

# A Comprehensive Relationship between Job Satisfaction and Turnover Intention of Private Commercial Bank Employees' in Bangladesh

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**Abstract:** *The main objectives of this paper are to find out the important factors which determine employees' job satisfaction of private commercial banks in Bangladesh and to show the relationship between job satisfaction and employees' turnover. A total number of 48 employees' were selected from eight private commercial banks in Bangladesh. A structured questionnaire was designed to collect the relevant information from the respondents. Empirical results reveal that job satisfaction and turnover happen due job security, professional development, promotional opportunity, working autonomy, working environment, compensation package, and financial benefits. The study also reveals that there is a strong relationship between job satisfaction and employees' turnover at private commercial banks in Bangladesh.*

**Keywords:** Bangladesh, Employees, Private Commercial Banks, Job Satisfaction and Turnover

## 1. Introduction

There are about fifty local banks in Bangladesh. Most of these banks are private commercial banks and specialized banks except four nationalized commercial banks. The environment of banking sectors in Bangladesh is fairly competitive and they need to ensure the employees job satisfaction to perform efficiently. The researchers have tried to link employees' job satisfaction and turnover intention. Banking sector has witnessed a rapid growth in the last decade and because of this growth, the demand for experienced and skilled human resource has increased many folds in this sector. For the same reason, recent academic researches on job satisfaction and turnover intention in Bangladesh also have focused on the banking sector. Banking is the profession of dynamism, where always involve challenge, hardworking, prestige and reputation. The concept about the banking profession is changing day by day. Now-a-days the existing bank employees and the potential job candidates wants to seek such a bank, where he or she feels comfort and proud. Every year a number of brilliant and highly qualified graduates from home and abroad have involved themselves as bankers of private commercial banks, which is important for ensuring the quality of banking service. But unfortunately there are some factors i.e., lack of professional development and career development opportunity, inadequate salary and benefits, bureaucracy in administrative department and so on, that are causing dissatisfaction and turnover among the employees of private commercial banks. Meyer and Allen (1997) believe that the relationship between human resource practices and employee commitment should be examined more fully and improved job satisfaction reduces the cost of staff turnover, builds brand loyalty with staff and positions the company as an employer of choice that attracts talented people to the organization. It is essential for management to know the satisfaction factors of their employees. The employees of private commercial banks always compare their present

position of job and take decision to stay or turnover from his position. Job satisfaction is the positive and negative attitude towards the job of employee. There are some common factors that always contribute directly and indirectly to the employees mind to take the actual decision regarding the job satisfaction and employees turnover, which are specially the security of their existing job, compensation and job related facilities, working environment & schedule, location of bank, employee's autonomy, career advancement opportunity, performance appraisal process and evaluation, goodwill of the bank, working environment, working schedule, peers relation among the employees etc. This study benchmarks the relative forces that can interfere or influence the level of job satisfaction and employees turnover tendency to arrive at a reasonable or rational concept about the relationship between job satisfaction & employees turnover.

## 2. Objectives of the Study

The fundamental objective of this research paper is to show the relationship between job satisfaction and employees' turnover in private commercial banks in Bangladesh. In order to achieve this objective, the following subsequent objectives are considered

- To find out the factors, those determine job satisfaction of the employees' of private commercial banks.
- To find out the relationship between employees' turnover and job satisfaction.
- To find out the impact on employees' turnover on quality banking service.

## 3. Literature Review

### 3.1. Job Satisfaction

Job satisfaction is the degree to which individual feels positively or negatively about their jobs. Graham (1982, p.

68) defined Job satisfaction as the measurement of one's total feelings and attitudes towards one's job [1]. Hoppock (1935, p. 47) defined, job satisfaction as any combination of psychological, physiological, and environmental circumstances that causes a person truthfully to say, 'I am satisfied with my job[2]. According to Newstrom and Davis (1984) job satisfaction is a set of favorable and unfavorable attitudes with which, employees view their work [3].

**3.2. Turnover**

Turnover intention is one's behavioral intention to quit. According to Bigliardi, Petroni and Ivo Dormio (2005) intention to leave refers to individuals perceived likelihood that they will be staying or leaving the employer organization [4].

**3.3. Relationship between Job Satisfaction and Turnover**

According to McCormick and Ilgen (1985), there are many previous researchers the support the relationship between job satisfaction and turnover [5]. Mowday, Porter and Steers (1982) also found that job satisfaction is consistently and negatively related to turnover [6]. Schermerhorn, Hunt and Osborn (2000) stated that job satisfaction can affect turnover decision by workers to terminate their employment. They also agreed that dissatisfied workers are more likely than satisfied workers to quit from their job [7]. Muchinsky and Tuttle (1979) summarized out of 39 studies of the relationship between job satisfaction and turnover, 35 of it indicate that the relationship is negatively related; many studies conducted in different settings found a significant negative correlation between the facets of job satisfaction and turnover [8]. According to Moynihan, Boswell and Boudreau (1998) several studies found that negative work attitudes play an important role in model of turnover [9]. Tett & Meyer 1993 mentioned job satisfaction will cause the turnover cognition and the intention of employee to escape from work environment. Moreover, two-meta analysis found that job satisfaction and turnover are negatively related [10]. From the above discussion we can say the relationship among human resource practices job satisfaction and turnover should be examined more fully and improved job satisfaction reduces the cost of staff turnover, builds brand loyalty with bank employees.

**4. Methodology**

The researchers have used both primary and secondary sources for collecting the necessary data to conduct this study.

**4.1. Primary Data**

**Table 1: Name of the Banks**

No	Areas	A	M	F
1	Al-Arafah Islami Bank Ltd.	5	5	-
2	Commercial Bank of Ceylon	7	6	1
3	Pubali Bank Limited	7	7	-
4	The City Bank Ltd.	5	4	1
5	Dutch-Bangla Bank Ltd.	3	3	-
6	Social Islamic Bank Ltd.	10	10	-
7	The Trust Bank Ltd.	5	3	2
8	United Commercial Bank Ltd.	6	4	2
	Total	48	42	6
	Percentage	100	87.5	12.5

To find out the influencing factors relating to job satisfaction and turnover, ten important factors have been considered as independent factors and only one factor is considered as dependent factor. These ten factors are rated by Five Points Likert type Scale. To verify the collected data relating to influencing factors several statistical analysis and tests i.e., descriptive analysis, and hypotheses testing were conducted. Hypothesis testing includes Chi-Square test, ANOVA, and Z-test

**4.2. Secondary Data**

Banks' websites, periodicals, Bangladesh Bank's publications, newspapers are used as the secondary sources of the study. A list of related articles from various journals is also used to develop the basic idea about the particular topic.

**4.3. Hypothesis Testing**

Data are analyzed through hypothesis testing including Z-test, descriptive analysis. Hypothesis those will be tested are-

- Hypothesis-1= The factors of job satisfaction have no impact on employee turnover.
- Hypothesis-2= There is no relationship between job satisfaction & employees turnover.
- Hypothesis-3= Employees turnover has no impact on private commercial banks

The hypotheses of the study were formulated in terms of null hypotheses and alternative hypotheses. The data got from the questionnaire had responses supporting either H<sub>0</sub> (null hypotheses) or H<sub>1</sub> (alternative hypotheses). The researcher also decided to use Z-test, because, our sample size is more than thirty.

The formula of ,  $Z = \frac{x - p}{\sigma P}$

- Here,
- Z=Calculated Z value
- x=No. of sample success (No. of respondents supporting H<sub>0</sub>)
- n=Sample size,
- P=Hypothesized population (Probability for H<sub>0</sub> Acceptance)
- σP= Standard error of the population.

The level of significance for the test is 95%. This makes the tabulated Z to be ±1.64.

## 5. Limitations of the Study

Some important mentionable limitations of this paper are given below

- 5.1. The researchers have collected data only from Sylhet region. So the study does not cover the whole scenario of job satisfaction & employees turnover of all private banks in Bangladesh.
- 5.2. The ratio of female respondents is comparatively lower than the total respondents. Here the percentages of female respondents are 12.50 %. So it difficult to know the actual trend of female employees job satisfaction and turnover intention.
- 5.3. At the time of data collection, the researchers observed that some respondents feel hesitate to provide actual information about their job. So it may impact on actual result of the study

## 6. Empirical Findings and Analysis

### 6.1. Descriptive Analysis of the Study

#### 6.1.1. Basic Salary & Fringes Benefits

Basic pay usually refers to the pay received without taking into account any additional benefits or bonuses. It may take the form of cash, goods, or services, and may include such items as health insurance, pension plans, and paid vacations. Fringe benefits commonly include health insurance, group term life coverage, education reimbursement, childcare and assistance reimbursement, cafeteria plans, employee discounts, personal use of a company owned vehicle and other similar benefits.

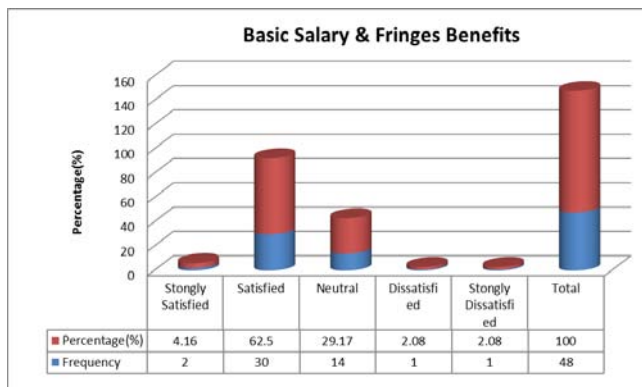


Figure 1: Basic Salary & Fringes Benefits.

From the above figure we see that, 4.16% employees are strongly satisfied with their basic salary & fringes benefits. About 62.5% are satisfied with their basic salary & fringes benefits. 29.17% of total respondents are neutral. 2.08% of employees are both dissatisfied & strongly dissatisfied their basic salary & fringes benefits which are given by his/ her banks. By analyzing this data we can say that almost above 50% employees are satisfied with their basic salary & fringes benefits which are provide by their banks. So the basic salary and fringes benefits are not the main cause of turnover intention.

#### 6.1.2. Job Security

Job security is the most important key factor relating to the job satisfaction and employees turnover. Whenever employees predict that their job is unsecured, then the probability of turnover intention arise, which can impact on the job satisfaction of employee.

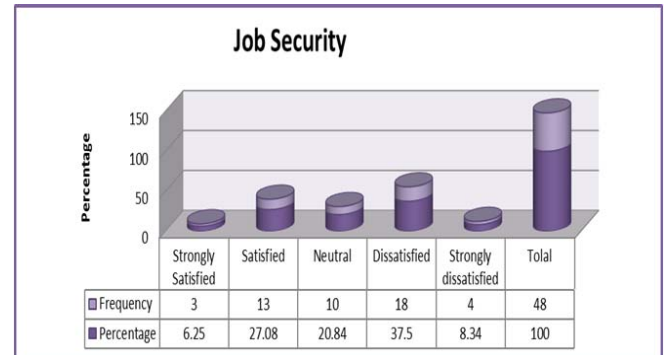


Figure 2: Job security

From the above figure we see that, 6.24% employees are strongly satisfied, 27.08% employees are satisfied, and 20.84% are neutral 37.05% are dissatisfied and 8.34% employees are strongly satisfied about their job security from the total 48 respondents. So it can be said that in terms of job security the employees of private commercial banks are not satisfied so job security is one of the important influencing factors for employees' turnover.

#### 6.1.3. Location of the Bank

Location of the bank has an important impact on employee's job satisfaction. Location of a bank must be healthy and secure. A bank must be situated in a place where customer and employee can communicate to each other easily.

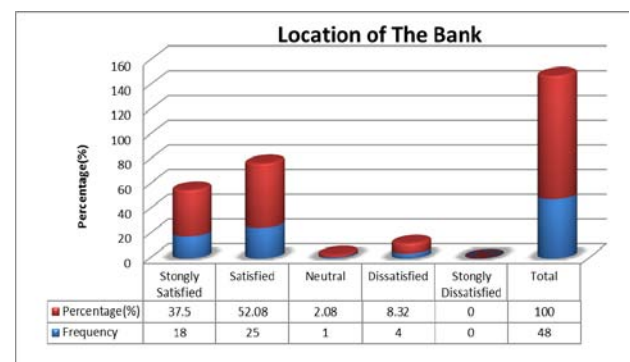


Figure 3: Location of the Bank.

Here, 37.5% employees are strongly satisfied, 52.08% employees are satisfied, and 2.08% are neutral, 8.32% are dissatisfied about the job location from the total 48 respondents. So the turnover intention is very low due to the location of the bank.

#### 6.1.4. Employees Autonomy

Autonomy is the ability for employees to control their work situation. Employee's autonomy is the degree or level of freedom and discretion allowed to an employee over his or her job. Autonomy has led to further gain in the concept of professionalism, like autonomy in setting standards of

performance and autonomy is regulating terms and conditions of employment (Clarke, 1995). The lack of autonomy and self-control may be the cause of dissatisfaction.

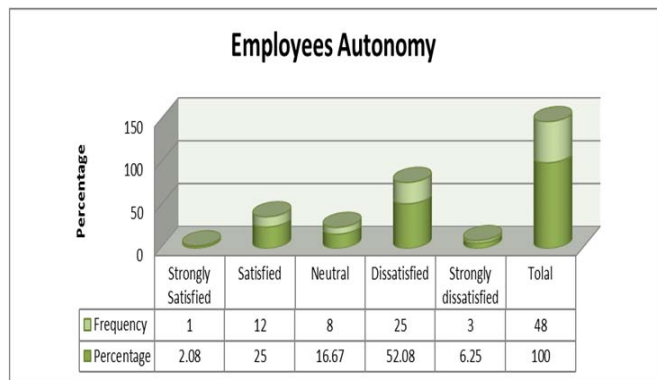


Figure 4: Employees Autonomy.

From the above figure we see that, only 2.08% employees are strongly satisfied with their autonomy. About 25% are satisfied with their autonomy, 16.67% of total respondents is neutral with their autonomy. 52.08% of employees are dissatisfied & 6.25% are strongly dissatisfied their autonomy which is given by his/ her banks. By analyzing this data we can say that almost above 50% employees are satisfied with their autonomy which is provided by their banks. So we can say employee autonomy is one of the important factors to switch the job from the private commercial banks.

**6.1.5. Performance Appraisal & Evaluation Process**

Performance appraisal means evaluating an employee's current or past performance relative to his or her performance standards.

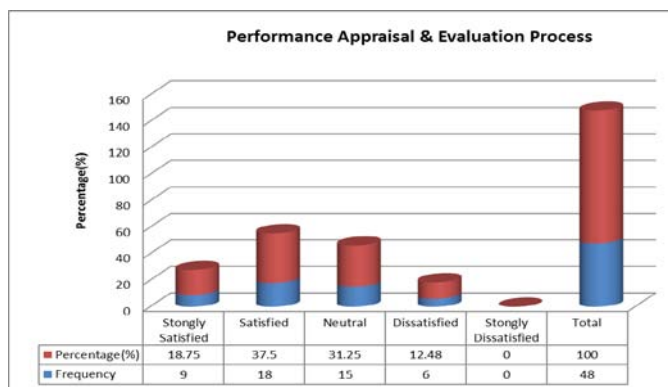


Figure 5: Performance Appraisal & Evaluation Process.

From the figure we see that, 9 employees (18.75%) are strongly satisfied, whereas in 18 employees (37.5%) are satisfied and 15 employees (31.25%) are neutral and the percentage of non-satisfied employees are 12.48% out of 48 employees. So Performance Appraisal & Evaluation Process is not a big factor to change the job.

**6.1.6. Working Schedule**

Bank employees are highly satisfied with expected working schedule but sometimes they take the extra duty. A bank maintains maximum 8 working hours per day. From this survey we found that, some banks are set to their working

schedule, but not maintain this schedule. Sometimes bankers are providing 2 or 3 hours extra duties rather than their general working schedule. So, it can impact the job satisfaction of employees.

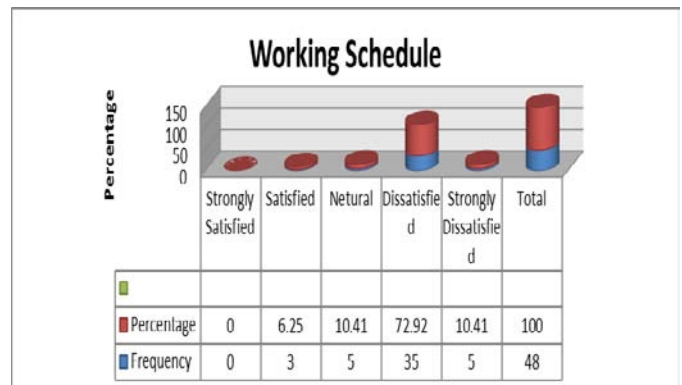


Figure 6: Working Schedule

According to this figure, 03 employees (6.25%) are satisfied and no employees (0%) are strongly satisfied, while 5 employees (10.42%) are neutral, 35 employees (72.92%) are dissatisfied and 5 employees (10.42%) are strongly dissatisfied about their working schedule from the total 48 respondents. So we can say for working schedule employees of private commercial banks switch their job.

**6.1.7. Goodwill of the Bank**

Goodwill of the bank represents the actual brand image of a bank. High goodwill increases the level of job satisfaction of employees and low goodwill can decrease the level of job satisfaction of employees.

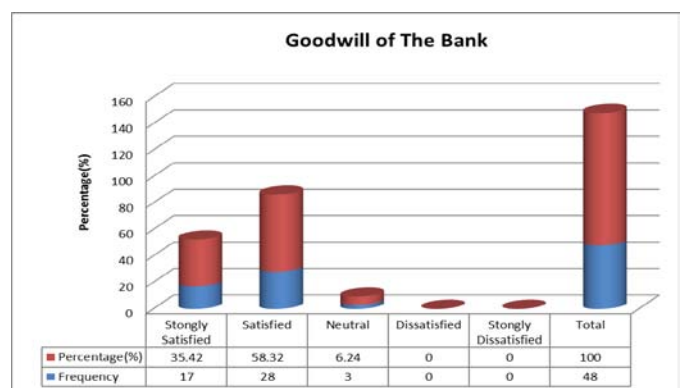


Figure 7: Goodwill of the Bank.

From the figure we see that, 35.42% employees are strongly satisfied, 58.32% employees are satisfied, and 6.24% are neutral and none of them are dissatisfied about goodwill of the bank. So we can say that goodwill of the bank has an impact on job satisfaction. The dissatisfaction regarding the goodwill of the bank may cause the turnover.

**6.1.8. Working Environment**

Working environment means the total working infrastructure of the job. Favorable working environment increases the level of job satisfaction of employees.

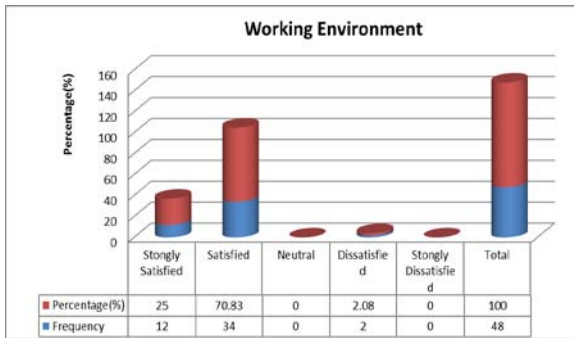


Figure 8: Working Environment.

Here, (25% and 70.83%) are respectively strongly satisfied and satisfied, while 2 employees (2.08%) are dissatisfied their working environment from the total respondents.

6.1.9. Career Advancement Opportunity

The opportunity to advance employees careers within the company is given by them.



Figure 9: Career Advancement Opportunity.

From the table we see that, 2 employees (4.16%) are strongly satisfied, whereas in 10 employees (20.83%) are satisfied and 8 employees (16.67%) are neutral, 25employees (52.08%) are dissatisfied and 6.25% are strongly dissatisfied. So we can say for career advancement opportunity employees of private commercial banks switch their job.

6.1.10. Peers Relation

Peers relation represents the employee’s attitude towards their co-workers. The positive and negative peer’s relationship among these employees can impact their job satisfaction. Bank employees are satisfied when there is a positive relationship with his or her co-workers.

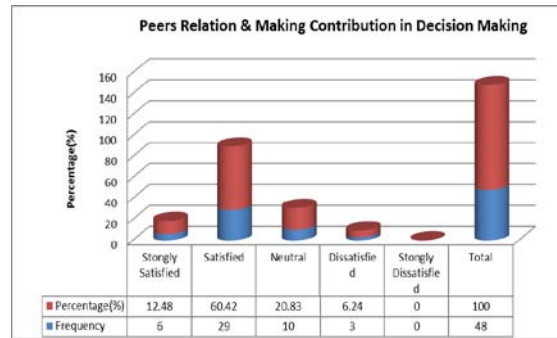


Figure 10: Peers Relation

According to this figure 6 & 29 employees (12.48% and 60.42%) are respectively strongly satisfied and satisfied, while 10 employees (20.83%) are neutral regarding their peer’s relation.

6.2. ANOVA for Single Factor

6.2. Hypothesis: 1

H<sub>0</sub>=The factors of job satisfaction have no impact on employee turnover.

H<sub>1</sub>=The factors of Job satisfaction have positive relationship with employee turnover.

Table 2: ANOVA for Single Factor

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	33.22	9	3.69	5.6	1.72E-07	1.89
Within Groups	305.27	470	.649			
Total	338.49	479				

From the table we shows that, the calculated value of F ( 5.684 ) , Which is higher than the table of F-crit ( 1.899) at 5 % level with df (degree of freedom).

At this time we must reject our null hypothesis and accept the alternative hypothesis, the factors of Job satisfaction have positive relationship with employee turnover.

6.3. Z Test

6.3.1. Hypotheses-2

Q. Do you think, “There is a relationship between job satisfaction & employees turnover?”

Table 3: Respondent’s Opinion

Nature of responses	No. of responses	Percentage (%)
Agree	36	75%
Disagree	12	25%
Total collected data	48	100 %

H<sub>0</sub>= There is no positive relationship between job satisfaction & employees turnover.

$H_1$ = There is a positive relationship between job satisfaction & employees turnover.

From the table out of 48 respondents, 36 agreed that there is a positive relationship between job satisfaction & employees turnover. And only 12 respondents supported  $H_0$ .

The calculated value of Z is 1-3.471 and table value is 1-1.641. (By using the formula of- Z)

Here, calculated value of Z is greater than table value. So, it can reject the null hypotheses and accept the alternative hypothesis, There is a positive relationship between job satisfaction & employees turnover.

### 6.3.2. Hypotheses-3

**Q. Do you think, “Employee’s turnover has impact on private commercial banks?”**

**Table 4: Respondent’s Opinion**

Nature of responses	No. of responses	Percentage (%)
Agree	26	54.17%
Disagree	22	45.83%
Total collected data	48	100 %

$H_0$ = Employee’s turnover has no impact on private commercial banks.

$H_1$ = Employee’s turnover has impact on private commercial banks.

From the table out of 48 respondents, 26 agreed that Employee’s turnover has impact on private commercial banks and 22 respondents supported  $H_0$ .

The calculated value of Z is 1-1.841 and table value is 1-1.641. (By using the formula of- Z)

Here, calculated value of Z is greater than table value. So, it can reject the null hypotheses and accept the alternative hypotheses, Employee’s turnover has impact on private commercial banks

## 7. Findings and Conclusion of the Study

There is a rational debate about the relationship between job satisfaction and employees turnover. Our study concerned about the “job satisfaction and employees turnover at private commercial bank in Bangladesh”. Now a day it is the most common sensitive issue in the area of banking sector. This study benchmarks some relative common forces that can interfere or influence the level of job satisfaction and employees turnover tendency. Those factors are job security, location of bank, employee’s autonomy, basic salary & fringe benefits, career advancement opportunity, performance appraisal process & evaluation, goodwill of the bank, working environment, working schedule, peers relation among the employees etc. We are able to find out the impact of those factors regarding the job satisfaction and employees turnover at private commercial bank in Bangladesh. After completing the study, we also identified that there is also a

competitive factor works behind the job satisfaction and employees turnover in private banks. In this way, a bank wants to retain their employees by increasing the essential facilities than their competitors and also want to attract the attention of skilled & experienced employee’s towards their bank. So it is obviously another important factor relating to job satisfaction and employees turnover tendency of private commercial banks in Bangladesh. As a novice researcher we can conclude our study regarding the particular issue of job satisfaction and employees turnover of private commercial banks through the following recommendations:

- Private commercial banks should evaluate and update their salary fringe benefit policy after a specified period of time.
- It should establish attractive incentive rewards program. In this way, employees can feel that, how much the bank recognized their contribution and become pleased about their good work. It can increase the employee’s confidence & commitment towards the bank.
- It should make a clear concept that their job is totally secured like public commercial bank’s employees.
- It also should provide constant communication to the employees, which facilitate employees to follow the roles or process of organization to maintain favorable relationship with their co-worker.

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