

# JOB SATISFACTION AND TURNOVER INTENTION: A SURVEY AMONG JUNIOR EXECUTIVES WORKING IN THE PRIVATE SECTOR OF BANGLADESH

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## Abstract

This study was conducted to measure the level of job satisfaction and its impact on turnover intention. Data was collected using the "Job Satisfaction Survey" developed by Paul E. Spector (1994) and the "Turnover Intention Questionnaire" adopted from Mobley, Horner, and Hollingsworth (1978). A total of 284 junior executives working in the private sector of Bangladesh took part in the survey from August to September 2015. Measures of central tendency, dispersion and association were used as part of descriptive statistics while an independent sample t-test was used as part of inferential statistics. Multiple linear regression analysis was also used to identify significant predictors of turnover intention. The study reveals that nearly one-fourth of the respondents were actively seeking alternative employment. Moreover, the respondents were discovered to be less satisfied with their jobs (mean score=3.77 out of 6). The study also revealed that almost all the facets of job satisfaction have a negative effect on turnover intention. Among them, the "fringe benefits" has been marked as the most important factor while "promotion" has been identified as the least important one.

**Keywords:** private sector, job satisfaction, turnover intention, actual turnover.

## Introduction

Specific employee attitudes relating to job satisfaction and turnover intention are of major interest to the field of organizational behavior and the practice of human resource management. The term 'job satisfaction' focuses on employees' attitudes towards their job and the term 'turnover intention' focuses on their attitudes toward the overall organization. Several researchers have examined job satisfaction as an antecedent of turnover intentions. They reported an inverse relationship between job satisfaction and intention to leave the organization.

Job satisfaction has been defined in many ways. Locke (1976) gives a comprehensive definition of job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Building on this conceptualization, Hulin and Judge (2003) noted that job satisfaction includes multidimensional psychological responses to one's job, and that such responses have cognitive (evaluative), affective (or emotional), and behavioral

components. A person with high job satisfaction appears to hold generally positive attitudes towards their job, and one who has low job satisfaction tend to hold negative attitudes towards their job (Robbins, Stephen, and Judge 1993).

Turnover intention, on the other hand, is defined as a person's desire to get out of a job and/or switch to another job within a certain period, and is a precursor to the actual turnover (Perez 2008; Aydogdu and Asikgil 2011). Lacity, Iyer, and Rudramuniyaiah (2008) define turnover intention as "the extent to which an employee plans to leave the organization". Many researchers (Horn, Griffeth, and Salario 1984; Mobley 1982; Mowday, Steers, and Porter (1979); Steers (1977) view turnover intention as the final step in the decision-making process before a person actually leaves his or her job.

Turnover intention is considered to be a strong indicator for actual turnover (Firth et al. 2004). Price and Mueller (1981) argue that the use of turnover intention over actual turnover is better and more practical while Moore, Ellen, and Burke (2002) explains that although actual turnover behavior is still a popular construct among researchers, turnover intention represents a strong surrogate variable. Moreover, in some contexts, turnover intention can be a better indicator than actual turnover for management practices.

The more we fail to understand the employees' turnover intention, the more we will experience high turnover rates, which can have several detrimental effects on organization. High rates of turnover intention can lead to lower employee productivity. This can harm a business's ability to retain customers and provide high-quality customer service. High rates of turnover also lead to higher costs related to recruiting and training new employees. Finally, the combined effect of the negative consequences that can result from high turnover may cause a firm to generate less profit.

Turnover intention of employees remains a critical issue for management because of its negative implications for organizations. Muchinsky and Morrow (1980) estimated turnover-related studies to be about two thousand. However, yet little research has been carried out regarding the causes of and the relationship between turnover intention and job satisfaction. By understanding why employees intend to quit their jobs, it is very much possible to work out ways to retain valuable and skilled employees.

## **Rationale of the Study**

The private sector has been playing a significant role in the economic development of Bangladesh. The sector's contribution to growth became more prominent in the 1990s, with steady growth in the production and export of ready-made garments (RMG), textiles, knitwear, and frozen foods such as shrimp. The sector is driving innovation and growth in many other sectors that have traditionally been dominated by government institutions: Education, Power Generation, Airlines, Healthcare, Television, Infrastructure, etc. According to Bangladesh Bureau of Statistics (BBS), the total investment to GDP in 2014-15 was 28.97 percent out of which 22.07 percent came from the private sector. However, even though the sector is growing rapidly, it is still facing a number of significant challenges in order to ensure high organizational commitment and hence higher productivity. Low job satisfaction, which may lead to a higher level of turnover intention, is one of the challenges many managers face in this regard.

After doing a rigorous literature review, it was found that there are many studies in different countries which investigated the relationship between job satisfaction and turnover intention. As the private sector has been the main engine of economic growth and employment

generation in Bangladesh, the researcher was inclined to conduct the research in order to assess the level of and the relationship between job satisfaction as well as turnover intention of junior executives in this sector.

## **Objectives of the Study**

The major objective of this study is to gain a better understanding of the effects of job satisfaction on turnover intention, especially among the junior executives working for the private sector in Bangladesh with the following specific objectives:

1. To measure the level of job satisfaction as well as turnover intention among junior executives working in the private sector;
2. To compare the level of turnover intention between male and female executives at junior level in the private sector;
3. To explore the relationship between job satisfaction and turnover intention;
4. To find out the impact of the facets of job satisfaction on turnover intention.

## **Hypothesis of the Study**

In light of the objectives of the study, the following hypotheses have been proposed:

H<sub>1a</sub>: There is a significant difference in turnover intention between male and female executives at junior level in the private sector.

H<sub>1b</sub>: Higher level of job satisfaction leads to lower level of turnover intention.

## **Methodology**

The research approach followed in this study is empirical and quantitative, where a cross-sectional field survey generated the primary research data for this study. The survey was conducted from August to September 2015 using two sets of structured questionnaires. The questionnaires were personally administered to a conveniently selected 396 junior executives' working for different private companies in Dhaka, Narayanganj and Gazipur cities. All of them took part in the Post-Graduate Diploma in Human Resource Management course offered by Bangladesh Institute of Management, Dhaka. Among them, a total of 284 complete responses (72 percent) were received, of which, 216 were male and the others were female. Respondents' mean age was 29.26 years and mean length of service was 3.24 years. Measures of central tendency, dispersion and association (i.e., mean, standard deviation and correlation) have been used as part of descriptive statistics while an independent sample t-test was used as part of inferential statistics. Multiple linear regression analysis were also used to identify significant predictors of turnover intention. The Statistical Package for Social Sciences (SPSS) -- was used to analyze the data.

## **Measurement Instrument**

The instruments used for this study are the "Job Satisfaction Survey" developed by Paul E. Spector (1994) and the "Turnover Intention Questionnaire" adopted from Mobley, Horner, and Hollingsworth (1978).

### **Job Satisfaction Survey (JSS)**

The JSS consists of nine facets of job satisfaction: Pay, Promotions, Supervision, Fringe Benefits, Contingent Rewards (performance rewards), Operating Conditions, Coworkers, Nature of Work, and Communication. The instrument uses a 5-point Likert scale ranging from "strongly disagree" to "strongly agree". Scores on each of nine facet subscales, based on 4 items each, can range from 4 to 24; while scores for overall job satisfaction, based on the sum of all 36 items, can range from 36 to 216. A higher score indicated higher job satisfaction.

The various facets of JSS are explained below:

- Pay: Satisfaction with pay and pay raises.
- Promotion: Satisfaction with promotion opportunities.
- Supervision: Satisfaction with person's immediate supervision.
- Fringe benefits: Satisfaction with monetary and non-monetary fringe benefits.
- Contingent rewards: Satisfaction with appreciation, recognition and rewards for good work.
- Operating procedures: Satisfaction with operating policies and procedures.
- Co-workers: Satisfaction with co-workers.
- Nature of work: Satisfaction with type of work done.
- Communication: Satisfaction with communication within the organization.

### **Turnover Intention Questionnaire (TIQ)**

The TIQ originally consists of three-statements: (1) I think a lot about leaving the organization, (2) I am actively searching for an alternative to the organization, and (3) As soon as it is possible, I will leave the organization. However, for the purpose of the study, the turnover intention was assessed by asking the respondents to score only the second statement. The instrument uses a 5-point Likert Scale ranging from 1= "Strongly disagree" to 5= "Strongly agree". Minimum score is 1 and the maximum score is 5. A higher score indicated higher intention to quit the job.

## **Data Analysis and Findings**

### ***Level of Job Satisfaction***

The level of job satisfaction of the respondents was explored by examining the mean and standard deviation of overall and of different facets of job satisfaction. The results are presented below in Table 1.

Table 1: Respondents' Level of Job Satisfaction

Facets of Job Satisfaction	Perceived Job Satisfaction	
	Mean*	Std. Deviation
Pay	2.65	0.38
Promotion	4.04	0.14
Supervision	4.59	0.28
Fringe Benefits	2.72	0.39
Contingent Rewards	3.55	0.26
Operating Conditions	3.51	0.24
Coworkers	4.66	0.27
Nature of work	4.75	0.40
Communication	3.49	0.24
Overall Job Satisfaction	3.77	0.18

\* The mean is calculated as follows:

- Firstly, respondent-wise mean score of satisfaction for each facet was calculated by dividing the total score of each respondent by the number of items in each facet (items=4). Then the mean scores of each respondent were summed and divided by the number of respondents (n=284) to obtain mean score of satisfaction for each facet.
- In order to obtain the mean score of overall job satisfaction, the mean scores of satisfaction for each facet were summed and divided by the number of facets (facets=9).

The above table shows that the respondents were less satisfied with their job (mean=3.77 close to agree slightly). However, varying degrees of satisfaction were expressed with different job facets. Nearly "moderate satisfaction" was expressed with "nature of work" (mean=4.75), "coworkers" (mean=4.66), "supervision" (mean=4.59) and "promotion" (mean=4.04) while slight dissatisfactions was expressed with "pay" (mean=2.65) and "fringe benefits" (mean=2.72). Moreover, "less satisfied" was marked with "contingent rewards" (mean=3.55) and "operating conditions" (mean=3.51).

### *Level of Turnover Intention*

In order to measure the level of turnover intention, data were analyzed by the percentage of responses. The results are presented below in Table 2.

Table 2: Respondents' Intention to Quit the Job (Turnover Intention)

Intention to Quit the Job		Sex of the Respondents		Total
		Male	Female	
Strongly disagree	% of Total	2.5%	0.4%	2.8%
	% within sex of the respondents	3.2%	1.5%	2.8%
Disagree	% of Total	24.3%	6.0%	30.3%
	% within sex of the respondents	31.9%	25.0%	30.3%
Neither agree or disagree	% of Total	32.4%	10.6%	43.0%
	% within sex of the respondents	42.6%	44.1%	43.0%
Agree	% of Total	14.1%	6.0%	20.1%
	% within sex of the respondents	18.5%	25.0%	20.1%
Strongly Agree	% of Total	2.8%	1.1%	3.9%
	% within sex of the respondents	3.7%	4.4%	3.9%
Total	% of Total	76.1%	23.9%	100.0%
	% within sex of the respondents	100.0%	100.0%	100.0%

As we can see in table 2, the majority of the respondents (43%) were uncertain of their turnover intentions. On the other hand, nearly one-fourth of the respondents (24%) marked “agree” or “strongly agree” and one-third of the respondents (33 %) marked “disagree” or “strongly disagree” with the intention to quit the job. The Table also shows that the intentions to quit the job were higher among female respondents (females-29.4%; males- 22.2%).

Moreover, an independent-sample *t*-test was run to test the hypothesis whether there is a significant difference in turnover intention between male and female. The results of the independent sample *t*-test are presented below in Table-3.

Table 3: Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	.250	.618	-1.513	282	.131	-.1838	.1215	-.4230	.0553
Equal variances not assumed			-1.527	114.10	.129	-.1838	.1203	-.4222	.0546

As can be seen from the above table, the P-value for the *t*-test is greater than any reasonable level of significance (e.g. 0.05 or 0.01). Therefore, the hypothesis that there is a significant difference in turnover intention between male and female executives at junior level has not been supported by the study.

### Job Satisfaction vis-a-vis Turnover Intention

The mean value of overall job satisfaction with regard to different level of turnover intention was recognized by cross-tabulation analysis. The results of the cross-tab are presented below in Table-4.

Table 4: Level of Job Satisfaction by Level of Turnover Intention

Intention to quit the job	Overall Job Satisfaction	
	Mean Score*	Std. Deviation
Strongly disagree	4.12	0.08
Disagree	3.95	0.07
Neither agree or disagree	3.76	0.06
Agree	3.58	0.06
Strongly Agree	3.34	0.12
Total	3.77	0.18

\*The mean scores of job satisfaction for each level of turnover intention (strongly disagree to strongly agree) were calculated using the “Select Cases” option in SPSS.

The above table shows that overall job satisfaction was more among the respondents who had no turnover intention (mean = 4.12, SD = .08) than the respondents who had strong turnover intention (mean = 3.34, SD = .12).

**Relationship between Job Satisfaction and Turnover Intention**

The relationship between the facets of job satisfaction and turnover intention was tested by examining the Pearson correlations. The correlation coefficients are given below in Table 5.

Table 5: Correlation between the Facets of Job Satisfaction and Turnover Intention

Variables	Turnover Intention
Overall Job Satisfaction	-.930**
Communication	-.629**
Promotion	-.130*
Contingent Rewards	-.560**
Fringe Benefits	-.612**
Coworkers	-.699**
Pay	-.647**
Operating Conditions	-.549**
Nature of work	-.494**
Supervision	-.592**

\*\*Correlation is significant at the 0.01 level (2-tailed)

\*Correlation is significant at the 0.05 level (2-tailed)

As seen in Table 5, turnover intention is strongly negatively correlated with job satisfaction facets of coworkers (r=-.699), pay (r=-.647), communication (r=-.629) and fringe benefits (r=-.612). Furthermore, turnover intention is moderately negatively correlated with supervision (r=-.592), contingent rewards” (r=-.560), operating conditions (r=-.549), and nature of work (r=-.494). Only a very weak correlation exists between turnover intention and promotion (r=-.130).

The above table also shows that there is a very strong and reverse correlation between turnover intention and overall job satisfaction (r=-.930, p<.001).

**Impact of Job Satisfaction on Turnover Intention**

In order to determine the impact of job satisfaction on turnover intention, the following regression model has been developed:

$$\text{Turnover Intention} = \beta_0 - \beta_1\text{Pay} - \beta_2\text{Fringe Benefits} - \beta_3\text{Contingent Rewards} - \beta_4\text{Co-workers} - \beta_5\text{Operating Procedures} - \beta_7\text{Nature of Work} - \beta_9\text{Supervision} - \beta_9\text{Communication} - \beta_2\text{Promotion} + \epsilon$$

The results of multiple linear regression analysis are given below:

Table 6.1: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.932 <sup>a</sup>	0.868	0.864	0.32345

a. Predictors: (Constant), Supervision, Promotion, Operating conditions, Contingent rewards, Nature of work, Coworkers, Pay, Communication, Fringe Benefits.

As can be seen from Table 6.1, the value of R Square (R<sup>2</sup>) is 0.868. Therefore, it can be concluded that 86.8% of turnover intention is affected by various facets of job satisfaction, while the other 13.2% is influenced by other factors that have not been examined.

Table 6.2: ANOVA<sup>a</sup>

	Sum of Squares	df	Mean Square	F	Sig.
Regression	188.472	9	20.941	200.166	.000 <sup>b</sup>
Residual	28.666	274	.105		
Total	217.137	283			

a. Dependent Variable: Turnover Intention

b. Predictors: (Constant), Supervision, Promotion, Operating conditions, Contingent rewards, Nature of work, Coworkers, Pay, Communication, Fringe Benefits.

Table 6.2 presents the ANOVA results and provides the overall acceptability of the regression model. As can be seen from the above table, the P-value for the F-test is 0.000 which is less than any reasonable  $\alpha$  (e.g.  $\alpha = 0.05$  or  $\alpha = 0.01$ ), so there is sufficient evidence that the overall model is fit. This means at least one of the independent variables is significant.

Table 6.3: Coefficients<sup>a</sup>

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	20.796	.770		27.011	.000
Pay	-.388	.080	-.168	-4.853	.000
Fringe Benefits	-.517	.101	-.229	-5.140	.000
Contingent rewards	-.565	.090	-.171	-6.272	.000
Coworkers	-.559	.103	-.170	-5.427	.000
Operating conditions	-.347	.184	-.097	-1.882	.061
Nature of work	-.460	.059	-.208	-7.786	.000
Supervision	-.627	.091	-.202	-6.891	.000
Communication	-.670	.133	-.186	-5.045	.000
Promotion	-.547	.135	-.090	-4.047	.000

a. Dependent Variable: Turnover Intention

The above table shows the coefficients of the regression line (B values under unstandardized coefficients column). Accordingly the regression equation can be written as follows:

$$\text{Turnover Intention} = 20.796 - 0.388 \times \text{Pay} - 0.517 \times \text{Fringe Benefits} - 0.565 \times \text{Contingent Rewards} - 0.559 \times \text{Co-workers} - 0.460 \times \text{Nature of Work} - 0.627 \times \text{Supervision} - 0.670 \times \text{Communication} - 0.547 \times \text{Promotion} + \varepsilon$$

From the above regression equation, we can see that all the facets of job satisfaction, except “operating conditions”, have a significant negative effect on turnover intention ( $p < .000$ ). Based on the B values under unstandardized coefficients column, we can therefore draw the following inferences:



- A one- unit increase in satisfaction with pay will lead to a 0.338 unit decrease in turnover intention.
- A one- unit increase in satisfaction with fringe benefits will lead to a 0.517 unit decrease in turnover intention.
- A one- unit increase in satisfaction with contingent rewards will lead to a 0.565 unit decrease in turnover intention.
- A one- unit increase in satisfaction with co-workers will lead to a 0.559 unit decrease in turnover intention.
- A one- unit increase in satisfaction with nature of work will lead to a 0.460 unit decrease in turnover intention.
- A one- unit increase in satisfaction with supervision will lead to a 0.627 unit decrease in turnover intention.
- A one- unit increase in satisfaction with communication will lead to a 0.670 unit decrease in turnover intention.
- A one- unit increase in satisfaction with promotion will lead to a 0.547 unit decrease in turnover intention.

Finally, the facets are ranked based upon the Beta values under standardized coefficients column of Table 6.3. These rankings are shown in Table 6.4. It can be seen that the “fringe benefits” ( $\beta=-0.229$ ) has been marked as the most important factor while “promotion” ( $\beta=-0.90$ ) has been identified as the least important one.

Table 6.4: Ranking of Facets of Job Satisfaction based on Beta values

Facets of Job Satisfaction	Standardized Coefficients (Beta)	Rank
Fringe Benefits	-0.229	1
Nature of work	-0.208	2
Supervision	-0.202	3
Communication	-0.186	4
Contingent rewards	-0.171	5
Coworkers	-0.170	6
Pay	-0.168	7
Promotion	-0.090	8

Therefore, the hypothesis that higher levels of job satisfaction leads to lower levels of turnover intention has been strongly supported by the study. This result is consistent with the results of many studies before, such as conducted by Aydogdu and Asikgil (2011) and Mahdi et al. (2012).

## Managerial Implications and Conclusion

The findings of the study strengthen the fact that there is a very strong and negative correlation between job satisfaction and turnover intention. The survey also reveals that the effect on turnover intention is significantly caused by several facets of job satisfaction. Unfortunately, the junior executives working in the private sector of Bangladesh were found to be less satisfied with their job. In contrast, nearly one-fourth of the respondents surveyed were found actively seeking alternative employment (turnover intention). These findings may be a cause of concern for the management in the private sector of Bangladesh. Therefore, innovative and adaptable managerial interventions need to be taken to improve employees’ job satisfaction and to strengthen their intention to stay.

In managerial implications, this study has provided useful information to the management of the private sector. With this information, the management will be able to know how to reduce the turnover intention of employees. To achieve this, urgent and concrete strategies must be developed focusing on the identified factors related to job satisfaction. As per the findings of the study, improving working conditions, ensuring effective communication, reducing workload, providing training and effective supervision, offering competitive salaries and benefit packages is priorities over other factors of job satisfaction. Further, it is important to give particular attention to those who have high risk of turnover intention, especially to those with less tenure. We also propose that the management should recognize and reward employees who stay longer.

As a final point, the present study makes useful additions to the current knowledge by examining the effects of job satisfaction on turnover intention. However there are some limitations to this study. This study used turnover intention instead of the real turnover rate. This was due to time constraints and limited availability of company data. However, to get a more valuable result, longitudinal or time-series study may be used by accessing the turnover rate in over time. It would be more appropriate to explain the condition of the employees' turnover by using the turnover rate. One other limitation of this study is that it covered only three cities in Bangladesh with 284 junior executives. Thus, future studies should use a less restricted sample to extend the applicability of the findings of this study.

## Endnotes

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