

**The Influence of Affective Commitment, Job Satisfaction and Job Stress on Turnover Intention: A Study of Nepalese Bank Employees**

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— *Review of* —  
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**ABSTRACT**

This study examined the effect of affective commitment, job satisfaction and job stress on intention to leave among bank employees in Nepal. Data were collected using a questionnaire-based survey of 282 employees working at a bank in Kathmandu. Data were analyzed using multiple regression analysis. The results suggested that affective commitment and job satisfaction had a negative effect, while job stress had a positive influence on turnover intention. Specifically, job satisfaction had the strongest effect on turnover intention, followed by job stress and affective commitment. Practical implications for the study are discussed.

Keywords: Affective commitment, job satisfaction, job stress, turnover intention

**1. INTRODUCTION**

In recent times, employee retention has become increasingly difficult and has posed as a problem in many organizations (Gangwani, Dubey & Dasgupta, 2016). The constantly growing number of organizations that seek skilled, knowledgeable and talented staff have created competition in the labor market for such employees and has also limited their availability (Michael, Prince & Chacko, 2016). Hence, retaining talent has emerged as a major challenge for organizations worldwide.

In Nepal, the banking and financial institutions grew immensely in city-centered markets post economic liberalization, thus, causing extensive competition in the banking sector. The banking and financial services sector began to hire talented people from competitors within the industry by offering better salary, career growth opportunities, training, and benefits as retention strategies. Such interbank switch or employee turnover is quite common in the Nepalese banking sector due to high competition and shortage of competent human resources (Bista & Regmi, 2016).

Employee turnover not only has financial costs but also results in the loss of skills, knowledge and business relationships (Ramlall, 2003). Furthermore, the need and expectations of employees are changing. Hence, it is essential for organizations to understand the factors triggering intent to leave and to develop appropriate strategies to

retain talent. Since turnover intention is a precursor of actual turnover (Steel & Ovalle, 1984), employers can influence employees' intention to leave as they have not yet quit their jobs, therefore, it is crucial to understand the factors leading to eventual employee turnover which is the main aim of the present study.

There are many possible reasons why an employee might quit their jobs or intend to do so. An extensive review of the literature identified three relevant variables: affective organizational commitment, job satisfaction (see for example Kim, Tam, Kim & Rhee, 2017) and job stress which have been frequently regarded as antecedents of intention to leave.

In sum, the purpose of this study is to investigate the factors that influence turnover intention. The current study seeks to address the extent to which affective organizational commitment, job satisfaction and job stress influence employees' intention to leave. The paper begins by presenting a review of relevant literature, a formulation of hypotheses and the conceptual framework for the study. In subsequent sections, data collection and data analysis are described, followed by a discussion of the results. The paper concludes with implications for managers.

## **2. LITERATURE REVIEW**

### **2.1 Turnover Intention**

Turnover intention refers to a possibility of individuals voluntarily switching jobs during a specific period of time (Sousa-Poza & Henneberger, 2004). Turnover intention is an intent of an employee to quit the organization and it is an immediate predecessor of actual turnover. Thus, it is a mediator between attitudes triggering intention to leave and leaving an organization (Glissmeyer, Bishop & Fass, 2007). An understanding of the factors which stimulate intention to leave or voluntary exit is quite useful for an organization to modify their policies and strategies of human resource management in order to retain their best talent (Stewart, Volpone, Avery, & McKay, 2011).

### **2.2 Organizational Commitment**

Organizational commitment may be viewed as a psychological bond between an individual and an organization. In general, organizational commitment reflects employees' commitment towards an organization (Angle & Perry, 1981). Individual's organizational commitment involves trust in the ideals of the organization, keenness to devote substantial effort and desire to stay with the organization (Dunham, Grube. & Castaneda, 1994). Organizational commitment is an important factor as committed employees are more likely to remain with an organization, maintain better relationship with customers, are flexible to changes, learn and work much more productively (Mowday, 1998).

Organizational commitment includes three distinctive components: affective, continuance and normative commitment. (Allen & Meyer, 1990). Even though organizational commitment is a multidimensional construct, affective commitment is regarded as the most effective measurement of organizational commitment (Alniaçik, Alniaçik, Erat & Akçin, 2013). Employees who display high affective commitment are driven to work hard, exert considerable amount of effort, exhibit higher level of performance and hence make more purposeful contributions. Thus, the current study focuses on affective commitment.

Affective commitment is a sentimental bond with an organization. It increases if employees' needs and expectations are met (Allen & Meyer, 1990). It is the extent to which an employee relates to an organization's objectives, ideals, beliefs and the employee also wishes to continue being a member of the organization (Robbins & Judge, 2007). Furthermore, some researchers believe affective commitment best predicts intention to leave (Randall, O'Driscoll & Mike, 1997; Masud & Daud, 2019). Hence, this study will examine affective organizational commitment as a predictor of turnover intention and proposes that:

*H1: Affective commitment will have a negative effect on turnover intention.*

### **2.3 Job Satisfaction**

Job Satisfaction is a measure of individual's overall feeling and attitude towards a job (Graham, 1982). It is represented by a positive emotional state ensuing from employee's evaluation of job experience, accomplishment and success (Locke & Dunnette, 1976). Job satisfaction is a reflection of how an individual feels about the organization and various aspects of it (Spector, 1997). It is the level to which an individual is content (satisfied) with the job. It shows the convergence between employee's personal interest and what is provided by the organization.

Job satisfaction has been found to be a significant predictor of employees' intent to remain with an organization and has an influence on reducing turnover (Hellman, 1997). Further, the relationship is consistently negative. High level of job satisfaction reduces the probability of voluntary exit (Cavanagh & Coffin, 1992), while increased dissatisfaction amongst employees results in a higher possibility of them considering other job opportunities (Hellman, 1997). Hence, it is predicted that:

*H2: Job satisfaction will have a negative influence on turnover intention.*

### **2.4 Job Stress**

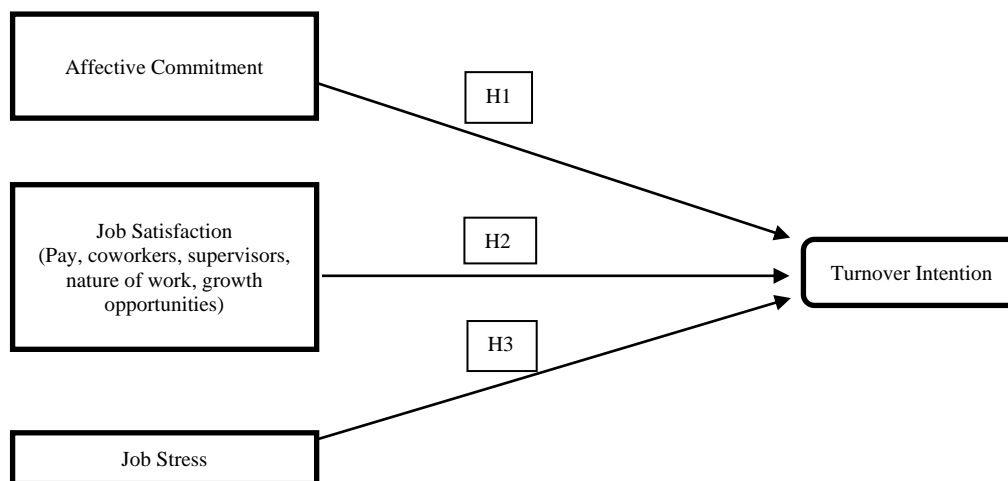
Job stress refers to an "emotional response to stimuli that may have dysfunctional psychological or physiological consequences" (Parker & Decotiis, 1983, p. 165). It may be a result of work exhaustion and anxiety from one's job (Firth, Mellor, Moore, &

Loquet, 2004). Extreme level of job stress impairs individual's performance and also results in undesirable behavioral and attitudinal work outcomes (Kelloway, Frone & Barling, 2005). High level of work-related stress induces a turnover reaction (Sawyer, Srinivas & Wang, 2009). Feelings of stress such as feeling tense or emotionally drained not only reduces the level of job satisfaction but can also increase employees' intention to quit. Hence, it is predicted that employees experiencing high level of job stress are more likely to leave their organizations (Shih-Tse Wang, 2014).

*H3: Job stress has a positive influence on turnover intention.*

### 3. CONCEPTUAL MODEL

The conceptual model for the present study (Figure 1) depicts the relationship between the independent variables: affective commitment and job satisfaction which are predicted to have a negative effect on intention to quit; while job stress is hypothesized to have a positive influence on turnover intention, the dependent variable.



**Figure 1 : Conceptual Model**

### 4. METHODOLOGY

Data were collected based on a survey of 282 full-time employees (81 % response rate) working at a bank in Kathmandu, Nepal. A questionnaire was developed based on pre-validated instruments used in previous research. Data were analyzed using multiple regression analysis. The first section of the survey consists of demographic questions relating to age, gender, educational background, occupational level, and employment status.

The second section includes questions measuring the key variables in the study. The response scale is a 5-point Likert scale, ranging from strongly disagree (coded 1), disagree (2), neutral (3), agree (4) to strongly agree (5). Eight questions measure affective commitment based on the work of Meyer & Allen (1991). An example of a question measuring affective commitment is “I would be very happy to spend the rest of my career with my organization” Scale reliability was acceptable ( $\alpha = .87$ ).

Job satisfaction is based on 9 questions derived from prior research (Ramalho Luz, Luiz de Paula & de Oliveira, 2018). Respondents are asked to rate their degree of satisfaction with pay, co-workers, supervisors, career growth opportunities, and the nature of the job. A sample question includes, “I am satisfied with the career growth opportunities in the job.” The scale showed acceptable Cronbach alpha coefficient of 0.73.

Job stress is based on 7 questions adopted from Firth, et al. (2004). A sample item includes “I feel emotionally drained by my job”. The Cronbach alpha coefficient was satisfactory ( $\alpha = 0.73$ ).

Employees’ intention to leave the organization is measured on a 4-item scale adopted from Alniaçik, Alniaçik, Erat & Akçin (2013). A sample item is “I often think of quitting my current job”. The reliability coefficient was found to be acceptable ( $\alpha = 0.81$ ).

The final section of the questionnaire includes two open-ended questions that request respondents to identify two or three factors that led them to seek employment elsewhere and those factors that kept them from looking for other jobs.

## **5. RESULTS & DISCUSSION**

The aim of the present study is to test the effect of affective commitment, job satisfaction and job stress on employees’ turnover intention. With respect to the profile of the respondents, over half of the respondents were female (53.2%) while 46.8% were male. The majority of the respondents were in the age group of 20-30 years (51.1%) followed by those in the 31-40 age group (32.6%). More than half of the respondents held a master’s degree (52.5%) whereas 134 respondents (47.5%) had a bachelor’s degree. Further, 53.9% respondents were married and 45% were single. Under 10% of respondents (8.5%) had been working with the organization for less than one year, 33.3% for 1-4 years, 27 % for 5-8 years while 31.2% had been with the organization for more than 9 years. In terms of occupational level of the respondents, the top level employees included assistant managers, deputy managers and managers. Middle level employees consisted of supervisors, senior officers, junior officers, and officers; while lower level employees comprised of senior assistants, junior assistants and assistants.

Multiple regression analysis was conducted to test the hypotheses and the influence of affective commitment, job satisfaction, job stress on turnover intention.

**Table 1: The Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.690 <sup>a</sup>	.476	.470	.54475	.476	84.096	3	278	.000

Predictors: (Constant), Job satisfaction, Affective commitment, Job stress  
Dependent variable: Turnover intention

The regression model was statistically significant  $F(3, 278) = 84.096; p < .001$ . and job satisfaction, affective commitment, job stress explained 47% of the variance in turnover intention (Table 1).

**Table.2: Multiple Regression Results**

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.404	.326		13.505	.000		
	Affective commitment	-.306	.062	-.269	-4.949	.000	.640	1.562
	Job satisfaction	-.460	.080	-.331	-5.737	.000	.568	1.760
	Job stress	.369	.065	.273	5.717	.000	.827	1.209

a. Dependent Variable: Turnover intention

The variance inflation factors (VIF) were less than 5 (Table 2) while tolerance values were within the acceptable range (0.1 – 1.0) for all variables (Kutner, Nachtsheim and Neter, 2004). Thus, the regression model was free from multi-collinearity problems.

The results indicated that job satisfaction ( $\beta = -0.460, p < 0.001$ ) had a greater impact on employees' intention to leave followed by job stress ( $\beta = 0.369, p < 0.001$ ) and affective commitment ( $\beta = -0.306, p < 0.001$ ). The negative beta coefficient for affective commitment and job satisfaction indicated that a higher degree of job satisfaction (hypothesis 2) and higher level of affective commitment (hypothesis 1) predicted a lower probability of intention to quit while employees experiencing a greater degree of job stress (hypothesis 3) were more likely to express a stronger intention to quit their jobs. Thus hypotheses 1, 2 and 3 are supported.

According to hypothesis 1, affective organizational commitment would negatively affect intention to leave. The result from the current study supports this prediction and

is consistent with prior research (Allen & Meyer , 1990). Hypothesis 2 predicted that job satisfaction would have a negative effect on turnover intention. The finding from the current study provides evidence to support this hypothesis and is consistent with prior studies that found as job satisfaction increases, intention to quit decreases (Hellman, 1997; Cavanagh & Coffin, 1992). Finally, hypothesis 3 posited that job stress would have a positive influence on intention to turnover. The result from this study supports this prediction and other studies that have found a high degree of job stress would have a greater influence on intention to quit (Shih-Tse Wang, 2014).

Respondents' answers to two open-ended questions revealed that the most frequently cited factors that would influence employees to quit include lack of career growth opportunities and lack of timely promotion, compensation commensurate with higher position, working environment, extreme work pressure, work relationships with supervisors and co-workers, motivational factors, the nature of jobs, lack of work-life balance, and behavior of management towards employees. The complete list of factors is given below (listed in alphabetical order).

1. Assignments with unrealistic target
2. Behavior of management towards employees
3. Better opportunities/better future
4. Career growth opportunities
5. Compensation
6. Disrespect or inhumanity
7. Exposure and opportunity to learn new things
8. Higher position
9. Hometown transfers
10. Inflexible timing
11. Improper management system
12. Job description/job nature
13. Job satisfaction
14. Monetary factors
15. Motivational factors
16. Promotional opportunities/timely promotion
17. Quality of work life
18. Repetitive and monotonous work causing boredom
19. Reward and recognition equivalent to employee's effort or good work
20. Time to socialize with coworkers
21. Team spirit
22. Unsupportive coworkers
23. Unhelpful and unfriendly supervisor
24. Working environment
25. Work-life balance

26. Work-load/work pressure
27. Work relationship with supervisor and co-workers

The second open-ended question asks employees to mention factors/reasons that kept them from seeking jobs elsewhere. The responses are presented in alphabetical order below:

1. Attachment to the organization
2. Benefits/bonus
3. Career growth and personal development
4. Circle of friendly colleagues in department/family environment within a department
5. Guidance from senior/supervisory support
6. Higher pay
7. Job security
8. Respect from coworkers and supervisors
9. Skill development
10. Trust and responsibility
11. Need to work from zero level if switched to other organization

Among the factors that were mentioned by employees, the most frequently cited employee retention factors were related to job security, benefits/bonus and circle of friendly colleagues in department/family environment within a department. Furthermore, one of the reasons mentioned by employees that prevented employees from seeking employment elsewhere was attachment towards the organization. This is consistent with the results of multiple regression analysis which indicate that higher affective commitment towards organization is related to lower turnover intention.

## **6. IMPLICATIONS & CONCLUSION**

The findings of this research offer implications for practice. Overall, the findings have highlighted the importance of job satisfaction facets (job satisfaction was measured in terms of pay, career growth opportunities, coworkers, supervisors and work itself) in influencing employees' decision to quit. Affective commitment is found to be a strong predictor of intention to quit as well. The organization should seek ways to enhance affective commitment among employees as less committed employees are more likely to seek employment elsewhere. HR researchers recommend developing human resource strategies to strengthen the level of affective organizational commitment. For example, merit-based recruiting, competitive pay structure, timely promotion scheme based on performance, training and development programs, proper rewards and recognition for good work tend to have a positive effect on affective commitment among employees. Further, a positive working environment with clear communication,



trust and cooperation could also enhance organizational commitment (Saleh, Lee & Prien, 2012).

Job stress is another crucial factor found to influence employees' intention to leave the organization. Job stress is increasing as financial institutions are undergoing mergers and acquisitions (Chen, Lin, & Lien, 2011), particularly, among banks in Nepal in recent years. The organization could attempt to reduce job stress among employees by introducing flexible working hours. The work pressure should be in line with the capability of employees along with the resources. Finally, occasional stress management programs could also be beneficial.

In concluding, this study has contributed to existing literature regarding the relationship between affective commitment, job satisfaction and job stress. The results confirm that when employees are satisfied with their jobs and are emotionally attached to the organization, they are less likely to think of quitting their jobs while stress at work could contribute to increasing turnover intention.

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