

FACTORS THAT CONTRIBUTE TO TURNOVER INTENTIONS OF MUSLIM EMPLOYEES: THE CASE OF CONSTRUCTION MATERIAL SUPPLY CHAIN IN SRI LANKA

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ABSTRACT

The purpose of this paper is to: first, determine the influence of stressors (Target, Deadlines and Supervisory Styles) on job stress among employees of FAS Organization (A Construction Material Supply Chain in Sri Lanka) and second, to examine whether Job Stress has a relationship with individual's turnover intentions. Analyses of 62 responses using correlation analysis revealed that supervisory styles had significant positive effects on job stress leading to employees' intention to quit. However, there were no relationships found between targets and deadlines with job stress. With the organizational case as its primary focus, the research showed that supportive supervisory style and better leader subordinate relationship are important factors that influence employee turnover intention. Because these factors indirectly affect turnover intention through organizational commitment, employees will begin to identify with the company, its goals and business strategies, and their jobs if the company can effectively enhance their organizational commitment. Therefore, the effect of organizational commitment is very important to employees of FAS Organization. Top Managerial Personnel and Academics may find this information helpful in developing new training and support programs that help their employees deal with and adapt to stress both at workplace and outside.

Type of Paper: Empirical Paper

Keywords: *Employee turnover intention, Supervisory style; Target, Deadlines, Job stress, Sri Lanka*

INTRODUCTION

Job related stress costs organizations sums of money all over the world in large and on an individual level it affects the physical and psychological wellbeing of the employee. In contemporary dynamic business environment, trained and skill full workers provide an important contribution in success in organizations. It has been increasingly challenging task to retain talented employees due to the talent scarcity and higher demand and retaining talented workers has become a major concern (Michael et al., 2016; Mayfield and Mayfield, 2008). Luthans (2002) quotes the president of the American Institute of Stress at the New York Medical College on the cost of stress in the U.S. workplace as saying “it is estimated between \$200 and \$300 billion annually, as assessed by absenteeism, employee turnover, direct medical costs, workers’ compensation and other legal costs, diminished productivity, accidents, etc., and is spread throughout the corporation, from the mailroom to the executive suite’. (Schell, 1997) mentions the International Labour Office in Geneva that cites that ‘excessive, pathological job stress can be viewed as the end-of-the-century affliction from which no country or job stratum is spared’. It is estimated that in South Africa R500 million is lost annually through absenteeism and loss of productivity as a result of stress (Executive stress, 1991).

Employee turnover is a critical problem that poses a significant challenge for organizations. Since human resource is central to an organization’s performance, workforce attrition can have a profound impact on an organization’s performance, growth and general business outcomes. Employee turnover is defined as “the rate at which employees enter and leave a company in a given fiscal year” (Society for Human Resource Management, 2011). Therefore, in the past few years much attention has been given towards employee’s turnover behaviour and the major causes that lead towards the turnover intention of employees (Richer, Blanchard & Vallerandi, 2002). Due to higher turnover intention, many organizations have taken it seriously and started to invest on their employees in terms of orientation, training, maintaining, developing and retaining them at any cost (Ongori, 2007) because turnover has great impact on business (West, 2007). Wang et al., (2020) found job satisfaction as one of the important factors influencing productivity and turnover construction sector employees.

The objectives of this study are to find the degree of the job stressors among employees of construction sector organization and its impact towards employees’ turnover intentions. It is designed with an introduction, problem statement, company profile, literatures review, and research framework. These are followed by research methodology, data analysis, and findings. This research ends with conclusion and suggestions for future research.

THE FAS ORGANIZATION: COMPANY PROFILE

A family-owned company was incepted in 1952 at Colombo and initiated its operations as an importer & distributor of general hardware and building material. Since then, FAS achieved great success as an accredited supplier of quality goods and service. In 2000, FAS extended its business with a special focus to enter into sanitary ware industry and venturing into sanitary ware market played an important role in organizations growth. FAS firmly established and consolidated its position as the market leader in the field of sanitary ware, with its own flagship brand and have a wide range of designs, colours, 20 years warranty & competitive price gives

FAS a leading edge in the market. Further, FAS represent many other international brands to complement its product range.

Table 1: Department wise head count

Division	No of Employees
Sales & Marketing	64
Logistics and Distribution	49
Show room Network Staff	52
Administration	15
Accounts and Finance	24
Total	204

PROBLEM STATEMENT

During the past two years, the management of FAS Organization identified a steady decrease in the performance of their employees at the Sales and Marketing department also diagnosed the similar issue slightly increasing in the Accounts and Finance and Logistics and Distribution departments. The volume of sales was in a decreasing mode and every measure prescribed by the management to the respective department for improvement seems not been paid any heed.

It is also noted that the number of authorized and unauthorized leaves taken by employees, were increased. Mostly absentees were members of Sales and Marketing division. Also increasing trend of quitting the Organization and joining competitor firms also found. The most severe case is that increasing rate of pilferage in inventory throughout the stages of operation. It was quite astonishing to the management as to why of a sudden the company befall into an unexpected crisis, which if left to continue, the company would lose all what it gained through their golden 50 -60 years.

Upon a survey conducted internally by the HR department within the organization, they found out that their management practices were up to the best of what has to be provided, of which the company provided much employee benefits to the level not expected by the employees inclusive of a service package and an exceptionally standardized working set up, frequent workshops and training programs adequate to eliminate performance gaps and develop careers but all these did not help reduce the increasing problem, the decreasing performance, increasing absenteeism and turnover.

LITERATURE REVIEW

What is Job Stress?

According to Jennings (2008), work stress remains a significant concern for many organizations, affecting both individuals and organizations. For the individual, regardless of whether stress is perceived positively or negatively its effects may eventually contribute to illness. While for the organization and work stress may contribute to absenteeism and turnover intentions. Luthans (2002: p. 396) defines work stress as “an adaptive response to an external situation that results in physical, psychological, and behavioural deviations for organizational participants”. This definition implies that individuals respond in different ways when subjected to certain stressors. A stressor is any stimulus, which the individual perceives as a threat (Cotton, 1990: p. 28). Robbins (2001) defines stress as a dynamic condition in which the individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both

uncertain and important. Psychological stressors refer to those threats that are attributed to the individual's internal reactivity, such as thoughts, feelings, and concerns about these threats. Psychosocial stressors are those that result from interpersonal interactions, such as with colleagues at work or from social isolation.

Consequences of Job Stress

When eustress become distress, job performance decreases and workplace accidents tend to be more common. High stress levels also impair the person's ability to remember information, make effective decisions and take appropriate action. Overstressed employees tend to have higher levels of aggression. Other more serious consequences of distress are cardiovascular diseases, ulcers, sexual dysfunction, headaches and, ultimately, burnout. This refers to emotional exhaustion and reduced personal accomplishment resulting from prolonged exposure to stress. High stress levels also affected the morale and motivation of the employees. Prolonged exposure to stress without effective coping mechanisms could lead to a host of physical and mental problems. For instance, stress could lead to stress-induced gastrointestinal problems, irritable bowel syndrome, acidity, acid reflux, insomnia, depression, heart disease, etc. Moreover, stress could push the victim toward high-risk behaviour such as smoking, drinking, and substance abuse absenteeism due to sickness and workplace. Stress-related illness led to increase absenteeism and turnover intentions.

Targets

A study based in UK indicated that the majority of the workers were unhappy with the current culture where they were required to work extended hours and cope with large workloads while simultaneously meeting production targets and deadlines (Townley, 2000). Work overload both quantitatively and qualitatively has been empirically linked to a variety of physiological, psychological, and behavioural strain symptoms (Beehr and Newman, 1978; Roberts et al., 1997; Miller and Ellis, 1990). According to Greenhaus et al. (1987), heavy workload lowers one's psychological well-being resulting in job stress. Some people's jobs involve meeting deadlines on a regular basis. This can be seriously stressful. Others make matters worse by setting high, unrealistic deadlines for them.

Deadlines

Working too many hours in one work week can be a source of occupational stress. People who work long hours become tired, resulting in decreased productivity and, consequently, more stress. Lack of sleep also contributes to stress. A significant impact of long hours, organizational time expectations, perceived negative career consequence and lack of support was tested (Bauld, Brough and Timms 2009).

Supervisory Style

Supervisors and managers can be major sources of stress to their subordinates (Greenberg, 2002). Previous research shows that poor leadership behaviours such as when supervisors fail to be supportive of their employees or refuse to allow participation in decision making—can lead to stress. Evaluating employees for salary, promotion, or termination decisions; providing incentives and rewards; and managing their output on a daily basis can lead to stress for

managers themselves. Managers are much more likely to report stress-related physical complaints than are employees such as accounts whose daily responsibilities do not include supervising others (Siegal, 2000).

Turnover Intentions

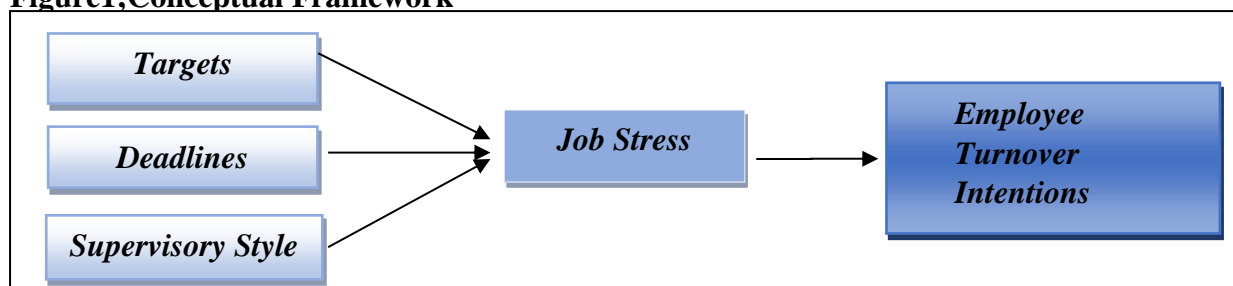
Turnover has become an important concern for corporates in 21st century particularly in the tight labour market (Batt and Valcour, 2003). Unlike actual turnover, turnover intent is not explicit. Intentions are a statement about a specific behaviour of interest (Berndt, 1981: p. 636). Turnover intent is defined as the reflection of “the (subjective) probability that an individual will change his or her job within a certain time period” (Sousa-Poza and Henneberger, 2002: p. 1) and is an immediate precursor to actual turnover. Turnover (actual exit) - intentions to exit are significantly and positively related to turnover (Brigham, Castro and Shepherd, 2007).

A broad range of literature examining the relationship of turnover intent and actual turnover (e.g. Mobley, 1977; Hom and, Griffeth 1991) exists. Actual intention and turnover intention have been measured separately; however, actual turnover is expected to increase as the intention increases. The results of the different studies provide support for the high significance of turnover intention in investigating the individual’s turnover behaviour. Turnover intention captures the individual's perception and evaluation of job alternatives (Mobley et al., 1979).

Employee turnover is defined as “the rate at which employees enter and leave a company in a given fiscal year”. Thus, organizations of all types are giving increased attention to this problem (Lucas, Parasuraman, Davis and Enis, 1987) because they know that low level of turnover increases performance of organization and reduces the costs associated with recruiting and training new employees. According to Naumann (1992) turnover refers to the separation of an employee from the firm. External mobility means shifting of employees into and out of an organization it is defined as the rate of change in the employees of an organization during a definite period. It measures the extent to which old employees leave and new employees enter into an organization.

The termination decision process can be described as a sequence of cognitive stages starting with the process of evaluating the existent job followed by the emotional state of satisfaction or dissatisfaction. One consequence of dissatisfaction is to initiate thought of quitting. The next step is the evaluation of the expected utility of search (e.g. desirability of possible alternatives travels or lost work time) and of the cost of quitting (e.g. loss of vested benefits). If perceived possibility of finding an alternative is available and if the costs are not that high, the next step would be behavioural intention to search for alternatives followed by an actual search. If alternatives are existent, then an evaluation of alternatives will proceed. Afterwards a comparison of the present job to alternatives will follow. If the comparison favours the alternative, then behavioural intention to quit will be stimulated, followed by the final decision to quit. (Mobley, 1977: p. 239). Dodanwala and Santoso ((2021) found the mediating effect of stress between supervision and job security with turnover intentions among the construction sector employees in Sri Lanka.

Figure1;Conceptual Framework



Statement of Hypothesis

H₁: Targets will significantly increase job stress leading to high level of intention to leave among employees of FAS Organization

H₂: Deadlines will significantly increase job stress leading to high level of intention to leave among employees of FAS Organization.

H₃: Supervisory style will significantly increase job stress leading to high level of intention to leave among employees of FAS Organization.

RESEARCH METHODOLOGY

In an attempt to achieve the research objectives, this research has chosen ‘survey strategy’ as the dominant research strategy. The main reason to select this strategy is it is associated with the deduction approach to research (Dediyagala, 1998). It occurs when the researcher tries to build causal relationships between variables. This strategy is very much cost effective compared to other information retrieving strategies and could attract a large collection of data.

Accordingly, this research involved employees of all five functional divisions of FAS Organization in Colombo. Questions are structured to discover which organizational factors (targets, deadlines and supervisory style) in relevant employees perceive to increase their job stress levels and whether such stressors become the factors that can increase the turnover intentions among employees of FAS Organization. Data collected from 62 employees of various departments of entity maintaining a fair representation in the sample.

DATA ANALYSIS AND RESULTS

Descriptive and regression analysis has been conducted in this research to achieve the research objectives. SPSS version 21 was used to do data analysis. The reliability test is conducted for each measurement scales of the respective variable and based on reliability analysis, overall alpha for 55 items reached .0903, suggesting that the items have relatively high internal consistency.

Background of Employees

Descriptive analysis is done to get overall view of employees’ background. In this respect, it is found that majority of the employees involved in this research are male (92%). Meanwhile, 73 percent of the respondents are non-managerial employees, whereby they are either from sales and marketing (31%), warehouses and distribution (26%), show room staff (24%), accounts and finance (13%), and administration division (7%). In terms of age, most of the respondents are between 20 to 40 years old (81%). Furthermore, more than half (63%) are having experiences between 1 to 3 years with FAS Organization.

Correlation Analysis

Table 2 exhibits the results of Pearson correlation analysis. From the analysis, it is observed that there is significant positive relationship ($p < 0.01$) between supervisory style and employees’ intentions to quit given $r = 0.723$. Meanwhile, there are no relationship between target and deadlines towards employees’ intentions to quit ($r = 0.128$) ($r = 0.234$). The intervening variable which is job stress has a significant relationship ($p < 0.01$) with the employees’

intention to quit ($r=0.714$). Addition to this correlation analysis, regression analysis is conducted to further explain the degree of relationship between variables. Table 3 and 4 present results of regression analysis done in this research.

Table 2: Correlation analysis

		Intentions to quit	Targets	Dead lines	Supervisory Style	Job Stress
Intentions to quit	Pearson corre	1	.128	.234	.723**	.714**
	Sig.(2-tailed)		.322	.067	.000	.000
Targets	Pearson corre	.128	1	-.013	.104	.254*
	Sig.(2-tailed)	.322		.921	.422	.046
Deadlines	Pearson corre	.234	-.013	1	.179	.131
	Sig.(2-tailed)	.067	.921		.163	.311
Supervisory Style	Pearson corre	.723**	.104	.179	1	.736**
	Sig.(2-tailed)	.000	.422	.163		.000
Job Stress	Pearson corre	.714**	.254*	.131	.736**	1
	Sig.(2-tailed)	.000	.046	.311	.000	

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

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

Based on regression analysis, it is clearly indicated that the relationship between supervisory style and employees' intention to quit is significant ($b=0.698$) at $p<0.000$. Meanwhile, similar with the previous results, targets and deadlines have no significant relationship with the employees' intention to quit given significant values more than 0.000 and beta value 0.057 and 0.110 respectively. Details on these results are presented in Table 3 below.

Table 3: Results of Regression Analysis

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.218	.304		.718	.476
	Targets	.022	.035	.057	.632	.530
	Deadlines	.051	.042	.110	1.209	.232
	Supervisory Style	.697	.091	.698	7.641	.000

Dependent Variable: Intentions to quit

Testing for Intervening Effect

In order to examine the intervening effects of job stress towards employees' intention to quit, a Pearson correlation analysis was conducted. This analysis explain how job stress influences the employees' intentions to quit. Table 4 presents the results of this analysis.

Table 4: Results of Testing for Intervening Effect with controlling a variable

Control Variable			Intentions to quit	Targets	Dead-lines	Supervisory Style
Job Stress	Intentions to quit	Correlation	1.000	-.080	.203	.417
		Sig.(2-tailed)		.542	.117	.001
	Targets	Correlation	-.080	1.000	-.048	-.128
		Sig.(2-tailed)	.542		.713	.327
	Deadlines	Correlation	.203	-.048	1.000	.124
		Sig.(2-tailed)	.117	.713		.342
	Supervisory Style	Correlation	.417	-.128	.124	1.000
		Sig.(2-tailed)	.001	.327	.342	

According to Table 2, correlation co-efficient between supervisory style and intention to quit is $r=0.723$ ($p<0.001$). But according to Table 4, after entering intervening variable (job stress), it is observed that there is a change in correlation co-efficient between supervisory style and intention to quit ($r=0.417$ at significance of .001). These suggest that job stress has intervened the relationship between supervisory style and intentions to quit. Furthermore, job stress had not intervened the relationship between the two insignificant variables (targets and deadlines) and employees' intention to quit. Therefore, the hypothesis 3 (supervisory style as an influence factor for job stress that led to the employees' intention to quit) is supported and the other hypotheses (H1 and H2) are not supported in this research.

DISCUSSION AND CONCLUSIONS

Based on correlation and regression analysis, it is found that job stress has played role to increase chances on employees to quit at FAS Organization given the style of their supervisor. In this context, autocratic style of supervisory will lead to job stress among employees and this indirectly will influence them to quit from job.

Meanwhile, searching for other factors like target and deadlines, no relationship was found between targets - intentions to quit and deadlines - intentions to quit. In addition, these results have influenced the intervening effect of job stress towards these two relationships effect to be insignificant. This indicates that the employees job stress will not affect their intention to leave the company when target and deadline is considered.

In conclusion, the contribution of this research rests on the identification of organizational stressors and the role played by the job stress as an intervener in the relationship between organizational stressors and intentions to quit among employees at the FAS Organization. The present research did not aim to construct a complete model of job stress for Sri Lankan employees but merely to extend one's knowledge about the influence of organizational-based factors on managing job stress and turnover intentions. Hence, the findings of the study imply the importance of supportive supervisory style of the immediate supervisor in reducing job stress, increase commitment to organization and minimize employee turnover intentions.

It is recommend to future researchers to extend the current research to other industries and find other factors of job stress among employees and also employers. In addition, future researchers also may produce new model of job stress that may be utilised and adapted to all industries.

Finally, research should also be conducted on how to decrease the level of stress among employees that may lead to increase organization performance.

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