The Mediating Role of Employee Engagement on the Link Between Person-Organization Fit and Turnover Intention: Evidence from Business Process Outsourcing Companies in the Philippines

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Abstract – This study is grounded in the social exchange theory. The present study aims to investigate employee engagement's intervening role in the relationship between person-organization fit and turnover intention of business process outsourcing (BPO) companies in Metro Manila, Philippines. The participants were identified using a purposive sampling technique from BPO employees (n = 302). Quantitative research and a predictive-causal approach were used to measure interrelationships among constructs, and partial least squares–structural equation modeling (PLS-SEM) was employed to estimate the parameters of the structural model. The findings revealed that person-organization fit and employee engagement significantly and negatively affect turnover intention. Moreover, a significant and positive relationship between person-organization fit and employee engagement was also found to significantly and negatively mediate between person-organization fit and turnover intention. Future research includes developing a study comparing BPO companies to other industries based on the three latent variables used in this undertaking.

Keywords: employee engagement, person-organization fit, turnover intentions.

1. Introduction

The success of an organization depends on the harmonious relationship between the workforce and transformational leaders. Understandably, an organization develops only when its workforce is on the same page (Baijumon, 2015). Transformational leaders inspire their followers through a clear mission, optimism, enthusiasm, and emotional appeals while putting aside their self-interest to achieve values and goals for the organization (Lacap, 2020). This harmonious relationship emphasizes the term "organizational behaviour." According to Davis and Newstrom (1985), organizational behaviour is the study of human behaviour that affects the relationship between the

organization and its people. Organizations use various ways to gain competitive advantage, thus, giving importance to the foundation of the human resource (HR) department (Beatty, 1992). In the 1980s, the introduction of the outsourcing industry offered the potential advantages of specialization to the HR department as it encompasses employee engagement, relationship with the organization and employee turnover. Thus, human resources in business process outsourcing (BPO) are now taking over the whole function of the system (Adler, 2004).

The booming BPO in the Philippines was interrupted by fluctuations in demand and the work-from-home (WFH) set-up during the early part of the COVID-19 pandemic (Oxford Business Group, 2020). However, the BPO industry still shows signs of new growth that could support its longer-term development (Errighi et al., 2016). Despite setbacks, such as the recent pandemic, the offshore service sector in the Philippines has proliferated since the early 2000s (Beerepoot & Hendricks, 2013). The growth of the BPO industry in the country parallels the 15-year growth of the Philippine service sector. The sector has tripled its global market share from 4% in 2004 to 12.3% in 2014; by 2020, it is expected to increase its share to 19% further (Errighi et al., 2016; Oxford Business Group, 2020). With different BPO companies emerging in various business centres here in the Philippines (Lee, 2015), the country is still the world's largest beneficiary of service offshoring, resulting in BPO being considered one of the pillars of the Philippine economy (Oxford Business Group, 2015). According to industrial economists from the University of Asia and the Pacific, the industry has overtaken India. Because of this, it is projected that the booming sub-sector will continue to contribute immensely to the industry's growth in future years (Shead, 2021).

In 2015, Oxford Business Group described the BPO sector as an economic powerhouse and one of the largest white-collar employers in the Philippines and further stated that the industry has exhibited exemplary growth throughout the past years. The industry has given HR the potential advantages of specialization as it encompasses employee engagement, relationship with the organization and employee turnover (Montalbo & Agong, 2017). The added responsibility to the HR department has provided rapport to know that workers have a strong emotional relationship and bond with their respective companies, thus, showing evident signs that they are involved and committed to their work. This is where organizations show the true definition of employee engagement (Montalbo & Agong, 2017). In organizational behaviour, employee engagement is the commitment to the organization in terms of emotion and intellect and to a psychological presence when performing a role in an organization (Lacap, 2020). According to Mani (2011), engagement is when employees feel emotionally positive about their work, find it meaningful and have hopes for their organization. Thus, companies should also be able to provide care for their employees' psychological and physical welfare. This means that in this industry, the all-around support of the company is vital to its employees (Ocampo et al., 2018).

Demands from employees and the ever-changing society can lead to one of the most significant problems faced by the BPO industry, turnover rate. In the usual BPO setting, employees typically work long hours, which can lead to burnout and exhaustion (Santos & Caballero, 2019). This can also lead to turnover intention, which is a tenacious problem in organizations and is common in all types, sizes and levels of organizations. Staff turnover is considered a serious issue, especially in human resources management (Yin-Fah et al., 2010). Other studies relating to turnover intention have concluded that commitment and job satisfaction are two crucial variables that affect the turnover intention of employees (Lee et al., 2012).

Many scholars in the field of HR have shown great interest in person-organization fit due to its relation to the turnover intentions of employees (Cable & DeRue, 2002; Hoffman & Woehr, 2006; Schneider, 1987; Verquer et al., 2003), but no studies are in the context of BPO. The Philippines has one of the most significant numbers of BPO companies globally; hence, it is receiving considerable attention as the sector represents many promises that can transform the Philippine economy and foster business improvement (Mitra, 2011). Therefore, the present study examines the impact of person-organization fit on turnover intention in the BPO industry in the Philippines, with the mediating effect of employee engagement. Hence, we identify how employee engagement affects the behaviour of an employee in decision-making regarding their future in the organization. This research also serves as a tool to further strengthen the HR department's role in amplifying the presence of the BPO in the Philippines, considering BPO is one of the pillars of the economy.

2. Literature Review

The present study is founded on the social exchange theory, which provides a basis for the interrelationship among person-organization fit, employee engagement, turnover intention, and understanding of workplace behaviour (Blau, 1964; Cropanzano & Mitchell, 2005; Memon et al., 2014). Social exchange theory argues that social exchange involves the idea that one person gives another favour, and while there is a general hope of any potential return, its exact essence is not specified in advance (Blau, 1986; Cook & Rice, 2006). According to Blau (1968), the core concept of social exchange theory is that social and material resources are essential to human interaction.

The fundamental rule in social exchange theory is reciprocity (Blau, 1964; Rawshdeh et al., 2019). According to Snape and Redman (2010), the relationship between employee and employer may be conceptualized as involving social exchange. The reciprocal relationship is regarded as when an employee's norms and beliefs align with those of their organization; they will become more involved with their job and organization; hence, they tend to stay longer (Memon et al., 2014; Rawshdeh et al., 2019). Similarly, when employees are handled well by their employers, they feel obligated to compensate the organization (Memon et al., 2014; Saks, 2006;) through their optimistic, beneficial attitudes and behaviours (Lam et al., 2009; Memon et al., 2014; Snape & Redman, 2010). Thus, when social exchange and obligations exist in both the employee and employer will have a more

trusting and faithful relationship and common responsibilities between them (Cropanzano & Mitchell, 2005; Ram & Prabhakar, 2011).

2.1. Employee Engagement

Employee engagement includes an individual's perception of their working environment and commitment to creating value within a business organization. Consequently, highly engaged employees build a strong connection and help companies achieve their organizational goals (Robbins & Judge, 2013). It involves the organization's initiatives to provide opportunities for employees to improve, acquire skills and infuse a sense of involvement (Chandani et al., 2016). It demonstrates how employees and employers work together (Lartey, 2021) through a detailed application of engagement strategies to establish a culture of excellence within their environment (Osborne & Hammoud, 2017). For some researchers, employee engagement is often debatable since this is relatively new to managing organizational behaviour. Different interpretations were demonstrated as to where the concept is derived. Such studies have argued whether this engagement is distinct or just a rebranding of an existing construct (Macey & Schneider, 2008). Furthermore, Saks and Gruman (2014) indicated that the definition of employee engagement does not elucidate enough evidence as to whether this pertains to specific variables, and the process of creating an authentic definition is questionable.

One of the key drivers in enhancing employee engagement levels is the perception of the meaning of work. It can be seen that an employee takes the initiative to improve job performance when they find meaning in the various work experiences they take part in (Penna, 2007). Moreover, Barik and Kochar (2017) identified rewards systems, job enrichment, effective leadership, scope of advance, self-development, employment security, self-managed team, and decision-making authority as common predictors from different researchers on employee engagement. These practices are significant to developing positive workplace settings where everyone is motivated to contribute beyond what is required. Notably, a workplace that creates a better corporate culture where leaders act as a catalyst for change leads employees to become more active and motivated (Lacap, 2019).

2.2. Person-organization Fit

Person-organization fit is the resemblance of workers and organization values, which is considered one of the important factors in determining the success of an organization (Wowor, 2013). From the organization's point of view, person-organization fit is the key to retaining an adaptable environment and loyal employees, which is crucial in a competitive business environment and a tight labour market (Farzaneh et al., 2014). On the other hand, from the employees' perspective, person-organization fit correlates to aligning and fulfilling their desires and expectations in the organization (Lv & Xu, 2018).

Researchers have sustained their interest in understanding the effects of person-organization fit on employee's work attitude, behaviour and satisfaction, considering the recognition of employees as a critical resource in the competitive global

market (Afsar & Badir, 2017; Hoffman & Woehr, 2006; Park et al., 2020; Verquer et al., 2003). Moreover, according to Khalida and Safitri (2016), person-organization fit has a significant impact on job satisfaction which indicates that, with the person-organization fit, job satisfaction increases, which leads to a lower turnover intention. An empirical study by Kilroy et al. (2017) also concluded that person-organization fit or the uniformity between an individual's and organization's personal values is the most correlated and effective predictor of employee outcomes. Given this, managers allocate significant resources for developing and maintaining the fit among employees, on the tasks they perform, and the organization as a whole, as this compatibility is linked to positive employee behaviours and the sound quality output of an organization.

2.3. Turnover Intention

Turnover intention is an employee's cognizant and deliberate preparedness to leave an organization (Egan et al., 2004). It involves an individual personal view that determines that their job is no longer conducive to attaining their unique needs. Moreover, turnover intention is theoretically seen as an important antecedent to actual turnover (Gregory, 2007); furthermore, it hurts the quality of products and services of an organization, regardless of the size or nature of the business (Long & Thean, 2011).

Numerous researchers have resulted in the classification of factors that cause turnover intentions among employees. Shah et al. (2010) found that turnover intention is significantly influenced by personal factors such as health problems, family-related issues and social status. Other studies pointed out that factors outside the organization, specifically alternative job opportunities, were strongly correlated with turnover intention (Chen et al., 2014; Rahman et al., 2008). When there are a lot of available alternative job opportunities, the employee's intention to quit also increases. Moreover, according to Dwivedi et al. (2013), organizational culture and employee commitment to work significantly influence turnover intention. Furthermore, it is also associated with job satisfaction, which can predict turnover intention and is used to understand the turnover process (Hom & Kiniki, 2001; Kinicki et al., 2002). Given the above factors that influence turnover intention, retaining employee talent is crucial for organizations facing challenges in today's intense global competition.

2.4. Hypotheses Development

Person-organization fit strongly predicts turnover intentions (Liu et al., 2010; Moynihan & Pandey, 2008). Employee turnover can be measured effectively based on the appropriate level of interaction between the organization and its employees (Rizwan et al., 2014). Employees with high person-organization fit perceptions can willingly engage in behaviours to protect their valuable resources, resulting in increased job satisfaction, a stronger sense of attachment to their organization, and a reduced turnover intent (Jin et al., 2018). In a similar study, Khalida and Safitri (2016) argued that person-organization fit is negatively related to turnover intentions, indicating that the higher the person-organization fit, the lower the employees' willingness to quit.

When employees' fit with the organization is strong, turnover is unlikely (Grogan & Youngs, 2011; Jung & Yoon, 2010; Kumar et al., 2012). For instance, Bhat (2013) examined the relationship between person-organization fit and turnover intentions among bank employees in India. The results revealed that employees' fit with the organization in terms of good stream connections, a better working setting, a preferred job venue, and value congruence improve employees' relationship with the organization and serve as a retention tool.

Furthermore, people who have different values than others will be less satisfied at work and more likely to leave the company than people who have similar values (Cunningham & Sagas, 2004). Therefore,

Hypothesis 1: Person-organization fits significantly and negatively affects turnover intention.

Prior studies revealed that person-organization fit positively affects employee engagement (Ashfaq & Hamid, 2020; Lekhuleng, 2016; Zhu et al., 2019). It has been noted that a higher degree of person-organization fit results in more employee engagement (Gholipour et al., 2010). In the study of Biswas and Bhatnagar (2013), it was identified that person-organization fit is the alignment of employees' personal values with those of the organization, resulting in increased sense of psychological protection, as well as higher levels of employee engagement. Moreover, Unal and Turgut (2015) examined that person-organization fit positively influenced both work and organizational involvement through regression analysis. In addition, it was examined that person-organization fit had a greater impact on organizational engagement than on job engagement.

In the study of Memon et al. (2014), it was revealed that an individual's and organization's fit creates a sense of a positive workplace, which can contribute to high levels of engagement with their employment and organization. This is consistent with previous research which revealed that employees who are a great fit for their job and organization in terms of knowledge, skills, and abilities will positively affect employee engagement, which would benefit the organization (Hamid & Yahya, 2011). Moreover, employees who feel like they fit in the organization perform better because they are highly engaged with their job (Alfes et al., 2016). Therefore,

Hypothesis 2: Person-organization fits significantly and positively affects employee engagement.

Previous studies indicated that the more employees are engaged, the lower intention they have to quit (Balakrishnan et al., 2013; Barik & Kochar, 2017; Berry, 2010; Mendes & Stander, 2011; Pieterse-Landman, 2012; Saks, 2006; Shuck & Wollard, 2010). According to Memon et al. (2014), engaged employees are less likely to be involved in terminations. In the study of Erdil and Muceldili (2014), engagement creates enthusiasm for work. Thus, engaged employees have lower turnover intentions. The same is true with Hanaysha (2016), who suggested that commitment to an organization or institution is high when employees are more engaged in their workplace. Markos and Sridevi (2010) further

substantiated that employee engagement has a negative relationship with the intention to leave and has a positive relationship with productivity, growth, profitability and customer satisfaction. Moreover, the Corporate Leadership Council (2004) revealed that employee engagement is the key to better performance, lower turnover intention and higher retention. Therefore,

Hypothesis 3: *Employee engagement significantly and negatively affects turnover intention.*

Previous studies highlighted that when employees are more engaged, their intention to stay in the organization increases (Hamid & Yahya, 2011). For instance, Alfes et al. (2016) indicated that employees who felt a close fit with their organization were more engaged and less likely to quit. Furthermore, studies and findings on predicting turnover intent in a call centre setting also revealed that employee engagement shows a significant relationship and a negative effect on employee turnover intentions (Sreekanth & Aryasri, 2013). The same is valid with research on employee engagement, revealing a strong correlation between turnover intention and employee engagement (Halbesleben & Wheeler, 2008). Findings from most of these studies and similar research substantiate that engaged employees are less likely to leave an organization and that employee engagement indicates a person-organization fit (Gholipour et al., 2010).

Furthermore, a study conducted by Fajar et al. (2019) revealed that individuals feel obliged and rewarded for high involvement or engagement when they fit or match their work and organization. Empirically, the study by Memon et al. (2014) showed that person-job fit or organization fit was found to be a strong predictor of employee engagement. Employee engagement has already been recognized as a strong predictor of turnover intention. Therefore,

Hypothesis 4: Employee engagement mediates the significant and negative link between person-organization fit and turnover intention.

From the related literature presented, three (3) direct relationships emerged (See Figure 1 below): (H1) person-organization fit turnover intention; (H2) person-organization fit employee engagement; (H3) employee engagement to turnover intention. Moreover, the study also presented (H4) the mediating effect of employee engagement on the link between person-organization fit and turnover intention.



Figure 1: Conceptual Framework of the Study

3. Methodology of Study

3.1. Participants

The present study's participants are BPO employees in Metro Manila, Philippines. BPO is a growing trend in which companies outsource business operations to third-party service providers (Lacity et al., 2015). The Philippines is a top outsourcing location for BPO. Low labour costs, a highly trained and educated population, broad command of a somewhat neutrally accented English language among the workforce, competitive infrastructure, and government tax incentives are all driving factors in the Philippines' BPO industry growth. Despite the industry's continual growth and increasing revenue, employee turnover is one of the biggest challenges of the industry. Employee turnover is relatively high in the BPO industry, and it has proven to be one of the most expensive and intractable human resource issues that numerous BPO companies have faced (Errighi et al., 2016). As a result of the applicability of the research constructs to the BPO industry's situation, BPO employees are the appropriate respondents to the study.

A purposive sampling approach was utilized to gather data for the study. Of 340 responses, 302 were answered completely and correctly, resulting in a response validity rate of 88.82%. The survey questionnaires were sent through Google form in April 2021, and responses were accepted until May 2021. The study used inverse square root and gamma exponential methods to measure the sufficiency of the sample size. The inverse square root method estimates standard error using the sample size's inverse square root, whereas the gamma exponential estimates standard error using the gamma and exponential smoothing function corrections (Kock & Hadaya, 2018). With the minimum absolute significant path coefficient of 0.15, a significance level of 0.05, and statistical power of 0.80, the calculated minimum sample sizes are 262 for the gamma exponential method and 275 for the inverse square root method (see Figure 2). The required minimum sample size must be between 262-275; hence, the actual sample size 302 is sufficient to explain the structural method's results. WarpPLS 7.0 was used to conduct both tests.



Figure 2: Sample Size Estimation Results

Table 1 shows the demographic characteristics of the respondents. The majority were female (59.27%). More than half of the respondents (66.23%) were aged 18 to 30, and 77.15% were single civil status. In terms of the highest educational attainment, the majority of the respondents have a College/Bachelor's degree. In terms of work location, 27.15% of the respondents were currently working in Quezon City, and 41.39% were supervisors. Furthermore, 41.39% of them have worked in the organization for 1 to 5 years, and 37.09 indicated more than 5 years.

Demographic Characteristics	n	%
Sex		
Male	123	40.73
Female	179	59.27
Age		
18-30 years old	200	66.23
31-40 years old	85	28.15
41-50 years old	17	5.63
Civil Status		
Single	233	77.15
Married	66	21.85
Separated/Annulled	3	0.99
Highest Educational Attainment		
High School/Secondary	18	5.96
Vocational Course	3	0.99
College/Bachelor's Degree	270	89.40
Master's/Doctorate Degree	11	3.64
Work Location		
Caloocan	6	1.99
Las Pinas	4	1.32

Table 1: Characteristics of the Respondents

Makati	44	14.57
Malabon	5	1.66
Mandaluyong	16	5.30
Manila	14	4.64
Marikina	3	0.99
Muntinlupa	5	1.66
Paranaque	3	0.99
Pasay	50	16.56
Pasig	38	12.58
Quezon City	82	27.15
San Juan City	1	0.33
Taguig	30	9.93
Valenzuela	1	0.33
Position/Level		
Rank and File	18	5.96
Associate/Analyst/Specialist	47	15.56
Supervisor	125	41.39
Managerial	112	37.09
Length of Service		
Less Than 6 Months	18	5.96
6 Mos-1 Year	47	15.56
1-5 Years	125	41.39
5 Years and Above	112	37.09

3.2. Research Instrument

We utilized a self-administered survey questionnaire generated through Google Forms, which was divided into two parts. The first part included the demographic characteristics of the respondents, such as gender, age, civil status, highest educational attainment, work location, position or level of employment, length of service and current shift schedule in their company. The second part is composed of the constructs of the study: (1) employee engagement, (2) person-organization fit and (3) turnover intentions. A six-item scale was adopted from Jung and Yoon (2013) to assess person-organization fit. Employee engagement was measured through a 9-item shortened version of the Utrecht Work Engagement Scale (UWES-9), an instrument developed by Schaufeli et al. (2006). A five-item turnover intent scale adopted from Jung and Yoon (2013) was utilized on turnover intentions. All items in the three constructs were measured using a 5-point Likert scale ranging from strongly disagree (1) to agree (5) strongly.

3.3. Data Analysis

A quantitative design was utilized in the present study. Moreover, a predictive-causal research approach was used as the present study aims to predict whether person-organization fit can impact turnover intention among BPO employees.

Furthermore, a mediation analysis was conducted to determine how employee engagement mediates the hypothesized relationship between person-organization fit and turnover intention. Predictive research aims to predict a specific variable from one or more other variables, whereas causal or explanatory research aims to understand the underlying mechanism's driving factors (Hamaker et al., 2020).

The partial least squares–structural equation modelling (PLS-SEM) utilizing WarpPLS 7.0 software is regarded as appropriate for evaluating the parameters of the mediation model. PLS-SEM is a variance-based approach for estimating composites in path models representing latent variables (Richter et al., 2016). It also constantly depends on composites and, thus, can process reflectively and formatively specified measurement models without causing identification difficulties (Hair et al., 2011; Sarstedt et al., 2017). PLS-SEM was utilized in this study for several reasons: (1) the primary focus was on prediction; (2) it supports exploratory research; (3) it provides that all construct measures have a satisfactory level of reliability and validity; and (4) it is recommended for mediating models (Hair et al., 2011; Hair et al., 2017; Kante et al., 2018; Nitzl et al., 2016; Richter et al., 2017).

4. Findings and Discussion

4.1. Scrutiny of the measurement model

Reliability and the validity of each variable were examined using Cronbach's alpha (CA) and composite reliability (CR) to evaluate the acceptability of the measurement model. Item loadings were used to assess the convergent validity of the constructs. As for the discriminant validity, the Fornell-Larcker criterion was used and then confirmed using heterotrait-monotrait (HTMT) ratios.

According to Kock (2014) and Kock and Lynn (2012), to reflect high reliability, the composite reliability and Cronbach's alpha values must be equal to or higher than 0.7. As seen in Table 2, all variables - Person-organization fit (CA=0.917; CR=0.936), Employee engagement (CA=0.931; CR=0.943), Turnover intention (CA=0.949; CR=0.961) - are all above the threshold which showed that all item constructs are reliable. *Table 2: Reliability Measures and Convergent Validity*

Construct / Item	Factor loading
Person-organization fit: AVE=0.708; CA=0.917; CR=0.936	
PO1. I really fit in this organization.	0.836
PO2. I feel that my personal values are a good fit with this organization.	0.845
PO3. My organization meets my major needs well.	0.786
PO4. My values match those of present employees in this organization.	0.857
PO5. I have affection and affinity for this organization.	0.859
PO6. This organization has the same values as I do regarding concern for others.	0.861
Employee engagement: AVE=0.649; CA=0.931; CR=0.943	

EE1. When I get up in the morning, I feel like going to work.	0.818		
EE2. At my work, I feel bursting with energy.	0.818		
EE3. At my job, I feel strong and vigorous.	0.855		
EE4. My job inspires me.	0.857		
EE5. I am enthusiastic about my job.	0.848		
EE6. I am proud of the work that I do.	0.703		
EE7. I get carried away when I am working	0.678		
EE8. I am immersed in my work.	0.822		
EE9. I feel happy when I am working intensely.			
Turnover intention: <i>AVE</i> =0.830; <i>CA</i> =0.949; <i>CR</i> =0.961			
TI1. I am currently seriously considering leaving my current job to work at another company.	0.918		
TI2. I sometimes feel compelled to quit my job in my current workplace.	0.913		
TI3. I will probably look for a new job next year.			
TI4. Within the next 12 months, I would rate the likelihood of leaving my present job as high.	0.908		
TI5. I will quit this company if the given condition gets even a little worse than	0.887		
now.	0.007		
All item log diagonal gravitic and $(n < 0.001)$			

All item loadings are significant (p < 0.001).

In assessing the discriminant validity, the diagonal (bold values) values must be higher than those of the off-diagonal coefficients or for each variable. The square root of the AVEs should be greater than any of the correlations involving the variable (Fornell & Larcker, 1981). Table 3 shows that values in the diagonal are greater or higher than those of the off-diagonal coefficients; therefore, all variables passed the discriminant validity.

	P-O fit	EE	TI
P-O fit	0.841		
EE	0.711	0.806	
TI	-0.399	-0.488	0.911

Table 3: Discriminant Validity Using Fornell-Larcker Criterion

P-O fit – person – organization fit; EE – employee engagement; TI – turnover intention. 4.2. Scrutiny of the structural model

Figure 3 shows the model for a mediating effect significant test. Results indicate that the path between person-organization fit and turnover intention is significant (β =-0.15, p<0.01), and the path between person-organization fit and employee engagement is also significant (β =0.73, p<0.01). Moreover, the path between employee engagement and turnover intention is also significant (β =-0.41, p<0.01).



Figure 3: The Mediation Model with Parameter Estimates

Table 5 presents the parameter estimates of the mediation model. The data analysis showed that person-organization fit significantly affects turnover intention (β =-0.150, *p*=0.004). There is a negative relationship between person-organization fit and turnover intention with a weak effect (f^2 =0.066), suggesting that turnover intention decreases when more employees fit into the organization. Therefore, H1 is supported. On the other hand, the findings indicated that person-organization fit significantly and positively affects employee engagement (β =0.728, *p*<0.001) with a substantial effect size (f^2 =0.530). It implies that employee engagement increases when more employees are fit for an organization. Thus, H2 is supported.

Analysis of data also revealed that employee engagement is significantly and indirectly related to turnover intention (β =-0.409, p<0.001) with a moderate effect size (f²=0.210). It signifies that when employee engagement is high, intention to quit decreases. Therefore, H3 is supported.

Additionally, the mediation analysis showed employee engagement's significant and indirect effect on the relationship between person-organization fit and turnover intention (β =-0.297, *p*<0.001). This suggests that employee engagement mediates the relationship between person-organization fit and turnover intention with a weak mediation effect (f^2 =0.131). Thus, H4 is supported.

Hypothesis	β	р	SE	f^2	Decision
Direct effects					
P-O 🛛 TI	-0.150	0.004	0.056	0.066	Supported
P-O 🗆 EE	0.728	< 0.001	0.051	0.530	Supported

Table 5: Results of Hypothesis Testing

EE 🛛 TI	-0.409	< 0.001	0.054	0.210	Supported
Indirect effect					
P-OI EE I TI	-0.297	< 0.001	0.039	0.131	Supported

P-O fit – person – organization fit; EE – employee engagement; TI – turnover intention; \beta-path coefficient; <i>p- p-value; SE-standard error; f2=effect size (Cohen, 1988): 0.02=small, 0.15=medium, 0.35=large.

In order to detect and correct common method variance, full collinearity VIFs were assessed. The value of full collinearity VIF for each construct should have a value equal to or lower than 3.3 to determine if the constructs are free from common method biases (Kock, 2015). As shown in Table 6, the results of the constructs used in the study passed the common method bias test.

In scrutinising the structural model, the coefficient of determination (\mathbb{R}^2) and predictive validity (\mathbb{Q}^2) were also included in the analysis. Cohen (1988) and Kock (2014) substantiated that the effects are very weak if \mathbb{R}^2 coefficients are less than 0.02. Conversely, the Stone-Geisser \mathbb{Q}^2 coefficients must be greater than zero to consider the variable's predictive relevance (Geisser, 1974; Kock, 2020; Stone, 1974). As shown in the results in Table 6, all constructs passed the \mathbb{R}^2 and \mathbb{Q}^2 requirements.

Construct	Full collinearity VIF	Q^2	R ²
P-O fit	2.035		
EE	2.244	0.535	0.530
TI	1.322	0.276	0.276

Table 6: Common Method Bias, R^2 *, and* Q^2

P-O fit – person – organization fit; EE – employee engagement; TI – turnover intention.

5. Discussions

The result of the present study revealed that person-organization fit has a significant and negative influence on turnover intention. This implies that employees' intention to quit is reduced as they become more fit and compatible with the organization's values. The same findings were concluded by precedent studies (Gruman & Saks, 2011; Jung & Yoon, 2010; Peng et al., 2014; Wang et al., 2011), which proved that the resemblance of the organization and employee's values contributes to predicting employees' work-related attitudes and behaviours such as turnover intention. Further, a high degree of overall person-organization fit can potentially meet human needs, preferences, and desires; thus, this produces positive subjective experiences and positive behaviours, which lower the turnover intention in a firm (Kristof-Brown et al., 2005; Verquer et al., 2003; Vilela et al., 2008).

Furthermore, person-organization fit significantly and positively affects employee engagement. The positive relationship between person-organization fit and employee

engagement suggests that when there is congruence between the characteristics of employees and organizations, engagement becomes more evident among the firm's workforce. This is consistent with prior studies (Ashfaq & Hamid, 2020; Lekhuleng, 2016; Khalida & Safitri, 2016; Memon et al., 2018; Zhao et al., 2019), which indicate that employees who feel that they greatly fit in their organization are actively engaged in their jobs and perform citizenship behaviours at organization and individual levels. Consequently, this relationship shall be valued by managers, considering that person-organization fit and employee engagement may directly contribute to employee retention, performance development, and attainment of the organization's vision and mission (Corporate Leadership Council, 2004; Hamid & Yahya, 2011).

As to the findings of employee engagement and turnover intentions, it is revealed that these two variables are significantly and negatively related. This indicates that employees' intentions to leave are more likely to be realized when the organization needs to foster strategies and resources for workers to improve. Prior studies indicated that the more employees are engaged, the less likely they think of quitting their jobs (Balakrishnan et al., 2013; Barik & Kochar, 2017; Berry, 2010; Mendes & Stander, 2011; Pieterse-Landman, 2012; Saks, 2006; Shuck & Wollard, 2010). Hanaysha (2016) claimed that employees strongly commit to their organization when they feel more engaged. This is supported by Memon et al. (2014), who suggested engaged employees are also less likely to be involved in terminations. Markos and Sridevi (2010) further validated that employee engagement has a negative relationship with intention to quit and has a positive relationship with productivity, growth, profitability and customer satisfaction.

Additionally, perceived employee engagement as a mediator between person-organization fit and turnover intention has shown significant and adverse effects.

Engagement is a more persistent and pervasive affective–cognitive state that is not focused on any particular object, event, individual, or behaviour. It encompasses two main aspects, vigour and dedication. If employees believe that their values are congruent with their organization's, they become more involved in the system and will have no room for second thoughts. For instance, Alfes et al. (2016) indicated that employees who felt a close fit with their organization were more engaged and less likely to quit. This is backed by Halbesleben and Wheeler (2008), who revealed that employee engagement has a strong connection to turnover intention. Furthermore, Gholipour (2010) suggested that prior studies substantiate that engaged employees are less likely to leave an organization and that employee engagement indicates a person-organization fit.

6. Conclusions and Recommendations

Understanding the significant role of employee engagement between person-organization fit and turnover intention allows the organization to foster various instruments and strategies to help promote employees to engage, thus creating a working environment and a great workplace. This validates the results of the present study in which the mediating effect of employee engagement on the link between person-organization fit and turnover intention demonstrates that employees with high person-organization fit strengthen work engagement and reduce intention to quit. Moreover, the present study revealed that employee engagement significantly mediates the link between person-organization fit and decreased turnover intention. Hence, when employee engagement strategies are enhanced among the workforce fit for the organization, a context of the company's loyalty and commitment is created, reducing employee turnover intention.

The evolution of the BPO industry in the Philippines paved the way for introducing new management within the system for employees and organizations. Employers are becoming conscious and aware of the industry's progression; thus, they are leaning towards a more competitive environment aimed at promoting high productivity and output for shareholders.

This research has presented the consequences of having this kind of outlook in running an organization (Farzaneh et al., 2014). Moreover, organizations will likely struggle more when faced with unpredictable threats like the COVID-19 pandemic. This is when the HR department stepped up its game and took over the whole function of the system (Adler, 2004). The department's role has broadened, encompassing employee engagement, relationship with the organization and employee turnover. Despite posing a challenge to the system, this paper identified the underlying connection of the three main variables (EE, P-O fit, and TI).

It is highlighted in this study that person-organization fit significantly and positively affects turnover intention and employee engagement. When workers and organizations share the same values, principles and expectations, the success rate is higher because it creates a harmonious workplace for both sides (Wowor, 2013). Thus, satisfaction is met without compromising the working relationship that is already present. Also, in BPO companies as a service-business industry, workers feel more valued when organizations provide recognition and activities that promote employee engagement. At this point, it is evident that person-organization fit is a strong predictor of employee engagement, and employee engagement is a strong predictor of turnover intention. Moreover, this research also shows the significant role of employee engagement in the relationship or link between person-organization fit and turnover intention.

A critical theoretical contribution of our study is the importance of considering the reciprocal relationship between the employer and employee and how this affects their workplace behaviour and shared responsibilities. This is aligned with the core concept of social exchange theory, that social and material needs are essential aspects of human interaction (Blau, 1968). This study emphasized that in the context of BPO companies in Metro Manila, Philippines, it is not only monetary rewards that will make the workers stay; non-monetary factors such as person-organization fit and employee engagement can significantly reduce the number of workers wanting to leave the organization. By also engaging workers and letting them be more involved with their job and organization, they tend to stay longer (Memon et al., 2014; Rawshdeh et al., 2019).

Every study has limitations, which pave the way for future research work. First, the whole process of writing this paper took place during the COVID-19 pandemic, which restricts the means of dissemination or circulation of questionnaires, such as utilizing an alternative method in gathering the data. Second, the target of this research mainly focuses on BPO employees in Metro Manila, Philippines. Therefore, further study needs to test the model with different respondents or a different sector and industry or/and in another locale to further attest to the construct used in this study. Lastly, this paper only discusses the relationship of three variables (employee engagement, person-organization fit and international turnover) and only uses employee engagement as a mediating factor, which hinders us from expanding to more complicated aspects of the BPO industry. We also advise looking for other constructs and mediating factors besides employee engagement. Other researchers may also develop a study comparing BPO companies to other industries regarding the three identified constructs.

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