

## The effects of work stress and trust in managers on employee turnover intentions

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### Abstract

*Employee turnover is detrimental for the general performance of any company, thus the factors that enhance employees' intentions to leave their company should be identified and addressed. The present study examined the impact of work stress and employees' trust in managers in this respect. Work stress was conceptualized through three inter-related dimensions, workload, low rewards and overcommitment, which we expected to affect also employees' trust in their managers. The study was performed on a sample of Romanian employees from several work-sectors. Results show that all three dimensions of work stress are positively related to turnover intentions, and that employees' perceptions of low rewards and their overcommitment negatively affect their trust in managers. Moreover, the latter emerged as a protective-factor against turnover intentions. Overall, this pattern of findings indicates a significant influence of work stress on turnover intentions, which's partially mediated by its undermining effect on employees' trust in their managers.*

**Keywords:** turnover intentions, work-stress, trust in managers

### Introduction

As employees represent an essential resource for any company, turnover is a negative phenomenon that can incur important costs for the organization in recruiting and training new staff (Price, 1977; Staw, 1980). Moreover, past studies revealed that employee turnover negatively impacts the overall organizational performance. For instance, a meta-analytic review of the research on this topic found a significant negative relationship between employee turnover and organizational performance (Hancock *et al.*, 2013). The detrimental influence of employee turnover emerged as higher in certain types of companies, such as midsize organizations, and relative to certain types of employees.

Previous research on the determinants of turnover generally found that employees' decisions to quit the company stem from their perceptions of the current and future working conditions as being dissatisfying (Davy *et al.*, 1997; Sverke *et al.*, 2002). These perceptions lower employee loyalty towards their company and generate exit considerations, further leading to active behaviors of looking for an alternative workplace (Sverke and Goslinga, 2003). In what regards the actual specific factors

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that contribute to such perceptions of the working conditions, research has pointed out several distinct dimensions of work experience. Generally, employees who are less satisfied with their job, their pay and with their promotional chances, who are less committed to their work team and to their organization and who perceive that their company distributes rewards among employees in an unjust manner are more prone to quit (Griffeth *et al.*, 2000). An important area that impacts employee exit consideration is the management practices that are used in the company, as the same meta-analysis performed by Griffeth *et al.* (2000) found that the degree of leader-member exchange and participative management is negatively related to employee turnover, because they contribute to a working climate that is positively perceived by employees as being supportive for their job behaviors and workload.

One of the aims of this paper is to examine this general relationship between employee perceptions of their managers and turnover by focusing on one of the subjective dimensions associated to these perceptions, namely employees' trust in their managers. Generally, trust can be defined as the belief in the other person's credibility and benevolence (Larzelere and Huston, 1980; Doney and Cannon, 1997), and involves positive expectations concerning the other's future behaviors (Lewicki *et al.*, 1998). In the organizational context, vertical trust (i.e. employee trust in managers) has been found to be associated to positive outcomes, such as cooperation and work performance (Morgan and Hunt, 1994; Rich, 1997), and to have a positive impact on organizational processes (Krot and Lewicka, 2012). Similarly, employees who perceive their manager as honest and reliable are generally more satisfied with their job (Sgro *et al.*, 1980; Rich, 1997). These findings support our assumption that trust in managers is negatively related to employee intention to quit the company.

The present study also examines the influence of another potential factor of employee turnover, namely work stress, which often represents a major source of overall dissatisfaction with one's job and working conditions. Work stress occurs when the employee appraises his resources as exceeded by the requirements of his job (Lazarus, 1999; Urien Angulo and Osca, 2012). According to one of the dominant theoretical models in this area, namely the model of effort–reward imbalance (Siegrist, 1996), work stress depends on three dimensions of the relationship between the employee and the organization. The first dimension is that of the effort demanded by the job, in terms of workload, pressure and responsibility. The second refers to the rewards that the employee receives from the company for these efforts, in terms of respect, fair treatment, security and promotion opportunities. High costs (i.e. high levels of required effort) and low rewards favor the instilment of negative emotions, one of which being work stress. The third dimension is overcommitment, referring to one's inability to withdraw from work obligations and the feeling that job requirements are overwhelming.

Generally, work stress has been shown to lead to negative consequences in several organizational and personal areas. On the organizational side, work stress undermines job performance and generates negative work behaviors and attitudes (Barling *et al.*, 2005). On the personal side, work stress is associated to the feeling of overconsumption of energy, which can lead over time to burnout (Crawford *et al.*, 2010). Employee burnout represents an occupational disease stemming from chronic work stress and entailing depersonalization, emotional exhaustion, and feelings of reduced personal accomplishment (Maslach and Jackson, 1981). Consequently, prolonged work stress and burnout are associated to increased turnover intentions (Urien Angulo and Osca, 2012; Tziner *et al.*, 2015), which represent a manner in which employees aim to protect themselves from the sources of current stress and to preserve their resources by looking for another job opportunity elsewhere (Moreno-Jiménez *et al.*, 2012).

In the more general framework of work stress proposed by the model of effort–reward imbalance (Siegrist, 1996), work stress might also impact the degree of trust that employees have in their managers. All the three dimensions of stress described by this model can be directly impacted by managerial decisions. Managers usually have a considerable influence on the process of resource allocation (through performance evaluations and promotions, for instance) among employees, thus on the rewards that the latter receive for their efforts (Knoll and Gill, 2011). They are also responsible for work assignments, consequently influencing the degree of effort required from their employees and the potential overcommitment that could be instilled when job requirements exceed personal resources.

The present paper aims to examine the relationships between work stress, trust in managers and turnover intentions in a sample of Romanian employees. In line with the arguments above, we hypothesize that all the three dimensions of work stress, namely effort, low rewards and overcommitment contribute to employee turnover intentions. Moreover, we presume that these relationships are mediated by employees' trust in their managers. Specifically, we hypothesize that high levels of effort, low rewards and high overcommitment lower employees' trust in their managers, which further increase their turnover intentions.

## **Methodology**

### *Participants and procedure*

We distributed 290 surveys to employees in 14 companies located in the Iasi County, Romania. The surveys were anonymous, and confidentiality was ensured. 256 surveys were returned. In the final sample, 141 employees (55%) were men; mean age was 35 years. According to the criterion of

the work sector: 70 (24.6%) in the banking sector, 40 (16.1%) in the health sector, 51 (17.9%) in the industrial sector, 26 (9.1%) in the private school sector, 70 (24.6%) in the sales sector, 22 (7.7%) in private consulting

### *Instruments*

*Turnover intention* was assessed with a 3-item scale (Bluedorn, 1982) that refers to employees' perceived cognitions (e.g. "I often think about quitting") and prospects (e.g. "I will probably look for a job next year") about quitting their current company. Respondents are required to rate their agreement with each item on a 5-point response scale with 1 = "Strongly Disagree" and 5 = "Strongly Agree". Higher overall scores indicate high turnover intentions.

*Trust in managers* was assessed with the 6-item scale developed by Cook and Wall (1980), which appraises two dimensions of trust, namely employees' faith in the trustworthy intentions of their managers (e.g. "Our management would be quite prepared to gain advantage by deceiving the workers"), and employee confidence in the ability of their managers (e.g. "Our firm has a poor future unless it can attract better managers"). The scale has been used to assess trust in managers in other research across several countries (e.g. Puffer, 1987). Respondents are required to rate their agreement with each item on a 7-point response scale with 1 = "Strongly Disagree" and 7 = "Strongly Agree". Higher overall scores indicate higher trust in managers.

*Work stress* was investigated through the effort – reward imbalance scale (Siegrist *et al.*, 2004), which addresses work stress through the theoretical model of effort–reward imbalance (Siegrist, 1996). The scale includes 23 items on three dimensions. The first is workload, addressed by six items (e.g. "I have constant time pressure due to a heavy work load"). The second is reward, which, in turn, taps three varieties of rewards that employees can receive from their organization, namely esteem (five items, e.g. "I receive the respect I deserve from my superiors"), job promotion (four items, e.g. "Considering all my efforts and achievements, my work prospects are adequate") and job security (two items, e.g. "My job security is poor"). The third dimension is overcommitment, addressed by six items (e.g. "Work rarely lets me go, it is still on my mind when I go to bed"). Respondents are required to rate their agreement with each item on a 5-point response scale with 1 = "Strongly Disagree" and 5 = "Strongly Agree". The scores on the reward dimension were reversed, so that higher overall scores on the instrument indicate higher work stress.

*Data analysis*

Firstly, we assessed the internal consistency of our research instruments through their mean inter-item correlations, computed in SPSS 20.0 (see Table 1). Secondly, we computed the Pearson correlations between variables (see Table 1). Thirdly, we assessed the adequacy of the proposed causal model between the four variables of the research design, through structural equation modeling in AMOS 18.0. This approach allows the estimation of the statistical adequacy of a complex model, through several indexes (Byrne, 2001), as well as the changes in the relationships included in the model that would improve its adequacy, (i.e., Modification Indexes). In order to evaluate the goodness-of-fit of the model, we used the following indexes: the chi-square statistic, the Goodness of Fit Index (GFI), the Comparative Fit Index (CFI), the adjusted goodness-of-fit statistic (AGFI) and the Root Mean Square Error of Approximation (RMSEA).

**Results**

Table 1 presents the descriptive statistics for all the scales used in the study, and also the inter-item correlations of each instrument and the Pearson correlations between the scales. The inter-item correlations indicate that all scales have satisfactory internal consistency. The pattern of correlations corresponds with our hypotheses, with employees' intention to quit significantly and positively related to the three dimensions of work stress and negatively to their trust in managers, the latter being also negatively related to workload, low rewards and overcommitment.

**Table 1. Means, standard deviations, internal consistency and Pearson correlations between variables**

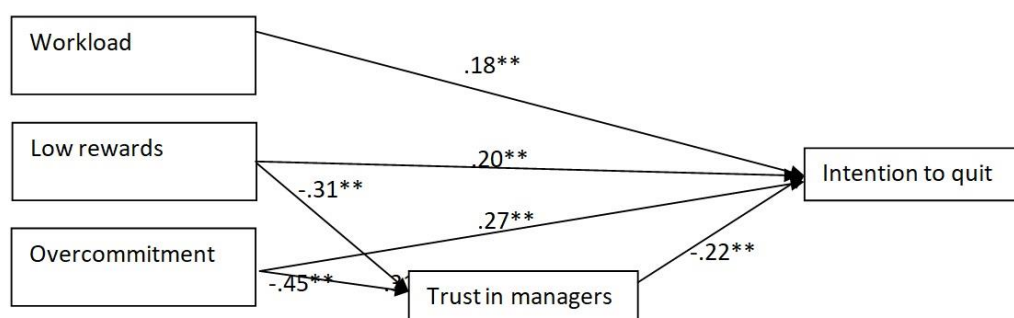
	Mean ( <i>SD</i> )	Mean inter-item correlation	2	3	4	5
1. Workload	3.3 ( <i>1.12</i> )	0.25	0.28	0.31	-0.27	0.41
2. Low rewards	3.44 ( <i>1.03</i> )	0.30	1.00	0.25	-0.34	0.42
3. Overcommitment	3.22 ( <i>1.04</i> )	0.32		1.00	-0.43	0.51
4. Trust in managers	4.15 ( <i>1.27</i> )	0.27			1.00	-0.52
5. Intention to quit	2.44 ( <i>1.00</i> )	0.31				1.00

Note: all correlations are significant at  $p < 0.01$

Next, we used the structural equation approach to assess whether the hypothesized model of relationships between these variables, which includes causal effects on distributive and procedural justice on pay satisfaction, as well as of the latter on work motivation, has an adequate fit to the data. The indexes of model fit resulted from the analysis of this model suggest a modest fit of the model to the data:  $\chi^2_3 = 74.25$ ,  $p < 0.01$ ; CFI = 0.74, AGFI = 0.54, GFI = 0.91; RMSEA = 0.30 (with a 90%

confidence interval 0.25 – 0.37). The parameters of the model estimates indicated that one of the relationships in the model, namely the influence of the *workload* dimension of the effort–reward imbalance scale on trust in managers, is not statistically significant ( $b = -0.11$ ;  $p = 0.1 > 0.05$ ). Since such weak relationships affect the overall fit of the models tested through structural equation modeling, we eliminated this influence and re-tested the model. The second set of results show an improved degree of model fit:  $\chi^2_{4} = 76.93$ ,  $p < 0.01$ ; CFI = 0.75, AGFI = 0.66, GFI = 0.91; RMSEA = 0.26 (with a 90% confidence interval 0.21 – 0.32), but still below acceptable levels according to the statistical guidelines in this area (Byrne, 2001). Next, we analyzed the modification indexes in order to check whether the statistical adequacy of the model could be increased by adding certain relationships. The modification indexes indicated that model fit can be improved by adding direct causal relationships from all the three dimensions of the effort–reward imbalance scale to the final variable in the model, namely intention to quit, besides those mediated by trust in managers. We re-specified the model by adding this influence and re-analyzed its model fit. The indexes generated by this step of the data analysis were:  $\chi^2_{1} = 2.64$ ,  $p = 0.10 > 0.05$ ; CFI = 0.99, AGFI = 0.94, GFI = 0.99; RMSEA = 0.08 (with a 90% confidence interval 0.00 – 0.21). They indicate an adequate fit to the data, and no additional modifications that would increase model fit. All the regression weights between variables were significant at the 0.05 level. Figure 1 presents the strength of the influences between variables through the unstandardized regression weights of the influences in the model.

**Figure 1. The unstandardized regression weights of the effects in the final model (\*\*  $p < 0.001$ )**



## Discussion

Previous investigations revealed that employee turnover affects the performance of the organization as a whole, especially when those who decide to leave hold key positions within the company and/or are among the high performers (Hancock *et al.*, 2013; Holtom *et al.*, 2005), and also leads to significant costs in training and recruiting the new human resources hired to replace the



leavers (Staw, 1980). Consequently, the topic of the determinants of turnover intentions is of great importance in the current competitive economy. Our research focused on the potential effects of two such determinants that stem from employees' subjective appraisals of their work and management. Albeit they refer to different areas of work-related perceptions, namely stress and trust in management, they were found to have significant relationships and to consistently impact employees' turnover intentions. Specifically, the three dimensions of work stress emerged as significantly fostering turnover intentions; moreover, in case of two of these dimensions, i.e. low rewards and overcommitment, this influence was partially mediated by employees' trust in managers: they negatively impact vertical trust, which further undermines employees' attachment to the company, thus increasing their intentions to quit.

The relationship between work stress generally and turnover intentions is in line with other influences of the former on various work behaviours and attitudes that were highlighted by previous research (Barling, Kelloway, and Frone, 2005). Employees who reach a high level of work stress are feel an intense dissatisfaction with their current work, which not only generates negative attitudes and behaviors towards their job and organization, but also makes them more prone to quit the company. One of the theoretical frameworks that directly addresses this relationship is the Conservation of Resources Theory (Hobfoll, 2001), which states that one of the fundamental employees' needs is to preserve, renew and enhance their resources that they are require to invest in their work. When job demands threaten this personal balance of resources, employees experience work stress, which motivates the respective employee to consider leaving their present work and to search for an alternative workplace that would be less taxing on their resources (Moreno-Jiménez *et al.*, 2012). This influence of work stress on turnover intentions, previously tested especially within Western organizations, emerged as significant also in our Romanian sample. Moreover, all the three components of work stress that were addressed by our research (i.e. workload, low rewards and overcommitment) emerged as significant factors of turnover intentions. Further studies should examine the specificities of the stress factors that are more detrimental to Romanian employees' loyalty to their company among those highlighted by the research on companies in other countries.

Our results also support the hypothesis of the negative relationship between trust in managers and turnover intentions. Thus, they indicate that employees' trust in managers is a significant factor that prevents their considerations to leave the company; on the other side, employees whose trust in their superiors has been undermined are more prone to actively look for alternative job opportunities. This confirms the important role of vertical trust in organizations, as a general condition for internal work processes to properly develop (Krot and Lewicka, 2012; Bennis and Nanus, 1985). In what regards employee turnover, lack of trust in managers has a negative effect on cooperation and work

performance (Rich, 1997), as well as on job satisfaction (Sgro *et al.*, 1980), thus making employees more prone to feel unfit to their current job and consequently to consider leaving the company.

The pattern of results emerged in our research also indicates a negative effect of work stress on employee trust in managers. The conceptualization and measurement of work stress that we adopted also allowed us to highlight the dimensions of this subjective state that have the highest impact on vertical trust. In this respect, we found that two components of work stress are especially detrimental for employees' trust in their managers, namely low rewards and overcommitment. The first connection has been already delineated in the theory of effort–reward imbalance (Siegrist, 1996) through which work stress was defined and measured in the present research. Specifically, according to this model, an important determinant of work stress is employee's perception that the rewards allocated by the company for one's input are too low, at least when appraised against the amount of resources that the respective employee is expected to invest in his/her work. Such feelings of being rewarded unfairly not only generate stress, but also undermine employee attitudes towards the sources of this unfair treatment, i.e. managers. Our results confirm this assumption by highlighting a negative influence of this component of work stress on employees' trust in managers. Moreover, managers are responsible not only for the process and criteria of rewards allocation, but also for the employees' workload, as they are expected to set deadlines, and distribute tasks and required effort among employees in manner that would minimize their physiological and psychological work strain. Consequently, they are the first in line to be blamed when job requirements start to exceed personal resources. Our results confirm this line of reasoning, by showing that employees who perceive that they over commit to their work have lower trust in their managers than the others.

Among the limitations to this research, it should be noted that we did not test or control the effect of certain important variables, such as work sector. Further studies could examine the relationships between work stress, vertical trust and employee turnover intentions in specific economic sectors, since it is likely that this pattern of influence would vary according to the nature of the specific work tasks that employees are expected to perform. Cross-cultural studies could also compare the impact of work stress on vertical trust and turnover intentions in companies from different countries, thus examining the importance of local work culture in what regards the effects of work stress. Another limitation of the current study is that it was performed in a transversal and correlational fashion, which cannot attest the causal relationships inferred between its variables. We also used turnover intentions as a proxy for actual turnover, in line with other studies in the same area (e.g. Lo, 2015) and with research results that suggest that employees' intentions to leave the company are the best predictor for actual turnover decisions (Steel 2002). Nevertheless, since there also may be significant differences between the two, a more comprehensive research on the effects of work



stress and vertical trust could focus on the comparison between employees who decided to leave the company and those who have remained.

## Conclusions

The study findings suggest that work stress has a detrimental effect on employees' loyalty to their company, as they increase their turnover intentions. While this influence emerged as significant from all the three components of work stress, i.e. workload, low rewards and overcommitment, we also found a parallel effect mediated by vertical trust: employee perceptions that they are under-rewarded for their efforts and their overcommitment undermine their trust in managers, which further enhances their turnover intentions. Overall, the results stress the importance of designing and implementing organizational policies aiming to reduce stress in the workplace. They also recommend that managerial decisions that affect workload and the distribution of rewards among staff are fully explained to employees in order to counteract all factors that could undermine their vertical trust. Several limitations of the study should be also noted (i.e. its transversal nature and the lack of control of certain potentially important factors). Further research should investigate in more detail and in a more systematic fashion the specific factors of work stress that affect the Romanian employees, and that are particularly detrimental for their trust in managers and for their loyalty to their organizations.

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