of plant turnaround workers. *Global Business and Management Research: An International Journal* Vol. 9, No. 1s
- Nabi N, Foysol K, Adnan S, 2017. The role and impact of business communication on employee performances and job satisfactions: A case study on Karmasangsthan Bank Limited, Bangladesh. *Arabian Journal of Business and Management Review*. *Arabian J Bus Manag Review* 2017,7:3. DOI:10.4172/2223-5833.1000301
- Ndungu D, 2017. The effects of rewards and recognition on employee performance in public educational institutions: A case of Kenyatta University, Kenya. *Global Journal of Management and Business Research*. Volume 17 Issue 1 Version 1.0. ISSN: 2249-4588 & Print ISSN: 0975-5853
- O'Connor J, 2018. The impact of job satisfaction on the turnover intent of executive level central office administrators in Texas Public School Districts: A quantitative study of work-related constructs. *Education Sciences*, 8, 69;
- Okeke M, 2018. Job satisfaction and employee performance in selected bakeries in Anambra State. *Journal of Advances in Management IT & Social Sciences*, Vol. 8, Issue 10, October 2018 Impact Factor 5.132 ISSN: (2231-4571)
- Osei-Owusu K, 2016. Impact of organizational culture on job satisfaction. 10.13140/RG.2.1.1196.9047
- Osman A, 2017. The impact of service climate and job satisfaction on service quality in a higher education platform. *International Journal of Learning and Development*, Vol. 7, No. 3. ISSN 2164-4063 2017
- Pakurár M, et al. 2019. The service quality dimensions that affect customer satisfaction in the Jordanian banking sector. *Sustainability* 2019, 11, 1113; doi:10.3390/su11041113
- Palaniswamy T, et al. 2017. Keys to improve service quality and employee performance in an organization - A survey. *International Journal of Engineering Research and Development* e-ISSN: 2278-067X, p-ISSN: 2278-800X, [www.ijerd.com](http://www.ijerd.com) Volume 13, Issue 2 (February 2017), PP.48-53

- Panchal I, 2016. The impact of job satisfaction while performing responsibilities. International Research Journal of Engineering and Technology (IRJET) Volume: 03 Issue: 07 | July -2016
- Patricia O, 2015. Improving interpersonal relationship in workplace. IOSR Journal of research and Method in Education (IOSR-JRME), Vol.5, Issue, 6.
- Paul T, 2016. Job satisfaction of National Bank Limited: A case study of Kaliakoir Branch, Gazipur. Internship Report, University of Dhaka, Department of Management, Dhaka. Retrieved 11 1, 2016.
- Perić G, Gašić M, Stojiljković M, Nešić I, 2018. The impact of employee satisfaction on the tourist satisfaction with the services of spa tourism. *Ekonomika Poljoprivrede*, 65(2), 617-632. doi: <http://dx.doi.org/10.5937/ekoPolj1802617P>
- Platis C, Reklitis P, Zimeras S, 2015. Relation between job satisfaction and job performance in healthcare services. *Procedia-Social and Behavioral Sciences*, 175, 480-487.
- Promkaew P, Tembo R, 2017. An exploratory study of employees' perceptions on service quality in the examinations council of Zambia. School of Economics and Management
- Qazi S, Kaur T, 2017. Impact of organizational culture on job satisfaction among the university faculty members – An empirical study. *International Journal of Business and Social Science* Vol. 8, No. 3; March 2017
- Rahaman M, Rahman M, Abdul M, 2016. Organizational commitment: do employees' compensations and benefits matter? *IOSR Journal of Business and Management (IOSR-JBM)*. Volume 18, Issue 10. Ver. V (October. 2016), PP 135-141
- Rahardjo M, 2017. The effects of compensation on work motivation: Evidence from universities in Jakarta. *International Journal of Economic Perspectives*, 11(1), 1651-1662. Retrieved from <https://search.proquest.com/docview/1964554389?accountid=31259>
- Rahi S, 2017. Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economics & Management Sciences* 6 (2), 1-5, 2017. doi: 10.4172/2162-6359.1000403
- Rahman A, Syahrizal S, 2018. Effect of compensation and career development on turnover intention: job satisfaction as a mediation variable. *Advances in Economics, Business and Management Research*, Volume 64
- Ramjee P, 2018. The impact of workplace relationship to employee satisfaction. *Chron*. Retrieved from <http://smallbusiness.chron.com/impact-workplace-relationship-employee-satisfaction-20306.html>
- Ramseook-Munhurrun P, Naidoo P, Lukea-Bhiwajee S, 2010. Measuring service quality: perceptions of employees. *Global Journal of Business Research*. Volume 4 number 1, 2010
- Ramya N, Kowsalya M, Dharanipriya K, 2019. Service quality and its dimensions. *EPRA International Journal of Research & Development (IJRD)*. Volume: 4, Issue:2, February 2019

- Rasyida D, Ulkhaq M, Setiowati P, Setyorini N, 2016. Assessing service quality: a combination of ServPerf and importance- performance analysis. *MATEC Web of Conferences* 68, 06003 (2016). DOI: 10.1051/mateconf/20166806003
- Raza H, Irshad A, Ahsanullah B, 2019. Impacts of service quality on customer satisfaction: a comparative study on banking sector of Pakistan through weighted ServPerf mode. *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*. Volume 11 No.2, ISSN 2228-9860 DOI:10.14456/ITJEMAST.2020.29
- Raziq A, Maulabakhsh R, 2015. Impact of Working Environment on Job Satisfaction. *Procedia Economics and Finance*. Vol. 23, 2015. Doi: 10.1016/S2212-5671(15)00524-94
- Reukauf J, 2018. The correlation between job satisfaction and turnover intention in small business. Walden University Scholar Works. Unpublished Doctoral Study of Walden University.
- Roodt G, 2004. Turnover intentions. Unpublished document. Johannesburg: University of Johannesburg.
- Rothausen T, Henderson K, Arnold J, Malshe A, 2015. Should i stay or should i go? identity and well-being in sensemaking about retention and turnover. *Journal of Management*. Volume: 43 issue: 7, page(s): 2357-2385. DOI: 10.1177/0149206315569312
- Russel M, 2017. The relationships among autonomy, job satisfaction and motivation. University of North Georgia Nighthawks Open Institutional Repository. Honors Theses. 23. [https://digitalcommons.northgeorgia.edu/honors\\_theses/23](https://digitalcommons.northgeorgia.edu/honors_theses/23)
- Saridakis G, Cooper C, 2016. *Research handbook on employee turnover*. Cheltenham, UK: Edward Elgar Publishing.
- Schepers J, Nijssen E, van der Heijden G, 2016. Innovation in the frontline: Exploring the relationship between role conflict, ideas for improvement, and employee service performance. *International Journal of Research in Marketing*, 33(4), 797-817. <https://doi.org/10.1016/j.ijresmar.2016.01.004>
- Sharma P, Kong T, Kingshott R, 2016. Internal service quality as a driver of employee satisfaction, commitment and performance: Exploring the focal role of employee well-being. *Journal of Service Management*, 27, 773-797. <https://doi.org/10.1108/JOSM-10-2015-0294>
- Sharma P, Lampley J, Good D, 2015. Organizational communication: perceptions of staff members' level of communication satisfaction and job satisfaction. *Journal of Academic Administration in Higher Education*. Spring 2015 (Volume 11 Issue 1)
- Shmailan A, 2016. The relationship between job satisfaction, job performance and employee engagement: An explorative study. *Issues in Business Management and Economics*, Original Research Article, 4(1), 1-8.
- Shonubi O, et al. 2016. Recognition and appreciation and the moderating role of self-esteem on job satisfaction and performance among IT employees in Melaka. *Journal of Health Science* 4 (2016) 221-227 doi: 10.17265/2328-7136/2016.05.001

- Shravasti R, Bhola S, 2015. Study on working environment and job satisfaction of employees in respect to service sector: An analysis. Review of Research Journal. Vol. 4 | Issue. 4 | Jan. 2015. [www.ror.isrj.org](http://www.ror.isrj.org)
- Silaban N, Rahmat T, 2018. The influence of compensation and organizational commitment on employees' turnover intention. Journal of Business and Management.01-06.
- Singh N, Sharma L, 2015. Process models of employee turnover during 1975-1995: A review. European Academic Research, Vol. III, Issue 2/ May 2015
- Slatten T, Lien G, 2020. Precursors and outcomes of work engagement among nursing professionals—a cross-sectional study. Research Square DOI: <https://doi.org/10.21203/rs.3.rs-33425/v2>
- Slatten T, Svensson G, Svaeri S, 2009. Service quality and turnover intentions as perceived by employees: Antecedents and consequences. Personnel Review. Vol. 40 No. 2, 2011. pp. 205-221. DOI 10.1108/00483481111106084
- Squires J, Hoben M, Linklater S, Carleton H, Graham N, Estabrooks C, 2015. Job satisfaction among care aides in residential long-term care: A systematic review of contributing factors, both individual and organizational. Nursing Research and Practice, 2015.
- Sree R, Satyavathi, R, 2017. Employee job satisfaction. International Journal of Engineering and Management Research. Volume-7, Issue-5, 85-94
- Steenkamp A, 2015. 5 traits of the perfect customer service employee, Business 2 Community, Available online: <http://www.business2community.com/human-resources/5-traits-perfect-customer-service-employee-01166996#Th3utioIPzkm5S6O.97> [Accessed 28 July 2017]
- Sudiardhita K, et al. 2018. The effect of compensation, motivation of employee and work satisfaction to employee performance Pt. Bank XYZ (Persero) TBK. Academy of Strategic Management Journal. 2018 Vol: 17 Issue: 4 ISSN: 1939-6104
- Taboli H, 2015. Burnout, work engagement, work alienation as predictors of turnover intentions amount universities employees in Kerman. Life Science Journal, 12(9), 67-74. Retrieved from <http://www.lifesciencesite.com/>
- Tarigan V, Ariani D, 2015. Empirical study relations job satisfaction, organizational commitment, and turnover intention. Advances in Management and Applied Economics, 5(2), 21. Retrieved from [https://www.scienpress.com/journal\\_focus.asp?Main\\_Id=55](https://www.scienpress.com/journal_focus.asp?Main_Id=55)
- Timney H, 2017. The employee's role in a best-in-class service organization, Available Online: <http://www.satrixsolutions.com/blog/the-employees-role-in-a-best-in-class-service-95organization/> [Accessed 10 August 2017]
- Torlak N, Kuzey C, 2019. Leadership, job satisfaction and performance links in private education institutes of Pakistan. International Journal of Productivity and Performance Management, 68(2), 276-295.
- Tran K, Nguyen P, Dang T, Ton T, 2018. The impacts of the high-quality workplace relationships on job performance: A perspective on staff nurses in Vietnam.

- Behavioral sciences (Basel, Switzerland), 8(12), 109.  
<https://doi.org/10.3390/bs8120109>
- Vasella V, 2015. Knowledge is power: The importance of understanding your clients, Available Online: <http://www.business2community.com/customer-experience/knowledgepower-importance-understanding-clients-01404914#Jtre6SOefYjCZiAc.97> [Accessed 15 August 2017]
- Wang D, 2015. Customer satisfaction in queue, *Business Studies Journal*, vol. 7, no. 1, pp.61- 65
- Wen T, Zhang Y, Wang X, Tang G, 2018. Factors influencing turnover intention among primary care doctors: a cross-sectional study in Chongqing, China. *Human Resource for Health* 16, 10 (2018). <https://doi.org/10.1186/s12960-018-0274-z>
- Wong Y, Wong Y, Wong C, 2015. An integrative model of turnover intention: Antecedents and their effects on employee performance in Chinese joint ventures. *Journal of Chinese Human Resource Management*, 6(1), 71-90. doi:10.1108/JCHRM-06-2014-0015
- Yeun Y, Han J, 2015. Effect of organizational culture on nurses' turnover intention: The mediating effect of workplace bullying and work burnout. *Advanced Science and Technology Letters*, 120, 125-128.
- Yuen K, Loh H, Zhou Q, Wong Y, 2018. Determinants of job satisfaction and performance of seafarers. *Transportation research part A: policy and practice*, 110, 1-12.
- Zito M, Emanuel F, Molino M, Cortese C, Ghislieri C, Colombo L, 2018. Turn over intentions in a call center: The role of emotional dissonance, job resources, and job satisfaction. *PLoS ONE* 13(2): e0192126. <https://doi.org/10.1371/journal.pone.0192126>

## Appendix A: Research Instrument

### Survey Questionnaire

Dear Respondent,

I am one of the MBA students of the Professional Schools of the University of Mindanao. I am currently working on research entitled "*Job Satisfaction and Turnover Intention of BPO Workers: The Mediating Effect of Service Performance*". As a researcher, I am interested on how service performance may intervene the relationship between job satisfaction and turnover intention in BPO sector. I will use the results as inputs for employee's well-being and sustainability program. In connection with this, I choose you to be one of my respondents. Hence, I would like to ask your cooperation in answering this questionnaire. It would be best if you do not leave any of the questions unanswered. I assure the full confidentiality of the information you will give.

I will greatly appreciate your valuable time and response for the success of my research.

Sincerely yours,  
The Researchers

### I. Profile of the Respondent

Name (Optional): \_\_\_\_\_

Sex:

- Male
- Female

Age:

- 18-25;
- 31-35;
- 41-45;
- 26-30;
- 36-40;
- 46 and above.

Marital status:

- Single;
- Married;
- Widow/Widower;
- Others (specify):\_\_\_\_\_.

Working position:

Please indicate your position: \_\_\_\_\_

Employment status:

- Regular Trainee;
- Probationary others (specify): \_\_\_\_\_.

**Directions:** Please respond to each item honestly by indicating the degree/rating of your choice. Check the box of your choice and be guided by the following:

Numerical Scale	Description	Interpretation
5	Very high	The measure described in the item is <b>always evident</b> .
4	High	The measure described in the item is <b>often evident</b> .
3	Moderate	The measure described in the item is <b>sometimes evident</b> .
2	Low	The measure described in the item is <b>seldom evident</b> .
1	Very low	The measure described in the item is <b>never evident</b> .

## II. Job Satisfaction

A. The Job/Work	5	4	3	2	1
1. My job makes good use of my skills and abilities.					
2. I feel encouraged to come up with new and better ways of doing things.					
3. My work gives a feeling of personal growth and accomplishment.					
4. I have knowledge, training and resources to do my job well.					
5. My job requirements are clear to me.					
6. I have job security.					
7. The amount of work expected of me is reasonable.					
B. Relationships at Work					
1. My supervisor/team-leader encourages me to do my best.					
2. Management looks to me for suggestions and leadership.					
3. I get along/interact well with my colleagues.					
C. Communication					
1. The management keeps me informed about matters affecting the organization.					
2. The management involves me in decisions affecting my work.					
3. My company clearly communicates its goals and strategies to me.					
4. People in my department/account communicate sufficiently with one another.					
D. Recognition of Performance					
1. I am valued by my supervisor/team leader.					
2. I received the right amount of recognition for my work.					
3. I have a clear path for career advancement.					
E. Compensation and Benefits					
I am happy with my:					
1. Pay					
2. Bonus					
3. Incentives					
4. Career progression					
5. Vacation time					
6. Medical benefits					
7. Other benefits					
F. Corporate Culture/Environment					
1. My senior leaders visibly demonstrate a commitment to quality service.					

Princess G. Cole, Reynaldo C. Castro  
 JOB SATISFACTION AND TURNOVER INTENTION OF BPO WORKERS:  
 THE MEDIATING EFFECT OF SERVICE PERFORMANCE

2. My company has positive image to the public.					
3. I feel safe and secure in my work environment.					
4. My company is flexible with respect to my family responsibilities.					
5. The morale in my department/account is high.					
6. I am motivated to see my organization succeed.					
7. I would recommend this company as a good place to work.					

### III. Turnover Intention

**Directions:** Please respond to each item honestly by indicating the degree/rating of your choice. Check the box of your choice and be guided by the following:

Numerical Scale	Description	Interpretation
5	Very high	The measure described in the item is <b>always manifested</b> .
4	High	The measure described in the item is <b>often manifested</b> .
3	Moderate	The measure described in the item is <b>sometimes manifested</b> .
2	Low	The measure described in the item is <b>seldom manifested</b> .
1	Very Low	The measure described in the item is <b>never manifested</b> .

Items	5	4	3	2	1
1. I have considered leaving my job.					
2. My current job does not satisfy my personal needs.					
3. I am frustrated because I am not given the opportunity at work to achieve my personal work-related goals.					
4. I dream about getting another job that will better suit my personal needs.					
5. I think of accepting another job at the same compensation level should it be offered to me.					
6. I no longer look forward to another day at work.					

### IV. Service Performance

**Directions:** Please respond to each item honestly by indicating the degree/rating of your choice. Check the box of your choice and be guided by the following:

Numerical Scale	Description	Interpretation
5	Very high	The measure described in the item is <b>always observed</b> .
4	High	The measure described in the item is <b>often observed</b> .
3	Moderate	The measure described in the item is <b>sometimes observed</b> .
2	Low	The measure described in the item is <b>seldom observed</b> .
1	Very Low	The measure described in the item is <b>never observed</b> .

A. Tangibles	5	4	3	2	1
1. I use up-to-date equipment and software technology.					
2. The physical facilities of our company are visually appealing.					
3. I dress well and appear neat.					
4. The appearance of our call center facilities is in keeping with the type of services I provided.					
B. Reliability					
When I promise to do something by a certain time, I do so.					



Princess G. Cole, Reynaldo C. Castro  
 JOB SATISFACTION AND TURNOVER INTENTION OF BPO WORKERS:  
 THE MEDIATING EFFECT OF SERVICE PERFORMANCE

1. I am sympathetic and reassuring when customers have problems.						
2. I am dependable.						
3. I provide services at the time required/promised.						
4. I provide accurate information to our customers.						
<b>C. Responsiveness</b>						
1. I tell customers exactly when services will be performed.						
2. I provide prompt services to our customers.						
3. I am willing to help our customers.						
4. I am readily available to respond to customer's needs.						
<b>D. Assurance</b>						
1. I can be trusted by our customers.						
2. I provide the requested service securely and competently to gain the confidence of our customers.						
3. I am polite to our customers.						
4. I have the required knowledge to answer our customers' queries.						
<b>E. Empathy</b>						
1. I give individual attention to our customers.						
2. I give our customers personal attention.						
3. I have our customers' best interest at heart.						
4. I understand the specific needs of our customers.						
5. Our operating hours are convenient to our customers.						

Creative Commons licensing terms

Authors will retain copyright to their published articles agreeing that a Creative Commons Attribution 4.0 International License (CC BY 4.0) terms will be applied to their work. Under the terms of this license, no permission is required from the author(s) or publisher for members of the community to copy, distribute, transmit or adapt the article content, providing a proper, prominent and unambiguous attribution to the authors in a manner that makes clear that the materials are being reused under permission of a Creative Commons License. Views, opinions and conclusions expressed in this research article are views, opinions and conclusions of the author(s). Open Access Publishing Group and European Journal of Management and Marketing Studies shall not be responsible or answerable for any loss, damage or liability caused in relation to/arising out of conflict of interests, copyright violations and inappropriate or inaccurate use of any kind content related or integrated on the research work. All the published works are meeting the Open Access Publishing requirements and can be freely accessed, shared, modified, distributed and used in educational, commercial and non-commercial purposes under a [Creative Commons Attribution 4.0 International License \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).