Role of Trust and Organizational Commitment on Employee Turnover Study of Non-Banking Financial Institutions of Sukkur Region.

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Abstract
Employees Turnover is observed in most of the organizations in this connection efforts were made to trace out the resigns behind that and the study was conducted in non-banking financial institutes (Insurance Companies) working in sukkur region, data was through primary source through structured questioner and analysis the data with SPSS 18, and concluded that organizational commitment is positively and significantly related with employees turnover, while Trust is not significantly related with employees turnover.

Key Words: Trust, Organizational Commitment, Employee Turnover, Non-Banking Financial Institutions.

Introduction
Organizational Trust and Organizational Commitment has been recognized as a vital element in making successful organization and it play a crucial role to stay the quality employees with organization and minimize the turnover ratio which is the healthy sign for organizational growth. This study examine the impact of organizational trust and organizational commitment on employee’s turnover and the study focus on employees of non-banking financial institutes of sukkur region. In non-banking financial institutes there are high turnover seemed due to the nature of job and high job requirements with low salary. Employees turnover ratio depend upon the employees job satisfaction, if human capital of any organization is satisfied with their job and with their employer than there will low or minimum turnover ratio found in that organization, but if employees are not satisfied with their job and employer than employees turnover ratio will rise and organizational commitment will decrease, when organizational commitment decrease the productivity and performance of an organization will also decrease. We conduct the study to trace out the turnover ratio and what influence found on turnover due to organizational trust and organizational commitment in non-financial banking institutes (insurance companies) which are working in sukkur region.

Trust
Trust means Confidence, when we trust people, we have confidence in them, similarly when employees trust on employer they feel confidence in them, that confidence is healthier sign for organizational productivity and performance. Moreover organizational trust is a feeling that employees feel for their employer capabilities and reliability, when level of trust rise the speed of production, effectiveness and performance of firm and employees will also rise, while cost of production and turnover will decrease.

↑ Organizational Trust = ↑ Speed of Production, ↑ Performance & ↓ Turnover ↓ Cost

When

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Organizational Commitment
Organizational Commitment is very much important for organizational growth and success. Organizational Commitment can define as the psychological and emotional attachment of employees with the organization, when employees emotionally attached with their organization than they do right things in order to achieve the organizational goals and mission. Committed employees think that organizational problem is their own problem and they try to solve that problem as soon as possible.

Organizational Commitment is a Behavior about employee’s loyalty with employer and it play crucial or vital role in identifying that either the employees will stay with organization or not.
Organizational Commitment = ↑ Turnover

Organizational Commitment = ↓ Turnover

Employees Turnover

Simply when employees leaving their organization and withdraw from their current job due to any kind of resign.

There are two main types of turnover: 1. Voluntary, 2. Involuntary

Voluntary Turnover: Mostly it can be happened when employees find better opportunity or better position at anywhere else and leave the current organization.

Involuntary Turnover: Simply when employer fired their employees, generally causes of involuntary turnover is when employer downsize their business, reducing staff or when employees made any solid blander than employer terminate the employees.

Literature Review

Lee, Huang, & Zhao, (2002) They had concluded the study on turnover intentions of hotel employees in Taiwan, the result of the study were indicate the relationship between co-workers and hotel employees are highly satisfied and work environment had a positive significant impact on job satisfaction, moreover high level of negative relationship found between organizational commitment and turnover intention.

AYDOGDU & ASIKGIL , (2011) they concluded their study to investigate the connection among Job Satisfaction, Organizational Commitment and Turnover intention. To make employees satisfied with their job, employer should provide good working atmosphere, adjustable working hours and fairly paying also motivate employees to adobe their own skills and abilities to boost the organizational performance, these things will highly satisfied the employees to their job, when employees feel a high job satisfaction that mean employees are also committed to the organization, high job satisfaction and organizational commitment will avoid turnover and turnover intention, moreover the findings of this study was highlight the positive relation between job satisfaction and organizational commitment, furthermore the turnover intention had a significant and negative connection found with organizational commitment and job satisfaction.

Hussain & Asif, (2012) They had expanded the study to inquire the impact of organizational commitment and perceived organizational support on the turnover intention of telecom workforce of Pakistan, correlation and regression technique were utilized to analyze the connection between organizational commitment and perceived organizational support, the result of the study were informed that turnover intention of employees are fully depend upon the organizational commitment and perceived organizational support, furthermore the negative relation found between organizational commitment and perceived organizational support with turnover intention.

Mohamed, Kader, & Anisa, (2012) conducted the study on organizational commitment, trust and job satisfaction, data were collected from two banks of India and findings highlights the positive connection among job satisfaction, affective commitment, continuance commitment and normative commitment of employees, moreover positive relationship shows between organizational trust and affective commitment of the employees.

Salleh, Nair, & Harun , (2012) worked in retail industries of Malaysia the employee’s turnover rate is very much high so they concluded the study to investigate the job satisfaction, organizational commitment and turnover intention, and findings were shows the empirical support of satisfaction with promotion, salary, superior and work itself has positive significant influence on turnover intention, furthermore satisfaction with co-workers was negatively related with turnover intention.

Paliszkiewicz , (2012) conducted the study that is entitled as “orientation on trust and organizational performance” an important focus of the study was to recognize the basis of trust in the organization and its impact on organizational performance, furthermore the researcher analysis the connection between manager’s trust, organizational trust with
organizational performance. Research was done at a Polish firm from Mazovia province, Poland, findings showed this study shows the positive correlation between level of trust and organizational performance.

Beheshtifar & Allahyary, (2013) expanded their study to trace out the relationship among organizational reputation with organizational commitment and employees' turnover intention. Turnover intention of employees is one of the challenging problems of organizations which can threaten the organizational progress and performance. Now a day's organizational reputation is one of the most winning competencies of the organizations which attract ideal, reputed workforce. Organizational reputation can arise through employee's commitment to the organization, and organizational commitment can enhance the profitability of the firm and reduce the turnover intention that can be a competitive advantage for an organization. The findings of this study indicated the positive relationship between organizational commitment and organizational reputation, furthermore, the significant connection found between organizational reputation and turnover intention.

Lamba & Choudhary, (2013) studied the era of high competitive environment, the organizations which belong to manufacturing & Service provider sectors are strongly trying to capture the minds of customers through providing them high quality & valued service, in this study Shruti and Nirmala investigate the impact of HR practices on organizational commitment of employees in different sectors of India, so the findings of this study show that HR Practices play a significant role on organizational commitment of employees and also it was found that there are some gaps that need to overcome in the field like training and development, compensation, and employees' welfare to fill the gaps.

SERİN & BALKAN, (2014) conducted the study to investigate the relationship between emotional expressions, trust and turnover intention, and result express the positive correlation between positive expression, trust and turnover intention, moreover they cannot find any relation between trust and turnover intentions.

The Domain of this study was to focus on the relationship between trust, turnover intention and emotions, the main purpose of this study is to investigate the relationship between trust, turnover intention and emotional expression and study were focused on employees of public sector institution of Turkey, and findings show that the trust has positive and significant effect on turnover intention, moreover, they found trust factors such as (trust in management, co-workers' trust and trust to managers) these all factors of trust had a significant impact on satisfaction, and satisfaction is the factor of turnover intention, furthermore co-workers trust had a negative and significant impact on the desire to seek the job (Balkan, Serin, & Soran, 2014).

Methodology

Data Collection Methods

Primary and Secondary Methods for data collection were used, for collection of Primary data researcher generated a set of questioner comprises of 20 items along with 3 demographic variables and other questions were scaled on five point Likert Scale: 1. Strongly Agree, 2. Agree, 3. Neutral, 4. Disagree, 5. Strongly Disagree.

Secondary Data

Secondary data were collected from different journals, periodicals, and reports for coating the reference of those in our research.

Sampling Methods

Research Model

Hypothesis

H1. Trust is significantly related with Employees Turnover.

H2. Organizational Commitment is significantly related with Employees Turnover.

Diagnostic Tests

\[ E.T = \alpha + T \beta_1 + O.C \beta_2 + \mu \]

E.T = Employees Turnover (Dependent Variable)
T = Trust (Independent Variables)
O.C = Organizational Commitment (Independent Variable)

Results & Discussions

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<td>Cronbach's Alpha</td>
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After checking reliability analysis of the instrument, Questioner we used factor analysis by creating small factors from huge data and those factors were used for liner regression through SPSS 18.
According to model summary table adjusted R square = .234 which shows the fitness of model that is only 23.4% but this contribution is only of organizational commitment and looking at the ANOVA table error term is too much but the model is significant at .000 level.

According to the results organizational commitment is positively and significantly related with employee’s turnover which state that H2 (organizational commitment is significantly related with employees turnover), hence accepted.
According to the table trust is not significantly related with employees turnover and strength of relationship between trust and employees turnover is too much week, hence H1 (Trust is significantly related with Employees Turnover) is rejected.

Conclusion
Employees turnover is identify in most of the firm due to lower organizational commitment and no job satisfaction among employees that provide harm to the growth and productivity of the organizations, in this regards we had conducted the study to investigate the impact of trust and organizational commitment on employees turnover, study were focused on non-banking financial institutions (The insurance companies) of sukkur region, primary data were collected through structured questioner that was consist on 20 questions including 3 demographic questions, collected data was consist of 174 respondents of three insurance companies of sukkur region and data were interpreted or analyzed through SPSS 18, we concluded the findings of the study that organizational commitment had positive and significant relation with employees turnover, which shows that H2 (Organizational Commitment is significantly related with Employees Turnover) was excepted, furthermore trust was not significantly linked with employees turnover so the H1 (Trust is significantly related with Employees Turnover) was rejected

Limitations
This study and findings were limited to non-banking financial institutes (insurance companies) which are working in sukkur region, province Sindh, Pakistan, and data were collected only from three insurance companies, namely 1. Jubilee Life insurance Company, 2. EFU Life Insurance Company and 3. State Life Insurance Corporation, the results of this study were based and limited to only 174 employees of above three insurance companies.

References


