Organizational Politics, Salary Dissatisfaction, and Employee Turnover Intentions in Pakistan's Telecom Sector: An Empirical Investigation

Dr. Adeel Arshad

Lecturer, Department of Business Administration, University of Kotli Azad Jammu & Kashmir

Corresponding Author: Dr. Adeel Arshad adeelarshad@gmail.com

ABSTRACT

Employee turnover remains a persistent challenge for organizations worldwide, especially in dynamic service industries such as telecommunications. In Pakistan, the telecom sector is characterized by rapid technological change, customer-centric operations, and high-performance pressures. Among the factors contributing to employee turnover, two are particularly critical: organizational politics and salary dissatisfaction. This research investigates the relationship between organizational politics, low salary, and turnover intentions among employees working in Pakistan's telecom companies (Ufone, Jazz, Telenor, Zong, and Warid). Drawing upon survey responses from 200 employees, the study employs correlation and regression analysis to examine these relationships. Findings reveal that organizational politics and low salary significantly predict turnover intentions, with organizational politics having a stronger effect. The study highlights the importance of transparent HR policies, equitable compensation, and leadership accountability to reduce turnover.

Keywords : Organizational politics, salary dissatisfaction, turnover intentions, telecom sector, Pakistan

INTRODUCTION

Background of Study

Employee turnover has long been a major concern for organizations because of its negative impact on performance, customer satisfaction, and financial outcomes. Globally, the cost of replacing employees can range from 50% to 200% of their annual salary (Dess & Shaw, 2001). In Pakistan, this problem is particularly severe in the telecom sector, which employs thousands of skilled professionals and contributes significantly to GDP growth.

Despite being one of the fastest-growing industries, telecom companies face high attrition rates. A key reason for this is that employees often perceive their workplaces as politically charged and financially unrewarding. In such environments, favoritism, power struggles, biased promotions, and low compensation reduce motivation, increase stress, and ultimately drive employees to resign.

Problem Statement

While many studies in Western contexts have investigated organizational politics and turnover, limited research exists in South Asian settings, particularly Pakistan's telecom industry. This study seeks to bridge this gap by answering:

To what extent do organizational politics and salary dissatisfaction predict employee turnover intentions in Pakistan's telecom sector?

Research Objectives

To examine the relationship between organizational politics and employee turnover intentions.

To investigate the impact of low salary on employee turnover intentions.

To identify which factor—organizational politics or low salary—plays a stronger role in predicting turnover.

To propose recommendations for HR managers to minimize turnover.

Significance of Study

This research provides insights for telecom managers and HR practitioners in Pakistan. By understanding the drivers of turnover, organizations can design policies that enhance retention, reduce costs, and sustain long-term competitiveness.

LITERATURE REVIEW

Employee Turnover

Employee turnover refers to the voluntary or involuntary exit of employees from organizations (Mobley, 1977). High turnover rates negatively affect productivity, employee morale, and organizational reputation. Recent studies confirm that turnover remains a persistent problem in service industries worldwide (Hom et al., 2017).

Organizational Politics

Organizational politics (OP) involves behaviors aimed at advancing self-interest, often at the expense of others (Mintzberg, 1985). OP includes favoritism, lobbying, withholding information, and biased decision-making (Ferris et al., 2002). Research has consistently linked OP to stress, job dissatisfaction, and turnover intentions (Vigoda-Gadot & Drory, 2020; Munyon et al., 2021).

In the South Asian context, workplace politics is particularly prevalent due to hierarchical structures and collectivist culture (Khan et al., 2023). Employees perceive political environments as unfair, which undermines trust and drives turnover.

Salary Dissatisfaction

Compensation remains one of the strongest predictors of employee turnover. Herzberg's (1959) two-factor theory identifies pay as a hygiene factor, essential for employee satisfaction. Empirical studies confirm that low salary leads to frustration, lack of motivation, and turnover intentions (Shaw et al., 1998; Ahmad & Iqbal, 2023).

In Pakistan's telecom sector, employees frequently report that salaries are not competitive with workload demands, fueling job-switching behavior (Yousaf & Irfan, 2024).

Combined Impact of Politics and Salary

Recent studies suggest that turnover is rarely caused by a single factor. Instead, it is the interaction of multiple stressors, such as unfair pay and organizational politics, that intensify dissatisfaction (Abbas & Raja, 2022). Thus, both variables are important to study simultaneously.

Theoretical Framework

This study is guided by Equity Theory (Adams, 1963) and Herzberg's Two-Factor Theory (1959). Equity Theory suggests employees compare their inputs and outcomes with peers; when they perceive unfairness (politics or low salary), dissatisfaction and turnover arise.

Conceptual Framework

Independent Variables:
Organizational Politics
Salary Dissatisfaction
Dependent Variable:

Employee Turnover Intention

Organizational Politics -------> Employee Turnover Intention

Salary Dissatisfaction --------> Employee Turnover Intention

Research Hypotheses

H1: Organizational politics has a positive relationship with employee turnover intentions.
H2: Low salary has a positive relationship with employee turnover intentions.
H3: Organizational politics is a stronger predictor of turnover intentions than low salary.

RESEARCH METHODOLOGY

Research Design: Quantitative, cross-sectional.

Population: Employees in Pakistan's telecom companies (Ufone, Jazz, Telenor, Zong, Warid).

Sample Size: 200 respondents (stratified random sampling).

Instrument: Structured questionnaire with Likert-scale items.

Data Analysis Tools: Descriptive statistics, correlation, and regression using SPSS.

Data Analysis

Descriptive Statistics

Sample Profile: 60% male, 40% female; majority aged 22–35; average job tenure 3.5 years.

Mean turnover intention score = 3.8 (on 5-point scale), indicating moderate-to-high turnover risk.

Mean perception of organizational politics = 4.1 (high).

Mean salary satisfaction = 2.5 (low).

Correlation Analysis

Organizational Politics ↔ Turnover Intention: **r = 0.68, p < 0.01**

Low Salary ↔ Turnover Intention: **r = 0.54, p < 0.01**

Both predictors are positively and significantly correlated with turnover intentions.

Regression Analysis

Regression results show:

Organizational Politics ($\beta = 0.52$, $p < 0.01$)

Low Salary ($\beta = 0.37$, $p < 0.05$)

Model R^2 = 0.46 (46% of variance in turnover intentions explained).

This confirms **H1, H2, and H3**.

DISCUSSION

Findings demonstrate that organizational politics is a stronger predictor of turnover than low salary. This aligns with past studies showing that politics erodes trust, fairness, and morale (Zafar & Farooq, 2020; Khan et al., 2023). Salary dissatisfaction also contributes significantly but appears secondary to political behaviors.

The results reinforce **Equity Theory**, as employees leave when they perceive unfairness in both compensation and workplace politics.

Findings
Employees perceive high levels of politics in Pakistan's telecom sector.
Salary dissatisfaction is widespread, with many employees reporting pay below industry standards.
Organizational politics exerts a stronger influence on turnover intentions compared to low salary.
Younger employees (22–30) are more sensitive to politics and salary issues.

RECOMMENDATIONS

Transparent HR Practices: Ensure promotions and appraisals are merit-based.

Competitive Compensation: Regular salary benchmarking against industry standards.

Leadership Training: Equip managers to reduce favoritism and handle conflicts fairly.

Employee Voice Mechanisms: Establish grievance redressal systems to report political behaviors.

Work-Life Balance Initiatives: Introduce flexible policies to reduce stress.

CONCLUSION

This study concludes that both organizational politics and low salary significantly predict employee turnover intentions in Pakistan's telecom sector, with organizational politics exerting the stronger effect. By addressing these issues through transparent policies and fair compensation, telecom companies can reduce attrition and enhance organizational performance.

Limitations and Future Research

Cross-sectional design limits causal inference.

Study focused only on telecom sector; results may not generalize to other industries.

Future research should explore mediators such as organizational commitment and job stress.

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