

THE IMPACT OF PAY TRANSPARENCY ON TURNOVER INTENTION. THE MEDIATING ROLE OF PERCEIVED ORGANIZATIONAL TRUST: A STUDY OF TOP AND MIDDLE LEVEL EMPLOYEES IN SELECTED GLOVE MANUFACTURING ORGANIZATION IN COLOMBO DISTRICT, SRI LANKA

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Building a transparent organizational culture is critical to an organization's success in a rapidly changing business environment. Building such a culture within an organization is a challenge for organizations. Therefore, it is important to consider how organizations can increase organizational transparency with existing employees. Implementing Pay transparency is considered as a one of the significant aspects in modern business context in order to build a transparent culture within the organization. Moreover, given the current situation in Sri Lanka, employee turnover has become a major concern for organizations in the business community. Therefore, the primary aim of this study was to examine the impact of pay transparency on turnover intention with the mediating role of perceived organizational trust. The study population consisted of top and middle level employees working for a specific Glove manufacturing company in the Colombo district of Sri Lanka. The population consisted of 135 top and middle level employees and the sample consisted of 100 respondents from those selected for the sample based on a stratified random sampling method. Additionally, data for the study were collected using a self-administered questionnaire. Statistical Package for Social Science (SPSS), version 23.0 was used as a tool for data analysis and both descriptive and inferential statistics, namely correlation and regression were used to analyze data. Regression analysis results showed a significant impact of pay transparency on turnover intention of top and middle level employees. Consistently, the study found that perceived organizational trust mediates this relationship. Moreover, it can be recommended that future research can be conducted in the same field as the quantitative research and replicate the research in different industry and cross-cultural contexts. In addition, future research can examine new and innovative practices that ensure transparent pay practices and reducing turnover intention among employees.

Keywords: Pay Transparency, Perceived Organizational Trust, Turnover Intention

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