ANALYZING THE EFFECT OF ORGANIZATIONAL STRESS AND WORK-FAMILY CONFLICT ON EMPLOYEES' INTENTION TO LEAVE (CASE STUDY OF PT. PDAM DUA SUDARA BITUNG)

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ABSTRACT

In this globalization era, human resources play an important role in an organization. Organization needs to pay more attention to their employees’ activities in order to attain the maximum productivity. Productivity is very important but company should also consider about why employee wants to leave the organization. This study aims to understand the effect of organizational stress and work-family conflict toward employees’ intention to leave. This study was conducted at PT. PDAM Dua Sudara Bitung. 60 employee of this company were surveyed as respondents. The result of this study shows that both organizational stress and work-family conflict have positive significant effect on employees’ intention to leave. The recommendations for the company are giving support to employees, giving additional rewards and build a good communication. Organizations also need to find as much as possible factors that will help to reduce the stress and conflict so there can be prevention for future related problem.

Keywords: Organizational Stress, Work-family Conflict, Employees’ Intention to Leave

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1. INTRODUCTION

1.1. Research Background

Nowadays, it is important for companies to be able to gain the sustainable competitive advantage through people. Some companies might think that they can run a company and achieve a massive success by using high technology machines but they miss to recognize how important human resources in order to attain the maximum organization’s productivity. There is continuous change in the organization as well as individual’s life. Some important issues being discussed in organizations across the globe today are the issue of organizational stress, work-family conflict and intention of employees to leave the companies. Over the past decades the amounts of cases about stress and conflict in workplace have increased rapidly and might be caused by various aspects. How to reduce employees’ intention to leave is a very critical challenge for today’s human resources managers.

Indonesia is a diverse country which means that every company in Indonesia possibly consists of people from all around Indonesia. As the result, the existence of different of cultures, habits, backgrounds and lifestyles might easily trigger conflict and stress in the workplace. In North Sulawesi, there are so many private companies and local government companies. Each company does a lot of efforts in order to increase employees’ performances. Not only performances but company also needs to consider the reason why employees’ wants to leave the organization.

PT. PDAM Dua Sudara Bitung is one of local government owned water utilities provide water services to the society, either for household, government and industry. PT. PDAM with hundreds of employees needs to increase the quality and continuity of services and increase the quality and capacity of its human resources. Employees spend their time and energy when working in this company and therefore, it is normal if the employees get bored and exhausted in the workplace. As has been interviewed to Hengky Sampow as the chief of PT. PDAM Bitung, he said that “ the success of this company depend on the employees”. Therefore, they must have good physical and mental health condition that will lead them to have the feeling of satisfaction and then deliver the best service. Therefore, research researcher wants to analyze the effect of organizational stress and work-family conflict on employees’ intention to leave in PT. PDAM Dua Sudara Bitung.

1.2. Research Objective

The aims of this research are to know the effect of:
1. Organizational stress and work-family conflict on employees’ intention to leave simultaneously
2. Organizational stress on employees’ intention to leave partially
3. Work-family conflict on employees’ intention to leave partially

2. THEORITICAL FRAMEWORK

2.1. Human Resource Management

Armstrong (2006:30) defined that human resource management is a strategic and coherent approach to the management of an organization’s most valued asset – the people who individually and collectively contribute to the achievement of its objectives. Boddy (2005:338) defined human resource management as the effective use of human resources in order to
enhance organizational performance. Human resource management can be concluded as the whole process where the employees have been selected and prepared to the best in a company.

2.2. Organizational Behavior

Hersey (2007:54) said that organizational behavior is interesting. It will allow someone to identify workers who are extremely productive or especially unproductive. Dessler & Huat (2009) said that the discipline or field of organizational behavior involves the systematic study of the attitudes and behavior. Attitudes of interest might include how organizational members feel about their jobs, or how committed they feel to the goals of the organization. Organizational behavior can be concluded as individual performance and activity within an organization.

2.3. Organizational Stress

Leka and Griffiths (1999) as cited in Minyen Ku (2007) defined organizational stress is the response that workers may experience when faced with demands and pressure that are beyond their capabilities. Stress can be the pattern of emotional states and psychological reactions occurring in response to demand from within or outside the organization. It interferes with happiness at work. Khairuddin (2011) have yielded results pointing out job insecurity as the most significant source of stress, followed closely by work relationship and work overload. Organizational stress can be concluded as the response that employees may experience when faced with demands and pressures that are beyond their capabilities like their skills, ability and knowledge.

2.4. Work-Family Conflict

Greenhaus and Beutell (1998:77) as cited in Minyen Ku (2007) defined work-family conflict as a form of interrole conflict in which the role pressures from the work and family domains are mutually incompatible in some respect. Studies also further indicate that work-family conflict influences number of outcomes including psychological distress and work related impacts such as job satisfaction, organization commitment and intention to leave. Work family conflict can be concluded as the mismatched between demands from family and demands from work which created difficulties in meeting demands of one another and it will led to work-family conflict.

2.5. Intention to Leave

Preez (2013) as cited in Mxenge, Dywili and Bazana (2014) defined intention to leave as a type of withdrawal behavior that is associated with under-identification with work. Intention to leave can also be termed “turnover intention”. The main important reason for investigating employees’ intention to quit in any organization is to assist the human resources take a proactive approach to the organizations’ retention strategies and try by all means to decrease the turnover intention. Intention to leave can be concluded as employee’s conscious and deliberate willingness to leave the organization.

2.6. Previous Research

Minyen Ku (2007) discussed about an examination of work-family conflict and intention to leave among college and university food service managers. In conclusion of this study, the foodservice industry is suffering high turnover (exit) rate and lack of available labor force. All four types of work-family conflict were statistically significant positively related to intention to leave. Mxenge, Dywili and Bazana (2014) discussed about organizational stress and employees’ intention to quit amongst administrative personnel at the University of Fort Hare, Eastern Cape, South Africa. The results emanating from this study show that there is a significant positive
relationship between organizational stress and intention to quit. It shows that employee experiencing organizational stress have high turnover intentions. Maree Roche (2011) discussed about work-family conflict and turnover intentions amongst indigenous employees; the importance of the whanau/family for maori. The result of the study is that work-family conflict was significantly correlated with turnover intention, it is showed that work-family conflict were the dominant predictors of turnover intentions.

2.7. Conceptual Framework

![Conceptual Framework](image)

2.8. Research Hypothesis

H1: There is significant effect of Organizational Stress and Work-Family Conflict on Employees’ Intention to leave in PT. PDAM Dua Sudara Bitung simultaneously.

H2: There is significant effect of Organizational Stress on Employees’ Intention to leave in PT. PDAM Dua Sudara Bitung partially.

H3: There is significant effect of Work-Family Conflict on Employees’ Intention to leave in PT. PDAM Dua Sudara Bitung partially.

3. RESEARCH METHOD

3.1. Type of Research

This study used a quantitative method, by using questionnaires as a tool to gather data. This research is a causal research. It will determine and investigate the effect of organizational stress and work-family conflict towards employees’ intention to leave in PT. PDAM Dua Sudara Bitung.

3.2. Place and Time of Research

This study is conducted in PT. PDAM Dua Sudara Bitung from June to August 2015.

3.3. Population and Sample

Sekaran and Bougie (2009:262) defined population as the entire group of people, events of things of interests that the researcher wishes to investigate. The population in this research is the employees of PT. PDAM Dua Sudara Bitung with total of 125 employees. Sekaran and Bougie (2009:276) defined sample as a part of the population. It comprises some members selected from it. The sample method used in this research is convenience sampling Method that is
considered as the best way of getting some basic information quickly and efficient. Anderson (2011:292) defines it as a nonprobability method of sampling whereby elements are selected from the sample on the basis of convenience. Elements are included in the sample without pre-specified or known probabilities of being selected.

3.4. Data Collection Method

The source of data can be from primary and secondary sources. Primary data is data originated by the researcher specifically to address the research problem (Sekaran and Bougie, 2009:35). The researcher obtains primary data from results of surveys and questionnaires. Questionnaires are distributed to the employees of PT. PDAM Dua Sudara Bitung. The secondary data were taken from books, journals, company archives, and relevant literature from library and internet.

3.5. Operational Definition of Research Variables

1. Organizational Stress (X1) is the response that employees in PT. PDAM Dua Sudara Bitung may experience when faced with work demands and pressures that are beyond or not matched to their knowledge, skills, and abilities.
2. Work-family conflict (X2) is a form of inter-role conflict in which the amount of time devoted by employees in PT. PDAM Dua Sudara Bitung to work and strain created by the job interfere with performing family-related responsibilities.
3. Intention to leave (Y) refers to the voluntary intention of individuals to leave their current job in PT. PDAM Dua Sudara Bitung.

3.6. Data Analysis Method

3.6.1. Validity and Reliability Tests

Malhotra and Peterson (2006:274) defined the validity as the extent to which differences in observed scale score reflect true differences in what is being measured, rather than systematic random error. A scale with validity would contain no measurement error that is no systematic error and no random error. Nasution and Usman (2008) in The (2011) explained that validity test can be conducting by looking at the MSA (Measures of Sampling Adequacy). If the MSA value above 0.5 then the data can be confirmed valid, so it can be used for futher test or analysis. Malhotra and Peterson (2006:273) defined reliability is determined by repeatedly measuring the construct of variable of interest. The higher the degree of associations between the scores derived through this repeated measurement, the more reliable the scale.

3.6.2. Multiple Regression Analysis Model

Cooper and Schindler (2001:767) stated that multiple regression analysis is a technique to observe value of more than one X to estimate or predict corresponding Y value. Multiple regression is a descriptive tool used to: 1. Develop a self-weighting estimating equation by which to predict values for a dependent variable from the values of independent variables, 2. Control confounding variables to better evaluate the contribution of other variables or, 3. Test and explain causal theory. The formula of multiple regression analysis method is as follows:

\[ Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_nX_n + \epsilon \]

Description:
Y = Employees intention to leave
\( \alpha \) = Intercept
\( \beta_1 \beta_2 \) = The regression coefficient of Organizational Stess and Work-family Conflict
4. RESULT AND DISCUSSION

4.1. Result

4.1.1. Validity and Reliability Tests Result

The values of Measures of Sampling Adequacy (MSA) of the indicators are all above the acceptance limit 0.5, therefore the research instrument is valid. The reliability test is done by looking at the Alfa Cronbach value, in this research the value of Alfa Cronbach is 0.857, which is above the acceptance limit of 0.6, and therefore the research instrument is reliable.

4.1.2. Classical Assumption Test

4.1.2.1. Multicollinearity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
</tr>
<tr>
<td>Organizational Stress</td>
<td>.900</td>
</tr>
<tr>
<td>Work-Family Conflict</td>
<td>.900</td>
</tr>
</tbody>
</table>

The tolerance value of both organizational stress and work-family conflict is 0.900. The VIF value of organizational stress and work-family conflict is 1.111 which are less than 10 shows that the model concluded to be free from multicollinearity.

4.1.2.2. Heteroscedasticity Test

The tolerance value of both organizational stress and work-family conflict is 0.900. The VIF value of organizational stress and work-family conflict is 1.111 which are less than 10 shows that the model concluded to be free from multicollinearity.
Heteroscedasticity occurs if the dots form certain patterns. In this research the dots spreading above and below of zero point in ordinate. This is proved that there is no heteroscedasticity in this regression.

4.1.2.3. Normality Test

![Graph 2. Normality](source: Data Processed, 2015)

Testing the normality assumption is conducted to proved whether the regression model of independent variables (Organizational stress and work-family conflict) on dependent variable Employees’ intention to leave has a normal distribution or not. on dependent variable. Regression model is good if the data distribution is normal or near normal. If the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model fulfills the normality assumption. From this research, dots are spread around the diagonal line in the direction of diagonal line. This proves that the model regression of this research is met with normality test.

4.1.3. Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-.242</td>
<td>1.040</td>
<td>-.233</td>
</tr>
<tr>
<td></td>
<td>Organizational Stress</td>
<td>.317</td>
<td>.106</td>
<td>.299</td>
</tr>
<tr>
<td></td>
<td>Work-Family Conflict</td>
<td>.559</td>
<td>.103</td>
<td>.539</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees’ Intention to Leave

*Source: Data Processed, 2015*

From the result shown in Table 2, the model is defined as:

\[
Y = -0.242 + 0.317 X_1 + 0.559 X_2 + e
\]

The explanations of equation are:

1. Constant value (\(\alpha\)) of \(-0.242\) means that in a condition of ceteris paribus, if all independent variables are constant (zero), Employees’ Intention to Leave (Y) as dependent variable is predicted to be \(-0.242\).
2. \(X_1\)’s coefficient value of \(0.317\) means that in the condition of ceteris paribus, if Organizational Stress is increased by one scale or one point, it will increase Employees’ Intention to Leave (Y) by \(0.317\).
3. X2’s coefficient value of 0.559 means that in the condition of ceteris paribus, if Work-Family Conflict is increased by one scale or one point, it will increase Employees’ Intention to Leave (Y) by 0.559

<table>
<thead>
<tr>
<th>Table 3. R and R² Test</th>
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<tbody>
<tr>
<td>Model Summary</td>
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<tr>
<td>Model</td>
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a. Predictors: (Constant), Work-Family Conflict, Organizational Stress  
b. Dependent Variable: Employees’ Intention to Leave  

*Source: Data Processed, 2015*

The value of R is 0.694 proves that the relationship among independents and dependent variable is substantial positive association. The coefficient of determination (R Square) measures how far the ability of a model in explaining variation of dependent variable. The value of R Square is 0.481 shows the linear relationship in this model is able to explain the Employees’ Intention to Leave (Y) for 48.1% while the rest 51.9% is explained by the factors outside the model.

4.1.4. Hypothesis Testing

4.1.4.1. F Test Result

<table>
<thead>
<tr>
<th>Table 4. F Test Result</th>
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<tbody>
<tr>
<td>ANOVA</td>
</tr>
<tr>
<td>Model</td>
</tr>
<tr>
<td>Sum of Squares</td>
</tr>
<tr>
<td>Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees’ Intention to Leave  
b. Predictors: (Constant), Work-Family Conflict, Organizational Stress  

*Source: Data Processed (2015)*

Table 4 shows that F-count is 26.927 with the significance level of 0.000. Since the value of F-count > F-table (26.927 > 3.15) and the significance level is lower than 0.05, H0 is rejected and Ha is accepted. Sig < 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. The result of this test can be used to declare that there is a significant effect of organizational stress (X1) and work-family conflict (X2) on employees’ intention to leave (Y) simultaneously.

4.1.4.2. T Test Result

<table>
<thead>
<tr>
<th>Table 5. T Test Result</th>
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<tbody>
<tr>
<td>Coefficients</td>
</tr>
<tr>
<td>Model</td>
</tr>
<tr>
<td>Unstandardized Coefficients</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Organizational Stress</td>
</tr>
<tr>
<td>Work-Family Conflict</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees’ Intention to Leave  

*Source: Data Processed, 2015*
1. Table 5 shows that t-count for X1 is 2.997 with the significance level of 0.004. Since the value of t-count > t-table (2.997 > 1.672) and the significance level is lower than 0.05, H0 is rejected and Ha is accepted. Sig < 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.004. The result of this test can be used to declare that there is a significant effect of Organizational Stress (X1) on Employees’ Intention to Leave (Y) partially.

2. Table 5 shows that t-count for X2 is 5.409 with the significance level of 0.000. Since the value of t-count > t-table (5.409 > 1.672) and the significance level is lower than 0.05, H0 is rejected and Ha is accepted. Sig < 0.05 means that the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. The result of this test can be used to declare that there is a significant effect of Work-family conflict (X2) on Employees’ Intention to Leave (Y) partially.

4.2. Discussion

4.2.1. Organizational Stress on Employees’ Intention to Leave

The result of the multiple regression analysis shows that there is a significant effect of organizational stress on employees’ intention to leave. This result is supported by previous research conducted by S.V Mxenge, et al. (2014) which reveals that there is a significant positive relationship between organizational stress and intention to quit. It shows that employees who experience organizational stress have high turnover intentions. Based on the results of the questionnaires, the respondents who are employees of PT. PDAM Dua Sudara Bitung have various answers. They mostly agree that the employees may experience stress when the organizational demand does not match with their skills, abilities and knowledge which can lead them to stressful work. These factors encourage their intention to leave the organization.

4.2.2. Work-Family Conflict on Employees’ Intention to Leave

The result of the multiple regression analysis shows that there is a significant effect of work-family conflict on employees’ intention to leave. In this case the work-family conflicts are represented by behavioral interference from family and work, time and strain from family and work. This result is supported by previous research conducted by Ku (2007) who revealed that there is statistically significant positively related between work-family conflict and intention to leave. Based on the result of the questionnaires, the respondents who are employees of PT. PDAM Dua Sudara Bitung mostly agree that the conflicts that happen in the work-place and home affect their intention to leave the company. Work and family conflict has been associated with a number of undesirable organizational and individual consequences both at work and home and therefore, there must be some social supports for this problem, for instance, job enhancement opportunities such as control, participation in decision-making, building teamwork, family vacation and many thing which can help the employees in PT. PDAM Dua Sudara Bitung to minimize the conflict between work life and family life.

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The conclusions drawn from this research are as follows:

1. Based on F-test, it can be concluded that there is significant effect of the independent variables (Organizational Stress and Work-Family Conflict) on dependent variable Employees’ Intention to Leave simultaneously.
2. Based on t-test of variable X1 which is Organizational Stress, it can be concluded that there is significant effect of Organizational Stress (X1) on Employees’ Intention to Leave (Y) partially.
3. Based on t-test of variable X2 which is Work-Family Conflict, it can be concluded that there is significant effect of Work-Family Conflict (X2) on Employees’ Intention to Leave (Y) partially.

5.2. Recommendation

Based on the research results, the recommendations for management and employees of PT. PDAM Dua Sudara Bitung are as follows:
1. Organizational stress can be reduced by giving a support to employees, giving training and motivating employees. That way, they will work based on their skills, abilities and knowledge. Company can also build a good communication by providing time to share with the employees, and company asking everything that related to employees’ job.
2. People generally like to be appreciated for their efforts. Therefore, PT. PDAM Dua Sudara Bitung needs to give additional rewards regarding the employees contribution. Employees who feel appreciated are more likely to be engaged in their jobs.
3. In order to prevent conflict in the family, employees should make time for their family by having a recreation on weekend or doing another activity with their family. It is good for employee to have time to refresh their mind after work hours especially with the people they love. Their supports may help the employees whenever they are face with bad situation or condition.

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