

Impact of Workload and Inflexible Organizational Environment on the Employee Turnover in Private Sector of Pakistan.

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Abstract

Changing business environment with ever rising competition has marked to the incredible changes in the organizational structure with shedding limelight on the importance of building effective work place environment in order to achieve better performance in terms of efficiency, productivity and higher outcomes. However, rising competition has compelled to the organizations to integrate inflexible working environment and put extra workload on employees to reduce cost of operations. This research is aimed to investigate impact of workload and inflexible work environment on inclination of turnover among employees. The data gathering process was undertaken around a selected number of respondents from private banking sector of Pakistan. To put the work at wider context, the survey approach was applied with the help of a structured questionnaire comprising a wide range of close-ended questions. To ensure more and more reliability and validity of the research findings, four leading banks - United Bank Limited, Habib Bank Limited, Allied Bank Limited and Askari Bank Limited were selected. Analysis of the data was undertaken through application of various tests such as correlation and regression on SPSS. The findings of the research revealed that rising work load and complexity of work environment is generating dissatisfaction among employees, and consequently there is general trend among them to leave banking sector in search of better organizations.

Keywords: Workload, Job Stress, Inflexible Organizational Environment, Employee Turnover, Banking Sector, Pakistan

1. Introduction

Since recent years, most of the well reputed organizations have become increasingly aware of the relationship between employee wellness and productivity (Brayfield et al, 2005). The estimation cost of organization increasing day by day due to stress related activities per years and also influence on global phenomenon (Spector et al, 2000). Another important aspect of stress is job stress related illness cost of the organization leading towards the tax payers. It is also interconnected with stress management and wellness intervention which including the employee assistance program known as EPA (Cropanzano et al. 2007). EPA is interested in retaining the skilled employees, workforce and concerned for the welfare of the employees (Albert and Whetten, 2006). This research paper was directed to measure the actual impact of workload and Inflexible organization environment on employee motivation at work and potential trends of turnover. All these aspects are interlinked and considered detrimental for organization (Sexton and R. S., 2005). Workload and job stress also impacts the health of employees working in different organizations (De and Einer, 2002). Health factor if not duly considered and addressed in the organization is expected to lead psychological and physical illness among employees (Nielsen and Karina, 2009). Many authors are of the opinion that work situation, work setting and stress coping skills of employers affect the overall well-being of employees. These factors influence personal and organizational outcomes and ultimately increase health insurance cost in the organization (Halbesleben et al, 2004; Qureshi et al, 2013) (Egan, Toby , Baiyin , & Kenneth , 2004)

Work leaves (both paid and unpaid) greatly contribute in maintaining employee's wellbeing and wellness and in reducing employee turnover. Stress management both performs the proactive and reactive role in alleviating and coping with stress at workplace organization environment (Cummings and Thomas, 2009). Today, most of the well reputed organizations are struggling to minimize the effects of work stress resulted from complexity of work environment and extra work load on employees (Spector et al, 2000). The comparative statistics suggests that globalization may put some pressure on vocation allowances; in return it is expected to motivate employees to serve with the organization longtime frame, but again due to job stress employee mind set changes and

converts into the employee turnover (Egan et al, 2009). Private organizations are inclined to change annual leaves into next upcoming year or offer employees a chance for time off, renewal and pursuit of a given interest while retaining the process of valued employees for the organization.

2. Problem Statement

Ever rising competition has greatly influenced overall operational structure and working environment of organizations. Because of rising cost of operations and falling return on investment, organizations are struggling hard to survive and grow in the market. Consequently, they are increasing working hours, controlling paid and unpaid holidays, reducing wages and fringe benefits and converting friendly and relaxed operational structure into nonsocial and complex working environment. The emerging trends on the part of the organizations have negatively influenced satisfaction and motivation level of employees at work. This research was directed to investigate impact of inflexible work environment on turnover orientations of employees. The ultimate objective of the paper is to highlight all those factors which are responsible to reduce capacity of management to retain key employees with them and ultimately generating talent gap in the organizations.

3. Objectives of the study

The research objectives are presented as follows:

1. To take a view of literature around selected area of the research to familiarize with the contributions of contemporary researchers.
2. To conduct an empirical investigation to discover facts and figures about factors of complex working environment and their relevant impact on employee turnover.
3. To highlight difficulties of organizations in managing and retaining key employees with them to accomplish their goals and objectives.

4. Research gaps

The existing body of the research emphasize on impact of certain structural and operational changes on employee turnover with less emphasis on inflexible working environment and rising work burden on employees which is directly and/or indirectly responsible in developing this undesirable behavior among employees (Cummings and Thomas, 2009). The earlier research has identified some other factors of employee turnover such as low wages, lack of facilities and bleak potential of promotion; however, least attention was paid on lengthy working hours, rising stress because of over work burden and inflexibility of operations (Sexton and R. S., 2005). This research is aimed to fill some of the gap left by the contemporary researchers.

5. Literature review

As revealed in the literature, because of rising competition in the market, organizations are inclined to adopt inflexible policies to survive and grow in the market. They are putting extra work burden with lengthy work hours on employees to reduce cost of their operations. Though these policies have helped them in reducing cost of operations and setting competitive prices; however, these policies are considered as leading causes of job stress, Inflexible work environment and rising trends of turnover (Griffeth, et al, 2009). Consequently, private and public organizations are compelled to create new job opportunities connected with job switching factor increasing the demand of skilled professionals. Their main aim is to accomplished the organization goals within define timeframe. It is analyzed that the process of employee turnover intention is not considered amongst the good signs for the organization (Chen et al, 2010). Authors are found of the opinion that employee turnover intention was highly dependent upon the organization commitment, top management involvement and perceived organizational support as well. Organizations working on the stress management programs to reduce the employee's turnover intentions, increase employee efficiency, employee contribution and involvement in

effective decision making skills (Porter et al, 2011). Concern has been growing in the organizations about effectively managing the dysfunctions which are mainly caused by stress and workload. The job stress factor is interconnected with the hypertension, heart attacks, headaches and many other related diseases playing a negative role in the organizations (Nielsen and Karina, 2009).

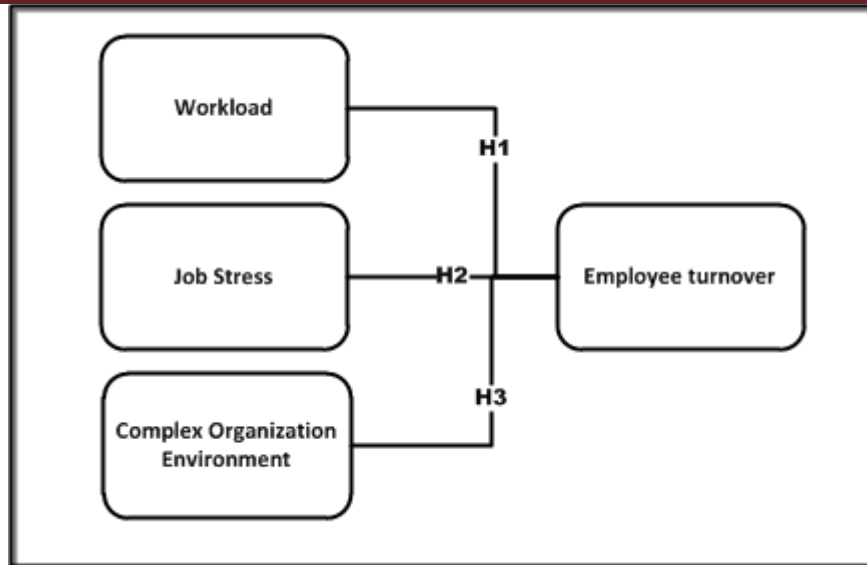
Human resource departments of the organizations are working how to overcome the menace of turnover generating talent gap in these organizations. The intervention process of human resource management and stress management is often facilitated by practitioner with applying the specialized skills and knowledge based on work stress health professional (Thomas and Christopher, 2007). According to the analysis employee commitment and loyalty intentions always serve the organization for long time period, improve organization commitment and support organization perception in the eyes of consumers and employees as well (Brayfield et al, 2005). The outcome of this study was investigating the relationship in term of organization commitment; promoting culture of ownership among employees that is essential for satisfaction of employees, productivity and winning loyal employees as well. Both of these two factors reduce the employee turnover intentions of employees (Hussain and Asif, 2012; Qureshi et al, 2013).

Private organizations are considered as difficult industry for measuring and evaluation of required output, technical change required environment, decrease the efficiency of complex organization environment, reduce workload from employees and performed the productivity growth (Wickens and Christopher, 2012). Analysis of the data has discovered the fact that private sector organizations especially banks mainly perform functions that connect circulation of money, surplus and deficit directly influences the economic growth (Barth et al, 2009). The implicit of banking services are considered as the price by using the market interest rates on cash deposit, borrowing loans and electronic funds transfers. It was observed that the revenue of cash inflow and outflows accurate by guiding about the required outcome. The worth of this study is based on the technical improvements of operation banking functions, increasing the productivity and efficiency of the banking sector (Belas and Jaroslav, 2012). The asset side of the banking shows the actual worth and value of a bank in the market. This includes the measurement cost changes, gain of productivity, increasing account holders and adjusts the deregulation deposit of bank. Organizations with having the strong performance evaluation system provide them compensation and benefits due to the survivors are less likely to believe the decision making power was arbitrary. The process of reducing job workload is composed of work leaves (both paid and unpaid) sabbaticals, stress management, and many other related functions. They activate performed influences that control employee turnover trends in the organization (Qureshi et al, 2013).

6. Theoretical Framework Model

The below given 'Theoretical Framework Model' is based on two main variables - independent and dependent variables. These variables are negatively interconnected with each other. According to the model independent variables are workload, job stress and **complex** organization environment and dependent variable is employee turnover. This framework model is depicted as follows:

Figure1. Theoretical Framework Model



Source: Literature review

7. Hypotheses

Hypotheses below were extracted from theoretical framework model given above:

Hypothesis 1:

Workload is negatively correlated with employee turnover.

Hypothesis 2:

Job stress is negatively correlated with employee turnover.

Hypothesis 3:

Inflexible organization environment is negatively correlated with employee turnover.

8. Methodology

Methodology is a framework of research activities which guides and controls whole process of research. It covers a range of elements including formulation of research problem, description of research objectives, sampling approach (s), determining nature of questionnaire, data gathering process, analysis of the data and presentation of research findings. Similar framework of research was adopted in this project. Keeping in view nature of research problem and research objectives, baking sector of Pakistan was selected as target population. For selection of representative samples out of target population, total population was divided into four major clusters/categories to get representation from all selected organizations. Again these clusters were divided into sub-clusters to extract samples from all categories of employees performing at top, middle and operating levels. Finally there was extensive use of simple random sampling to pick and choose desired number of samples from all categories/clusters of population. Thereby 300 respondents were selected by simultaneous use of cluster and simple random sampling. To facilitate data gathering process a structured questionnaire comprising a wide range of close-ended questions with primary use of likert scale questions was applied around selected respondents. The respondents were approached through emails, self-administered face to face interviews and postal questionnaire. At the beginning response rate was very low. However, by continuous reminders, telephone calls and personal visits the researcher succeeded in getting response from 118 respondents. The data gathered through field survey was analyzed through application of various tests such as regression and correlation on SPSS. Details of data analysis and findings are given below in section 9 and 10.

9. Data analysis and interpretation

Analysis of the data was conducted through correlation and regression on SPSS. Both of these methods were used for testing variables, variable predictors and to show the relationship between independent and dependent variables. Analysis process and derived finding are detailed below in sections 9.1 and 9.2.

9.1 Correlation Analysis

This correlation analysis table is used for testing of suggested hypotheses derived from theoretical framework model. The results are given below:

Table 1: Application of correlations

		Correlations			
		Workload	Job Stress	Complex Organization Environment	Employee Turnover
Workload	Pearson Correlation	1	.236*	.171	-.472**
	Sig. (2-tailed)		.010	.064	.000
	N	118	118	118	118
Job Stress	Pearson Correlation	.236*	1	-.540**	-.014**
	Sig. (2-tailed)	.010		.000	.000
	N	118	118	118	118
Complex Organization Environment	Pearson Correlation	.171	-.540**	1	-.127**
	Sig. (2-tailed)	.064	.000		.000
	N	118	118	118	118
Employee Turnover	Pearson Correlation	-.472**	-.014**	-.127**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	118	118	118	118

The correlation analysis is interconnected with suggested hypotheses derived from theoretical framework model. According to the first hypothesis workload is negatively associated with employee turnover. The variable workload is correlated with employee turnover having correlation value i-e (-.472**), significant level i-e .000 and sample size i-e 118. So it means that due to high work load, employees of private banks are inclined to quit their jobs. Second hypothesis is about the job stress negatively associated with employee turnover. The variable workload is correlated with job stress having correlation value i-e (-.014**), significant level i-e .000 and sample size i-e 118. It shows that the high work load create the stress which ultimately increase the employee turnover rate. Third hypothesis is about the inflexible organization environment negatively associated with employee turnover. The variable workload is correlated with employee turnover having correlation value i-e (-.127**), significant level i-e .000 and sample size i-e 118. Hence, hypotheses were confirmed by the results. So work load, job stress and complex organization environment increase the tendency of turnover in private banks of Pakistan.

9.2 Regression Analysis

The regression analysis is statistical technique used to find the relationship between independent variables and dependent variables. Results are given below:

Table 1: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.610 ^a	.372	.355	3.02339
a. Predictors: (Constant), inflexible Organization Environment, Workload, Job Stress				

Regression is denoted by R. the value of R i-e .610 and adjusted regression square i-e .372. The main predictors are complex organization environment, workload and job stress connect with employee turnover.

Table 2: ANOVA

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	616.590	3	205.530	22.485	.000 ^a
	Residual	1042.063	114	9.141		
	Total	1658.653	117			
a. Predictors: (Constant), Complex Organization Environment, Workload, Job Stress						
b. Dependent Variable: Employee Turnover						

The result of ANOVA table is also extracted from regression model analysis. This model the value of frequency shows the variance i-e 22.45% having the value of significant i-e.000.

Table 3: Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.037	4.168		5.767	.000
	Workload	1.251	.158	.650	7.923	.000
	Job Stress	-.902	.207	-.419	-4.359	.000
	Complex Organization Environment	-1.265	.258	-.465	-4.902	.000
a. Dependent Variable: Employee Turnover						

The value of coefficient table is associated with standardized coefficient. This standardized coefficient is interconnected with beta value. According to the analysis it determines that job stress having the beta value i-e (-.419) considered as the best predictor and second predictor is the complex organization environment beta value i-e (-.465), at the level of significant i-e 0.000.

10. Conclusion

In the light of above stated facts and figures, it can be concluded that over workload on employees, job stress and inflexible work environment are the major causes of rising turnover in private sector organizations. These are bad signs for these organizations because they are facing difficulties in managing and retaining knowledgeable and skilled people with them on long term basis. Overburdened and stressed people are unable to maintain a reasonable balance between their personal and work life. Consequently they are searching for the organization where they can better manage work-life balance. At the same time they are facing problems of decreasing productivity and increasing absenteeism among employees. Because of these issues they are losing their due market share and return on investment. To cope with the issues of decreasing productivity, increasing absenteeism and turnover, banking sector organizations are inclined to devise certain policies in favor of their employees such as overtime compensation, flexible work schedules and some special incentives to keep key employees with them and also enhance overall performance of the organization. Private banking sector of

Pakistan is also planning and working on the proposed model for reducing workload, decreasing job stress and improving to enhance employee commitment, develop positive perceptions among them and to control rising trends of absenteeism and turnover. It is need of hour to recognize and acknowledge vital role and importance of employees in the organization. Indeed they are backbone of the organization. Despite having all material resources, it is too difficult for the organizations to compete in the market and to achieve their goals and objectives without having a devoted, committed and skilled workforce with them. They need to review and refine their manpower policies and strategies to compete, grow and succeed in the market.

11. Avenues for future research

1. This research paper cover only few factors of employee turnover, however future research may explore some other factors such as organizational politics, bureaucratic structure, unfair recruitment and promotion policies and decreasing fringe benefits which are also generating stress and polarization among employees.
2. This study is limited to four leading banks of Pakistan with a narrow coverage of 118 respondents. Therefore, findings of the study are lacking enough scope of wider application. The interested researchers may expand their research population in order to ensure more and more reliability and generalise-ability of their research findings.

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