

*Full Length Research Paper*

# The effects of discrimination perception and job satisfaction on Turkish public accountants' turnover intention

Gökhan Özer and Mehmet Günlük\*

Department of Accounting and Finance, Business School, Gebze Institute of Technology, Turkey.

Accepted 17 June, 2010

**This research tests a model of turnover intentions for accountants' motivated by the belief that understanding the turnover phenomenon among accountants' may help personnel managers and manpower planners design effective retention strategies. It may also provide occupational counselors and prospective job seekers a better perspective on the nature and requirements of jobs in accounting. The purpose of this study is to investigate the links between perceived discrimination, job satisfaction and turnover intention at public accounting firms in Turkey. The primary discrimination issue discussed in the study is the perceived fairness of decisions involving pay and promotions. Fairness is examined in terms of the consistent application of standards across individuals in the firm's decision-making. To explore these issues, a survey was distributed to 600 members of accounting profession operating in various districts of Turkey selected randomly. The authors' analysis resulting from 240 accountants suggest that 1) perceived discrimination positively affects accountants turnover intentions 2) perceived discrimination negatively affects accountants job satisfaction and 3) accountants job satisfaction negatively affects their turnover intentions.**

**Key words:** Accountants, turnover intention, discrimination perception, Turkish public accountants, job satisfaction.

## INTRODUCTION

Discrimination - a sociological term referring to treatment taken toward or against a person of a certain group that is, taken based on class or category, continues to persist in various areas of life (ILO, 2003) and perceptions of it allow individuals to act on the problem at hand (Dipboye and Collela, 2005). Knowing to what extent perceptions of discrimination relate to different individual outcomes is a good gauge of the robustness of the concept of discrimination as a destructive aspect of an individual's experience. Most studies conducted on the psychological correlates of perceived discrimination are in the areas of social psychology and sociology while a growing number of studies are found in management literature

(Alderfer et al., 1980; Cox, 1993; Foley et al., 2005; Tajfel and Turner, 1986). Consequently, race- or ethnicity-related discrimination and the perceptions of it by target groups have been increasingly studied and scholars generally follow a few theoretical approaches that are often used in their particular research domains.

Perceived discrimination is an individual's perception that he or she is treated differently or unfairly because of his or her group membership (Mirage, 1994; Sanchez and Brock, 1996). Furthermore, when individuals feel they are mistreated because of their group membership, they often feel alienated and angry, which can result in negative work-related behaviors (Ensher et al., 2001). Discrimination in workplace, hereafter work place discrimination, is defined as "unfair and negative treatment of workers or job applicants based on personal attributes that are irrelevant to job performance" (Chung, 2001). Even if legislations are in place to shield people in the

---

\*Corresponding author. E-mail: [mehmetgunluk@yahoo.com](mailto:mehmetgunluk@yahoo.com).  
Tel: 90 (532) 2532255.

workplace against discrimination due to race, colour, national origin, etc. (Phan and Kleiner, 1999), an individual can already be discriminated against even before he or she sets foot in the workplace. Furthermore, studies show that even if an individual has long been engaged in a job, he or she can be a target of discrimination as a consequence of his/her race/ethnicity (Deitch et al., 2003). Hence, target groups can be discriminated against at different stages of employment.

Levin and Leonard (1984) identified discrimination in two forms. These are formal and informal discrimination. Formal discrimination was described as formal or institutionalized processes that restrict target groups' access to certain outcomes such as job mobility like promotions, salary increases, more job responsibilities and other procedures related to hiring and firing minority employees. Secondly, informal discrimination pertains to unofficial policies or practices that allow harassment and derogation of minority employees. This includes verbal harassments such as gossip, taunts, and ridicule as well as non-verbal forms of harassment such as stares, ostracism and damage to personal belongings (Levin and Leonard, 1984).

Organizational justice - a term used to describe fairness in the workplace, is concerned with the ways in which employees determine if they have been treated fairly in their jobs and the ways in which this determination influences other work-related variables (Moorman, 1991). Generally, employees will be satisfied with their jobs and committed to their organizations if they are content with the nature of the work itself, are satisfied with their supervisor and co-workers, and if they perceive current pay policies and future opportunities for promotion within their firm to be adequate (Reed et al. 1994), they will not think of leaving their organizations. Dozens of studies have demonstrated that organizational justice has important consequences such as turnover intention for organizations and their members (Moorman, 1991). According to Folger and Cropanzano (1998) a vast body of literature indicates that justice is an important motivator or working people. When individuals perceive a lack of fairness, their morale declines, they become more likely to leave their jobs, and they may even retaliate against the organization (preface, xii)." So, identifying and correcting negative perceptions of certain job attributes may contribute to minimizing turnover. Thus, it is important to study employee perceptions of discrimination in accounting organizations in order to better understand the antecedents of turnover in public accounting.

In the past three decades, there has been an increasing amount of research on organizational justice in the fields of management, applied psychology, social psychology and organizational behavior (Alderfer et al., 1980; Tajfel and Turner, 1985; Bies, 1989; Folger and Konovsky, 1989; Greenberg, 1990; Moorman, 1991; Cox, 1993; Aquino et al., 1997; Trevino and Weaver, 2001; Brockner, 2002; Blakely et al., 2005) which focused

on demonstrating the importance of organizational justice to explain employees organizational commitment, job satisfaction and turnover intentions. Despite numerous studies in management, applied psychology, social psychology and organizational behavior that demonstrate the importance of organizational fairness, relatively few studies involving organizational justice have appeared in the accounting literature (Parker and Kohlmeyer III, 2005; Özer and Günlük, 2009).

Due to the work of individual accountants, the elemental building block for the performance of accounting organizations (Kalbers and Cenker, 2007) turnover and retention of personnel are still important issues for many public accounting firms (Moyes et al., 2000; Law, 2005; Yeh, 2007). Characteristics of accounting profession-such as high levels of technical knowledge and training and significant financial rewards (Hall et al., 2005) and the work environment of professionals in public accounting firms differs from that of most other occupational groups in several ways. Auditors, CPAs and CAs in public accounting are subject to licensure requirements, an "up or out" promotion path, the maintenance of significant technical knowledge, deadline pressures, and client demands (Kalbers and Cenker, 2007). When accountants leave an accounting organization, either voluntarily or involuntarily, the impact can be substantial. The exact cost is difficult to determine but turnover, therefore, has a substantial impact on an organization's operating costs (Lee, 2000) and has been directly linked to rising employee recruitment and training costs, low levels of employee morale, job satisfaction, and customers' perceptions of service quality (Gray et al., 2000). More significantly, turnover may also cause a company to lose its competitive advantage because employees who leave may transfer their knowledge to competitor organizations (Zawacki, 1993).

This study proposes to investigate the following questions using allocation of organizational rewards such as pay and promotion: a) How do discrimination perceptions relate to the job satisfaction of accountants? b) How do discrimination perceptions relate to the turnover intentions of accountants? And c) How does job satisfaction relate to the turnover intentions of accountants? According to the theoretical framework proposed in this study when an accountant perceives that the firm is biased negative consequences occur including lower job satisfaction and higher turnover. This study also provides that accountants' job satisfaction negatively related with their turnover intentions.

The remainder of this paper is organized into four major sections. First, we review the relevant literature and generate hypotheses. Next, we report and explain our research methods, including the selection of our sample, the measures used, and the methods of data analysis. We then review the results of our analyses. Finally, we study, and offer suggestions for future research provide a discussion of the results, the limitations of the study, and

offer suggestions for future research.

## LITERATURE REVIEW

Justice is a universal and fundamental social value motivating behavior among individuals with the terms "justice", "fairness", "discrimination" and "equity" used interchangeably in the literature (Adams, 1963; Thibaut and Walker, 1975; Leventhal, 1980; Moorman, 1991). Research and theory in this domain have been conducted in social psychology as well, but has been applied specifically to organizational contexts by Industrial-organizational (I-O) psychologists. Organizational justice refers to individuals' assessment of whether their organization treats its members fairly or unfairly (Folger and Cropanzano, 1998; Umphress et al., 2003). As in social psychology, which has looked at fairness in wealth acquisition, medical care, education, interpersonal dynamics, politics and other areas, conceptualizations of workplace justice focus not on an idealized justice, but as it is perceived by individuals.

Organizational justice is based upon an individual's experience related to fairness of resource distributions, including pay, rewards, promotions and the outcome of dispute resolutions as perceived within an organization (Johnson, 2007).

Organizational justice is a multidimensional construct and, generally, organizational justice research has focused on two specific forms of justice perception: employees' responses to the outcomes they receive and the means by which they obtain these outcomes, that is, the procedures used (Cropanzano and Greenberg, 1997). In other word, organizational justice can be examined from the distributive perspective, which is justice that deals with the content of fairness or what the decisions are, and the procedural perspective which focuses on the process of fairness or how the decisions are made.

Distributive justice theory, grounded in the field of social psychology, has been used to study a variety of organizational phenomena such as work group incentive pay plans (Dulebohn and Martocchio, 1998) and conflict resolution processes (Karambayya and Brett, 1989).

Distributive justice refers to an employee's perception of fairness of outcomes (equity, equality, and needs) (Mueller et al., 1999). Based on Adam's (1965) equity theory and Leventhal's justice judgment model (1976), that individuals judge organizational outcomes in comparison with their inputs to the employing organization (Leventhal, 1980; Jawahar, 2002). While equity theory has focused on reactions to pay inequities, Leventhal (1976) studied the conditions under which people proactively employed various justice norms. According to Leventhal (1980) an individual's perception of fairness is influenced by a contribution rule which dictates that individuals who do better work should receive higher outcomes. In other words, equity theory recognizes the

relevance of only one justice rule, the contributions rule. If the other individual is receiving more from the organization (such as getting paid more), the individual would not think it is unfair if the other contributes more to the organization, too (by being a better performer and working longer). If inequity is perceived, the individual may experience emotional reactions (such as anger) as a result.

Procedural justice refers to employees' perceptions of the formal procedures that are used to determine employee rewards. Attributes of procedural fairness come from Leventhal (1976; 1980), who calls them consistency, bias suppression, ethicality, accuracy and correctable. Theory and research have established that procedures are judged as fair if they are implemented consistently, with the interests of all concerned parties represented, and based on accurate information, with opportunities to correct the decision, without self-interest, and following moral and ethical standards (Brockner et al., 1994; Brockner and Wiesenfeld, 1996). According to Folger and Cropanzano (1998) procedural and distributive justice are related. In research studies, measures of procedural and distributive justice often exhibit very high correlations that the constructs overlap or strongly influence each other (Parker and Kohlmeyer, 2005).

## Perceived discrimination and job satisfaction

Job satisfaction is one of the critical components of employee attitudes that are likely to be affected by perceived discrimination. Perceived discrimination is an individual's perception that he or she is treated differently or unfairly because of his or her group membership. Furthermore, when individuals feel they are mistreated because of their group membership, they often feel alienated and angry, which can result in negative work-related behaviors (Ellen et al., 2001). In this study perceived discrimination described as the individual's beliefs about the degree to which the organization is biased in making decisions about pay and promotions (Parker and Kohlmeyer III, 2005). In their study Sanches and Brock (1996) also showed that perceived discrimination has many negative job-related outcomes such as a decreased job satisfaction and organizational commitment. Therefore, the first hypothesis to analysis of incremental effects of perceived discrimination on accountants' job satisfaction is.

H<sub>1</sub>: Accountants' discrimination perceptions will negatively affect their job satisfaction.

## Job satisfaction and turnover intention

Intentions to leave have been studied extensively in the management literature (Cotton and Tuttle, 1986; Arnold and Feldman, 1982; Bluedorn, 1982; Randall et al., 1999; Poznanski and Bline, 1997). Most turnover research finds

that job withdrawal intentions are the strongest predictor of employee turnover behavior (Rosin and Korabik, 1991; Somers and Birnbaum, 1999; Stroh et al., 1996). For example, in the accounting profession, the most powerful predictor of departure is the intention to leave public accounting (Greenhaus et al., 1997).

The relationship between job satisfaction and turnover is one of the important research themes in the organizational studies. Many studies report a consistent and negative relationship between job satisfaction and turnover (Cotton and Tuttle, 1986; Arnold and Feldman, 1982; Bluedorn, 1982; Mobley, 1982; Price, 1977, Abdel-Halim, 1981; Aranya and Ferris, 1984; Choo, 1986; Gregson and Bline, 1989; Harrell, 1990; Harrell et al., 1986; Rasch and Harrell, 1990; Gregson, 1992; Poznanski and Bline, 1997; Harrell, 1990; Pasewark and Strawser, 1996; Mathieu and Hamel, 1989; Porter et al., 1974)). Consequently, researchers have supported the expected result that dissatisfied employees are more likely to leave an organization than satisfied ones with empirical evidences. Another critical component of employee attitudes that are likely to be affected by perceived discrimination are job satisfaction and organizational commitment (Ellen et al., 2001). Job satisfaction refers to the affective reaction to one's job as the most, and it is frequently examined as a psychological variable in the satisfaction and turnover relationship (Mobley et al., 1979) particularly in organizational studies literature. On the other hand, job dissatisfaction has been repeatedly identified as the single most important reason why employees leave their jobs (Lee, 2000) and also research shows that individuals who are dissatisfied with their jobs have higher rates of turnover (Carsten and Spector, 1987). Job satisfaction found as it is an antecedent (e.g. in accounting, Gregson, 1992; Poznanski and Bline, 1997), correlated (e.g. in accounting, Harrell, 1990; Pasewark and Strawser, 1996), or a consequence of an affective commitment dimension of organizational commitment (Mathieu and Hamel, 1989; Porter et al., 1974) which is the still discussion (Kalbers and Cenker, 2007). Regarding the relationship between job satisfaction and turnover, prior studies persistently revealed a significant and negative relation (that is, Mobley et al., 1979; Lum et al., 1998). Cotton and Tuttle (1986) also found that overall job satisfaction, satisfaction with the work itself, pay satisfaction, and satisfaction with supervision were negatively associated with turnover. So the second hypothesis which will be tested is:

H<sub>2</sub>: Accountants' job satisfaction will negatively effect to their turnover intentions.

### Perceived discrimination and turnover intention

A great deal of traditional turnover models have focused on employee attitudes towards their jobs and organizations as antecedents to the turnover process (Farrell

and Rusbult, 1981; Mobley, 1977; Steers and Mowday, 1981).

Many of these models start with the premise that the active consideration of turnover as an option is begun with low levels of job satisfaction and low levels of organizational commitment (Hom and Griffeth, 1995). One of the prominent outcomes affected by the employees' justice perceptions can be stated as the turnover intentions. In the relevant literature, turnover intentions as well as the actual turnover is predicted to relate to both procedural and distributive justice perceptions. Employees who perceive bias, that is, they are being treated unfairly (such as compensation, job assignment, pay, promotion, overtime assignments, disciplinary actions, or layoffs) are more likely to file grievances than those who believe they are being treated fairly (Allen and Keaveny, 1985). As a result perceived discrimination may increase turnover intention. So the third hypothesis which will be tested is:

H<sub>3</sub>: Accountants' perceived discrimination perceptions will positively affect their turnover intentions (Figure 1).

## METHODOLOGY

### Sample and data collecting procedure

Our sample is comprised of accountants in Turkey. Data was obtained from 240 members of the accounting profession operating in various districts of Turkey selected randomly by a survey form has been generated by using an introductory information in order to determine the socio-demographic characteristics of the accountants. Questionnaires were distributed to 600 accountants. We received 294 responses with a 49% response rate. However, we have extracted 54 questionnaires because of incomplete filling. Final response rate became 40% with 240 participants over 600 accountants, indicating a good response rate for survey data (Babbie, 1990).

The questionnaire was administered in Turkish with some well-established scales in The United States of America. Items for these scales were originally developed in English and then translated into Turkish. The wording of some items was modified to fit the research setting. To ensure the quality of the translation, a back-translation was also done (Brislin, 1970; McGorry, 2000). Likert 5 scale-values ranged from (1) strongly disagree to (5) strongly agree- was used.

### Measures

The variables measured in this study include turnover intentions, perceived discrimination and job satisfaction. The reliability of the measures provided by the instruments used in this study has been established through previous research in both accounting and non-accounting contexts. In order to confirm the reliability of the scales two analyses were performed: Cronbach's  $\alpha$  Index and the composite reliability coefficient (Jöreskog, 1971). Cronbach's  $\alpha$  coefficient reports the degree to which respondents who answer a test item in one way responds to similar test questions. Composite reliability (CR) offers a means of assessing the internal consistency of the items of a latent variable (Chin, 1998). In both the Cronbach's alpha analysis and the composite reliability coefficient, a scale is considered to be reliable when it gives values equal to or greater than 0.6 (Fornell and Larcker, 1981; Bagozzi and Yi, 1988;

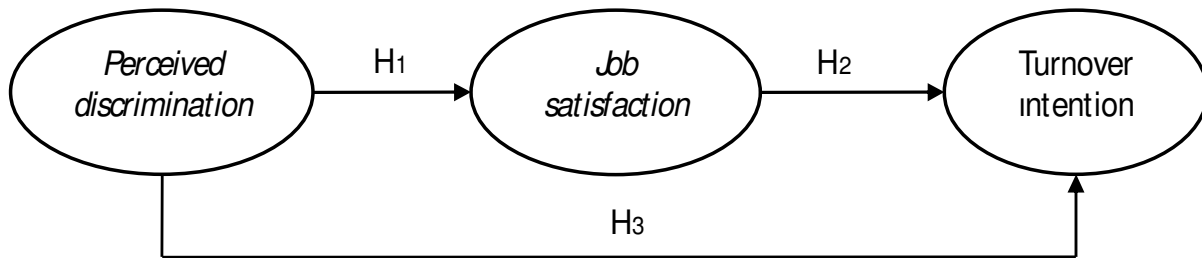


Figure 1. Theoretical model.

Hair et al., 1998). These measurement scales had a high internal consistency since the composite reliability coefficient (CRC) ranging from 0.66 to 0.89 exceeded the recommended cut-off values 0.6 (Bagozzi and Yi, 1988; Hair et al., 1998). The results indicate that, in all cases, Cronbach's alpha indexes and composite reliability coefficients greatly surpass the minimum recommended level of 0.6 (Table 1).

### Job satisfaction

Job satisfaction was measured by using Hoppock's (1935) four item scale, which is a global measure of job satisfaction. Hoppock's (1935) four-item scale has been validated in repeated studies involving more than 29,000 subjects (McNichols et al., 1978). In accounting, the Hoppock's job satisfaction measure has been used by Harrell and Stahl (1984), Harrell and Eickhoff (1988), Rasch and Harrell (1990), Rebele et al. (1996), Parker and Kohlmeyer III (2005) and Özer and Günlük (2009). The Cronbach alpha coefficient is 0.77 and composite reliability coefficient (CRC) is 0.667.

### Perceived discrimination

Perceived discrimination was measured by a three item scale. Regarding discrimination, direct observation of bias in workplace decisions was impossible so this study relied on employee perceptions of bias (which may be inaccurate in some cases). To assess discrimination or bias, this study uses a scale developed by human resource managers of a business association. The scale first appears in the accounting literature in Hunton et al. (1996) and has been used by Parker and Kohlmeyer III (2005). The scale consists of three items including: "I believe that my current employer discriminates against me regarding promotion/ advancement opportunities", "I believe that my current employer discriminates against me regarding job/task assignments" and "I believe that my current employer discriminates against me regarding annual compensation". In the current study, the Cronbach alpha coefficient is 0.89 and composite reliability coefficient (CRC) is 0.889.

### Turnover intention

Turnover intention was measured by a three-item scale developed by Bluedorn (1982) and Netemeyer et al. (1997) based on Mobley et al.'s (1979) definition. The scale consists of three items including: "I intend to quit my present job", "I often think about quitting" and "I am actively searching for an alternative to my present job". The reliability for this construct measured by Cronbach's alpha is 0.82 and composite reliability coefficient (CRC) is 0.831.

### Demographic variables

Respondents were also asked to provide information on gender, age, tenure at their current organization, and education. Gender was recorded as 1 being male and 2 being female. Age was recorded in years, and tenure was recorded in months. Education was measured in four categories, 1 = high school degree, 2 = some college, 3 = associate degree, 4 = bachelor's degree, and 5 = master's degree.

### Data analysis

We employed a structural equation modeling to analyze the effects of perceived discrimination (PD) and job satisfaction (JS) on turnover intentions (TI). First, we tested the model fit for the three constructs, PD, JS, and TI, through a confirmatory factor analysis. Then, we examined the significance of the coefficients of the paths between the predictors and the dependent variables.

This present study followed the two-step approach advocated by Anderson and Gerbing (1988) in testing proposed hypotheses using the AMOS 7.0 structural equation-modeling program. Prior to testing the hypotheses and evaluating the entire model fit, measurement models were evaluated and refined through confirmatory factor analysis. The measurement model represents relations between observed variables and constructs. Statistical procedures used to validate measures included evaluation of dimensionality, reliability, convergent validity, and discriminant validity.

In addition to a chi-square statistic, multiple indices were used in evaluating the model fit. More specifically, the chi-square statistics adjusted by the degrees of freedom ( $\chi^2/d.f.$ ), the comparative fit index (CFI; Bentler, 1990), the nonnormed fit index (NNFI; Bentler and Bonett, 1980; Tucker and Lewis, 1973), and the root mean square error of approximation (RMSEA; Nevitt and Hancock, 2000) were used to evaluate the appropriateness of model fit. A  $\chi^2/d.f.$  less than 3 is considered a good fit. For CFI and NNFI, values should be greater than .9 to be considered a good fit. A value of less than 5 for RMSEA indicates a good fit. Both modification indices provided by AMOS output and the standardized residual matrix were examined to modify the models. Furthermore,  $\chi^2$  difference tests were used to compare and evaluate the competing and alternative models.

## RESULTS

### Descriptive results of participants and variables

More than 70 (70.1%) of the respondents were male. Of the respondents 43 (43.6%) had high school and vocational school education and 60% had a college degree. One-half of the respondents (50.4%) were between the ages of 20 - 29 and 35 (34.9%) were between

**Table 1.** Cronbach's  $\alpha$ , CRC and correlations.

Variable	$\alpha$	CRC	1	2	3
1 PD	0.89	0.889	1		
2 JOBSAT	0.82	0.667	-0.306*	1	
3 TOI	0.77	0.831	0.345*	-0.563*	1

n=240, \*p < 0.001 (two-tailed); PD: Perceived discrimination; TOI: Turnover intention; JOBSAT: Job satisfaction.

30 and 40 years old. Of the respondents 18% (18.4%) had tenures less than one year and more than 75% (75.9%) of the respondents had tenures between one and ten years. Of the respondents 53% (53.1%) indicated that they were married.

In order to confirm the reliability of the scales two analyses were performed: Cronbach's  $\alpha$  Index and the composite reliability coefficient (Jöreskog, 1971). Cronbach's  $\alpha$  Coefficient reports the degree to which respondents who answer a test item in one way responding to similar test questions. A Composite Reliability (CR) offers a means of assessing the internal consistency of the items of a latent variable (Chin, 1998) In both the Cronbach's alpha analysis and the composite reliability coefficient, a scale is considered to be reliable when it gives value equal to or greater than 0.6 (Bagozzi and Yi, 1988; Hair et al., 1998; Nunnally, 1978). Table 1 shows that all constructs had internal reliability estimates above the cut-off level of 0.70 as recommended by Nunnally (1978) and composite reliability coefficient (CRC) above the cut-off level of 0.60 as recommended by Fornell and Larcker (1981), Bagozzi and Yi (1988), and Hair et al. (1998). These measurement scales had a high internal consistency since the composite reliability coefficient (CRC) ranging from 0.67 to 0.89 exceeded the recommended cut-off values 0.6 (Bagozzi and Yi, 1988; Hair et al., 1998). The results indicate that, in all cases, Cronbach's alpha indexes and composite reliability coefficients greatly surpass the minimum recommended level of 0.6 (Table 1).

**Measurement model**

As all the scales have been used by testing beforehand, the result that proposed model is pretty powerful both theoretically and experimentally can be reached. However, it is essential to know how many factors have observed variables in proposed models been loaded on and if these factors explain the factors that are expected to be measured or not. For this purpose, before testing the coefficients of the paths, we applied a confirmatory factor analysis (CFA) using AMOS 7.0 to establish unidimensionality and the constructs' reliability and validity. CFA showed a good model fit ( $X^2$  sd:24 30,796, p > 0.05, CMIN/DF: 1,283, GFI: .971, AGFI: .945, CFI: .992, RMR: 0.041, RMSEA: .034 and TLI: .988). The

results of CFA show a 3 factor structure. KMO (Kaiser-Meyer-Olkin) (0.777) and Bartlett test values (891.193, p < 0.000) that have been obtained as a result of CFA show that the results of analyses are meaningful (Mitchell, 1994). Nine factors were classified into three factor groups by using factor analysis with a varimax rotation. Table 2 presents the results from the factor analysis of the 9 items. The analysis yielded three factors, which account for 73.272% of the variance.

In order to confirm the reliability of the scales, two analyses were performed: Cronbach's  $\alpha$  index and the composite reliability coefficient (Jöreskog, 1971). Cronbach's  $\alpha$  coefficient reports the degree to which respondents who answer a test item in one way responding to similar test questions. A composite reliability (CR) offers a means of assessing the internal consistency of the items of a latent variable (Chin, 1998) In both the Cronbach's alpha analysis and the composite reliability coefficient, a scale is considered to be reliable when it gives values equal to or greater than 0.6 (Bagozzi and Yi, 1988; Hair et al., 1998). These measurement scales had a high internal consistency since the composite reliability coefficient (CRC) ranging from 0.66 to 0.89 exceeded the recommended cut-off values 0.6 (Bagozzi and Yi, 1988; Hair et al., 1998). The results indicate that, in all cases, Cronbach's alpha indexes and composite reliability coefficients greatly surpass the minimum recommended level of 0.6 (Table 2).

**Hypothesis testing**

Structural equation modeling (SEM) was employed to test the proposed model. Path analyses using structural equation modeling enables us to determine direct and indirect causal effects among observed variables and to test the meaningfulness of these effects (Kline, 1998). Table 3 shows the tested model via path analyses by using Amos 7.0. According to results achieved with iterative method based on covariance matrix among variables  $X^2 = 13.589$  (p > 0.05), GFI = .988, AGFI = .975, CFI = 1.000, RMR = .024 and RMSEA = 0.000 values have been obtained. The theoretical model appeared to possess a good fit according to fit indexes.

The correlation analysis provides initial support for our turnover intention model. First, perceived discrimination and job satisfaction were significantly correlated in the expected negative direction ( $r = -0.306$ , p < 0.001). In other words, when perceived discrimination increases job satisfaction decreases. Therefore, H<sub>1</sub> hypothesis is supported. Second, job satisfaction has a negative and statistically significant effect on turnover intention ( $r = -0.563$ , p < 0.01).

In other words, while job satisfaction increases, turnover intention decreases. Therefore, H<sub>2</sub> is supported, too. In addition, unsurprisingly while perceived discrimination increases turnover intention increases too. But this effect is not statistically significant. So, H<sub>3</sub> has not been

**Table 2.** Factor loadings.

Scales	Factor loadings
<b>Perceived discrimination (PD)</b>	
PD2	0.919
PD1	0.886
PD3	0.883
<b>Turnover intention (TOI)</b>	
TOI2	0.884
TOI3	0.839
TOI1	0.794
<b>Job satisfaction (JOBSAT)</b>	
JOBSAT 10	0.826
JOBSAT 9	0.784
JOBSAT 4	-0.636

**Table 3.** Path analyses.

Path	Hypothesis	Std. $\beta$	t-values	Result
PD $\longrightarrow$ JOBSAT	H1	-0.318	-3.351*	Supported
JOBSAT $\longrightarrow$ TOI	H2	-0.512	-5.094*	Supported
PD $\longrightarrow$ TOI	H3	0.097	1.290	Rejected

SMC<sub>Job satisfaction</sub> = 0.101; SMC<sub>Turnover intention</sub> = 0.303.

\*p < 0.01 (one-tailed test).

PD: Perceived discrimination, JOBSAT: Job satisfaction, TOI: Turnover intention.

supported. However, when a meaningful relationship between perceived discrimination and turnover intention ( $r = 0.345$ ;  $p < 0.01$ ) is taken into consideration, job satisfaction is mediating variable between turnover intention and perceived discrimination.

## DISCUSSION

In summary, these results could help managers or owners in public accounting firms to understand the relationships between organizational justice and employees' work-related attitudes and behavior such as job satisfaction and turnover intention. These results provide considerable insights into employees' perceptions of fairness that promotes employees' affective responses. The present study investigates the links between organizational justice, job satisfaction and turnover intention at public accounting firms in Turkey. The study confirms the idea that in the allocation of organizational rewards, consistency across individuals is an important issue. Sample results from several public accounting firms reveal that organizational justice perceptions are associated with low job satisfaction and high turnover Parker intentions. A similar pattern of results was found by and

Kohlmeyer III (2005). The results of this study also support previous research conducted to explain the importance of the allocation phenomenon in organizations (Alexander and Ruderman, 1987; Cropanzano and Greenberg, 1997; Folger and Konovsky, 1989). For example, people tend to be more satisfied with outcomes they perceive to be fairer than with those they perceive to be unfair.

The findings of this study involving organizational justice proposed that the owners or the managers of public accounting firms must attempt to allocate organizational rewards as fairly as possible across their employees. When we consider the impact of turnover on an accounting organization's operating costs, this study provides guidelines to help owners and/or managers better understand how to increase job satisfaction and turnover intentions, and make better decisions about outcomes and procedures for their employees.

Finally, this work has some limitations that allow us to establish some lines for future too. First of all, it is important to note that the survey was answered by 240 members of the accounting profession operating in various districts of Turkey. So the sample size is not large enough. And the results are specific to these 240 members, and it may not be true to generalize the results

of this research for other firms and other areas.

## REFERENCES

- Abdel-Halim A (1981). "Effects of Role Stress-Job Design-Technology Interaction on Employee Work Satisfaction", *Acad. Manage. J.*, 24: 260-273.
- Adams JS (1963). "Toward an Understanding of Inequity", *J. Abnormal Soc. Psychol.*, 67: 422-436.
- Adams J (1965). Inequity in social exchange. In L. Berkowitz (Ed.), *Adv. Experimental Soc. Psychol.* 2: 267-299. New York Academic Press.
- Alderfer CP, Alderfer CJ, Tucker L, Tucker R (1980). "Diagnosing race relations in management", *J. Appl. Behav. Sci.*, 16: 135-166.
- Alexander S, Ruderman M (1987). "The role of procedural and distributive justice in organizational behavior". *Soc. Justice Res.*, 1(2): 177-198.
- Allen RE, Keaveny TJ (1985). "Factors differentiating grievants and nongrievants", *Hum. Relations*, 38(6): 519-534.
- Anderson JC, Gerbing DW (1988). Structural equation modeling in practice: a review and recommended two-step approach. *Psychol. Bull.*, 103(3): 411-423.
- Aranya N, Ferris KR (1984). "A reexamination of accountants' organizational-professional conflict", *Acc. Rev.*, 59(1): 1-15.
- Arnold HJ, Feldman DC (1982). "A multivariate analysis of the determinants of job turnover", *J. Appl. Psychol.*, 67(3): 350-360.
- Aquino K, Griffeth RW, Allen DG, Horn PW (1997). "Integrating justice concepts into the turnover process: A test of referent cognitions". *Acad. Manage. J.*, 40: 1208-1227.
- Babbie E (1990). *Survey Research Methods*, 2nd ed., Wadsworth, Belmont, CA.
- Bagozzi RP, Yi Y (1988). 'On the evaluation of structural equation models', *J. Acad. Mark. Sci.*, 16(1): 74-94.
- Bentler P (1990). "Comparative fit indexes in structural models". *Psychol. Bull.* 107(2): 238-246.
- Bentler PM, Bonett DG (1980). "Significance tests and goodness-of-fit in the analysis of covariance structures". *Psychol. Bull.* 88(3): 588-606.
- Bies RJ (1989). "Review of organizational citizenship behavior: The good soldier syndrome". *Acad. Manage. Rev.*, 14: 294-297.
- Blakely G, Andrews M, Moorman R (2005). "The moderating effects of equity sensitivity on the relationship between organizational justice and organizational citizenship behavior", *J. Bus. Psychol.*, 20(2): 259-273.
- Bluedorn AC (1982). "A unified model of turnover from organizations", *Hum. Relations*, 35: 13-153.
- Brislin RW (1970). "Back-translation or cross-cultural research", *J. Cross-Cult. Psychol.*, 1: 185-216.
- Brockner J (2002). "Making sense of procedural fairness: How high procedural fairness can influence or heighten the influence of outcome favorability", *Acad. Manage. Rev.*, 27: 58-76.
- Brockner J, Wiesenfeld BM (1996). "An integrative framework for explaining reactions to decisions: The interactive effects of outcomes and procedures". *Psychol. Bull.*, 120(2): 189-208.
- Brockner J, Konovsky M, Cooper-Schneider R, Folger R, Martin CL, Bies RJ (1994). "The interactive effects of procedural justice and outcome negativity on the victims and survivors of job loss". *Acad. Manage. J.*, 37: 397-409.
- Carsten JM, Spector PE (1987). "Unemployment, job satisfaction, and employee turnover: A meta-analytic test of the Muchinsky Model". *J. Appl. Psychol.*, 72(3): 374-381.
- Chin WW (1998). 'The partial least squares approach to structural equation modeling', in G.A. Marcoulides (Ed.) *Mod. Methods Bus. Res.*, Mahwah, NJ: Lawrence Erlbaum pp. 295-336.
- Choo F (1986). "Job Stress, Job Performance, and Auditor Personality Characteristics", *Auditing: J. Pract. Theory*, 5(2): 17-34.
- Chung YB (2001). Work discrimination and coping strategies: Conceptual frameworks for counseling lesbians, gay and bisexual clients. *The Career Dev. Quart.*, 50(1): 33-44.
- Cotton JL, Tuttle JF (1986). "Employee turnover: A meta-analysis and review with implications for research". *Acad. Manage. Rev.*, 11(1): 55-70.
- Cox T (1993). *Cultural Diversity in Organizations: Theory, Res. Pract.*, San Francisco: Berrett-Koehler.
- Cropanzano R, Greenberg J (1997). Progress in organizational justice: Tunneling through the maze. In C.L. Cooper and Robertson IT (Eds.), *Int. Rev. Ind. Organ. Psychol.* (12: 317-372). New York: John Wiley and Sons.
- Diamantopoulos A, Sigauva JA (2000). *Introducing LISREL: A Guide for the Uninitiated*, London: Sage Publications.
- Deitch EA, Barsky A, Butz RM, Chan S, Brief AP, Bradley JC (2003). Subtle yet significant: The existence and impact of everyday racial discrimination in the workplace. *Hum. Relations*, 56(11): 12299-13009.
- Dipboye RL, Collela A (2005). *Discrimination at work: The psychological and organizational bases*. New Jersey: Lawrence Erlbaum Associates, Inc.
- Dulebohn JH, Martocchio JJ (1998). Employee perceptions of the fairness of work group incentive pay plans. *J. Manage.*, 24: 469-488.
- Elisa J, Grant V, Ellen A, Ensher S, Donaldson I (2001). "Effects of Perceived Discrimination on Job Satisfaction Organizational Commitment, Organizational Citizenship Behavior, and Grievances", *Hum. Res. Dev. Q.*, 12: 1.
- Farrell D, Rusbult GE (1981). "Exchange variables as predictors of job satisfaction, job commitment, and turnover: The impact of rewards, costs, alternatives, and investments". *Organ. Behav. Hum. Perform.*, 28: 78-95.
- Foley S, Hang-Yue N, Wong A. (2005). Perceptions of discrimination and justice: Are there gender differences in outcomes? *Group Organ. Manage.*, 30(4): 421-450.
- Folger R, Konovsky M (1989). "Effect of procedural and distributive justice on reactions to pay raise decisions". *Acad. Manage. J.*, 32: 115-130.
- Folger R, Cropanzano R (1998). *Organizational justice and human resource management*. Thousands Oaks, CA: Sage.
- Fornell, Claes, Larcker DF (1981). "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error," *JMR*, 18 (February): pp. 39-50.
- Greenberg J (1990). "Organizational justice: Yesterday, today, and tomorrow". *J. Manage.*, 16: 399-432.
- Greenhaus JH, Collins KM, Singh R, Parasuraman S (1997). Work and family influences on departures from public accounting. *J. Voc. Behav.*, 50: 249-270.
- Gregson T (1992). "An investigation of the causal ordering of job satisfaction and organizational commitment in turnover models in accounting", *Behav. Res. Accounting*, 4: 80-95.
- Gregson T, Bline D (1989). "The relationship of communication satisfaction to turnover intentions and job satisfaction for certified public accountants", *Adv. Accounting*, 7: 203-222.
- Hair JF, Anderson RE, Tatham RL, Black WC (1998). *Multivariate data analysis*. 5th ed, Upper Saddle River, NJ: Prentice-Hall.
- Hall M, Smith D, Smith KL (2005). "Accountants' Commitment to Their Profession: Multiple Dimensions of Professional Commitment and Opportunities for Future Research", *Behav. Res. Accounting*, 17: 89-109.
- Harrell A (1990). "A longitudinal examination of large CPA firm auditors' personnel turnover", *Adv. Accounting*, 8: 233-246.
- Harrell A, Chewning E, Taylor M (1986). "Organizational-professional conflict and the job satisfaction and turnover intentions of internal auditors". *Auditing: J. Pract. Theory*, 5(Spring): 109-121.
- Harrell A, Eickhoff R (1988). "Auditors' influence-orientation and their affective responses to the "big eight" work environment", *Auditing: J. Pract. Theory*, 7: 105-118.
- Harrell AM Stahl MJ (1984). "McClelland's Trichotomy of Needs Theory and the Job Satisfaction and Work Performance of CPA Firm Professionals", *Accounting Organ. Soc.*, 9: 241-252.
- Hom PW, Griffeth RW (1995). *Employee turnover*. Ohio: South-Western College.
- Hoppock R (1935). *Job Satisfaction*. Harper and Row.
- Hunton J, Neidermeyer P, Weir B (1996). "Hierarchical and gender differences in private accounting practice", *Accounting Horizons*,



10(2): 14-31.

- Hyung-Ryong L (2000). An Empirical Study of Organizational Justice as a Mediator of the Relationships among Leader-Member Exchange and Job Satisfaction, Organizational Commitment, and Turnover Intentions in the Lodging Industry, PhD Thesis, Virginia Polytechnic Institute and State University.
- International Labour Organization (2003). Time for equality at work: Global report under the follow-up to the ILO declaration on fundamental principles and rights at work. Geneva: International Labour Office.
- Jawahar IM (2002). "A model of organizational justice and workplace aggression", *J. Manage.*, 28(6): 811-834.
- Johnson JS (2007). Organizational justice, moral ideology, and moral evaluation as antecedents of moral intent, PhD Thesis, Virginia Polytechnic Institute and State University.
- Jöreskog KG (1971). 'Statistical analysis of sets of congeneric tests', *Psychometrika*, 36: 109-133.
- Kalbers LP, Cenker WJ (2007). "Organizational commitment and auditors in public accounting", *Manage. Aud. J.*, 22(4): 354-375.
- Karambayya R, Brett JM (1989). Managers handling disputes: Third-party roles and perceptions of fairness. *Acad. Manage. J.*, 32: 687-704.
- Law DW (2005). "Interactive organizational commitment and hardness in public accountants' turnover", *Manage. Audit. J.*, 20(4): 383-393.
- Lee PCB (2000). "Turnover of information technology professionals: a contextual model", *Accounting, Manage. Inf. Technol.*, 10: 101-124.
- Leventhal GS (1976). The distribution of rewards and resources in groups and organizations. In L. Berkowitz and E. Walster (Eds.), *Adv. Exp. Soc. Psychol.*, 9: 91-131.
- Leventhal GS (1980). What should be done in equity theory. In K. J. Gergen, M. S. Greenberg and R. H. Willis (Eds.), *Social Exchange: Adv. Theory Res.* pp. 27-55. New York, Plenum.
- Levine M, Leonard R (1984). Discrimination against lesbians in the workforce. *Signs: J. Women Cult. Soc.*, 9(4): 700-708.
- Lum L, Kervin J, Clark K, Reid F, Sirola W (1998). Explaining nursing turnover intent: job satisfaction, pay satisfaction, or organizational commitment? *J. Organ. Behav.*, 19: 305-320.
- Mathieu JE, Hamel K (1989). "A causal model of the antecedents of organizational commitment among professionals and nonprofessionals", *J. Voc. Behav.*, 34: 229-317.
- McGorry SY (2000). "Measurement in a cross-cultural environment: survey translation issues", *Qualitative Mark. Res. Int. J.*, 3(2): 74-81.
- McNichols CW, MJS, Manley TR (1978). "A validation of Hoppock's job satisfaction measure", *Acad. Manage. J.*, (December) pp. 737-742.
- Mirage L (1994). Development of an instrument measuring valence of ethnicity and perception of discrimination. *J. Mult. Counsel. Dev.*, 22: 49-59.
- Muchinsky PM, Turtle ML (1979). "Employee Turnover: An Empirical and Methodological Assessment", *J. Voc. Behav.*, 14: 43-77.
- Mobley WH (1977). Intermediate linkages in the relationship between job satisfaction and employee turnover. *J. Appl. Psychol.*, 62(2): 237-240.
- Mobley WH, Griffeth RW, Hand HH, Meglino BM (1979). "Review and conceptual analysis of the employee turnover process", *Psychol. Bull.*, 86: 493-522.
- Mobley WH (1982). Employee turnover: Causes, consequences, and control. Addison-Wesley Publishing Company Inc.
- Moorman R (1991). Relationship between organizational justice and organizational citizenship behaviors: Do fairness perceptions influence employee citizenship? *J. Appl. Psychol.*, 76: 845-855.
- Moyes GD, Williams PA, Quigley BZ (2000). The relation between perceived treatment discrimination and job satisfaction among African-American accounting professionals, *Am. Acc. Assoc.*, 14: 21-48.
- Netemeyer RG, James SB, McKee DO, Robert MM (1997). "An Investigation into the Antecedents of Organizational Citizenship Behaviors in a Personal Selling Context", *J. Market.*, 61: 85-98.
- Nevitt J, Hancock C (2000). Improving the root mean square error of approximation for nonnormal conditions in structural equation modeling. *J. Exp. Ed.* 68: 251-268.
- Nunnally J (1978). *Psychometric Theory*. McGraw-Hill, New York.
- Parker, Robert J, Kohlmeyer III, James M (2005). "Organizational justice and turnover in public accounting firms: a research note", *Acc., Organ. Soc.*, 30: 357-369.
- Pasewark WR, Strawser JR (1996). "The determinants and outcomes associated with job insecurity in a professional accounting environment", *Behav. Res. Acc.*, 8: 91-113.
- Phan B, Kleiner BH (1999). The basics of employment discrimination. *Equal Opportunities Int.*, 18(8): 10-15.
- Poznanski P, Blime D (1997). "Using structural equations modeling to investigate the causal ordering of job satisfaction and organizational commitment among staff accountants", *Behav. Res. Acc.*, 9: 154-71.
- Porter L, Steers R, Mowday R, Boulian P (1974). "Organizational commitment, job satisfaction, and turnover among psychiatric technicians", *J. Appl. Psychol.*, 59(5): 603-609.
- Price JL (1977). *The study of turnover*. Ames, IA: Iowa State University Press.
- Randall ML, Cropanzano R, Bormann CA, Birjulin A. (1999). Organizational politics and organizational support as predictors of work attitudes, job performance, and organizational citizenship behavior. *J. Organ. Behav.*, 20: 159-174.
- Rasch RH, Harrell A (1990). "The Impact of Personal Characteristics on the Turnover Behavior of Accounting Professionals", *Auditing: A J. Pract. Theory*, 9(2): 90-102.
- Rebele JE, Michaels RE, Wachter R (1996). "The Relationship of Career Stage to Job Outcome and Role Stress: A Study of External Auditors", *Adv. Acc.*, 14: 241-258.
- Rosin HM, Korabik K (1991). Workplace variables, affective responses, and intention to leave among women managers. *J. Occup. Psychol.*, 64: 317-330.
- Sanchez JI, Brock P (1996). Outcomes of perceived discrimination among Hispanic employees: Is diversity management a luxury or a necessity? *Acad. Manage. J.*, 39(3): 704-719.
- Sarah AR, Stanley H, Kratchman, Robert HS (1994). "Job Satisfaction, Organizational Commitment, and Turnover Intentions of United States Accountants The Impact of Locus of Control and Gender", *Acc., Audit. Acc. J.*, 7 (1): 31-58.
- Schermelleh-Engel K, Moosbrugger H, Müller H (2003). Evaluating the fit of structural equation models: Tests of significance and descriptive goodness-of-fit measures. *Methods of psychol. Res.* online, 8: 23-74.
- Schminke M, Cropanzano R, Rupp DE (2002). "Organization structure and fairness perceptions: The moderating effects of organizational level", *Organ. Behav. Hum. Decision Proc.*, 89, 881-905.
- Skarlicki DP, Folger R (1997). Retaliation in the workplace: The roles of distributive, procedural, and interactional justice. *J. Appl. Psychol.*, 82: 434-443.
- Somers MJ, Birnbaum D (1999). Survival versus traditional methodologies for studying employee turnover: Differences, divergences and directions for future research. *J. Organ. Behav.*, 20: 273-284.
- Spreitzer GM, Mishra AK (2002). To stay or go: Voluntary survivor turnover following an organizational downsizing. *J. Organ. Behav.*, 23: 707-729.
- Steers RM, Mowday RT (1981). Employee turnover and postdecision accommodation processes. In L.L. Cummings and B.M. Staw (eds.), *Res. Organ. Behav.*, 3: 235-281. Greenwich, Conn.: JAI Press.
- Stroh LK, Brett JM, Reilly AH (1996). Family structure, glass ceiling, and traditional explanations for the differential rate of turnover of female and male managers. *J. Voc. Behav.*, 49: 99-118.
- Tajfel H, Turner JC (1985). The social identity theory of intergroup behavior. In S. Worchel and W.G. Austin (Eds), *Psychol. intergroup relations* (2nd ed.). Chicago: Nelson-Hall.
- Thibaut J, Walker L (1975). *Procedural Justice: A Psychological Analysis*. Hillsdale, NJ: Lawrence Erlbaum Associates.
- Trevino L, Weaver G (2001). Organizational justice and ethics program "follow-through": Influences on employees' harmful and helpful behavior. *Bus. Ethics Quarterly*, 11(4): 651-671.

- Tucker L, Lewis C (1973). The reliability coefficient for maximum likelihood factor analysis. *Psychometrika* 38: 1-10.
- Umphress EE, Labianca G, Brass DJ, Kass E, Scholten L (2003). The Role Of Instrumental And Expressive Social Ties In Organizational Justice Perceptions. *Organ. Sci.*, 14: 738-753.
- Yeh YMC (2007). "A Renewed Look at the Turnover Model for Accounting Knowledge Work Force", *J. Am. Acad. Bus.*, 11(1): 103-109.
- Zawacki RA (1993). "Key issues n human resources management", *Inf. Sys. Manage.*, 10: 72-75.