Organizational Cynicism and Employee Turnover Intention: Evidence from Banking Sector in Pakistan

Muhammad Arsalan Khan
Lecturer, Department of Management Sciences,
COMSATS Institute of Information Technology
Kamra Road, Attock, Pakistan
Email: arsalankhaniui@gmail.com, arsalan@ciit-attock.edu.pk

Abstract
The idea of the research study is to examine the effect of organizational cynicism (OC) on employee turnover intention (TI). The literature on organizational cynicism and turnover intention demonstrates that cynicism has profound effects on turnover intention. Further the influence of job satisfaction (JS) and intrinsic motivation (IM) as mediating variables were also investigated. The data was gathered through self-administered questionnaire from 250 employees functioning on various positions in domestic private sector banks from two cities of Pakistan (Rawalpindi/Islamabad). The findings of survey concluded that Job satisfaction and intrinsic motivation partially mediates the relationship between organizational cynicism and turnover intention. The main limitation of the study is the sample used, that is from the banking segment and from twin cities (Rawalpindi/Islamabad). Self-reported questionnaire data is used as the medium of measurement in the present study. To cope with the challenge management must create an atmosphere within the banks to improve employees’ intrinsic motivation to reduce turnover intention. This study may contribute to the knowledge available on cynicism an area that is almost under-research in Pakistan.

Keywords: organizational cynicism, Job satisfaction, intrinsic motivation, turnover intention.

1. Introduction
Human Resource is very important for any organization specially for gaining competitive advantage across the world. (Devi and Pujitha, 2012). Leslie Wexner, founder and CEO of Limited Inc, says that the strategic asset of every organization is its people. According to (Becker & Gerhart, 1996) strategic assets are those which are difficult to trade, short, specialized and the organization needs to take care of them. Organizations are made up of people, not technology or structure. A consulting firm evaluates human capital and states that the highest performing companies have the highest human resource scores. In the 21st century things have been changed because of globalization, technology and workforce diversity, now this is one of the biggest challenges for leaders to retain the best people in the organization because organizations are facing Cynicism Problem. According to (Reichers et al., 1997) organizational cynicism is defined as ‘a negative approach headed
for one’s employing organization. Cynicism can observe in terms of turnover intention by the employees because according to (Eaton, 2000) cynical workers believe that their management team have a lack of interest towards them and use them only to take the advantage in market. According to (Ozler & Atalay, 2011) there are five approaches of cynicism which are personality cynicism, social cynicism, employee cynicism, vocational cynicism and organizational change cynicism. Personality cynicism shows the negative thinking of human behavior while the social cynicism reflect the social interaction of human being it’s mainly include the social disappointment. Employee cynicism is the negative attitude towards the job and boss (Kosmala & Richards, 2009). Vocational cynicism is the disagreement towards job and or organizational change cynicism is negative view point about the change in organization (Ozler & Atalay, 2011). There are many factors that may cause the organizational cynicism these can be an individual occupation, organizational change and role of top management (Brown & Cregan, 2008). Employee Turnover Intention may be influenced by organizational cynicism because workers want to quit the organization. (Shahzad & Mehmood, 2012). The higher cynicism in the organizations, the higher turnover intention of employees. The lower cynicism, the lower turnover intention (Lather et al., 2011).

The underpinning theory that supports the relationship of organizational cynicism and turnover intention in an organization are: Equity theory and Social exchange theory. The equity theory is primarily Adam’s motivation theory that is based on the evaluation of perceived inputs to outputs (Adams, 1965). When individual think his inputs are not rewarded according to outputs and are unequal to others around him, he may feel dissatisfied and it leads to absenteeism and turnover intentions. Social exchange theory shows the relationship between the cost and benefits of an individual what he expects (Emerson, 1976). So if an employee face high cost like putting high effort and getting less benefits so this create dissatisfaction towards job.

The occupation of banking is consider as demanding and challenging as their profession is often recognized as the job with extreme workloads, frequent deadlines, excessive customer dealings, time restrictions, conflicting demands, excessive paper work, and qualitative pressure. Staffs exposed to customer demands are generally dissatisfied and have a desire for turnover. Through this research the researchers would be able to identify how organizational cynicism affects turnover intention of employees in an organization.

2. Importance of the Study

This study can assist the researcher to comprehend the association linking among organizational cynicism and turnover intention. Moreover, it will facilitate the investigator to examine the mediating effect of job satisfaction and intrinsic motivation. Study may also include specific guidelines that would facilitate banks in developing strategies to reduce work stress and turnover intention among employees.

3. Literature Review

3.1 Organizational Cynicism

Generally Cynicism mean people are committed with unethical behavior and negative attitude towards job (Nair & Kamalanabhan, 2010). An organizational cynicism occurs when one who believes that organization has different problems and his efforts are useless to solve those problems (McCough et al., 1998). Combating negativity is very important issue for the employee and the organization (Namie & Lutgen, 2010). There
must be a step wise methodology to do the same – negativity should be eliminated first at the oneself, then at the level of co-worker, then at the level of a one’s unit and eventually at the level of organization as a whole (Brown & Cregan, 2008). Negativity should be eliminated at our own level first. As cynicism is drawn from employees experience in the place of work, it can obtain sizeable efforts from the administration to manage it (Pailing & Segalowitz, 2004). Due to Cynicism a number of unconstructive sentiments may occur in the person towards their own organizations. The most general are the feelings of dislike, rage, hurt and hatred (Dean et al., 1998). Cynicism outcomes are negative for organization as well as for organization like due to cynicism employees are hopeless, less committed with their work and they become less satisfied and at the end employees decided to quit the organization (Nair & Kamalanabhan, 2010).

3.2 Turnover Intention

Turnover intention is described as the desire of a person to leave an institute (Tett & Meyer, 1993). (Sager et al., 1998) explained that turnover intention is generally defined as attitudinal (thinking of quitting), decisional (intention to leave), and behavioral (searching for a new job) processes proceeding deliberate turnover.

Turnover intention is an aware decision to seek for other alternatives in other institutions (Krueger, A. & Rouse, C. 1998). Employee turnover occurs when employees voluntarily leave their jobs. To find out why there is turnover intention, (Zuber, 2001) states that the turnover is negatively correlated to predictable work conditions in an organization. The same phenomenon is explained by (Alexander et al, 1994) by saying that a high level of positive correlation exist between the turnover intention and the inefficiency in the firm. The organizational cynicism is one of the most obvious contributors to turnover (Tett & Meyer, 1993). According to (Rehamn et al, 2012) organization turnover leads by job dissatisfaction, lack of trust and lack of intrinsic motivation. Motivation is also a main determinant of Turnover when organization can’t satisfy their workers with intrinsic rewards then workers leave an unrewarding Job (Sinha, 2012). Turnover effect the organization productivity and create many problems for organization like hiring new employee and organization bear the advertisement cost for hiring new employee, cost of temporary employee and cost of selection which effects organization productivity (Rehman et al, 2012). In the 21st century because of globalization, workforce diversity and advancement in technology things have been changed. Life today is totally different as it was yesterday. Now people have more job opportunities. This is one of the biggest challenges for leaders to retain the best employees. Organizational turnover occur due to indirectly by Job satisfaction and intrinsic motivation.

3.3 Job Satisfaction

According to (Saleh, 1981) “job satisfaction is an inner feeling resulting from perceived relationship between what job is offering and what one wants to have in life”. Most of the studies find that Job satisfaction is the main factor of job stress, turnover intention and job burnout and prove the inverse relationship of job satisfaction with stress, turnover and Job burnout (Roy and Avdija, 2012). Job satisfaction tends to be associated with lower turnover intention (Williamson et al., 2005). In the 1950’s Frederick Herzberg and fellows interviewed two hundred accountants and engineers. They were asked to express situations in which they were satisfied or motivated and dissatisfied or de-motivated. Their results rejected the conventional idea that satisfaction and dissatisfaction were at contrary ends of a scale. (Nafei. A. W., 2013) supports the relationship between
organizational cynicism and job satisfaction. Study suggests that administration can control the issue of cynicism by making it certain that all the change in the policies and procedures of the organization must be communicated to the employees and publicized. The impact of cynicism on job satisfaction is very clear and very much obvious in nature (Clark et al., 1996). It is very obvious psychological factor that productivity always increases with the high level of job satisfaction (Judge et al., 2001). Due to organizational cynicism lack of personal accomplishment exists and they are negative towards their job and productivity and leads to dissatisfaction of employees (Ozler and Atalay, 2011). Performance of an employee always moves upwards if job satisfaction is high (Markos & Sridevi, 2010).

3.4 Intrinsic Motivation
According to self-determination theory (Deci, 1971) People have inherent growth tendencies which are basis for motivation. These tendencies include the need for competence, relatedness, and autonomy. Intrinsic motivation is defined as doing a job for internal satisfaction (Ryan & Deci, 2000). When employees are internally satisfied they can perform good and challenged to others and satisfy their curiosity and they are confident to do their work which increases organization productivity (Malone, 1981). According to (Babakus et al., 2008) there is a negative correlation between intrinsic motivation and organizational turnover because when employees are not internally satisfied their focus will be to change their job. (Maslow, 1943) developed one of the most popular motivation theories named needs hierarchy. This theory is based on five needs. People’s needs are set in array of performance (hierarchy), going from essential needs (physiological) to more complex needs (self-actualization). Employee becomes dissatisfy and mentally ill and organizational cynicism, when he is unable to take any decision and feel powerless so he can’t his self-actualization and self-esteem need (Nelson & Donohue, 2006). According to (Maslow, 1943) the upper two levels of needs (self-esteem and self-actualization) promote intrinsic motivation and lower three level of needs promote extrinsic motivation. Intrinsic motivation comes from the job itself while extrinsic motivation comes from the boss. According to (Ru & Hsu, 2012) positive relationship between intrinsic motivation and job fit mean when workers are assigned tasks according to their capabilities they are motivated when reduces the turnover intention.

4. Research Methodology and Data Analysis
In this part the population, sample, hypothesis of the study, data compilation techniques and data investigation methods will be discussed.

4.1 Theoretical Framework
The schematic diagram below shows that there is one independent variable for the study i.e. organizational cynicism. There is also one dependent variable i.e. turnover intention and two mediating variables i.e. job satisfaction and intrinsic motivation. The model below shows the logical relationship among the three types of observed variables.
Organizational Cynicism and Employee Turnover Intention

4.2 Hypotheses of the Study

H1: Organizational cynicism will positively influence turnover intention.

H2: Organizational cynicism will negatively influence job satisfaction.

H3: Job satisfaction will negatively influence turnover intention.

H4: The association between organizational cynicism and turnover intention will be mediated by job satisfaction.

H5: Organizational cynicism will negatively influence intrinsic motivation.

H6: Intrinsic motivation will negatively influence turnover intention.

H7: The association between organizational cynicism and turnover intention will be mediated by intrinsic motivation.

4.3 Measures & Reliability Analysis

All items were measured on a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree). These items were selected from the instruments developed by well-known researchers. Organizational Cynicism was measured from the scale developed by Brandes, Dharwadkar and Dean (1999). Intrinsic motivation was measured utilizing the scale developed by Cameron and Pierce (1994). The job satisfaction was analyzed using the Scale of (Minnesota) and the variable of Turnover intention was measured by means of the (Mobley et al. 1978). The Cronbach’s alpha test of reliability depicts that results were well above the minimum alpha level of 0.6. According to results the alpha estimates of scale for organizational cynicism (OC) is 0.959. Job satisfaction (JS) scale produced the reliability of 0.873. The intrinsic motivation (IM) scale reported the alpha reliability of 0.834. The final scale for variable turnover intention (TI) reported the alpha reliability of 0.706. The reliability test has lead to the conclusion that all the concerned scales have passable reliability.
4.4 Population & Sample

In the present study cross-sectional data is gathered from the officer grade level staff of all private banks operating within Rawalpindi/Islamabad. There are about 23 domestic private banks functional in Pakistan. These Domestic private banks have about three sixty six branches, including 165 in Rawalpindi and 171 in Islamabad. Convenience sample technique was used to select a sample of 380 bank employees, including officer grade employees of domestic private banks in Rawalpindi and Islamabad. A total of 300 questionnaires were circulated from which 260 questionnaires were received by the researcher, this result in response rate of 86% out of which 250 questionnaires were found suitable for the analysis. Sample size was calculated using the formula provided by (Yamane, 1967:886).

5.5 Data Analysis

Data collection was done through the personally administered questionnaire. Study provides the quantitative analysis of the research findings. To analyze the data SPSS Version 17 was used. The Correlation analysis, Regression analysis and Baron and Kenny three step mediation techniques were used to analyze the results.

5.6 Correlation Analysis

Correlation is a method that measures the strength of relationship among two variables. When the correlation value is exactly 1 or -1, it is termed as perfect relationship either positive or negative. If the value is 0, it comprehends that there is no relationship among the variables. Table 1 shows the results of bivariate correlation among the variables being investigated.

<table>
<thead>
<tr>
<th></th>
<th>OC</th>
<th>JS</th>
<th>IM</th>
<th>TI</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>-0.305**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IM</td>
<td>-0.335**</td>
<td>.497**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>TI</td>
<td>0.311**</td>
<td>-0.278**</td>
<td>-0.216**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Note:** OC = Organizational cynicism; IM = Intrinsic motivation; JS = Job satisfaction; TI = Turnover intention.

*p < 0.05, **p < 0.01

From the analysis it is noted that organizational cynicism is positively correlated to turnover intention (r = 0.311**, p<0.01), and organizational cynicism is negatively correlated to intrinsic motivation (r = -0.335**, p<0.01), and organizational cynicism is negatively correlated to job satisfaction (r = -0.305**, p<0.01), and job satisfaction is negatively correlated to turnover intention ( r = -0.278** p<0.01), and intrinsic motivation is negatively correlated to turnover intention ( r = -0.216** p<0.01).
The results indicate that organizational cynicism and Turnover intention are positively associated with one another. Secondly organizational cynicism and job satisfaction have negative relationship. This supports hypothesis H_1 and H_2.

Results also indicate that job satisfaction and turnover intention have negative association and organizational cynicism and intrinsic motivation have a negative association. Further intrinsic motivation and turnover intention have also a negative relationship with one another. This supports hypothesis H_3, H_5 & H_6.

4.7 Partial Correlation Analysis

The bivariate correlation result indicate that the correlation between organizational cynicism is positively correlated to turnover intention ($r = 0.311^{**}, p<0.01$). However when the variable intrinsic motivation was controlled the correlation value of organizational cynicism and turnover intention reduced to ($r = 0.259$) also shown (table 2).

<table>
<thead>
<tr>
<th>Controlled variable IM</th>
<th>OC</th>
<th>TI</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC</td>
<td>1</td>
<td>0.259</td>
</tr>
<tr>
<td>TI</td>
<td>0.259</td>
<td>1</td>
</tr>
</tbody>
</table>

When the second mediating variable job satisfaction was controlled the value of organizational cynicism and turnover intention reduced to ($r = 0.247$) shown in (table 3). These results are in favor of the hypothesis H_4 and H_7.

4.8 Regression Analysis

Regression analysis is done to analyze the impact of deviation in dependent variable when independent variables influence it. Following Barron & Kenny (1986), the regression steps are incorporated for the results.
Table 4: Results of the Mediated Regression Approach for JS (OC - TI)

<table>
<thead>
<tr>
<th>No</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
<th>F</th>
<th>Adjusted R²</th>
<th>Std. Error of Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational Cynicism</td>
<td>Job Satisfaction</td>
<td>-0.305</td>
<td>-5.145</td>
<td>0.000</td>
<td>26.472</td>
<td>0.100</td>
<td>0.1472</td>
</tr>
<tr>
<td>2</td>
<td>Organizational Cynicism</td>
<td>Turnover Intentions</td>
<td>0.311</td>
<td>5.253</td>
<td>0.000</td>
<td>27.593</td>
<td>0.130</td>
<td>0.1669</td>
</tr>
<tr>
<td>3</td>
<td>Organizational Cynicism Job Satisfaction</td>
<td>Turnover Intentions</td>
<td>0.249</td>
<td>4.088</td>
<td>0.000</td>
<td>19.808</td>
<td>0.137</td>
<td>0.1638</td>
</tr>
</tbody>
</table>

Note: JS = Job satisfaction; OC = Organizational cynicism; TI = Turnover intention

In first equation of table 4 while analyzing the model summary, the regression coefficient received on OC is (β = -0.305), which explains that OC report negative 30.5% variations in JS. In the second equation while analyzing the model summary, the regression coefficient received on OC is (β = 0.311), explains that OC report 31.1% variations in TI. In the third equation of table 4, while analyzing the model summary, the value of adjusted R² indicates that about 13.7% of the variation in TI can be explained by OC and JS. The standard error of the estimate shows that the results have low built in error. The regression equation is statistically significant and helping to understand the relationship. The regression coefficient received on OC is (β = 0.249), which is statistically significant and explains that OC report 24.9% variations in TI. The regression coefficient received on JS is (β = -0.202), which indicates that unit 1 increases in JS, decreases 0.20 units in TI.

Table 5: Results of the Mediated Regression Approach for IM (OC - TI)

<table>
<thead>
<tr>
<th>No</th>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
<th>F</th>
<th>Adjusted R²</th>
<th>Std. Error of Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational Cynicism</td>
<td>Intrinsic Motivation</td>
<td>-0.335</td>
<td>-5.718</td>
<td>0.000</td>
<td>32.695</td>
<td>0.112</td>
<td>0.1799</td>
</tr>
<tr>
<td>2</td>
<td>Organizational Cynicism</td>
<td>Turnover Intentions</td>
<td>0.311</td>
<td>5.253</td>
<td>0.000</td>
<td>27.593</td>
<td>0.130</td>
<td>0.1669</td>
</tr>
<tr>
<td>3</td>
<td>Organizational Cynicism Intrinsic Motivation</td>
<td>Turnover Intentions</td>
<td>0.269</td>
<td>4.302</td>
<td>0.000</td>
<td>15.991</td>
<td>0.121</td>
<td>0.1659</td>
</tr>
</tbody>
</table>

Note: IM = Intrinsic Motivation; OC = Organizational cynicism; TI = Turnover intention

In first equation of table 5 while analyzing the model summary, the regression coefficient received on OC is (β = -0.335), which explains that OC report negative 33.5% variations in IM. In the second equation while analyzing the model summary, the regression coefficient received on OC is (β = 0.311), which is statistically significant and explains
that OC report 31.1% variations in TI. In the third equation of table 5, while analyzing the model summary, the value of adjusted $R^2$ indicates that about 12.1% of the variation in TI can be explained by OC and IM. The regression equation is statistically significant and helping to understand the relationship. The regression coefficient received on OC is ($\beta = 0.269$), which is statistically significant and explains that OC report 26.9% variations in TI. The regression coefficient received on IM is ($\beta = -0.126$), which indicates that unit 1 increases in IM, decreases 0.12 units in TI.

5. Discussion

5.1 Conclusion

The major purpose of the research was to explore the alternative relationship between OC and TI in the incidence of multiple mediating variables such as (Job Satisfaction and Intrinsic motivation). Among the key findings independent variable OC directly effect on dependent variable TI. The association between independent variable OC and dependent variable TI is partially mediated by JS; similarly the association between independent variable OC and dependent variable TI is partially mediated by IM. This study provides additional support to the opinion that organizational cynicism may decrease the job satisfaction, intrinsic motivation, and increase stress among bank’s staff. Most significant part of the present study is the examination of JS and IM as mediators. Such programs must be organized for the employee through whom they can experience positive development because it increases their motivation level which will ultimately results in decreases TI. It was observed that JS is a relatively strong predictor of Turnover Intention.

5.2 Suggestions

At individual level, it is noticed that individuals who are high in optimism and low in cynicism have a better ability to deal with stressful situations, moreover they are more physically and emotionally healthy and have a better immune systems. It is also noted that, cynical individuals can also experience positive change by providing them with trainings through attitudinal interventions this could result in positive gain for the organization. Cynicism can effectively be managed by the organizations by adopting the fair practices like operating in an open and honest atmosphere, providing realistic goals and promoting the cooperation among the individuals. Employees must be given the chance to express their views openly in front of the management secondly having positive role models and honest pay system also improve the confidence of the employees.

Effective training programs on time management, emotional intelligence and stress management are also helpful in promoting commitment and coping with stressful situations that would ultimately result in improved performance. Banks should also realize the importance of Job Satisfaction, Intrinsic Motivation and Employee Stress along with other HR practices.

5.3 Limitations and Future Research Avenues

The main limitation in the present study is the sample used, that is from twin cities so its generalizability is limited. The data is mainly collected from the questionnaires and the cross sectional nature of data that makes as not viable to demonstrate the inference of causality. Future studies should investigate organizational-cultural variables. Secondly
comparative study among public sector and private sector banks would also yield interesting results.

REFERENCES


