

THE IMPACT OF PAY SATISFACTION, JOB STRESS, AND ABUSIVE SUPERVISION ON TURNOVER INTENTION AMONG BANKING EMPLOYEES

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Abstract. *Pakistan banks cannot survive well without trained and experienced employees. Many researchers have reported the high turnover in banking sector. Therefore it was highly important to address this problem. The purpose of this study was to test the factors (pay satisfaction, job stress, and abusive supervision) influencing turnover intention among bank employees. This study collected the data from a sample of 100 bank employees both public and private banks in Vehari. The results showed that there was a significant negative effect of pay satisfaction on turnover intention and there was significant positive effect both job stress and abusive supervision on turnover intention. This study will be helpful to decision authority in banks to identify factors contributing towards turnover intention.*

Keywords: Pay satisfaction, job stress, abusive supervision, turnover intention, Pakistan.

Introduction

Employee's turnover has become an important issue in financial institutions. Replacing employees can influence a business' profitability, costs and general performance. Organization can assess employee's turnover intention and can decide the probability of employees leaving their organization. This encourages the organizations to figure out where they can determine chances to minimize their general turnover. Despite many studies to research on turnover intention, it is still focus of attention by many researchers particularly in banking sector. Very fast changes in financial conditions and expansion in innovation has made many issues like rivalry between employees and organizations. Organizations wants their employees to work more smartly in competition and resulting job stress and low pay (Khan, et al., 2017).

Another crucial effect of abusive supervision on employees' performance may cause turnover from the organization (Ahmad, Khattak, & Ahmad, 2016).

Nowadays, a large number of employees are exchanging their existing jobs for better prospect because the market patterns and employees' perception have been changed. Moving to another place is never again seen as something negative since employees have the privilege to scan for more compensation to satisfy their objectives and for professional growth. Today it is seen as exceptional case to remain with one organization (Brooks, et al., 2005). Now it is easier to say than done to retain employees in competitive world of business. Turnover intention is a key subject for organizations in relationship with holding employees to keep up with the organization (Hughes & Rog, 2008).

Accumulating empirical researches have analyzed that Pakistan banking sector's job is over burden. A research examined that Pakistan banking sector is facing many issues of turnover among employees (Irum, Javed, Hashim, Rehman, & Jamil, 2015). Employees are not comfortable with over all banking system. Therefore, Employment turnover has the high related costs of recruitment, selection, and training (Pahi, Ab-Hamid, & Khalid, 2016). Another study proved that Pakistan is facing higher difficulties of employees' turnover (Ul-Haq, Jindong, Hussain, & Anjum, 2014). The reason there is over burden of assignments to complete in the same day. These aspects caused like long time sitting, job stress, sadness, irritation and unhappiness among the working employees. Therefore, such pressure and work stress actions leads turnover intentions as they look for other jobs (Shah, Abbas, & Qureshi, 2016). With this reason, Pakistan banking industry should properly take up this issue and play an important role to conquer it. This study deals with the gaps in current literature by signifying the effects of pay satisfaction, job stress and abusive supervision on employees' turnover intention that have not yet been studied, within context of banking employees in Vehari.

Literature

Turnover Intentions

Turnover simply means that someone has left the organization. Turnover intention refers to purposeful and planned intention of an employee to resign from a job (Egan, Yang, & Bartlett, 2004). Similarly, as soon as employees move beyond the restrictions of organization it refers to employee turnover (Rahman, & Nas, 2013). In today's world a certain number of employees leave organizations everyday because they do not stay in their same position forever. This phenomenon has become a major issue of employers. (Weibo, Kaur, & Zhi, 2010) stated employee as a walking "machine" who feel, organize, control

and perform ideas in diverse stage to achieve the ambition and take the business into the winning path. During the recession it was an employer's market where it was much easy to get and keep the talented employees that needed. But it has now transitioned over into an employee's market. Where, employees and candidates have the upper hand today. They have an advantage because everyone is hiring. So turnover intention is understood to be significant as organization have to bear replacement cost and work disturbance (Addae, Parboteeah, & Davis, 2006). Otherwise, it will be a serious problem for all the organizations and they must point out the factors that compel them to decide to move from the organizations (Grissom, Nicholson-Crotty, & Keiser, 2012). For the smooth operation of financial organization employees must be more dedicated and more contented with their works and it will help in reducing turnover (Saif-Ud-Din & Adeel, 2016).

Pay satisfaction and Turnover intention

Pay refers to money, income and remuneration in an organization (Mudor, Tooksoon, 2011). Pay satisfaction means the sum of general positive effect or the employee feelings toward pay (Farooqui, et al., 2014). It also means that the employees' awareness with their on the whole pay received from the company based on the demand and hope given to the employees (Ibrar, 2015). Today many service organizations are attempting to lift their output to increase in professional satisfaction and employees' promise (Hayati, Charkhabi, Kalantari, & De-Paola, 2015). Because satisfied employees are more possible to be faithful to the organization and value to the organization (Steinhaus & Perry, 1996). Pay satisfaction is one of many measured results that can influence turnover intention (Vandenberghe, & Tremblay, 2008). Pay satisfaction can highly impact on turnover and significant employee turnover rates can lesser the services quality offered by the organization (Saleem & Gul, 2013). Today pay satisfaction and employee turnover has become a topic of interest for many researchers. For employees more money is always better because those employees who are not paid enough they compare themselves to other employees who are doing similar work in the same industry. An organization should encourage the talk policy or open communication with the employees to control the employee turnover rate. A study investigated that managers who make the policies must pay their attention for providing facilities to their employees to reduce the employee's turnover intention (Abbas, Hussain, & Ibrahim, 2015). Based on the above literature, the first hypothesis is expected to observe the following:

H₁: There is a significant and negative relationship between pay satisfaction and turnover intention.

Job stress and Turnover intention

Stress can be defined in common term as people feel pressures in their own life. The stress due to overwork can be defined as unwillingness to come to work and a feeling of constant pressure connected with general mental and behavioral stress indications (Mohajan, 2012). It is increasing day by day due to globalization, which affects all professions, relations and the general public in all countries of the world (Bharatai & Newman, 1978). Now workplace stress is a matter for both employees and organizations and the frequency has grown steadily over recent years. Job stress occurs when job demands do not match to employees' skills and knowledge in which they have ability to handle with. The banks' employees have experienced an elevated stress. Today banks employees admit that stress is becoming vital factor in disturbing their jobs, personal life, and health and resulting to quit their job. In addition to, job stress within Pakistan banking environment happens mainly due to certain factors like work load, long working hours, meeting targets, long travel, support from boss, no overtime pay, time pressure, and poor relationship with customers or co-workers. Many researches confirmed the relation between job stress and turnover which leads the employees' decision to quit. Empirical studies have identified the role of job stress has a direct relation with turnover intention (Ahmad, et al., 2016; Arshadi & Damiri, 2013; Lu, et al., 2017; Mosadeghrad, Ferlie, & Rosenberg, 2011; Sewwandi, & Perera, 2017; Youn, Kwon, & Kang, 2016). As a matter of fact there is no workplace without stress. Thus, job stress is second research hypothesis and is defined as below:

H₂: There is a significant and positive relationship between Job stress and turnover intention.

Abusive Supervision and Turnover intention

Abusive supervision refers to the extent to which workers in organization feel that their bosses are engaged in forceful behavior with them, excluding physical violence (Tepper, 2000). The impacts of abusive supervision are vital and organization should comprehend it well on time as forefront employees see it to be hurtful for their carrying out (Ahmad, et al., 2016). The effects of abusive supervision may not be in so far as physically harmful but it is more expected to leave long lived hurts (Harris, Harvey, Harris, & Cast, 2012). Abusive supervision is not decided on the basis of result the bosses' behaviour towards employees rather is depended on boss's purposeful intention to hurt the subordinate (Pradhan & Jena, 2017). A study reported in USA that 13.6% of employees have confirmed the abusive supervision at workplace or bad experience from their immediate bosses (Schat, Desmarais, & Kelloway, 2006). A past studies confirmed that when employee suffers from abusive

supervision, it avoids her or him from doing better to others and serving them (Ahmad, et al., 2016). Employees in Pakistan banks want to be treated honestly and encouraged by their supervisors; therefore they perform their duty honestly. If they are treated abusively, they will adopt a negative attitude and resulting is to quit from the organization. Many studies have confirmed that abusive supervision badly affects employees and result of health problem, increasing blood pressure, and high turnover (Martinko, Harvey, Brees, & Mackey, 2013). In addition to abusive supervision bears approximately \$23.8 billion costs to the organizations in lieu of health issues and turnover of employees (Tepper, 2007). It is clear from the above discussion that supervisors play an important role on what employees come across at work, and the result of these outcomes keeps on growing. The last hypothesis of the study is:

H₃: There is a significant and positive relationship between abusive supervision and turnover intention.

Maslow theory is supposed to narrate employee turnover intention in an organization. This theory had emphasized on level of satisfaction which impacts highly on performance of the employee at workplace (Cherry, 2014). So, organizations are sustainable only if they are ready to manage fast on how to build on a serious sympathetic promise by classify employee's self actualization, pursue it and help employees to reach their own personal exclusive potential (Maslow, 1943).

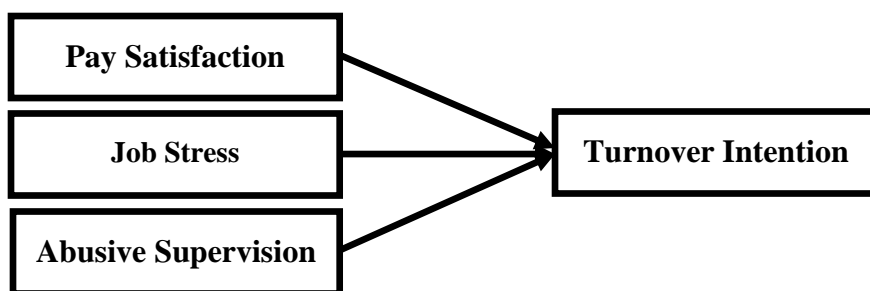


Figure 1 Research Framework

Methodology

This research was depended on quantitative approach and descriptive and inferential analysis was analyzed using SPSS version 22.0. A self-completion survey was used to collect the primary data in this study. The unit of analysis was banks' employees to response the survey questionnaire. The researcher evaluated the variables by using Likert Scale ranging from 1 (Strongly

Disagree to 5 (Strongly Agree). Target population was employees working in different banks in Vehari. Sample size was chosen of 110 employees. Both, online survey using banks employees' social webpage groups and door to door questionnaire used, but only 100 questionnaires were returned successfully from 20 branches selected. In addition to judgmental sampling technique was used to select the respondents. Unstructured interviews were also conducted to the employees for the clarification of data.

Analysis

Table 1 *Respondents' Profile*

Demographic	Classification	Frequency	Percentage (%)
Gender	Male	63	63
	Female	37	37
Age	24 or less	18	18
	25 – 34	46	46
	35 – 44	27	27
Shared tenure with supervisor	45 and above	9	9
	Less than two years	36	36
	Between 2 to 3 years	38	38
Working hours	More than 3 years	26	26
	Eight hours (Normal)	3	3
	Nine Hours	39	39
	Ten hours	53	53
	More than ten hours	5	5

Table 2 *Descriptive Statistics, Reliabilities & Pearson Correlation of Variables*

Variable	Mean	Standard Deviation	α	1	2	3	4
Turnover intention	3.32	0.42	0.98	1			
Pay satisfaction	4.03	0.98	0.88	-.836**	1		
Job stress	3.13	0.41	0.88	.564**	-.380**	1	
Abusive supervision	3.6	0.39	0.72	.732**	.372**	.340**	1

** Significant Correlation at the 0.01 level (2-tailed).

* Significant Correlation at the 0.05 level (2-tailed).

Table 3 *Model Summary of Variables*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.618 ^a	0.383	0.363	0.55271

Predictors: (Constant), PS_IV1, JS_IV2, AS_IV3

Table 4 *ANOVA Statistics*

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	7.82	3	2.867	7.192	.000 ^b
Residual	26.911	94	0.275		
Total	32.78	97			

a. Dependent Variable: TI_DV

b. Predictors: (Constant), PS_IV1, JS_IV2, AS_IV3

Table 5 *Regression Coefficients*

Model	Unstandardized Coefficients	Standardized Coefficients		T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.057	0.18		20.053	0
PS_IV1	-0.29	0.15	-0.711	-2.37	0.001
JS_IV2	0.378	0.14	0.182	1.123	0
AS_IV3	0.441	0.06	0.437	6.568	0

Results

The result in table 1 indicates the demographic analysis of the respondents. There are 63 males (63.0%) and 37 females (37.0%). Maximum participants are in the age group of 25-34 years old (46.0%). The high shared tenure with supervisor is 38% found in this study. Surprised results of employees in banks work more than eight hours while spending ten hours a day in a bank normally (53.0%). In table 2 highest mean (4.03) is pay satisfaction and lowest mean is job stress (3.13). While highest standard deviation (0.42) is turnover intention and lowest standard deviation (0.39) is abusive supervision. Reliability of all the variables is acceptable with no value less than 0.7. Correlation analysis in table 2 shows that the pay satisfaction is negatively correlated with turnover intention where $r = -.836$ and $p < .01$, and job stress is positively correlated

with turnover intention where $r = .564$, $p < .01$, and abusive supervision also positively correlated where $r = .732$ and $p < .01$.

Table 3 shows that R square 0.383 (38.3%) of variation in turnover intention is due to variation in independent variables (pay satisfaction, job stress, and abusive supervision). The model is fit because the significant value is 0. Table 5 shows that all the variables have significant impact on turnover intention. Pay satisfaction is $\beta = -0.290$ (29.0%), a negative variations which shows that unit 1 increases in pay satisfaction, decreases 0.29 units in turnover intention. Next regression coefficient of job stress is $\beta = 0.378$ (37.8%), explains that for each unit increase in the job stress there is 0.378 units increase in turnover intention, holding all other variables constant. Our last predictor abusive supervision has $\beta = 0.441$ (44.1%), explains that for each unit increase in the abusive supervision there is 0.441 units increase in turnover intention, holding all other variables constant. Both pay satisfaction and abusive supervision is significant predictor of turnover intention. Therefore, hypotheses (H₁, H₂, and H₃) are significantly accepted in these variables tested.

Discussion and Conclusion

The first hypothesis pay satisfaction is significant negative relationship to turnover intention. The findings also have support from the previous researches for example, (DeConinck, Stilwell, 2004; Kazi, Zadeh, 2011). Inadequate pay can adversely affect the bank employees' willingness to continue their job. So our research found that pay plays a major role in deciding whether or not to continue the job. If banks wish to create environment that promotes proactive behavior and employee retention, they must compensate them adequately. While salary plays an important role before one enters to the job market, once there, other factors like job stress and abusive supervision have a dramatic effect on turnover intention. Next, job stress also found to have positive relationship with turnover intention. Multiple studies have confirmed their relationship (Lee, Seo, Lee, Lee, Jeon, & Han, 2016; Lo, Chien, Hwang, Huang, & Chiou, 2017). Job stress has become the common matter in banks. Data shows that about 40% employees describe their job as very stressful and 25 % employees raise their job as most stressor in their lives. Therefore, stress is really bad not only for leaving the job, but also harmful for health. Our last hypothesis also has support among the relationships (Pradhan & Jena, 2017; Schyns & Schilling, 2013; Tepper, 2007). Abusive supervision is never right to abuse their subordinates. If an organization has abusive environment then it will affect their employees and to quit their jobs. This study found that abusive supervision is positive and significantly related to the turnover intention.

Turnover intention is a problem that is being faced by most of the today's work organizations. The purpose of this study was to investigate the relationship amongst pay satisfaction, job stress, abusive supervision and turnover intention in banking sector. The research found that all the predictors are influences the turnover intention among banking employees. It is duty for an organization to provide the satisfaction environment and avoid the abusive workplace. Because, when businesses loses employees it also loses experience skills. This study was limited because it was conducted in banks of one city with small sample so it cannot be generalized. Future study may expand to other cities to generalize results including other factors that may affect turnover intention.

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