# Antecedents and Consequences of Employee Turnover: Empirical Evidence from Pakistan

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*Authors' contributions*

*This work was carried out in collaboration between all authors. AAJ designed the study, conducted in-depth interviews, wrote the protocol and the first draft of the manuscript. RAM and IAG managed the analyses of the study and the literature searches. All authors read and approved the final manuscript.*

**Research Article**

## ABSTRACT

**Aims:** This study examines the interrelationship among major antecedents of employee turnover such as HRM practices, organisational culture, attitudes of boss on employees' intention to quit in Pakistani banking and IT sectors.
**Study Design:** The study employs exploratory research design; in-depth interviews were applied for the data collection.
**Place**: The study is conducted in the national and multinational companies in Pakistan.
**Methodology**: Data collected through in-depth interviews from thirty top executives to junior managers from government, private and multinational organisations. The study employed 'narrative analysis' method to analyse the data. Narrative analysis looks at self-story and individual experiences of interviewee regarding social phenomenon. This analytical technique helped authors to compare and categorize emerging themes to give meaning to words, context-situation, story and basic actions.
**Results:** The results suggest that, overall picture of HRM and organisational culture in public sector organisation appears to be poor whereas private (local) organisations seem comparatively better improving. On the contrary, respondents in MNCs expressed high agreement on merit-based HRM, organisational culture and attitude of boss with higher self-esteem.
**Conclusion:** This study revealed that there exists interrelationship among the factors stated above and also study concludes that taking care of human factor with mutual

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respect, mentoring and employee empowerment could enhance employee morale, commitment and satisfaction which virtually link employees' decision to stay in the organisation. Policy implications for organisations and managers are discussed in the last section.

## 1. INTRODUCTION

Human resource management (HRM) is the strategic and coherent approach to the management of an organisation's most valued assets e.g., workforce, who individually and collectively add value to organisational objectives. HRM functioning in any organisation is widely aimed at employing people, developing their skill and knowledge resources, utilising, maintaining and compensating them in tune with the job and organisational objectives (Armstrong, 2006). The strategic human resource management (SHRM) with its main focus on proposition that 'effective' HRM functioning improves employee motivation, commitment, and retains high potential workforce (Datta et al., 2005; Huselid, 1995; Khilji and Wang, 2007). This ongoing discourse still continues across the board and most of the research on employee turnover concludes that dissatisfaction at workplace is major contributor of employees' quitting. This is yet a major debate as to why people choose to quit, whether people leave job, organisation or more specifically a boss (Felps et al., 2009; Lee et al., 2008).

Recently, researchers are considering the alternative ways to understand how employee turnover process is enacted and what organisations, managers and employers can do to prevent flight of competitive human capital (Harman et al., 2007). Significant amount of literature to date, on the other hand, has examined the effects of employee turnover and its cost to organisation. In addition, researchers have investigated causes and consequences of employee turnover and retention (Hale, 1998; Lake, 2000; Abbasi and Hollman, 2000; Backman, 2000; Ahlrichs, 2000; Tremblay and Pare, 2000; Moore and Burk, 2002; Ware, 2004; Khatri et al., 2001; Khilji and Wang, 2007; Hussain et al., 2012; Khan et al., 2011; Nawaz et al., 2007 a few examples).

Most of the research studies have concentrated on the development of the detailed list of predictors and antecedents of employee turnover and tested employee turnover theories in Western cultural work settings by ignoring the developing countries including Pakistan (Price and Mueller, 1981; Sheridan and Abelson, 1983; Steer and Mowday, 1981; Khilji and Wang 2007). However, previous researches have missed out to look at interrelationship of HRM practices, organisational culture, and attitude of immediate boss on employees' intentions to quit, especially in context of developing countries including Pakistan. This constitutes a serious academic and research gap in the extant literature which calls for more attention and more robust research contribution in the domain of management research.

Pakistan presents distinctive socio-political, economic, administrative and organisational structure which make it rich context for research. The review of literature on the current state of employee turnover and retention in Pakistan is limited. Deficiencies in the literature necessitate to put in rigorous research contribution to better understand 'ways and means' to manage employee turnover and retention in Pakistan. Consequently, this study attempts to

examine the extent HRM, organisational cultural values and the attitude of boss influence employees' decision to quit or stay.

## 2. REVIEW OF LITERATURE AND CONCEPTUAL FRAMEWORK

According to Smircich (1983) there appears a strong relationship of culture as an anthropological concept with organisation that is drawn from organisation theory. In a subsequent investigation of O'Reilly, Chatman and Caldwell (1991) revealed that individual employees acts and deeds at work such as behaviours, attitudes, interactions with co-workers, and person-organisation fit in terms of the alignment of the individual and organisational values manifest organisational culture of an organisation. Some characteristics such as structure, size, technology as well as rituals and ceremonies of organisation establish organisational culture that gives identity to employees, management and organisation itself. It is value system and an integral and internal part which socially glues whole organisation together (Smircich, 1983: 344). Smircich (1983) further suggested that organisational culture may be empirically used and tested in organisational research as an independent variable within the context of comparative management studies considering especially the multinational organisations.

Organisational value system helps to develop management and employees attitudes, behaviours and actions. Thus, employees' satisfaction and commitment with organisation is directly related to the overall culture and support system of organisation. According to investigations of Eisenberger et al. (1990, 1986) organisational support systems help employees to establish behaviours, attitudes and actions. Buchanan (1974) study contributed with similar findings that managers' beliefs that the organisation recognises their contribution were positively related to affective commitment. Meyer et al. (1990) also revealed that organisational "dependability" enhances affective commitment. Eisenberger et al. (1990) identified a positive relationship between affective commitment and the extent to which employees believe that the organisation provides them with needed support, values their contribution and cares about their well-being.

An increasing body of research knowledge established relationship of employee turnover with employees' job dissatisfaction and perceived alternatives as catalysts for quitting one's job. The ground-breaking investigation of March and Simon (1958) left profound impact on the research undertaken in next several decades especially conceptual frameworks and empirical models of employee turnover (Mobley, 1977; Mobley et al., 1978; Katzell et al., 1971; Muchinsky and Morrow, 1980; Price, 1977; Steers and Mowday, 1981). Research indicates that job satisfaction is positively related to the organisational citizenship behaviour (OCB) and satisfied employees are less likely to leave the job (Bateman and Organ, 1983; Becker and Billings, 1993; Farh et al., 1990; McNeely and Meglino, 1994; Motowidlo, 1984; Organ and Ryan, 1995; Scholl et al., 1987). Berkowitz (1972) explained this relationship by suggesting that people who were in a good mood are more likely to engage in pro-social behaviour.

Subsequent research has supported this contention (Puffer, 1987; Smith, Organ and Near, 1983). According to the research conducted by Balu (1964) social exchange theory predicts that individuals will attempt to reciprocate those who benefit them. This finding employs that more satisfied employees will be more likely to be supportive of other employees than less satisfied employees. The supportive and mentoring environment paves way for more constructive culture which virtually generates employee satisfaction, commitment and reduces chances of quitting. There have been a number of reviews of the empirical literature

including Becker and Gerhart (1996); Dyer and Reeves (1995); and Paauwe and Richardson (1997). A number of conceptual models, however, have attempted to depict the processes through which HRM practices ultimately impact firm financial performance (Becker, et al., 1997; Wright and Snell, 1998). For example, Becker et al. (1997) model suggests that HRM practices most proximally impact employee skills, employee motivation, and work design which consequently influence employees' creativity, productivity and discretionary behaviour, satisfaction, commitment and intent to quit.

An increasing body of research has examined the relationship of HR practices, organisational culture and attitudes of supervisor with satisfaction, commitment, turnover and retention in Western developed countries, US, UK and other countries by ignoring the case of developing countries like Pakistan (Khilji and Wang, 2007; Hussain et al., 2012; Jaffari et al., 2011; Khan and Afzal, 2011; Khan et al., 2011). This study reviewed available literature on the subject and proposed conceptual framework which presents stages of organisational influences on employee decision to stay of quit the job (Fig. 1). This study conceptualizes that the interrelationship of organisational factors such as HRM practices, organisational culture and attitudes of immediate boss or supervisor individually and collectively impact employees' staying or quitting decision making at workplace.
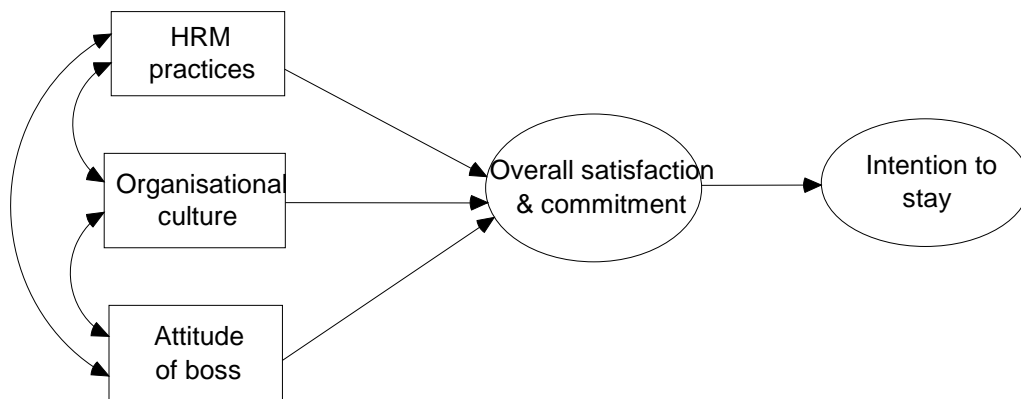


**Fig. 1. Conceptual framework**

## 2.1 HRM Practices

Mainstream HRM literature reports that HR practices play pivotal role to motivate and retain talented employees at work (Agarwal and Ferrat, 1999; Dessler, 1999; Husselid, 1995; Pfeffer and Veiga, 1999). The groundbreaking research of Pfeffer (1994, 1998) "putting people first" challenged the old-fashioned ideology of 'managing people coercively' at workplace. His philosophy earned great deal of support in US and UK and elsewhere. Academics and HR practitioners across the continents from North America through Europe, Africa, Asia and Australia began new discourse on Pfeffer work (Arthur, 1994; MacDuffe, 1995; Delaney and Husselid, 1996; Delaney and Doty, 1996; Husselid and Becker, 1996; Wood, 1995; Conway, 1998). Pfeffer (1994; 1998) argues that particular set of HRM could maximize organisational performance.

Additionally, HRM also occupies central place in establishing and maintaining fairness, equitability, shared understanding and ethical standards in organisation, this thinking gives

birth to organisational culture (Kane-Urrabazo, 2006). The research study of Covey (1991) argues that well-built culture containing four major elements such as trust and trustworthiness, empowerment, consistency and mentorship boost the satisfaction and reduce turnover at workplace. Denison (1996) demonstrated that employees' behaviour at workplace is the manifestation of the organisational culture and it drives their performance and satisfaction. O'Reilly, Chatman and Caldwell, (1991) study suggests that person-organisation fit is a significant predictor of commitment, job satisfaction and intention to quit, irrespective of employees age, gender and tenure. Additionally, little research substantiation has been found in literature on the correlation of HR best practices with employee turnover and retention in context of developing countries, mainly Pakistan. As a result, this research gap calls for fresh academic and research contribution in the area under investigation. Consequently, this research embarks on the trajectory of addressing the main issue left behind by Western and indigenous researchers. As a result, study proposes:

*Proposition 1: Fair and effective HRM functioning, not based on sifarish (guanxi/connection) and cronyism reinforces well-built culture of trustworthiness, open communication, constructive mentorship with mutual respect between supervisor and subordinate to underpin strong organisational culture to help retain key talent at workplace.*

## 2.2 Organisational Culture

Since 1980s, Hofstede's legendary research contributions in organisational psychology demonstrated that national cultures vary across the countries. Hofstede individually and with his colleagues (1980; 1998; 1997; 2001; 2002; 2005 and 2010) identified several main cultural dimensions which vary across cultures. He further argued that cultural values reflect work attitudes like satisfaction with boss and at work. Judge and Cable (1997) report that applicant's personality traits profoundly interact with organisational culture and they seem attracted if culture matches their personality. A considerable amount of research has focused on element of organisational culture such respect for others, flexibility, mentoring, trust and trustworthiness, delegation and empowerment, fairness, openness in communication, innovation, and team work as important contributor in retaining competent workforce. Unfortunately, all literature cited above belongs to western nations context and none of the study comprehensively examined case of Pakistan. We, therefore, present following proposition.

*Propositions 2: It is proposed that fair HRM practices accompanied with conducive organisational culture of trust and mentorship generate overall satisfaction, organisational commitment and helps to prevent flight of competitive capital from the organisation.*

## 2.3 Attitude of Boss

The significant number of studies has examined the linkages of positive or negative behaviour of immediate boss with employees' job attitudes such as satisfaction commitment, turnover and retention (Bacharach and Aiken, 1979; Lam et al., 1999). The findings of the research of Fleishman and Harris (1998) reported that if supervisor is with low consideration and high structure leadership style then employees' grievances and turnover intentions will be high. Much recent investigations such as (Avey et al., 2008; Cheung et al., 2009) have reported that there are several ways that boss/supervisor show abusive, destructive or sadistic behaviour at work which directly affects employees' satisfaction and commitment. The supervisor's destructive behaviour identified by the studies include: abusive (Hornstein, 1996; Tepper, 2000), health endangering (Kile, 1990); petty tyrants (Ashforth, 1994); bullies

(Namie and Namie, 2000); derailed (Schackleton, 1995); intolerable (Lombardo and McCall, 1984); psychopaths (Furnham and Taylor, 2004) and harassing (Brodsky, 1976).

The most recent study of Einarsen et al. (2007) report that leader destructive behaviour directed at workplace violates the legitimate interest of organisation and it raises overall dissatisfaction in employees. Destructive leadership style strongly relates to employees' stress, dissatisfaction and intention to quit the organisation. Tepper, Duffy and Shaw (2001) found that conscientiousness and agreeableness personality traits moderate the relationship between abusive supervision at workplace.

Personality psychologists have strong opinion that employees' personality traits have direct link with personal and work-related factors. Smith and Canger, (2004) reported that supervisor traits of agreeableness, emotional stability and extroversion with low level of conscientiousness were found significantly related with subordinate ratings of satisfaction, commitment, and turnover intensions. Jenkins (1993) reported that personality traits help in prediction of employees' satisfaction, commitment, turnover and retention. Jerusalem and Schwarzer (1992); Rosenberg (1965) and Judge et al. (1997) research work focused on broad dispositional traits including self-esteem, self-efficacy, locus of control and emotional stability to measure job satisfaction at workplace. In more recent investigation researchers suggest that four dispositional traits (e.g., agreeableness, emotional stability, extroversion and conscientiousness) are best predictors of overall satisfaction and performance at workplace (Allen et al., 2005; Vinson et al., 2007). The review of literature above cites no single research study done in context of Pakistan. Hence this study intends to address this research gap by proposing:

*Proposition 3: Disrespectful, sadistic and abusive attitude of immediate boss/supervisor is negatively related to the satisfaction, commitment and induces employees to depart.*

After a careful review of literature on the subject, it is observed that largely all studies have been conducted in the culture of Western countries' work settings. Western research scholars ignored implications of their findings in cross-cultural work settings especially developing countries such as Pakistan. Moreover, literature cited above also fails to report any integrated interrelationship of HR practices, culture, attitudes of boss/supervisor and employees' personality dimensions in context of developing countries especially Pakistan. As a consequence of the research gap in the extant literature, the exploratory phase of this study intends to employ in-depth interview method for data collection to dig into deep the social phenomenon.

## 3. RESEARCH METHODOLOGY

### 3.1 Sample and Data Collection Tool

In order to have both points of view of policy-makers and those employees who intend to quit the job, a conscious effort was made to include senior executives, middle level management and first line management within banking and information technology and communications industries. Interview checklist and schedule was prepared beforehand. Data collected through in-depth interviews with thirty top executives to junior managers of from government, private and multinational organisations. Respondents were asked to share their experiences regarding interrelationship among HRM, organisational behaviour and attitude of boss on employees' intention to quit or stay in their own organisations. Additionally, respondents

were also quizzed over their feelings about self-efficacy and self-esteem at workplace. For self-efficacy, questions from (Jerusalem and Schwarzer, 1992) inventory and for self-esteem questions from (Rosenberg, 1965) scale were asked.

## 3.2 Procedure of Data Analysis

In order to minimise any negative impact on the participants the ethical protocols were followed and all necessary documents were signed by the researchers. All the participants gave their informed consent freely without any intimidation, coercion and their confidentiality was guaranteed and respected. Before embarking upon data collection exercise, all respondents were sent emails and/or phone calls were made to seek their consent. The main objectives of data collection were explained to respondents and then appointment was fixed for the conduct of face to face in-depth interview. All interviews were conducted face to face and taped with prior consent of respondents. The length of interviews ranges between 50 to 90 minutes on average at the discretion of respondents. All interviews were transcribed, coded, analysed and main emerging themes were separated for further analysis. Table 1 depicts demographic information of sample interviewees such as age group, gender, experience and levels of management positions in the organisation.

Data analysis process involved coding, categorising and comparing themes to interpret the meaning of social phenomenon (Strauss and Corbin, 1990; Miles and Huberman, 1994). Present study employed 'narrative analysis' method to analyze the data. Narrative analysis looks at self-story and individual experiences of interviewee regarding social phenomenon. This analytical technique helped authors to compare and categorize emerging themes to give meaning to words, context-situation, story and basic actions (Reisman, 1993). Narrative analysis also helped to establish linkages of gap in literature with research question and draw out conclusions.

**Table 1. Demographic detail of sample interviewees**

| Demographic Variables | Specifications | Public n (%) | Private n (%) | MNCs n (%) | Total n (%) |
|---|---|---|---|---|---|
| Age | 25 to 35 years | 4 | 5 | 0 | 9 |
| | 36 to 45 years | 4 | 0 | 4 | 18 |
| | 46 to 60 years[1] | 3 | 5 | 5 | 13 |
| Gender | Male | 6 | 5 | 7 | 18 |
| | Female | 3 | 4 | 5 | 12 |
| Experience | Up to 10 years | 2 | 4 | 3 | 9 |
| | 11 to 20 years | 2 | 2 | 2 | 6 |
| | 21 to 30 years | 6 | 5 | 4 | 15 |
| Position in the organisation[2] | TLM | 4 | 2 | 4 | 10 |
| | MLM | 2 | 5 | 3 | 10 |
| | FLM | 3 | 2 | 5 | 10 |

[1]In Pakistan, formal retirement age for employee is 60 years (Khilji 2003).
[2]Abbreviations: TLM stands for top-level management, MLM for middle-level management, FLM for first-line or supervisory level management.

## 4. RESULTS

During interview each respondent was asked to rate their level of agreement with fairness of HRM practices, satisfaction with organisational culture and attitude of boss. They were given five scale choices, 1 for strongly disagree and 5 for strongly disagree. Respondents were also asked to what extent your agreement or disagreement contributes to your intention to staying or quitting current job and organisation. Table 2 demonstrates respondents' percent of agreement across government/public, private (local) and multinational organisations regarding current state of HRM, culture, attitude of boss and also self-efficacy and self-esteem in Pakistan. Overall picture of HRM and organisational culture in public sector organisation appears to be poor whereas private (local) organisations seem comparatively better improving. On the contrary, respondents in MNCs gave impression of higher agreement on merit-based HRM organisational culture exceptionally good accompanied by friendly and mentoring boss with higher self-esteem.

**Table 2. Respondents' percentage of agreement on current state of HRM, organisational culture across organisational settings**

| Variables | Sub-variables | Public | Private | MNCs |
|---|---|---|---|---|
| | | Agree (%) | Agree (%) | Agree (%) |
| **HRM practices** | | | | |
| | Merit-based | 20 | 70 | 80 |
| | Sifarish (connection) | 80 | 40 | 20 |
| **Organisational culture** | | | | |
| | Respect (mutual) | 10 | 40 | 70 |
| | Empowerment | 30 | 60 | 70 |
| | Trust & trustworthiness | 20 | 40 | 70 |
| | Openness in communication | 10 | 40 | 50 |
| **Attitude of boss** | | | | |
| | Supervision-coercive style | 80 | 70 | 40 |
| | Supervision-friendly style | 20 | 30 | 60 |
| | Mentoring | 20 | 40 | 80 |
| | Harassment | 60 | 40 | 40 |
| | Sadistic | 70 | 50 | 50 |
| **Self-efficacy/ self-esteem** | | | | |
| | Self-efficacy | 40 | 60 | 70 |
| | Self-esteem | 40 | 70 | 80 |

## 4.1 Government Sector Organisations

Eighty percent participants in government organisations agree that HRM practices are sifarish-based (e.g., connection-based) over merit-based which cause immense pressure for employees to quit government organisations. Participants rating over organisational culture variables seem also poor in government organisations. Only ten percent agreed that mutual respect exist whereas 90 percent disagreed. Agreement of interviewees' on empowerment accounts for 30 percent against 70 percent who disagree. Trust and trustworthiness receives similar rating, 80 percent people agreed over nonexistence of trust and trustworthiness in government organisations. Openness of communication appears much worse as 90 percent participants feel communication is not open in government organisations. Interviewees were

also quizzed on the attitude of boss such as managing and supervision style. Eighty percent respondents agreed that they had coercive style of supervising by justifying that people are producing efficient results when they are forced in government organisations. Very disappointing percentage of participants agreed over the existence of mentoring by supervisor (boss), on the contrary 80 percent disagreed.

Participants were also asked whether harassment and sadistic attitudes exist at workplace, surprisingly, 60 and 70 percentage interviewees agreed respectively. Before concluding the in-depth interview with each respondent, interviewers asked about their current feelings on self-efficacy and self-esteem in organisation and how do they cope with different stressful situations. Respondents were also quizzed as in what situation they lose personal competence and confidence. Do they receive any mentoring or help from seniors, colleagues or boss in such situations? Participants in government organisations seemed disappointed and about 60 percent agreed that they do not receive any help 40 percent responded that co-workers and seniors make fun of that situation.

## 4.2 Private Sector Organisations

Participants in private sector organisations were asked about the fairness in HRM practices. Seventy percent respondents agreed that merit-based decisions regarding recruitment, selection, promotion and compensation are made. On factors of organisational culture, mixed feelings were recorded such as mutual respect, 40, percent for empowerment, 60, trust and trustworthiness 40, and openness in communication, 40, respectively. Though, percentages are not fairly encouraging, however, there seems change in environment of private sector than government sector organisations. Respondents' self-efficacy and self-esteem seemed fairly good. About 60 and 70 percent participants respectively agreed that they receive mentoring and help in times of troubles.

## 4.3 Multinational Companies

Percentages of agreement and disagreement from respondents in MNCs are surprisingly different than government and private companies. Eighty percent participants agreed that HRM practices are merit-based. The percentages for organisational culture seemed fairly stable, mutual respect, empowerment and trust and trustworthiness rated at 70 percent and openness in communication was rated at 50 percent which is astonishingly different than the ratings than that of government and private sector organisations. For attitude of boss, the respondents' agreement level is also encouraging in MNCs. Respondents were asked to rate on the style of supervision, 60 percent people agreed that their boss has friendly style against 40 percent who disagreed. The availability of mentoring at workplace was rated highly by the respondents with 80 percent. However, respondents showed 40 and 50 percent agreement on existence of harassment and sadistic attitude of boss. Respondents' self-efficacy and self-esteem working in current circumstances in organisation seemed higher at 70 and 80 percent respectively agreed that they receive mentoring and help in times of troubles therefore their level of self-efficacy and self-esteem never blow apart.

## 5. DISCUSSION

### 5.1 HRM Practices

Core informants from top-level management to junior level management across government, private (local) and multinational organisations were probed at length regarding the fairness and effectiveness of human resources management system in their respective organisation. HRM department in public sector enterprises (PSEs) seemed subservient of provincial or federal government. In words of one senior executive in PSEs, "government organisations mostly do not have independent HRM department rather central/provincial government centralizes all powers of recruitment, selection, training, transfer and promotion to retirement and compensation. We act in accordance to the instructions of government where I cannot see my role more than an agency to implement what is instructed by high ups". HRM functioning is under the hierarchical control of civil-military and landed elite, this finding is consistent to the findings of Islam (2005) and Ismail (1999).

This study reveals that almost 80 percent of respondents in government organisations agreed that connection or sifarish, sycophancy and cronyism play significant role in HRM decisions whereas only 20 percent witnessed merit-based decisions. This finding validates findings of Islam 2005; Khilji 2002; 2003; Khilji and Wang, 2007. Contrary to the government organisations, private (local) organisations, realising the modern trends and goodwill of independent HRM decision making, they have begun adopting it. Sixty five percent of respondents in private (local) organisations agreed that they follow merit-based HRM decision making.

Nevertheless, there seemed limitations attached to independent functioning of HRM in private sector organisations. Whereas, MNCs with the influence of parent company (headquarters) have well-established HRM system and reap the benefits of its greater contribution in decision making. Eighty percent respondents in MNCs agreed for having merit-based HRM decision making. This finding is in line with (Khilji and Wang, 2006) findings. In government sector organisations seniority-based remuneration is practised; less attention is paid to training and development, career development is given less importance, organisational justice and affirmative action policies seem alien concepts in most of government organisations. Whereas as, MNCs to large extent and private organisations to considerable level have merit based recruitment, promotions.

Multinational companies invest in training and development with focus on employees' career growth which attracts potential manpower. New HRM practices like MBO, open-performance appraisals, and need-led trainings programs are key elements of HRM in multinationals. Yet, *sifarish*, connection and sycophancy are prevalent as societal norm in MNCs, however, to large extent merit, organisational justices and affirmative action policies are ensured. Majority of respondents agreed that there exists relationship of fairness of HRM practices with employee satisfaction and commitment which influences employees' decision to stay. Respondents in PSEs rated high intention to quit, respondents in private seemed to have moderate intention to quit and MNCs participants showed low agreement to leave job as a result of fairness of HRM practices. Majority of respondents' agreement supports our proposition number one.

## 5.2 Organisational Culture

Interviewees were quizzed at length about main element of organisational culture such as respect for others, flexibility, mentoring, trust and trustworthiness, delegation and empowerment, fairness, openness in communication, and team work. Interviewers also assured to probe comprehensively the impact of organisational culture on employees' perception and intention to quit or stay in the organisation. Current evidence suggests that very small percent of respondents from government and private (local) organisations agree to witness the existence of environment of mutual respect, trust and mentoring and openness in communication which illustrates poor picture in both public and private sectors.

Study further reveals that respect and higher compensation are based on seniority and authority not on merit in government and private sector organisations which cause employee dissatisfaction and boosts employees' intention to quit. Dissimilar to the public and private sector organisation, the organisational culture appeared much better in MNCs. Over 70 percent respondents in MNCs agreed that they are happy with current state of mutual respect, empowerment, trust and openness in communication. Majority of participants' response is consistent to our proposition. There appeared strong agreement of participants regarding impact of organisational culture on employees' satisfaction and commitment to organisation and virtually influences decision to stay or leave job, this indicates support our second proposition.

## 5.3 Attitude of Boss or Supervisor

Participants were also asked regarding attitude of boss such as nature of supervision, team spirit, mentoring, friendly and familial versus harassing, bullying and abusive behaviour at work and it impact on employee perception. Empirical evidence in table 2 demonstrates that there is strong presence of elitism in senior management across government, private and MNCs. Respondents in government and private sector organisations strongly point out the existence of unfriendly and coercive management style whereas MNCs seem slightly better. This finding is coherent with the finding of (Khilji 2003). Existence of mentoring in government and private organisations seemed at low level as 20 and 40 percent respondents agree respectively.

On the contrary, 80 percent respondents in MNCs agree that they have strong presence of mentoring, support from their boss and senior colleagues. Majority of respondents in government and private sector organisations agreed they experience harassing and sadistic attitudes of boss appear whereas respondents in MNCs also witnessed presence of such attitudes at workplace. In view of one respondent: "boss considers his office as fiefdom and subordinates as subjects". In words of one senior executive in government organisation said "management is truly asset for organisation and employees are the liability on the organisation". Study reveals that junior level management in government sector organisations appeared powerless, obedient and unable to say 'no' to boss which raises younger employees' intention to quit. However, empirical evidence of MNCs suggests better supervisor-subordinate relations, friendly supervision with strong mentoring present. MNCs put main focus on attaining organisational goals in teamwork and also take due care of employees' career development. As a result, employees' turnover ratio in MNCs is lower than government and private organisations.

Participants in in-depth interviews were quizzed about the impact of fairness of HRM practices, organisational culture and attitude of boss on their behaviour at work. Interviewees were also probed as to how individual or collective impact of malfunctioning of HRM, culture and attitude of boss on their personality and how do they react to positive and negative scenarios. Majority of participants in private and MNCs interviewed responded that they quitted previous job not because of money but because of absence of fairness of HRM system and bad behaviour or boss.

Participants in MNCs seemed more meritorious, believing in external locus of control and open to experience. On the contrary, participants in government organisations seemed unaware of self-efficacy, with low self-esteem and maintain strong belief in internal locus of control with high agreeableness. All participants were asked: what if they face unfairness in HRM practices e.g., recruitment, selection, promotions, transfers and compensation plus abusive and sadistic behaviour of boss. In response to this question all participants in MNCs appeared to have high difference with respondents of private and government organisations. All participants of MNCs would leave job, boss and organisation in response to negative attitude of boss and unfair HRM functioning, whereas participants in government sector organisations responded that such situation will be 'will of God' and participants in private sector organisations appeared with mixed response saying that depends on gravity of 'circumstances'. Decision to leave or to stay in organisation will be linked to the 'opportunities' available in the market. Precisely, almost all interviewees agreed that attitude of boss is directly proportional to employees' satisfaction and commitment and has direct linkage with employees' quitting or staying decision thus proposition number three is also supported.

## 6. LIMITATIONS OF THE STUDY

This is an exploratory phase of research which bears a number of limitations in terms of qualitative data, analysis and conclusions drawn. Data collected through in-depth interviews from government, private and multinational organisations, population included from senior executives to junior managers. Limitations of this study require academic community to contribute to a rigorous quantitative research on large scale at cross-section and cross-industry to examine employees' turnover phenomenon in Pakistan. This research, however, attempted to further continue fresh dialogue of Khilji and Wang (2007) in academic and professional settings regarding importance of management practice in Pakistan. In particular, Pakistan-focused research will allow researchers to extend and revise existing knowledge through the consideration of new contextual variables. Fine-tuning existing theories will allow researchers to develop new theories and constructs which will be generalizable at national level. This is an exploratory study and no substantive conclusions have been made as a result more rigorous and quantitative study with sophisticated application of SEM/AMOS/Smart PLS is required to test the hypothetical relationships in the conceptual framework.

## 7. CONCLUSIONS

This exploratory phase of research attempted to dig into deep the very causes and consequences of employee turnover and retention in Pakistani banking and IT sector of government, private (local) and MNCs. This research aimed to examine interrelationship among organisational factors which are internal and controllable such as HRM functioning, organisational culture and attitude of boss. Empirical evidence (e.g., qualitative-in-depth

interviews) gathered from top level management to first line or supervisory level management revealed that there exists an interrelationship among the factors stated above. Moreover, empirical evidence also suggests that interrelationship influence employees' intent to stay in or quit the job. Although, this has been exploratory phase of the study with limited sample size, nevertheless, contribution of the study underscores the importance of fairness of HRM functioning and positive attitude of boss help prevent flight of competitive workforce across the organisations.

This study finds out employees in government and private sectors organisations experience organisational culture with low level of self-efficacy and self-esteem with no or very limited mentoring. This study identified elements of *sifarish* e.g. guanxi or connection, sycophancy, favouritism and cronyism prevail in the practice of HRM practice in government and private sector organisations. They also experience discouraging internal factors such as HRM practices and organisational culture with limited mentoring and career growth. Whereas, MNCs under the influence of parent company (headquarter) appear to have much better HRM functioning, organisational culture and attitude of boss. Empirical evidence gathered from MNCs also suggests that HRM decisions are merit-based as result all employees are confident about the merit and justice would prevail. As a result, employees of MNCs display more satisfaction and commitment to their organisation with low level of intention to quit.

The findings of current research suggest varying organisational culture, HRM practice, attitudes of boss across business organisation in the country. In light of the findings of this research there are a number of implications for both decision makers in government and private companies and managers. Mainly, they could seek guidance from success stories of MNCs with reference to the fairness of HRM practice, organisational culture and attitude of boss for better performance and reducing employee turnover. Policy makers and managers in government and private companies need to promote environment of mutual respect, mentoring and employee empowerment which could enhance employee morale, commitment and satisfaction which virtually link employees' decision to stay in the organisation.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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