THE INFLUENCE OF WORK STRESS ON TURNOVER INTENTION: EMPLOYEE PERFORMANCE AS MEDIATOR IN CASUAL-DINING RESTAURANT

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Abstract: The purpose of this study was to examine the effect of work stress on employee performance, the effect of employee performance on turnover intentions, work stress on turnover intentions, and examine the indirect effect of work stress on turnover intentions through employee performance as mediation. This research was conducted on employees of casual-dining restaurants in the city of Malang, East Java. The analysis model uses Partial Least Square. The results showed that work stress has a significant negative effect on employee performance, employee performance has a significant negative effect on turnover intention, work stress has no significant effect on turnover intention. The indirect effect of proven work stress has a significant effect on turnover intention through employee performance as mediation. For the development of science, the results of this study can be the next research reference material related to work stress, employee performance, and turnover intention.

Keywords: Work stress, Employee performance, Turnover intention.


The development of information technology makes it easier for organizations to carry out human resource management practices effectively and efficiently (Muliawaty, 2019). Although the development of the internet and technology is increasingly advanced, there are some characteristics of the organization, especially in the field of services that require human touch in the provision of services (Zeithaml, et. Al., 2018). In such a disturbing era, organizations are increasingly aware of the importance of the role of human resources. Some human resource practices view employees as highly valued assets and contribute to the creation of an organization’s competitive advantage (Caldwell, et. Al., 2011).

Companies need to improve employee performance to achieve organizational goals because competitive human resources in the company will contribute greatly to the success of a company in achieving organizational performance. Performance is the result of work done by an employee in the company, which is carried out with responsibilities and meets certain requirements, Bangun (2012).

With the increasing intensity of global competition and the era of disruption, companies and man-
Managers in the service industry are in a stressful or stressed position. Managers are required to be able to make decisions quickly, precisely, and better (Kasmawati, 2018).

Sinambela (2016) explains that stress can have positive and negative impacts on employees. Stress is said to be positive if it triggers employees to improve their business to obtain maximum results. While said negative if stress causes a decrease in performance on employees. Work stress variables can affect performance. Robbins and Judge (2011) explain that work stress at low to moderate levels stimulates good performance, but if too much work stress can lead to a decrease in performance.

Previous studies explained that there was a negative relationship between performance and turnover intention (Cheng-Lai & Chun Chen, 2012; Zimmerman & Darnold, 2009). When employees have positive experiences in an organization, they are more willing to stay with the organization. On the other hand, when employees have negative experiences in an organization, they tend not to want to stay in the organization or have the desire to leave (Hui, et. Al., 2007).

Turnover intention influences a variety of work activities within the company and affects the overall performance of employees. Turnover intention also results in the company becoming ineffective because it can lose potential and qualified employees. The high percentage of turnover intention causes companies to suffer huge losses caused by increased costs of human resource management (Jeffrey and Agus, 2019). Job stress affects performance and turnover intention, the higher the work stress, the more it will increase turnover intention (Fernando, et. al., 2006).

High work stress is one of which is in the food and beverage industry. Hurst (2018) states that servants have a higher level of work stress than someone who works in the service sector that provides health services. Working in the kitchen can also create work stress, which will lead to turnover intention (Tongchaiprasit & Ariyabuddhiphongs, 2016).

Casual Dining Restaurant is a dining place that provides dining services in a relaxed atmosphere where the food offered is at a moderate price level (Ponnam & Balaji, 2014). Many demands on employees who are very complex in an organization can cause work stress on employees. Stress can affect performance. And if the stress is very high it can affect someone’s intention to get out of his workplace. Turnover intention is an awareness of the employee or thoughts about his desire to leave the company (Akgunduz & Eryilmaz, 2018).

The purpose of this study was to determine the effect of work stress on employee performance, then to find out the effect of employee performance on turnover intention, the effect of work stress on turnover intention and the effect of work stress on turnover intention through employee performance.

Job Stress and Performance

Elçi et al. (2012) define stress in general as the disproportion between the perceived environmental demands of employees and their perceived capacity to suffice these demands. Job related stress includes change, role clarity, violent relationships, peer support, managerial support, job control, and job demands. Job stress refers to a circumstance where work-related factors disrupt or enhance employees’ psychological and physiological state, in which it prevents employees to perform well (Beehr & Newman, 1978; Tongchaiprasit & Ariyabuddhiphongs, 2016). Rahman et al. (2015) explicated the work-related factors which caused stress as stressors and classified them into four different categories that are, extra organizational stressors, organizational level, group level, and Individual level (Ivancevich, et al., 2013; Kreitner & Kinicki, 2012).

A study conducted by Siu (2003) suggests that stressors affect job performance negatively. When employees possess a high demand for themselves, they are more inclined to give their job performance a lower rating. Following this premise, Jamal (2011) has conducted a study on a North American based multinational corporation in Pakistan and Malaysia employees and found that work overload and job stress, conflict, ambiguity, and insufficient resources as the job stressors supported a negative linear re-
The Influence Of Work Stress On Turnover Intention: Employee Performance As Mediator

Relationship to job performance in both countries. Wu (2011) similarly found that work stress was negatively related to job performance, and these results were consistent with the results obtained by the majority of previous researchers. Moreover, to test the relation between Job Stress and Performance in the Indonesian context, this study formulates a hypothesis as follows.

H1: Job Stress is related negatively to performance

Performance and Turnover Intention

Job performance as the expected level of distinct behaviors that an employee carries out in a particular time or period (Arshadi and Damiri, 2013). Further demonstrated by Li et al. (2019) in a study that linked sales performance and turnover intention. Sales performance is negatively related to turnover intentions. That means when employees cannot meet the expected level of performance, they are likely to have the propensity to leave the organization. Previous studies defined turnover intention as the desire wishes, tendencies, or willingness to withdraw from the current employing organization (Liu & Onwuegbuzie, 2012; Vui-Yee and Yen-Hwa, 2019).

In a similar study carried out by Zeffane & Bani Melhem (2017) indicates that performance was the strongest predictor for Turnover Intentions in the UAE public sector, employees’ discernment of low organizational performance is prone to affect their intention to leave. This premise also supported by Yi, et al. (2011) in a study that Citizenship behavior has a direct positive effect on employee performance and commitment resulting in the decrease of turnover intention. In that regard, this study intends to examine whether or not performance is related negatively to turnover intention.

H2: Performance relates negatively to Turnover Intention

Job Stress and Turnover Intention

The frequency of thoughts and the strength of inclination to withdraw from the current job would come to mind when employees perceive that the organization unable to fulfill their expectations (Tongchaiprasit & Ariyabuddhiphongs, 2016; Zeffane & Bani Melhem, 2017). For example, employees with low involvement within the organization may lose the sense of reciprocity intentions (Mai et al., 2016).

The main reason to focus on turnover intention rather than actual turnover is because the intention to withdraw has been reported as a reliable indicator of actual turnover and many interceding factors may responsible for the development of actual withdrawal (Van et al., 2018). Thus, what offers more significant implications for the organizations is the intention factor (Mai et al., 2016).

Associating turnover intention to job stress, studies suggest that job stress is the preceding factor to provoke turnover intention with and without the role of mediating variable (Chung, Jung, & Sohn, 2017; Elçi et al., 2012; Tongchaiprasit & Ariyabuddhiphongs, 2016). Arshadi & Damiri’s (2013) verdicts indicate that there are significant relationships between job stress, job performance, and turnover intention. Specifically, job stress is related negatively to job performance, and job stress is related positively to turnover intention. Accordingly, this study will examine two relations between the three variables.

H3: Job Stress relates positively to Turnover Intention

H4: Performance mediates the relationship between job stress and turnover intention.

METHOD

This type of research uses explanatory research, with quantitative approaches. The population in this research is casual dining restaurant employees, in Malang, East Java. This study is a population study because all subjects were taken as a sample / saturated sampling, totaling 60 people. Primary data types, data collection methods using questionnaires. The analytical method used is Partial Least Square using WarpPLS 6.0, to test several hypotheses, the use of Partial Least Square (PLS) is very suitable for making predictions and building theories, analyzing small samples, and testing the feasibility of the overall model (overall model fit).
RESULTS

Measurement Model

The measurement model was used to test the construct validity and reliability of the instrument.

Reliability Testing

Reliability testing was conducted to ensure that the research instruments used can provide consistent measurement without any bias. It is said to be consistent if several measurements of the same subject provide the same result. Reliability is indicated by a factor loading value > 0.6 and composite reliability values above 0.7. The results of reliability testing in this study indicate that the loading factor value of X1.2, X1.4, X2.1, and X3.1 is less than 0.6, so it is not reliable. Meanwhile, the reliability testing on other items shows good results as shown in Table 1 below.

<table>
<thead>
<tr>
<th>Construct and Item</th>
<th>AVE</th>
<th>Loading Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORK STRESS (X)</td>
<td>0.562</td>
<td>0.927</td>
</tr>
<tr>
<td>Extra-Organizational Stressor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I cannot meet the demands of an increasingly modern lifestyle</td>
<td>0.683</td>
<td></td>
</tr>
<tr>
<td>My cost of living is higher than my income</td>
<td>0.657</td>
<td></td>
</tr>
<tr>
<td>Organizational Stressor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is no medium or facility in the organization where I can speak up</td>
<td>0.874</td>
<td></td>
</tr>
<tr>
<td>my complaints</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The rewards I get is not comparable with my achievement</td>
<td>0.847</td>
<td></td>
</tr>
<tr>
<td>I don’t understand my job description</td>
<td>0.862</td>
<td></td>
</tr>
<tr>
<td>The cooperation between employees is decreasing</td>
<td>0.667</td>
<td></td>
</tr>
<tr>
<td>Group Stressor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have a conflict with my partners</td>
<td>0.673</td>
<td></td>
</tr>
<tr>
<td>Individual Stressor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I get anxious towards various condition easily</td>
<td>0.725</td>
<td></td>
</tr>
<tr>
<td>I cannot control myself well</td>
<td>0.715</td>
<td></td>
</tr>
<tr>
<td>I am vulnerable to work stress</td>
<td>0.752</td>
<td></td>
</tr>
<tr>
<td>TURNOVER INTENTION (Z)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I often think of resigning from my organization</td>
<td>0.959</td>
<td></td>
</tr>
<tr>
<td>I will find a new job next year</td>
<td>0.991</td>
<td></td>
</tr>
<tr>
<td>I will actively find a new job next year</td>
<td>0.991</td>
<td></td>
</tr>
<tr>
<td>PERFORMANCE (Y)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do my job according to the deadline set by the company</td>
<td>0.956</td>
<td></td>
</tr>
<tr>
<td>My performance is in accordance with the quality standard of the company</td>
<td>0.953</td>
<td></td>
</tr>
<tr>
<td>I understand all products sold in the casual dining restaurant I work in.</td>
<td>0.900</td>
<td></td>
</tr>
<tr>
<td>I can cooperate with all employees and team in an organization or company</td>
<td>0.889</td>
<td></td>
</tr>
</tbody>
</table>

Validity Testing

Validity testing was conducted to show that the question instruments measure what should be measured. There are two types of validity, namely convergent validity, and discriminant validity. Validity testing shows the suitability of each indicator with
the theories used to define a construct. Convergent validity was evaluated using loading factor criteria > 0.50 and the average variance extracted (AVE) > 0.50. The loading factor value and AVE in this study have good convergent validity, which can be seen in Table 1 above. The discriminant validity has a principle that the measures on the same construct should be highly correlated. The parameter was measured by comparing the square root of AVE of a construct, which should be higher than the correlation between variables. The results of discriminant validity testing are shown in Table 2 below:

Table 2  Square Root of AVE

<table>
<thead>
<tr>
<th></th>
<th>Work Stress</th>
<th>Turnover Intention</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Stress</td>
<td>(0.750)</td>
<td>0.708</td>
<td>-0.787</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>0.708</td>
<td>(0.980)</td>
<td>-0.840</td>
</tr>
<tr>
<td>Performance</td>
<td>-0.787</td>
<td>-0.840</td>
<td>(0.925)</td>
</tr>
</tbody>
</table>

Source: Processed data, 2020

Structural Model

The purposes of the structural model are to assess the goodness of fit model and predict the relationship between the latent variable.

Hypothesis Testing

Path Analysis

The confidence level used in this study was 5%. The hypothesis will be accepted if the value of p < 0.05. The results of the path analysis in this study can be seen in Figure 1 below.

Figure 1  Path Analysis

\[
\begin{align*}
\beta &= -0.80 \\
(P &< 0.01) \\
R^2 &= 0.64
\end{align*}
\]

\[
\begin{align*}
\beta &= -0.77 \\
(P &< 0.01) \\
R^2 &= 0.74
\end{align*}
\]

Mediation Effect Testing

The effect of mediation was found by calculating VAF. If the VAF value is above 80%, it indicates full mediation. If the VAF is 20-80%, it can be categorized as a partial mediation. If VAF values are less than 20%, it can be concluded that there is barely a mediating effect.
VAF = \frac{\text{indirect effect}}{\text{Total effect (direct effect + indirect effect)}}

VAF = \frac{0.619}{0.725} = 85\%

The result above indicates full mediation or relationship between work stress and turnover intention mediated by performance.

**Research Model Test**

A good research model must describe the suitability of the relationship between variables in the study. The calculation results obtained using WarpPLS 6.0 indicate the criteria used to assess whether the model is appropriate or not. The results of model suitability of the model are:

- R Square or Adjusted R² < 0.70 (strong), < 0.45 (moderate) and < 0.25 (weak). Adjusted R Square of turnover amounted to 0.736, and Adjusted R Square for performance amounted to 0.629; therefore, it is categorized to a strong model.
- Q² predictive relevance > 0.02, > 0.15 and > 0.35 (weak, moderate, strong). Q² for turnover amounted to 0.745, and Q² for performance amounted to 0.636; therefore, it is categorized to a strong model.
- Effect size > 0.02 (small) > 0.15 (medium) and > 0.35 (large)
- APC, ARS, AARS P-value < 0.05 AVIF and AFVIF < 3 but < 5 acceptable
- APC = 0.560, P<0.001
- ARS = 0.690, P<0.001
- AVIF = 2.706 (good)
- AFVIF = 3.55 (acceptable).

Tenenhaus GoF > 0.10 (small) > 0.25 (medium) and > 0.36 (large)
The result of Tenenhaus GoF in this research is 0.740, which shows that the model is highly suitable.

Ideal SPR is 1; however, SPR > 0.7 is still acceptable. SPR value of this research is 1.00; therefore, it’s ideal.

Ideal RSCR is 1; however, RSCR > 0.7 is still acceptable. The RSCR value of this research is 1.00. SSR should be more than 0.7. SSR value of this research is 1.00.

These show that overall, this model is good and appropriate.

**Results of Hypothesis Testing**

Hypothesis testing are presented in Table 4 below:

<table>
<thead>
<tr>
<th>Inter-variable Effect</th>
<th>Path Coefficient (β)</th>
<th>p-value</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>Work stress → Performance</td>
<td>-0.797</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>Performance → Turnover intention</td>
<td>-0.776</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>Work stress → turnover intention</td>
<td>0.106</td>
<td>0.199</td>
</tr>
<tr>
<td>Hypothesis 4</td>
<td>Work stress → Performance → Turnover intention</td>
<td>0.619</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

Source: Processed data, 2020
DISCUSSION

Work Stress and Performance

The calculation results show that work stress has a negative and significant effect on performance; it indicates that the higher the work stress experienced by the employee, the lower their performance, and vice versa. The results are in line with research by Beehr & Newman (1978) and Tongchaiprasit & Ariyabuddhiphongs (2016) that work stress refers to circumstances in which work-related factors will interfere or improve the psychological and physiological conditions of employees, which then will prevent employees from performing well. A study conducted by Siu (2003) showed that stressors negatively affect employee performance. Jamal (2011) has researched a multinational company based in North America located in Malaysia and Pakistan. He found that work stress, work overload, conflict, ambiguity, and insufficient resources due to work stressors have a negative linear relationship with employee performance in both countries. Wu (2011) has also found that work stress is negatively related to performance. In addition, to examine the relationship between work stress and performance in Indonesia, this study formulates a hypothesis that work stress is negatively related to employee performance.

Performance and Turnover Intention

Based on the test results, performance has a negative and significant effect on turnover intention, the higher the performance, the lower the turnover intention, and the lower the performance, the higher the turnover intention. A study which was conducted by Arshadi & Damiri (2013) shows performance as a result of work done by employees within a certain time or period. The finding of a study conducted by Li et al (2019) associated sales performance and turnover intentions. The results show that sales performance is negatively related to turnover intentions; meaning that when employees cannot meet the expected level of performance, they tend to leave the organization.

The previous studies conducted by Liu & Onwuegbuzie, 2012; Vui-Yee and Yen-Hwa, 2019 defined turnover intention as one’s desire and tendency to quit from the organizations that currently employ him.

Studies conducted by Zeffane & Bani Melhem, 2017; Yi, et al., 2011 indicate performance as the strongest predictor of turnover intentions in the public sector. If employees know that their organizational performance is low, it tends to influence them to quit their jobs.

Work Stress and Turnover Intention

Based on the results, work stress has no significant effect on turnover intention; it means that the level of work stress does not affect turnover intention. The relationship between work stress and turnover intention shows that work stress is a factor influencing turnover intention, with and without the role of mediating variables (Chung, Jung, & Sohn, 2017; Elçi et al., 2012; Tongchaiprasit & Ariyabuddhiphongs, 2016).

Work Stress and Turnover Intention Mediated by Performance

The results of the mediation effect test show that there is full mediation, and the relationship from work stress to turnover intention is mediated by performance. The findings of a study conducted by Arshadi & Damiri (2013) show that there is a significant relationship between work stress, performance, and turnover intention. Specifically, work stress has a negative effect on job performance, and work stress has a positive effect on turnover intention. Therefore, this study has tested two relationships between the three variables used.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Work stress has a negative and significant effect, on performance; it means that the higher the work stress experienced by employees, the lower their performance, and the lower the employee work stress, the higher their performance. Performance has a negative and significant effect on turnover intention; meaning that the higher the performance,
the lower the turnover intention, the lower performance, the higher the turnover intention. Work stress has no significant effect on turnover intention; it means that the level of work stress does not affect the level of turnover intention.

Work stress has a negative and significant effect on performance, while performance has a negative and significant effect on turnover intention. Work stress has no significant effect on turnover intention. There is full mediation between work stress and turnover intention, which is mediated by employee performance.

Recommendation

Based on the results of the research conducted in casual dining restaurants, the effect of work stress on turnover intention through performance is to provide a clear job description on organizational structure, task management, and authority. The company should add more employees during overload, and evaluate every action to improve employee performance to minimize turnover intention. To reduce turnover intention, the company is expected to be more sensitive to the factors of employee internal motivation. Turnover intention is not a problem if a company can meet the needs of its employees. For the development of science, the results of this study can be the reference for the next studies related to work stress, employee performance, and turnover intention.

REFERENCES


Jamal, M. 2011. Job Stress, Job Performance and Organizational Commitment in a Multinational Com-
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