Examining the Mediation of Job Satisfaction in the Relationship between Work Stress and Turnover Intention in Textile Company

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ABSTRACT

Objective – This study investigates the mediation role of job satisfaction in the relationship between work stress and turnover intention. A study about turnover intention in the textile company is still rarely done in Indonesia. This study can fill the gap regarding the topic.

Methodology/Technique – A nonprobability sampling method with an accidental sampling technique was used, and we get 110 usable responses from a textile company in West Java, Indonesia. Macro Process with SPSS was used to measure the regression and the mediation.

Findings – The study found that work stress has a negative effect on job satisfaction. Work stress significantly related to turnover intention in a positive direction. Job satisfaction did not have a significant relation with turnover intention. Thus, in this study, we found no mediation role in job satisfaction.

Novelty – Evidently, work stress solely took part in shaping the turnover intention.

Type of Paper: Empirical.

Keywords: Work stress, Job satisfaction, Turnover intention, Textile Company, Mediation


JEL Classification: J28, J29, M19.

1. Introduction

Human resources are an important resource that companies can optimize in utilizing other resources simultaneously. The company always strives so that the employee turnover rate is at a relatively low level. Employee turnover, although not always bad, will affect the operation of the company. High employee turnover has a negative impact on the company including decreasing sales, reduced customer satisfaction, large recruitment and training costs, and loss of productive work time. If we do not take any actions, in the long term this becomes a bad condition and can affect organizational performance.

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According to Boss (2018), the employee turnover rate has reached the highest level in the last ten years. To identify the level of employee turnover, a company can examine the intention to leave (turnover intention). Employee resignation usually begins with the intention to withdraw for various reasons (Forbes Coaches Council, 2018). Organizations need to know important factors that drove the employee to resign. The employee can move to other business for reasons such as unclear roles or jobs (Jaramillo et al., 2006), unclear careers path (Cao et al., 2013), low level of involvement (Sultana & Jabeen, 2018), low commitment (Yamazaki & Petchdee, 2015), lack of organizational support (Park et al., 2015), work stress (Rehman et al., 2010), and leadership style (Ennis et al., 2016).

Employee turnover is one of the industry’s most important problems (Hughes et al., 2010). In short, excessive turnover can cost organizational performance (An, 2019). Thus, it is important for any organization to investigate what factors affect turnover intention in order to understand the reasons for actual turnover. The textile industry usually faces a higher turnover rate. Employee turnover will cause a negative effect on the business. The company has to recruit new employees and train them. Human labor still plays an important role in the textile. They control and make sure the machine runs smoothly. Reducing turnover can save money and running a company is easy when you have excellent employees (Newman, 2017). This study examines the effect of work stress on employee turnover intention with the mediation of job satisfaction. The research was conducted in a textile company in West Java, Indonesia which still rarely done.

2. Literature Review

2.1 Work Stress

Stress is an individual response to environmental demands (Kinicki & Fugate, 2016). Whereas Robbins & Judge (2017) defines stress as a dynamic condition experienced by individuals when they are faced with opportunities, demands, resources to fulfill their interests but the end result cannot be ascertained. Job stress can occur due to several factors as follows; leadership style (Al-Hosam et al., 2016), work motivation level (Wani, 2013), level of company support (Jain et al., 2013), compensation which was considered not satisfying (Rehman et al., 2010), and works itself (Russell et al., 2009). In order for the stress level of employees to be in a positive condition, companies need to pay attention to these various factors.

2.2 Job Satisfaction

Job satisfaction can be considered as a feeling of pleasure and comfort experienced by employees of every aspect of the work they do. The company can identify the factors that can affect the level of employee job satisfaction. Several factors that considered as antecedents of job satisfaction are cultural suitability (Moradi, 2012), leadership style (Yates, 2014), attractive levels of compensation (Butt et al., 2007), organizational support (Gillet et al., 2013), optimal management of work stress (Kumar & Varma, 2017), minimizing the role uncertainty (Chen et al., 2007), and building a work atmosphere based on a balance between personal life and work (Azeem & Akhtar, 2014). Some benefits from the positive feeling of satisfaction were stronger engagement, organizational commitment, and loyalty, more motivated, improved performance, low absence rates, lower intention to resign, and willingness to share knowledge.

2.3 Turnover Intention

Turnover intention (TI) is a tendency of employee behavior to try to leave the company which ultimately causes employees to leave the company (Chen et al., 2014). Although it has not yet become a reality, the intention of employees to resign can cause problems for the organization. High turnover can cause the loss of productive employees and increased recruitment and training costs. Mbah & Ikemeufuna (2012) mention if it is not managed properly turnover intention can on the organization. These negative impacts will harm the operation of the company and can reduce performance. To minimize potential loss, companies need to study
various factors and possibilities that can be analyzed and applied to control employee turnover. Another negative impact explained by Huang & Su (2016) that organizations will lose the important tacit knowledge when outstanding employees leave.

2.4 Work Stress and Job Satisfaction

Most previous studies showed a significant and negative relationship between work stress and job satisfaction. Research in various industries strengthens the view that stress has a negative or inverse correlation with job satisfaction. Studies from various cultural backgrounds, in Pakistan (Malik, et al., 2011), in India (Venkataraman & Ganapathi, 2013), in Switzerland (Giauque, et al., 2013), in Israel (Tziner, et al., 2015), and in US (Lambert, et al., 2015) strengthen the finding and its direction. Based on the result, our first hypothesis (H1) is that work stress will have a significant and negative effect on employee’s job satisfaction.

2.5 Work Stress and Turnover Intention

Job stress believed to become an important factor that can cause employees to leave the company. Time constraint, role conflict, workload, role ambiguity, and a demanding job can be stressful. Individuals who cannot cope with this situation have a strong reason to leave. Previous studies from various countries proved that statement (Rehman et al., 2010, in Pakistan, Anton, 2009 in Spain, Yim et al., 2017 in South Korea, Tongchaiprasit & Ariyabuddhiphongs, 2016 in Thailand, and Wickramasinghe, 2010 in Sri Lanka). Thus, our second hypothesis (H2) is that work stress will have a significant and positive correlation with turnover intention.

2.6 Job Satisfaction and Turnover Intention

Employee perception regarding their leaders, co-workers, job characteristics, career development, and compensation packages can shape their overall job satisfaction. They will assess how satisfied they are with the work currently being worked on. Higher satisfaction levels will have an impact on their willingness to stay longer. Previous studies that reveal the negative correlation between job satisfaction and turnover intention including Malik et al (2010) from Pakistan, Jaramilo et al. (2006) from the United States, Anton, (2009) from Spain, Gillet et al., (2013) from France, and Parry (2008) from Australia. Those findings will become our basis to determine the third hypothesis (H3) for this study that is the level of job satisfaction will have a significant and negative effect on turnover intention. In addition to having a direct influence on turnover intention, job satisfaction also known to have a mediation role for other variables to influence turnover intention. Hakim & Ibrahim (2017) found that job satisfaction partially mediated the relation of transformational leadership and turnover intention. Job satisfaction also found to have mediation in the relation of perceived organizational support and turnover intention (Allen et al., 2003). The relation of work stress and turnover intention was also mediated by job satisfaction (Paille, 2011). Based on those findings, we propose our fourth hypothesis (H4) that job satisfaction will mediate the relationship between work stress and turnover intention.

3. Research Methodology

3.1 Participants

This research was conducted from April to June 2018 in a textile company in West Java, Indonesia. Data collection is done by distributing questionnaires to all employees through the human resources department and we get 110 valid responses. The highest number of employees is in the age range of more than 40 years with 50% and 35-40 years with 29.1%. In terms of the tenure of employees, it shows that employees are quite long to stay in this organization that more than 10 years is 84.5%, and it is good for textile companies that
employees already have sufficient experience to solve their works. More detailed data demographics of respondents are displayed in Table 1.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>31</td>
<td>28.2%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>79</td>
<td>71.8%</td>
</tr>
<tr>
<td>Age</td>
<td>&lt; 25 years</td>
<td>3</td>
<td>2.7%</td>
</tr>
<tr>
<td></td>
<td>25 - 30 years</td>
<td>5</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>&gt; 30 - 35 years</td>
<td>15</td>
<td>13.6%</td>
</tr>
<tr>
<td></td>
<td>&gt; 35 - 40 years</td>
<td>32</td>
<td>29.1%</td>
</tr>
<tr>
<td></td>
<td>&gt; 40 years</td>
<td>55</td>
<td>50.0%</td>
</tr>
<tr>
<td>Marital</td>
<td>Married</td>
<td>7</td>
<td>6.4%</td>
</tr>
<tr>
<td></td>
<td>Separated</td>
<td>10</td>
<td>9.1%</td>
</tr>
<tr>
<td>Workhour</td>
<td>≤ 9 hours</td>
<td>92</td>
<td>84.5%</td>
</tr>
<tr>
<td></td>
<td>&gt; 9 hours</td>
<td>18</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

3.2 Measurement and Analysis

We develop a questionnaire consisted of 34 items to collect data. Each item has 6 answers based on a Likert scale option from 1 - strongly disagree to 6 - strongly agree. Job satisfaction measured with 20 items developed from the work of Prasetio et al. (2017) which consists of five dimensions of satisfaction (Supervisor, Salary, Peer, Career Development, and Job it-self). Turnover intention measured with 6 items developed base on Elci et al. (2012). Work stress was assessed with 8 items was develop also from Enshasii et al (2013).

Regression analysis was done using SPSS and Process Macro from Hayes (2018). PROCESS Macro was used to test the significance of mediation. This approach considered appropriate because avoids the requirement of sampling normality assumptions through the application of bootstrapping confidence intervals. It directly shows the significance of mediation effects. For this research, job satisfaction will have a mediation role if there is no zero (0) value in Upper-level and Lower-level Confidence Interval. The popularity of the approach backed by current literature from Prasetio et al. (2017), Lee & Jeong (2014), and Marchand & Vanvenberghe (2016).

4. Results

Table 2 shows the regression result that apparently Works stress has a negative effect significantly on Job Satisfaction (coeff. -.111, p <0.01). Work stress has a positive effect significantly on Turnover Intention (coeff. .490, p <0.01). Meanwhile, job satisfaction develops a negative effect on Turnover Intention, but not significantly (coeff. .466, p > 0.05). Thus hypotheses H1, H2, are accepted, and H3 is rejected (coeff. -.264, p .090 > 0.05).

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure</td>
<td>&lt; 1 years</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td></td>
<td>1 - 3 years</td>
<td>5</td>
<td>4.5%</td>
</tr>
<tr>
<td></td>
<td>&gt; 3 - 5 years</td>
<td>4</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>&gt; 5 - 10 years</td>
<td>7</td>
<td>6.4%</td>
</tr>
<tr>
<td></td>
<td>&gt; 10 years</td>
<td>93</td>
<td>84.5%</td>
</tr>
<tr>
<td>Position</td>
<td>Supervisor</td>
<td>10</td>
<td>9.1%</td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>11</td>
<td>10.0%</td>
</tr>
<tr>
<td></td>
<td>High School</td>
<td>83</td>
<td>75.5%</td>
</tr>
<tr>
<td>Education</td>
<td>Diploma</td>
<td>14</td>
<td>12.7%</td>
</tr>
<tr>
<td></td>
<td>Under Graduate</td>
<td>12</td>
<td>10.9%</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>1</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coeff</th>
<th>SE</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.111</td>
<td>0.049</td>
<td>0.026</td>
</tr>
<tr>
<td>0.490</td>
<td>0.083</td>
<td>0.000</td>
</tr>
<tr>
<td>-0.264</td>
<td>0.158</td>
<td>0.090</td>
</tr>
<tr>
<td>2.317</td>
<td>0.878</td>
<td>0.010</td>
</tr>
<tr>
<td>5.330</td>
<td>0.156</td>
<td>0.000</td>
</tr>
<tr>
<td>0.045</td>
<td>0.292</td>
<td></td>
</tr>
<tr>
<td>5.125</td>
<td>22.075</td>
<td></td>
</tr>
<tr>
<td>0.026</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>
It seems in this case job satisfaction didn't have a mediation role in the relation of work stress and turnover intention. Table 3 below shows that the value of LLCI and ULCI contains 0 (value between -0.010 and 0.101), thus it ensures that hypotheses H4 is rejected.

Table 3. An indirect effect of work stress on turnover intention

<table>
<thead>
<tr>
<th>Work Stress → Job Satisfaction</th>
<th>Effect</th>
<th>Boot SE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>0.029</td>
<td>0.029</td>
<td>-0.010</td>
<td>0.101</td>
</tr>
<tr>
<td>→ Turnover Intention</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 1 shows the mediation model and the result of this study.

![Mediation Model of Job Satisfaction](image)

5. Discussion

The first hypothesis (H1) was supported that work stress has a significant and negative effect on employee’s job satisfaction. In theory, this positive relationship is in line with the results of previous studies from Malik et al. (2011), Venkataraman & Ganapthi (2013), Tziner et al. (2015), Lambert et al. (2015), Duraisingam et al. (2009), and Giauque et al. (2013). This condition is in line with the real organization practices. An employee with a higher stress level usually experiences low satisfaction towards their job. Constantly facing a demanding task and responsibilities will gradually reduce happiness. Employees who did not enjoy their job will develop less satisfaction. The second hypothesis (H2) also supported, work stress has a significant and positive correlation with turnover intention. Facing difficult tasks, unfriendly co-workers, unsupportive supervisors, and a job that did not pose significant challenges will diminish their attachment. These results support previous studies from Tongchaiprasi & Ariyabudhiphongs (2016), Yim et al. (2017), Rehman et al. (2010), and Anton (2009). However, our third hypothesis (H3) was not supported. It turns out job satisfaction did not affect turnover intention. Thus, the result was different from most of the previous studies (Malik et al., 2010; Jaramilo et al., 2006; Anton, 2009; Gillet et al., 2013; and Parry, 2008). Although it is unusual, cases like this happened. Many organizations have employees who were not happy and satisfied with their job. But they were not quit or leave either. Some reasons to justify their willingness to stay including no better opportunities outside, just waiting for retirement, they did not have the outstanding qualification, and they live near the organization. Those might seem cannot be understood for some, but for others, these reasons were quite enough to make them stay. On the contrary, employees who have high satisfaction can also leave the organization. Some of them leave because they manage their own business, family reasons (health, spouse, children), and they give a better offer from other organizations. In a textile company especially in Indonesia, this is not a strange phenomenon. Due to the fact that the lower education level and low skills employees find it difficult to get a new job. These findings could benefit the discussion regarding job satisfaction as an antecedent for turnover intention. It is not always satisfied people will stay longer or vice versa.
Since the hypothesis (H3) was not supported, the fourth hypothesis (H4) also rejected. Job satisfaction did not have a mediation role in the relationship between work stress and turnover intention. The textile company needs to identify other variables that have close relation with turnover intention such as engagement, affective commitment, work motivation, organizational justice, job security, and work-life balance.

6. Conclusion

Our two hypotheses were supported where work stress negatively affected job satisfaction (H1) and positively affected turnover intention (H2). On the other hand, two hypotheses were rejected where job satisfaction negatively affected turnover intention but not significant (H3) and job satisfaction did not have the mediation role in the relation between work stress and turnover intention (H4). The current study contributes to the extant literature by highlighting the work stress affected significantly on job satisfaction and the turnover intention, so how effective to manage the work stress can help the organization prevents turnover intention. Understanding the most important factors that cause the employee to quit, the organization can focus on certain programs that dealt with the problems. We suggest practical benefits organizations develop a program that gives an opportunity for the employees to get involved, provide a broader career option, create an interesting job, develop a flexible job environment, and attractive reward. Employees who enjoy and busy with their job will less likely have stress. They also tend to stay longer because their job makes them meaningful and valuable.

References

Cao, Z., Chen, J., & Song, Y. (2013). Does Total Rewards Reduce the Core Employees’ Turnover Intention?. International Journal of Business and Management, 8(20), 62.


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