



A STUDY ON THE RELATIONSHIP BETWEEN WORK DESIGN, JOB SATISFACTION, STRESS, COMMITMENT AND TURNOVER INTENTION OF BPO EMPLOYEES

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Abstract:

BPO are one of the most sought workplaces for young graduates and undergraduates as it provides them with a good environment to work with decent emoluments and financial incentives. The current study explores the relationship between work design, job satisfaction, stress, organizational commitment and turnover intention of employees. Reduction in employee stress, improved work environment and increased job satisfaction will have significant effect in combating attrition in BPO organization (Vibha, 2013). Multiple regression analysis was performed to study the influence of the factors. It is also proved that only work design and stress influences employee's turnover intention. The negative relationship between job satisfaction and turnover intention is confirmed by regression analysis. A decrease in the level of job satisfaction would lead to an increase in the level of turnover intention. Building relationship between the organization and the workforce with a view to creating a sense of belonging is the ultimate in retention strategy because we Indians value our emotional bonds and affiliations more in life. It is recommended that organizations need to attract and retain employees who are qualified and willing to take on new task and responsibility.

Key Words: Work Design, Job Satisfaction, Stress, Organizational Commitment, Turnover Intention & Retention Strategy

Introduction:

Human Capital in organizations is the most precious resources and essential asset that contribute to the development and growth and for enhancing the capabilities of the organization to deal with all emerging challenges. The collective attitudes, skills and abilities of Human Resource contribute to organizational performance and productivity (Anastasia, 2008). An empowered organization is one in which humans have the knowledge, skill, desire and opportunity to personally succeed in a way that leads to collective organizational success (Stephen, 1991). Although an organization or business is a separate legal entity, it ceases to exist if it has no people - leaders, directors, members, employees required to maintain an organization's existence. As much as technology and data systems may evolve, nothing substitutes the value provided by human capital. The biggest companies in the world are recognized by their talent and the attitude of their people.

The Indian BPO Industry:

India has enormous opportunities emerging from globalization and consequent lowering of tariff barriers. Information Technology has given India formidable brand equity in the global markets. Indian BPO companies have a unique distinction of providing efficient business solutions with cost and quality as an advantage by using state of art technology. India today has the advantages of skilled manpower base, active and healthy competition amongst states in attracting investment in infrastructure as well as framing IT applications in areas such as e-governance, e-learning, e-commerce, entrepreneurship, software exports growth and a large potential in the domestic market. Outsourcing is the fastest growing industry in India, being the best place to outsource the business needs.

The current study explores the relationship between work design, job satisfaction, stress, organizational commitment and turnover intention of employees. Reduction in employee stress, improved work environment and increased job satisfaction will have significant effect in combating attrition in BPO organization (Vibha, 2013). In this challenging business scenario, it is recommended that organizations need to attract and retain employees who are qualified and willing to take on new task and responsibility.

The objective of this study is to develop and test the relationship between Work Design, Job Satisfaction, Stress, Organizational Commitment and Turnover Intention of BPO employees. To explain the variation in dependent variable based on the variation in independent variables, the multiple regression tools are used. Multiple regression analysis was performed to study the influence of the factors Work design, Job Satisfaction and Stress on Organizational Commitment and Turnover Intention. The Hypothesis of this study states that there is significant influence of Work Design, Job Satisfaction, Stress, and Organizational Commitment on Turnover Intention.

Relationship among Variables Considered in the Study:

Most of the research has treated job satisfaction as an independent and organizational commitment as a dependent variable (Javad and Davood, 2012). Research results by Aamodt (2007), indicates that satisfied employees tend to be committed to an organization and employees who are satisfied and committed are more

likely to attend work, stay with an organization, arrive at work on time, perform well and engage in behaviours helpful to the organization. Meyer and Allen (1991), in an exploratory and confirmatory analysis of factors that can significantly predict Job Satisfaction and Organizational Commitment among blue collar workers, reported that Promotion, Satisfaction, Job Characteristics, Extrinsic and Intrinsic exchange, as well as extrinsic and intrinsic rewards, were related to Commitment.

Job Satisfaction is the antecedent variable of turnover intention, indicating that job satisfaction has a significantly negative impact on turnover intention (Zainal et al., 2012). Research has uncovered a moderate relationship between satisfaction and turnover (Jitendra and Mini, 2013). If there is considerable job dissatisfaction, there is likely to be high turnover. According to Iqra et al., (2014), job satisfaction has a negative impact on turnover intention. High job satisfaction is associated with low turnover intention and low job satisfaction leads toward high turnover intention.

It has been reported that call-centre executives suffer from high levels of stress (Aziz, 2003) and that its excessive levels may lead to dissatisfaction, lower morale and poorer work performance. It is expressed that heavy workload, infrequent rest breaks, long working hours, shift work, hectic and routine tasks as important job conditions leading to stress (Sakshi, 2015). Priyadharshini and Kalanithi (2009), reveals that organization concentrates on factors namely, Organization Commitment, Job Dissatisfaction, Interpersonal relationship and Stress related health consequences in order to reduce the burnout. Further, they disclose that stress is reduced by giving reasonable breaks between the working hours, recreational facilities, energizing through team parties/outings, enhancing positive work culture and motivation. Ramachandra and Suman (2009), in their study reveal that adopting flexi-time arrangements, especially during the economic downturn or global recession, enable to reduce stress among Information Technology employees and also it adds many organizational benefits to the bottom line like increased satisfaction and productivity, retention of valuable employees, decreased absenteeism and increasing organizational commitment of employees.

Evidences indicate that high levels of Organizational Commitment reduce absenteeism and turnover (Cohen, 1992). Guimaraes and Igbaria (1992) find that organizational commitment is an intervening variable of intentions of turnover and job satisfaction. Furthermore, Khatri and Homma (2001) discover that high employees' turnover in Singapore, Malaysia, South Korea and Taiwan occurs because of the procedural justice and low organizational commitment. Employees who are highly committed do not leave the organization because they are dissatisfied and tend to take challenging work activities (Meyer and Allen, 1997).

Work design and the way it is managed can cause Stress. Rajiv and Manju, (2008) in their study reveal that software professionals are experiencing high degree of Stress due to nature of work, working environment, time pressure, scope of the job, role ambiguity, lack of commitment, role conflict and rewards. Qiang et al., (2005) in their study observe that enforcing excessive technology leads to Stress among employees.

Job satisfaction describes how content an individual is with his or her job, (Mosammod and Nurul, 2011).

Regression Analysis of Factors in the Study:

To develop and test the relationship between work design, job satisfaction, stress, organizational commitment and turnover intention of BPO employee's regression analysis is performed. This analysis also examines the influence of work antecedents on commitment and turnover intention of BPO employees'. The hypothesis verifies the significant influence of work design, job satisfaction, and stress on organizational commitment and turnover intention.

Multiple regression analysis with the set of independent variables work design, job satisfaction, stress on organizational commitment is performed.

Table 1: Influence of Work Antecedents on Organizational Commitment of BPO Employees

Variables	Regression Coefficient	Standard Error	t- value (d.f = 425)	R²
Constant	1.45	.18	8.09	.60
Work Design	.28	.06	4.41*	
Job Satisfaction	.23	.05	4.38*	
Stress	-.05	.03	-1.74*	
Analysis of variance for regression				
Source	S S	D F	M S	F
Regression	54.31	3	18.11	212.47*
Residual	36.30	426	.08	

*: Significant at 1%

The Table provides the regression analysis between work design, job satisfaction, stress and commitment factors. To assess whether Organizational Commitment influences work design, job satisfaction and stress, regression analysis is carried out. For the purpose of the regression analysis, Organizational Commitment was treated as a one-factor variable. The results of regression analysis, with work design, job satisfaction and stress as independent variables and Organizational Commitment as dependent variable are reported in the above table. The analysis reveals that the independent factors explain 60 per cent of employee's

commitment towards organization ($R^2=.60$). F value displays the overall significance ($p<0.01$) of the relationship between independent factors and employee commitment. The analysis reveals that the work design variable (0.28; $p < 0.01$), job satisfaction variables (0.23; $p<0.01$), stress variables (-0.05; $p<0.01$) have significant influence on employee's commitment towards organization. Hence, it can be concluded that Work design, job satisfaction, and stress influences employee's organizational commitment.

Commitment is a global notion that reflects the general reaction of the employee towards the organization with the common values and objectives. Job designs generate the requisite interest in work to create higher commitment levels. Systematic job design can have a series of functional outcomes like experienced meaningfulness, job satisfaction, motivation and more importantly commitment. Earlier researchers set out to study the association between work design and organizational commitment and it is inferred from the study that there is an association between work design and organizational commitment (Gantasala and Padmakumar, 2011). The current study also proves the positive influence of work design on organizational commitment. Job satisfaction is an attitude that occurs as a result of the experiences which are gained while performing the job. It is related to organizational commitment. Organizational commitment and job satisfaction are important aspects of organizational effectiveness, productivity and job performance and may impact turnover intention. According to the regression analysis, it was found that there is a significant and positive relationship between job satisfaction and organizational commitment. This shows a direct proportion with job satisfaction and organizational commitment, as the factors that generate job satisfaction increases, organizational commitment increases. Previous researches examining the relationship between job satisfaction and organizational commitment showed that organizational commitment causes job satisfaction (Thomas and Strasser, 1984). In the organizational behavior literature, job satisfaction and organizational commitment are the variables which have been researched the most. The reason why these subjects have been studied a lot is their relationship with turnover intention. The results of regression analysis for testing the hypotheses showed that there is a strong relationship between job satisfaction and organizational commitment. There is also significant behavioral relationship between job stress and organizational commitment. According to this relationship, it can be possibly mentioned that job stress, which is a consequence of heavy workload, role conflict and the lack of resources cause negative effects on organizational commitment (Senem and Batur, 2014). Previous researches that focused on stress and commitment also underline that stress reduces organizational commitment (Leong, et al., 1996).

The hypothesis of the study is to examine if there is significant influence of organizational Commitment on Work Design, Job Satisfaction, and Stress. The results of regression analysis of independent factors (work design, job satisfaction and stress) on organizational commitment indicated that the independent factor (stress) have significant influence on organizational commitment. Hence, the null hypothesis is rejected and can be concluded that stress significantly influences employees' organizational commitment.

Table 2: Influence of Work Antecedents on Turnover Intention of BPO Employees

Variables	Regression Coefficient	Standard Error	t- value (d.f = 425)	R ²
(Constant)	1.12	.25	4.54	.64
Work Design	.43	.08	5.04*	
Job Satisfaction	-.09	.07	-1.45	
Commitment	-.07	.06	-1.16	
Stress	.14	.04	3.86*	
Analysis of variance for regression				
Source	S S	D F	M S	F
Regression	85.44	4	21.36	188.07*
Residual	48.72	425	0.11	

*: Significant at 5%

The Table 2 provides the regression analysis between work design, job satisfaction, stress, organizational commitment and turnover intention factors. To assess whether turnover intention influences work design, job satisfaction, stress and organizational commitment regression analysis is carried out. For the purpose of the regression analysis, turnover intention is treated as a one-factor variable. The results of regression analysis, with work design, job satisfaction, stress and organizational commitment as independent variables and turnover intention as dependent variable are reported in the above table. The analysis reveals that the independent factors explain 64 per cent of employee's Turnover Intention ($R^2 =.64$). F value displays the overall significance ($p < 0.01$) of the relationship between independent factors and employee turnover. The analysis reveals that out of the four factors, work design variables (0.43; $p<0.01$) and stress (0.14; $p<0.01$) have significant influence on employee's turnover intention. Hence, it can be concluded that only work design and stress influences employee's turnover intention.

The negative relationship between job satisfaction and turnover intention is confirmed by regression analysis. A decrease in the level of job satisfaction would lead to an increase in the level of turnover intention.

This conclusion is supported by previous literature that indicates job satisfaction to be one of the several factors determining someone's intention to quit the organization (Mobley, 1977). Rasch and Harrel (1990) found that the employees who have low job satisfaction toward their work tend to have high intention to leave that organization and seek for other job outside. Amran et al., (2013) found that there is a positive relationship between work related stress and turnover intention. Lum et al., (1998) figured that many studies have reported a significant association between organizational commitment and turnover intentions. In his study of pediatric nurses, it was supported that organizational commitment has the strongest and most direct impact on the intention to quit whereas job satisfaction has only an indirect influence. The way people experience work can influence intentions to leave or stay in the organization (Amran et al., 2013). The studies discussed here prove the influence of work antecedents on turnover intention.

Regression is the determination of a statistical relationship between two or more variables. To explain the variation in dependent variable based on the variation in independent variables, the multiple regression tools are used. Multiple regression analysis is performed to study the influence of the factors on organizational commitment and turnover intention. Discriminant analysis is performed on the perception of job satisfaction of the employees that discriminates between high and low turnover intention.

The objective of the study is to develop and test the relationship between Work Design, Job Satisfaction, Stress and Commitment on Turnover intention of BPO employees. To examine the influence of Work antecedents on Commitment and turnover intention of BPO employees Multiple Regression Analysis was done. Multiple regression analysis with the set of independent variables Work design, Job satisfaction, Stress on Commitment was performed. The analysis reveals that the independent factors explain 60 per cent of employee's commitment towards organization ($R^2 = .60$). The analysis also reveals that the work design variable (-0.28, $p < 0.01$), job satisfaction variables (.23, $p < 0.01$), stress variables (-0.05, $p < 0.01$) have significant influence on employee's commitment towards organization. Hence, it can be concluded that Work design, job satisfaction, and stress influences employee's organizational commitment.

The regression analysis between work design, job satisfaction, stress, commitment and turnover factors, reveals that the independent factors explain 64 per cent of employee's turnover intention towards organization ($R^2 = .64$). The analysis reveals that out of the four factors, only job satisfaction variables (-0.09, $p < 0.01$) and commitment variables (-0.07, $p < 0.01$) have significant influence on employee's turnover intention. Hence, it can be concluded that only job satisfaction and commitment influences employee's turnover intention. When employees are satisfied with and perceive the value of their jobs, they are willing to stay with the company. In other words, higher job satisfaction leads to a higher level of commitment to the organization and more willingness to sacrifice for the organization, thus reducing the turnover intention. It can be observed that organizational commitment has a negative influence on turnover intention. In other words, higher the commitment, lower will be employee turnover.

Hypothesis of the study is to examine if there is significant influence of Work Design, Job Satisfaction, Stress, and Commitment on Turnover Intention. The results of regression analysis of independent factors (work design, job satisfaction, stress, commitment) on turnover intention indicated that the independent factors (organizational commitment and job satisfaction) have significant influence on turnover intention. Hence, the null hypothesis is rejected and can be concluded that job satisfaction and organizational commitment significantly influences employee's turnover intention.

The current study proves the significant influence of work design, job satisfaction, and stress on organizational commitment. It is also proved that only work design and stress influences employee's turnover intention. The negative relationship between job satisfaction and turnover intention is confirmed by regression analysis. A decrease in the level of job satisfaction would lead to an increase in the level of turnover intention.

Suggestions:

As job satisfaction and organizational commitment are the best predictors of employee Turnover Intention, organizations should conduct formal assessments of their employees during the first year of employment to measure success in providing an employment environment that promotes jobs satisfaction and organizational commitment. This may provide information useful for analyzing and modifying HR practices that will help to improve where there are deficiencies in employee perception of job satisfaction and organizational commitment. Appropriate coping strategies help the person to avoid adverse effects of stress. Relaxation and Meditation can be employed in the organization so that stress can be reduced. Organization can take steps to arrange periodical health checkups. It is the responsibility of the organization to reduce the stressors that gives more stress.

Conclusion:

BPO are one of the most sought workplaces for young graduates and undergraduates as it provides them with a good environment to work with decent emoluments and financial incentives. No other job allows the entry of employees with minimum education at such attractive perks. BPO India is at a nascent stage. It needs to draw parallels and examples from other industry practices as well as develop indigenous employee relation initiatives. The HR practices followed by BPO industry in the western countries needs to be evaluated

in the Indian context. Building relationship between the organization and the workforce with a view to creating a sense of belonging is the ultimate in retention strategy because we Indians value our emotional bonds and affiliations more than anything else in life.

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