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18 October 2010

Online at <https://mpra.ub.uni-muenchen.de/32113/>  
MPRA Paper No. 32113, posted 10 Jul 2011 01:28 UTC

*Full Length Research Paper*

# Employee voice and intent to leave: An empirical evidence of Pakistani banking sector

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Accepted 30 July, 2010

Organizations want to retain their employees in order to benefit from their talent and skills. While working in an organization, employees come across some problems both inside and outside the organization. This study investigates the relationship between field employees' voice (effectiveness of voice mechanism) and employees' intent to leave the organization. Further, this study explores the difference between male and female field employees perception regarding their intention to leave the organization. The sample of the study consisted of 250 field employees working in different banks of Rawalpindi and Islamabad through questionnaire; only 188 were returned and processed. The SPSS technique was used for data analysis and findings. The study concludes that employee voice mechanism has a positive and significant impact on employee intention to leave. This study finds that male are comparatively more intended to leave the organization with less effective voice mechanism and higher qualified employees are more conscious about voice mechanism in the banking sector.

**Key words:** Organization, employee retention, employee voice, intent to leave, banking sector.

## INTRODUCTION

There are many ways to define the term "organization" around the world but, not even two of them are alike. Although there are common features in these definitions as an organization is defined as an entity comprising one or more people having goals and treating its employees to achieve mentioned goals (Parker Case, 1993). People form an organization with some goals in mind to pursue them. These people in return get rewards for their services rendered to achieve the goals of the organization. These people are called employees of the organization and every organization whether, small or big wishes to retain its employee (Sidiki and Masood, 2008).

Employees have different perceptions about their organizations, some are satisfied and other are relatively dissatisfied. Those who are dissatisfied will raise voice against dissatisfaction. Voice is defined as an expression of dissatisfaction, and in organizational perspective, employee's voice is the mechanism to speak about

problematic situation (dissatisfaction) at the work place. According to Hirschman (1970), employees have two ways to respond to dissatisfying situation; either speaks about the dissatisfying situation to higher management or to leave the organization. Those who are reluctant to voice their dissatisfaction will exit silently (Hirschman, 1978). Employee's intent to leave is his inclination (Martin, 1979) to quit the job and this is the last step before leaving the organization (Porter and Steer, 1973).

Employee retention is possible when the management (Konosvky and Cropanzano, 1991) addresses his/her dissatisfaction, and voice mechanism is one of the helping tools to respond to dissatisfaction. The organizations may be able to reduce employee turnover by increasing the quality of employee voice mechanism. If there is no voice mechanism in the organization, employees will look for substitute employment and give no indication that anything is wrong until they leave the organization; with effective voice mechanism organizations can reduce turnover (Spencer, 1986).

If the employee's voice is not addressed positively, it can result in loss of talent. An organization has to incur a huge cost if an employee leaves the organization due to

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absence of voice mechanism.

The organization can avoid expenses for hiring new employees if they could retain their talented employees. To measure accurately the effects of employee voice mechanism on his/her, intention to leave requires assessing the individual's perceptions rather than unionism. Unfortunately, no study has been done on Pakistani culture and environment that could give us clear picture of relationship between employee voice mechanism and intent to leave the organization. The present study is an attempt to investigate individual's perception about voice mechanism and intent to leave the organization in the banking sector of Pakistan.

Banking sector in Pakistan have a set up of field activities and is the focus of the study. The question arising is "why is this research focused banking field staff? The answer to this question is that it may be because there are many characteristics of the field members of any bank that make it very significant and valuable. During the interviews and survey with banks' field employees and with those who have left one bank to join another bank, it was observed that field staff of banks' is not much satisfied. There are much grievances regarding banking sector management. Intimidation by the management on grievances of field staff was observed during the interviews with different banks' field employees. According to preliminary investigation, it is observed that high turnover of employees are due to less effective voice mechanism in Pakistani banking sector. According to banking sector field staff, most of the time their complaints (pay complaints, co-worker complaints, task complaints, supervisor behavior complaints etc.) remain unaddressed by the management.

The significance of this study is to explore whether or not voice mechanism affects employees intent to leave, and if there is a significant relationship than organization should realize valuable information can be collected from dissatisfied employees, without losing the talent, if an effective voice mechanism exists, e.g. grievances procedure, complaints system, counseling system, complaining employee can register their complaints or grievance regarding their pay, work place, co-workers, task or supervisors.

This study investigates the relationship between field employees' voice mechanism (effectiveness of voice mechanism) and employee Intent to leave in Pakistani banking sector. Further this study explores the difference between male and female field employees perception regarding their intention to leave the organization.

## Review of literature

In all types of organizations large, small, corporate, not for profit or government there is competition for retaining skilled and talented employee's (Sidiki and Masood, 2008). Managing to address employee dissatisfaction is

the time-consuming task for management and critical challenge to address employee voice (Saunders, 1992). The employee turnover has been widely discussed under organizational literature (Zaffane, 1994) and different dimensions of employee turnover had been found. In fact, there has been a great deal of involvement in this study to assess the employees' intention to leave or to stay in the organization but a lot of confusion exists about what is really the cause (Zeffane, 1994).

Intent to leave is a psychological process and it is hard for researchers to comprehend it but, intent to leave has been described as an aware and thoughtful grit to leave the organization (Tett and Meyer, 1993). Many factors have been investigated and linked with employee's intentions to leave. There are many researchers who correlate job satisfactions with employees turnover e.g. dissatisfied employees tend to leave their jobs more consistently than satisfied employees (Churchill et al., 1974). Porter and Steer (1973) suggested that individuals and organizational level factors should be included which determine the employee's behavior and attitude that manipulate his/her decision whether to leave or stay in the organization. Whereas some studies conclude that effective commitment has strong negative influence on the employee's intention to leave the organization (Conway and Monks, 2009). While presenting the contextual model of employee intention to leave has suggested that routinization, communication, distributive justice and upward mobility with some environmental (opportunity) variables are influential on employee decision to leave or stay in the organization (Martin, 1979). Organization environment generally and cultural environment particularly, e.g. team, respect for people, orientation etc, have substantial positive influence on employee retention (Sheridan, 1992).

Furthermore, morale has been focused an important influencing factor on employee perceptions or behavior to leave or stay in the organization. If disputes and issues relating to employee's work life are addressed properly, probably it can change their decision to leave the organization (Johnsrud et al., 2000). There is a huge support that job satisfaction and employee's intent to leave has negative and modest relationship. Job performance affects employee intent to leave in both situations. Those who perform outstanding and those who perform outlandish both show their intent to leave the organization due to dissatisfaction (Zimmerman and Dornald, 2007).

Hirschman theory known as exit, voice and loyalty has been prominent theory in response to dissatisfaction. To voice dissatisfaction is a try to change the situation that is dissatisfying the employee and simply to quit the organization. According to Hirschman (1980), loyal employees are less intended to leave the organization as compare to those with modest loyalty. However, it is very difficult to interpret the construct of loyalty as some interpreted loyalty as an attitude or behavior response to dissatisfaction (Saunders, 1992). Many researches have

been conducted on the base of Hirschman exit theory, voice and loyalty model and found further dimensions related to employee intent to leave. For example, many studies have concentrated on union employees' voice and supported the proposition that union employees with the collective voice have more influence than individual voice and as a result they are less intended to leave (Andrew et al., 1996).

Whereas, researchers support the idea that in exit-voice relationship unionism has great involvement; union members are less likely to leave the organization than nonunion employees. Similar, union members have more grievances regarding their work situation but, less intention to leave the organization than those of nonunion employees (Friedman et al., 2008). Nonunion employee may not express their grievances for fear of promotion denial, demotion, tough time or cut in remuneration. Thus, nonunion (individuals) employees may be left with the choice of either raising voice with all fear factors or leave the organization (Millar and Mulvey, 1991).

Propose relationship between employee voice and intention to leave organization is much understood, though not directly expressed, in Hirschman work (1970). It is very difficult to measure the reasons for employee turnover because those who have left the organization are difficult to access and collect the data and their response remains low. Therefore, it is wise to measure the employee's intent to leave before they quit which is comparatively less complicated (Johnsrud et al., 2000). Employee's intent to leave depends on effective voice mechanism of the organization (Lee et al., 2008).

Employee's vice includes all those complaints that they have about pay, co-workers, supervision, work tasks or promotions. The employee voice mechanism includes grievance procedure, suggestion system, counseling service, ombudsman and question and answer program (Spencer, 1986). There are several items correlated to intent to leave, e.g. Pay, integration, centralization, disruptive justice etc (Martin, 1979).

Employee intent to leave is rapt inclination to change the organization. It is proposed that all the complaints e.g. pay complaints, co-workers or supervision lead to employee voice and if there is an effective voice mechanism that will have some bearing on employee intent to leave (Spencer, 1986). Independent variable (employee voice mechanism) and dependent variable (employee intent to leave) are much implicit in the study employee voice and employee retention by Spencer (1986).

## Hypotheses

The review of the empirical literature reveals that voice mechanism causes the employee's intention to leave the organization. On the basis of such evidence the following hypotheses can be developed.

H<sub>0</sub>: There is no significant difference between male and

female employees intention to leave.

H<sub>1</sub>: There is significant difference between male and female employees intention to leave.

H<sub>2</sub>: There is a significant impact of employee voice mechanism on employee intent to leave.

## METHODS

### Sample

This study has been conducted in different branches of different banks in Rawalpindi and Islamabad and it was decided to include field staff of the banking sector. All field employees, collection or credit card, were included in this study as a population and the sample of the study consisted of 250 employees working in different banks around Rawalpindi and Islamabad through questionnaire based survey. Out of total respondents, 188 questionnaires were returned and processed. The response rate was 76%. It took almost one and half month to complete the required data.

### Instrument and measures

The questionnaire comprised of two sections: The first section contained demographic information including gender, age, and qualification. Second section related employee voice and intent to leave in the banking sector. The scale to measure the employee voice and intent to leave was adopted from existing research (Spencer, 1986). In section one (first three questions) nominal scale was used. In order to measure the employee voice and intent to leave in the banking sector, 5-point Likert Scale was used, where 5 was the highest degree of agreement and 1 was least degree of agreement. The statistical package for social sciences (SPSS) was used to calculate the frequency distribution, independent sample t-test, ANOVA, reliability of data and regression were applied for analysis. The reliability of data was  $\alpha$  0.79.

### Procedure

The survey was self-administered and distributed between two hundred and fifty field employees of different banks. Before handing over the questionnaires, all the questions were explained to every respondent so that they could fill the questionnaire easily and properly. It was difficult to distribute the questionnaire to a large number of respondents because of the time limitation, lack of resources and budget. In this study, convenient sampling technique was used.

## RESULTS AND DISCUSSION

Table 1 reveals that out of 188 respondents 125 or 66.5% are male and 63 or 33.5% are female respectively. The table further shows the age group data. Out of 188 respondents, 134 or 71.3% are in between 20 - 25 years, 30 or 16% with age bracket 25 - 30 years and the remaining 24 or 12.7% are in between 30 - 35 years.

Table 2 demonstrated that out of 188 respondents, 19 or 10.1% had matriculation whereas 32 or 17% have education level of intermediate and 26 or 13.8% are graduates, 93 or 49.5% had their masters degree and 18

**Table 1.** Frequency distribution with respect to “gender and age” (N = 188).

Gender	Frequency	Percentage	Age	Frequency	Percentage
Male	125	66.5	20 - 25	134	71.3
Female	63	33.5	25 - 30	30	16
			31 - 35	24	12.7
Total	188	100	Total	188	100

**Table 2.** Frequency Distribution with respect to “Qualification” (N=188)

Education	Frequency	Percentage
Matriculation	19	10.1
Intermediate	32	17
Graduate	26	13.8
Master	93	49.5
Other	18	9.6
Total	188	100

**Table 3.** Employee Intent to leave between male and female employees (independent sample t-test, N = 188).

	Group	Mean	Std. Dev.	P-value
Employee intent to leave	Male	3.8800	0.79357	0.216
	Female	3.7037	0.77855	

or 9.6% respondents are having other education. It is evident from the analysis that majority respondents have master level education.

Table 3 shows the mean of two groups, that is male and female are different. The difference in the mean value that is 3.8800 for male as compare to female that is 3.7037 shows that male are comparatively more intend to leave the organization with less effective voice mechanism. In this table, P-value is 0.216% that shows there is no significance difference ( $p > 0.05$ ) between the choices of two groups. There are some employees that do not want to leave the organization even with less effective voice mechanism and on the other hand there are some employees that are more intended to leave if they see any defectiveness in employee voice mechanism of the organization.

ANOVA analysis has been used to identify the different preferences of employees with respect to employee voice mechanism of the Pakistani banking sector. As shown in Table 4, there is significant difference between these groups that had been classified on the basis of qualification. P-value is less than 0.05 and F-test is 5.821. Mean difference of master and other level employees is higher than of graduate, intermediate and matriculation qualified employees. It shows that higher qualified

employees are more conscious about voice mechanism and intend to leave the organization.

In Table 5, the result of regression analysis for employee intent to leave shows that the model is significant at 95% confidence level ( $p < 0.05$ ) and there is substantial positive relationship between employee voice mechanism and employee intent to leave (R-Square = 0.355 and the F-value = 102.212). The independent variable of the model accounts for 36% variation in dependent variable. The results further show there is strong positive relationship between dependent and independent variables. The regression coefficient for employee voice mechanism is 0.657, which suggests that employee voice contributes almost 66% of employee intent to leave; employee voice mechanism is the most important factor towards employee intention to leave.

There have been many past researches that found the relationship between employee voice and employee turnover rate (Spencer, 1986) and the results of the present study are in line with that of Spencer. Affective commitment has strong negative influence on the employee's intention to leave the organization (Conway and Monks, 2009). Those who perform outclass and those who perform outlandish show their intent to leave the organization (Zimmerman and Donald, 2007).

**Table 4.** ANOVA (measures difference between groups with regard to qualification of the employees: N = 188).

	Group	Mean	F <sup>2</sup>	P-value
Employee voice mechanism	Matriculation	3.1228	5.821	<i>0.000</i>
	Intermediate	3.8646		
	Graduate	3.8718		
	Master	3.8959		
	Other	4.2778		

**Table 5.** Regression coefficients, standard errors in parentheses, t-values in brackets and p-values in italics: (N = 188).

Dependent variable	Constant	Employee voice mechanism	R <sup>2</sup>	F-statistics
Employee Intent to leave	1.536	0.657	0.355	102.212
	"0.221"	"0.065"		
	(6.957)	(10.110)		
	<i>0.000</i>	<i>0.000</i>		

## CONCLUSION, RECOMMENDATIONS AND LIMITATIONS

This study is carried out to measure the effect of employee voice mechanism on employee intent to leave in Pakistani banking sector. In this study difference among male and female field staff intention to leave the organization is examined as well. The study shows that two third of the respondents are male and most of them are in 20 - 25 years age group. The study reveals that half of the respondents have master degree. Based on the findings, it is concluded that employee voice mechanism has a positive and significant impact on employee intention to leave. The research further shows that higher qualified employees are more conscious about voice mechanism and are more ready to leave the organization. The results of this study further concludes that there is no significant difference between male and female employees' intention to leave as p value of independent sample t-test is greater than 0.05 and male are comparatively more intended to leave the organization with less effective voice mechanism than female employees. On the basis of these results, we accept null hypothesis H<sub>0</sub> (there is no significant difference between male and female employees intention to leave) and reject alternate hypothesis H<sub>1</sub>. The results of regression analysis suggest that independent variable has positive and significant impact on employee intention to leave and these results validate hypotheses H<sub>2</sub> (there is a significant impact between employee voice mechanism and employee intent to leave) and it establishes that employees of Pakistani banking sector perceive employee voice mechanism plays vital role for controlling employee turnover.

It is recommended that the organizations should improve the voice mechanism and create the environment

which reduces the unsatisfied situations. It is also recommended that the organizations should follow the grievances' procedure, suggestion systems, and counseling service so that organization can retain their skilled and talented employees. Organizations should also introduce question and answer programs within the employees and senior management. The results of the study suggest that if the organization provides opportunities to its skilled and educated employees to voice dissatisfaction aspect of their work, the greater is the likelihood that its employees will raise their issues but stay in the organization.

This study contributes to improve management process. Additional strength of this research is that it will control turnover rate for a wide variety of potential employees.

One of the limitations of this research is that it does not represent the complete phenomenon involved in the relationship between the option of voice and exit. Another important limitation is that the actual quality of the voice mechanism under the study is unknown. Quality of each employee voice mechanism at each branch site under the study is required in depth understanding. In this research only field staff employees were included, middle and top level employees are also needed to be examined.

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