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The Influence of Job demand On Burnout with Job Resource and Personal Resource as moderator: Study on PT Kusumaputra Santosa Karanganyar

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ABSTRACT

The aim of this research was to analyse the effect of job demand on burnout and to analyse the moderators (job resource and personal resource) effect on the relationship between job demand and burnout. This research used quantitative research method with 232 peoples sample respondents. Data analysis techniques were using multiple linear regression and MRA (Moderating Regression Analysis) to determine the effect of moderators. The results of this research are follows: 1) Job demand has a significant positive effect on burnout, and tested on every Job demand dimensions (Qualitative demand, quantitative demand, and organizational demand) positively affects burnout significantly. 2) Job resources become moderation predictor of job demand on burnout. Meanwhile, when tested on every dimension of job demand (Qualitative demand, quantitative demand, organizational demand), then can be concluded Job resource becomes *moderation quasi* in qualitative demand on burnout, and job resource becomes moderation predictor in quantitative demand on burnout, job resource becomes moderation predictor in organizational demand on burnout. 3) Personal resources become moderation

predictor between job demand on burnout. Meanwhile, when tested on every dimension of job demand (Qualitative demand, quantitative demand, organizational demand), then showed Personal Resource becomes *moderation quasi* on qualitative demand on burnout, and Personal resource becomes moderation predictor in quantitative demand on burnout, Personal resource becomes moderation predictor in organizational demand on burnout.

INTRODUCTION

Bakker and Demerouti (2014) research used job resource and personal resource as a moderator between job demands on exhaustion. In this case, job resource and personal resource weaken the effect of job demand on the exhaustion. Bakker et al (2003) placed job demand as a predictor of burnout. In that research, job demand has positive effect on burnout. Xanthopoulou et al (2007) modified the effect of job demand on burnout dimensions (exhaustion and cynicsm) with job resource moderators. From the results of the research, found that job resource can reduce job demand effect on cynicsm but less successfully reduce job demand effects on exhaustion. Bakker and Demerouti (2014), Bakker et al (2003), and Xanthopoulou et al (2007) researches were used as references in this research. The researcher modified Bakker and Demerouti (2014) research variables by replacing exhaustion to burnout. Based on Bakker et al (2003) research exhaustion is one of burnout dimensions, so this research novelty was to examine job demand effect on burnout with job resource and personal resource moderators. Modifications from previous research models were conducted to assess which factor could reduce the burnout. Research on job demand was conducted at PT. Kusumaputra Santosa which produces cotton into yarn. The production machine always run almost 24 hours everyday, so that PT. Kusumaputra Santosa work system is divided into 3 shifts: morning, day and night shift. With those working hours, it is suspected there was high burnout rate on PT. Kusumaputra Santosa employees especially who undergo the night shift. This research would determine whether job demand affect burnout and whether job resource and personal resource can be a moderator of job demand effect on burnout.

1.1. Job Demand

According to Gibson et al (2003), job demand is defined as excessive work. Excessive work may consist of two distinct types: quantitative and qualitative. Having too much to do or not enough time to complete a job is a quantitative overload. Qualitative overload, on the other hand, occurs when individuals feel they do not have the needed skills to complete their work or that the required standard performance is too high.

1.2. Burnout

Burnout is defined as exhaustion syndrome, cynicism towards work and reduced professionalism amongst individuals at their work environment (Maslach et al., 1997). Some countries utilize burnout as a medical diagnosis, whereas in other countries

it is a non-medical, socially accepted as a label that carries a minimum stigma in psychiatric diagnosis (Schaufeli et al, 2009).

1.3. Job Resources

Job resources refer to the physical, psychological, social or organizational work aspects might be: functional in achieving work-related purpose; reducing workload and related physiology and psychological costs; and stimulate personal growth and development (Demerouti et al, 2001).

1.4. Personal Resource

Personal resource is a positive self-evaluation for resilience aspect and refers to the individual's ability to control and makes positive effect on their work environment, Hobfoll et al in (Xanthopolou et al, 2007). The JD-R theory recognizes the importance of people. Organizations might decide to invest in training their employees. It is aimed to make the employees to be more able to deal with job demand and to develop themselves while working. Organizations should do interventions aimed at enhancing individual personal resources. Individual employees training can fetch a form of enterprise-training, while individual intervention can take benefit of one's strength (Bakker and Demerouti, 2014).

1.5. The present study

This study will be examined how Job demand to be predictor of Burnout. In this case, Job resources and personal resources are included as moderating variables to strengthen or weaken the relationship between job demand on burnout. Age and gender as control variables in this study. Bakker et al (2003) placed job demand as a burnout predictor. This is in line with Schaufeli's research (2015) where high job demand (qualitative job demand, quantitative demand and organizational demand) will result high burnout. In Schaufeli's (2002) research, Burnout was assessed with modified versions of MBI including: exhaustion, cynicsm and reduced professional efficacy. This reasoning leads to:

Hypothesis 1 : Job demand positively affects burnout
Hypothesis 1a : Qualitative Job demand positively affects burnout
Hypothesis 1b : Quantitative demand positively affects burnout
Hypothesis 1c : Organizational demand positively affects the burnout

In the Xanthopoulou et al (2007) research, all indicators of job resource and personal resources were positively related to each other, to a considerable extent. Employees who have high job resources will have more positive beliefs about themselves and their abilities. Those lead to:

Hypothesis 2 : Job resources moderate the relation between job demand on burnout (the effect of job demand on burnout will be weaker when the job resource is high).
Hypothesis 2a : Job resources moderate the relation between Qualitative job demand on burnout (the effect of Qualitative job demand on burnout will be weaker when job resource is high).

Hypothesis 2b : Job resources moderate the relation between Quantitative demand on burnout (the effect of Quantitative demand on burnout will be weaker when the job resource is high).

Hypothesis 2c : Job resources moderate the relation between Organizational demand on burnout (the effect of Organizational demand on burnout will be weaker when the job resource is high).

In the Xanthopoulou et al (2007) research, employees who hold personal resouce will be confident in their abilities and optimistic in their future, and thus can identify or even create more aspects of their environment that facilitate the achievement of goals. Those lead to:

Hypothesis 3 : Personal resources moderate the relation between job demand on burnout (the effect of job demand on burnout will be weaker when the personal resource is high).

Hypothesis 3a : Personal resources moderate the relation between Qualitative job demand on burnout (the effect of Qualitative job demand on burnout will be weaker when the personal resource is high).

Hypothesis 3b : Personal resources moderate the relation between Quantitative demand on burnout (the effect of Quantitative demand on burnout will be weaker when personal resources are high).

Hypothesis 3c : Personal resources moderate the relation between Organizational demand on burnout (the effect of Organizational demand on burnout will be weaker when the personal resource is high).

Kim and Stoner's (2008) research included age and gender as control variables on burnout. Andel (2015) said that age can relate well to burnout, each level of age may have different life stages. In the research of Thomas et al (2014) also showed significant gender variation in terms of burnout at work. His research found that women social service workers are more vulnerable to higher levels of burnout.

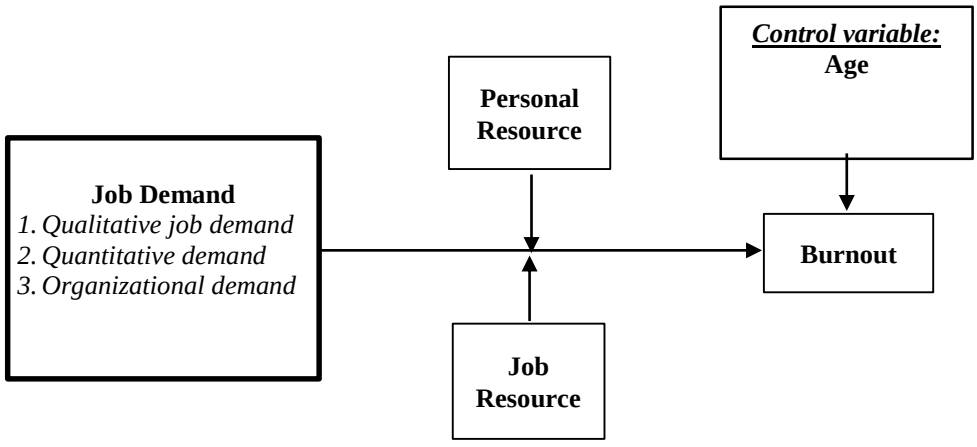


Figure 1: Framework of this study

Source: Bakker dan Demerouti (2014) Bakker *et al* (2003), Xanthopoulou *et al* (2007)

METHODOLOGY

I obtain data of 83 Indonesian SOBs loan announcements IPOTNEWS Database (cross checked by looking at the corporate action announcements published by Indonesia Stock Exchange and by tracing on banks' websites). 31 loans are granted to connected parties.

Event study

To test the market reaction to the loan announcement, I employ event study analysis using market model. I calculate abnormal return using market model with windows period during 3 days (1 day before and after the date of announcement), 7 days (3 days before and after the date of announcement), 11 days (5 days before and after the date of announcement) The estimation period for 100 days.

Determinants of Abnormal Return

Going deeper to investigate the determinants of abnormal return around the announcements date, I estimate an empirical model as follows:

CAR = f (**Connected Loan**, Loan Characteristics, Borrower Specific-factors, Bank Specific-factors) …… (1)

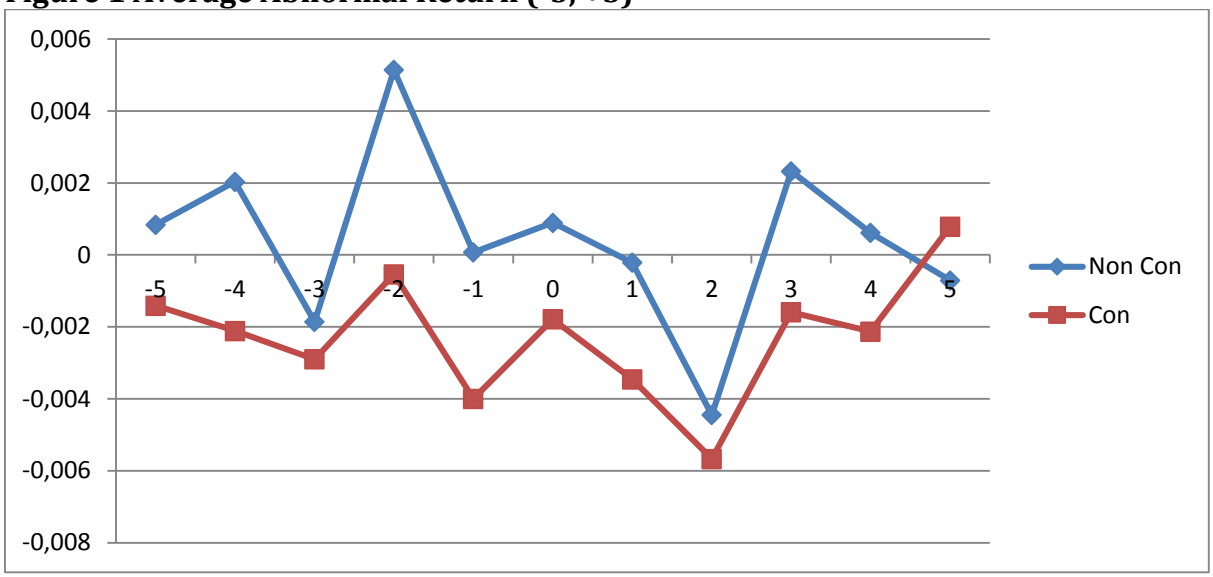
$$CAR = \alpha_0 + \alpha_1 \mathbf{CONN} + \alpha_2 AMOUNT + \alpha_3 SYNDICATED + \alpha_4 ROA + \alpha_5 AGE + \alpha_6 SIZE + \alpha_7 LISTED + \alpha_{18} REGIONAL + \varepsilon \quad \ldots\ldots (2)$$

Table 1 Measure of Variables

Variable	Measure
Dependent Variable	
CAR	Cumulative abnormal return during the event (window period -5, +5; -3, +3, -1,+1)
Loan Characteristics	
CONN	Dummy variable (1 = loan to connected party, 0 = otherwise)
AMOUNT	Amount of Loan (Ln amount of loan, all loans are standardized in US$)
SYNDICATED	Dummy variable (1 = syndicated loans, 0 = otherwise)
Borrower Factors	
ROA	Return of borrower (Return on Asset t-1)
AGE	Age of the borrower (year)
SIZE	Size of borrower (Ln Total Assets t-1)
LISTED	Dummy (1 = Borrowers are publicly traded firms)
Bank Factors	
REGIONAL	Dummy (1 = Loans are issued by regional state-owned banks)

EMPIRICAL RESULTS

Figure 1 Average Abnormal Return (-5, +5)



The results of event study are presented in Figure 1. The average abnormal return of connected loans during the windows period (-5,+5) is lower than non-connected loans, except for the t+5. It indicates that market (minority shareholders of state-owned banks) reacts negatively to announcement of connected loans.

Table 2 presents the descriptive statistics of variables. The mean of CAR 1, CAR 3, aand CAR 5 are -0.003, -0.003 and 0.003, respectively. 36.2 % of loans are granted to connected loans. 47.8% of loans are syndicated loans. Table 3 exhibits the correlation matrix of variables. As expected, connected loans (CONN) is negatively correlated with either CAR 1, CAR 3, or CAR 5.

Table 2 Descriptive Statistics

	CAR1	CAR3	CAR5	CONN	AMNT	SYNDC	ROA	AGE	SIZE	LISTD	REGNL
Mean	-0.003	-0.003	0.003	0.362	18.332	0.478	7.390	31.043	22.351	0.739	0.043
Median	-0.006	-0.006	0.003	0.000	18.603	0.000	3.730	26.000	22.064	1.000	0.000
Maximum	0.099	0.095	0.113	1.000	20.924	1.000	35.940	110.000	25.304	1.000	1.000
Minimum	-0.088	-0.104	-0.144	0.000	15.174	0.000	-4.050	2.000	19.848	0.000	0.000
Std. Dev.	0.031	0.039	0.048	0.484	1.380	0.503	8.110	21.874	1.165	0.442	0.205
Skewness	0.023	0.014	-0.107	0.573	-0.242	0.087	1.635	1.703	0.483	-1.089	4.477
Observations	69	69	69	69	69	69	69	69	69	69	69

Table 3 Correlation Matrix

	CAR1	CAR3	CAR5	CONN	AMNT	SYNDC	ROA	AGE	SIZE	LISTD	REGNL
CAR1	1.000										
CAR3	0.587	1.000									
CAR5	0.282	0.754	1.000								
CONN	-0.154	-0.166	-0.097	1.000							
AMOUNT	-0.083	0.025	0.078	0.389	1.000						
SYNDICATED	-0.178	-0.082	0.029	0.123	0.404	1.000					
ROA	0.075	0.023	-0.029	0.138	0.250	-0.049	1.000				
AGE	-0.156	-0.095	0.029	0.433	0.139	-0.161	-0.012	1.000			
SIZE	0.085	0.049	0.078	0.407	0.595	0.028	0.250	0.212	1.000		
LISTED	0.171	0.030	0.061	-0.582	-0.283	-0.224	0.201	-0.339	0.016	1.000	
REGIONAL	-0.038	-0.093	0.023	-0.013	0.018	0.223	-0.056	-0.053	-0.052	-0.035	1.000

Table 4 Regression Results

The values in parentheses are standard errors corrected using White robust method. ∗, ∗∗ and *** indicate significance at the 10%, 5%, and 1% levels, respectively.

	CAR 1	CAR 3	CAR 5
CONN	-0.01	-0.027*	-0.019
	(0.012)	(0.015)	(0.019)
AMOUNT	-0.003	0.0008	0.003
	(0.004)	(0.005)	(0.007)
SYNDICATED	-0.01	-0.008	0.002
	(0.009)	(0.012)	(0.015)
ROA	0.0003	0.0003	-0.0003
	(0.0005)	(0.0007)	(0.0008)
AGE	-0.0003	-0.0002	0.0002
	(0.0002)	(0.0003)	(0.0003)
SIZE	0.006	0.006	0.004
	(0.005)	(0.006)	(0.008)
LISTED	-0.005	-0.02	0.002
	(0.013)	(0.016)	(0.02)
REGIONAL	0.0004	-0.014	0.005
	(0.019)	(0.024)	(0.03)
Constant	Included	Included	Included
Observations	69	69	69
R-squared	0.103	0.084	0.04

Table 4 is the results of OLS estimations. Surprisingly, I do not find evidence on the impact of control variables on cummulative abnormal return during windows period. However, the effect of connected loans is found to be negative significant when I use CAR 3 (-3,+3). It means that minority might have felt that the connected loans of state-owned banks to their connected parties are unprofitable either for social and development projects or for the self-interest of bureaucrats and politicians.

CONCLUSION

I argue that banks' minority stockholders would react negatively to the announcement of state-owned (government) banks loans to their connected parties. Arguably, minority shareholders suppose that connected lending are granted for unprofitable project as state-owned banks have to help government in the social and development activities. By studying 83 loans of Indonesian state-owned banks, I find little evidence that market reacts negatively to the loans which are granted to connected parties.

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