

# Employees' Job Satisfaction, Job Alternatives, and Turnover Intention: Evidence from Private Banks, Bangladesh

Md. Rabiul Awal<sup>\*</sup>, Bezon Kumar<sup>\*\*</sup>, Purba Saha<sup>\*\*\*</sup>, Amitav Saha<sup>\*\*\*\*</sup>

<sup>\*</sup> Department of Business Administration, Sheikh Fazilatunnesa Mujib University, Jamalpur - 2000, Bangladesh

e-mail: kmrobiulru18@gmail.com

<sup>\*\*</sup> Department of Economics, Rabindra University, Bangladesh, Shahjadpur, Sirajganj - 6770, Bangladesh

e-mail: bezon.kumar3@gmail.com

<sup>\*\*\*</sup> Department of Economics, Varendra University, Rajshahi - 6204, Bangladesh

e-mail: purbasaha3211@gmail.com

<sup>\*\*\*\*</sup> Department of Management Studies, University of Rajshahi, Rajshahi - 6205, Bangladesh

e-mail: amitav@ru.ac.bd

## Abstract

*This paper mainly explores the impact of job satisfaction and job alternatives on employees' turnover intention of private banks in Bangladesh. To achieve this objective, this paper uses primary data collected from 180 employees from six private banks at Mymensing city in Bangladesh. Besides, this paper employs the Spearman's coefficient of correlation test to examine the relationship among variables. This paper finds that job satisfaction has a negative effect and opportunity to job alternatives has a positive effect on employee's turnover intention of the private banks in Bangladesh. This paper recommends ensuring employees' job satisfaction to tackle employees' turnover intention, which may accelerate employees' productivity and banks' profit.*

**Keywords:** *job satisfaction; job opportunities; turnover intention; banks; Bangladesh*

**JEL Classification:** *D2; G21; J28*

## Introduction

Job satisfaction is nothing but a positive or negative feeling of the employees toward job. Employees get job satisfaction when they feel that they have done something important or value worthy of recognition. Jordan and Troth (2011) described job satisfaction as a satisfying mental state and an emotional response to the work of individual arising from evolution of work of individual. There are a number of factors affecting employees' job satisfaction: salary, promotion, security, working conditions, location of factory and relationship with co-workers and so on. Firms focus on ensuring employees' job satisfactions because it generates many positive consequences: improving work performance, reducing absenteeism, enhancing employees' motivation, reducing conflict between labor and management, reducing accident

prone to solving health problems, and so on (Huang, et al., 2017). An employee shows constructive attitude toward work when he or she gets higher level of satisfaction, contrarily, an employee shows pessimistic attitude towards work when he or she feels worst satisfaction (Haji and Haji, 2007).

In today's world, employees are aware of opportunities to alternative jobs. When an employee observes that there is a problem in current job relating to salary, job security, promotion, working conditions, he or she would be dissatisfied with his or her employer and they would search similar occupation with better facilities. Most of the employees try to find out better job and tends to leave the organization cause of having alternatives (Mano-Negrin and Tzafrir, 2004). In this situation, a problem is created called employees' turnover intention that can be defined as the number or percentage of employees who are incoming to and outgoing from an organization within a specified period of time. According to Carmeli and Weisberg (2006), it is often known as the employees' withdrawal cognition process where they think to quit the job, intend to search for a job, and intend to leave.

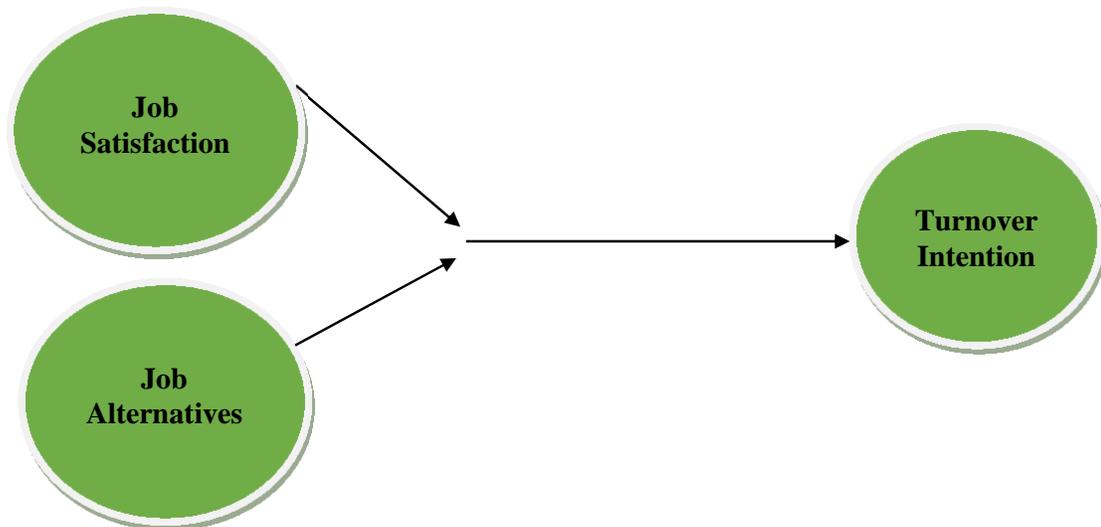
Employees' turnover is costly to an organization as employees' turnover incurs not only the financial cost but also the cost in terms of losing knowledge, skills, trained manpower, losing of current employees' morale and so on (Tian-Foreman, 2009). Employees' turnover intention reduces organizational productivity, profitability, and growth also. For many more reasons, employees' turnover is surely harmful for any business organization. Few studies showed that this turnover could be reduced if organization can ensure fair treatment and justice for employees because now-a-days employees are more conscious of their rights from organization. They have a tendency to compare their salaries, benefits and other treatments with the employees of other organization. When they found that organization made an injustice with them regarding their rights, they quit the job. Although the overall outcome of employees' performance is affected by their perception of organizational justice, employees' turnover intention may be reduced if the allocation decision or distributive justice, and the process of allocation or procedural justice are made fair (Nadiri and Tanova, 2010 and Hasan, 2002).

Although there are a number of studies carried out on examining job satisfaction, job alternative, and employees' turnover intention in the global context, studies on this issue in the context of Bangladesh is quite scant. Considering these research gaps, this paper sets up the objectives and attempts to contribute a new finding in the existing literature. The core contribution of this paper is to examine the impact of job satisfaction and job alternative on turnover intention of employees of private banks of Bangladesh.

## **Literature Review**

Reviewing the literature, it is found that there are several studies which have been investigated on the effect of job satisfaction and job alternatives on employees' turnover intention. Majority papers found a negative effect of job satisfaction on employees' turnover intention. Choi and Jang (2019) found that employees' insecurity affects job satisfaction and job satisfaction affects employees' insecurity. Another study found that job satisfaction and commitment as psychological safety have positive effects on employees' intention to stay (Abugre, 2017). On the other hand, Alferaih (2017) found that there is a significant and negative relationship between job performance, organizational performance, job satisfaction and turnover intention of employees of tourism organizations of Saudi Arabia. Using the Human Capital Theory, Dole and Schroeder (2001) found a strong negative relationship between job satisfaction and turnover intention. Besides, Ghosh, et al. (2015) revealed that without ensuring job satisfaction through job enrichment, only context satisfaction is difficult to establish a positive environment in order to reduce employees' turnover intention. There is a mediating effect of satisfaction with a leader on the negative relationship between leadership behaviors (transformational and transactional)

and employees' turnover intentions (Wells and Peachey, 2011). According to Ahmad (2018), most of the employees prefer extrinsic reward than intrinsic reward to get satisfaction from the work that has a negative relationship with their intention to leave the organization. Besides, Eberhardt, et al. (1995) stated that there are moderating effect employees' demographic variables on the negative relationship between job satisfaction and turnover intention.



**Fig. 1.** The Effect of Job Satisfaction and Job Alternative on Turnover Intention

*Source:* Authors' creation from literature review

A strong negative relationship between employees' wage satisfaction and their turnover intention in Russia is found by Balabanova, et al. (2016). Quality of work life has a positive relationship with employees' job satisfaction and a negative relationship with their intention to leave the organization (Jabeen, et al., 2018). Poor performers were more interested to leave the organization than good performers (Zimmerman and Darnold, 2009). Workplace incivility has a negative relationship with job satisfaction and has a positive relationship with turnover intention (Chen and Wang, 2019). Employers' satisfaction has a strong and negative relationship with turnover intention than job satisfaction (Jawahar and Hemmasi, 2006).

From the review of literature, it is found that there is no unidirectional relationship between job satisfaction, job opportunities, and employees' turnover intention. Thus, it is still yet to investigate the impact of job satisfaction and job alternatives on turnover intention of employees of private banks of Bangladesh.

## **Data and Methods**

### **Study Area and Sample Selection**

This is mainly a primary data based research that has selected Mymensing city as the study area. The rationale of selecting this study area is that Mymensing city is one of the commercial cities of Bangladesh where there are many branches of banks. Despite there are three types of banks-nationalized, private and specialized banks, only private banks are considered in this paper. In this city, there are 25 private banks of which 6 banks are selected randomly. Due to the COVID-19 pandemic, data are collected online though Google Form. Using snowball sampling technique, the link of the questionnaire is sent to an employee of each bank on 07 May 2020

through email for forwarding it to others. On 15 May 2020, data collection is closed and 180 responses are received. The sampling distribution is presented in Table 1.

**Table 1.** Bank wise distribution of sampled respondents

Name of Banks	Total Employees	Sampled Employees
Bank Asia Limited	67	40
Shahjalal Islami Bank Limited	65	35
United Commercial Bank Limited	48	27
Dutch Bangla Bank Limited	36	22
National Bank Limited	41	29
The City Bank Limited	39	27
Total	296	180

After collecting data, it is sorted, coded and edited and finally made ready for the analysis.

### **Measurement of Job Satisfaction**

Job Satisfaction (JS) of the employees is measured with 5 items suggested by Schleicher et al. (2004). The 5 items are “I am satisfied with my job for the time being”, “I find real enjoyment in my work”, “I am satisfied with the organization’s development and status,” “I am satisfied with the salary, rewards, and the amount of work that I do”, and “I am satisfied with the chance for advancement in this job”. These items are measured with 5 points Likert scale: 1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, and 5 for Strongly Agree.

### **Measurement of the Employees’ Opportunities to Job Alternatives**

Opportunities to job Alternatives (OJA) of the employees are measured with 5 items of which the first four items are suggested by Weng and McElroy (2012) and the last one is suggested by Lee and Mowday (1987). The items are “I feel that it would be easy for me to find a job that is much better than the one I now have,” “I feel that it is easy for me to find a job as good as the one I now have”, “There are many opportunities for development outside my current organization”, “If I leave this organization, there are many available new jobs for me to choose from”, and “All in all, this is the likelihood that I could find an acceptable alternative with another company”. These items are measured with 5 points Likert scale: 1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, and 5 for Strongly Agree.

### **Measurement of Employees’ Turnover Intention**

Employees’ Turnover Intention (ETI) is measured with 5 items of which the first four items are developed by Boshoff and Allen (2000) and the last one is suggested by Bothma and Roodt (2013). The items include “I intend to stay in this job”, “I often think about resigning”, “It would not take much to make me resign from the bank”, “I will probably be looking for another job soon”, and “How often do you dream about getting another job that will better suit your personal needs”? These items are measured with 5 points Likert scale: 1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, and 5 for Strongly Agree.

### **Spearman’s Correlation Test**

Spearman’s correlation test is used to investigate the impact of job satisfaction, job alternatives on employees’ turnover intention. In this regard, this paper considers two null hypotheses:

Hypothesis 1: There is no correlation between JS and ETI.

Hypothesis 2: There is no correlation between OJA and ETI.

## Results and Discussion

### Job Satisfaction of the Employees

Employees' job satisfaction depends on many factors. However, five crucial factors are considered in this paper for the analysis with five points Likert scale. These factors are analyzed with frequency distribution and mean analysis which are presented in Table 2.

**Table 2.** Factors that affect job satisfaction of the employees

Factors	SD	D	N	A	SA	Mean
I am satisfied with my job for the time being	85	44	1	24	26	2.23
I find real enjoyment in my work	89	41	4	20	26	2.18
I am satisfied with the organization's development and status	40	10	5	70	55	3.50
I am satisfied with the salary, rewards, and the amount of work that I do	94	36	6	34	10	2.06
I am satisfied with the chance for advancement in this job	91	37	5	53	14	2.12

Note: SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree

Source: Online survey, 2020

Table 2 reveals that among the five items, majority of the respondents strongly agreed with "I am satisfied with the organization's development and status" and strongly disagreed with "I am satisfied with the salary, rewards, and the amount of work that I do". Table 2 also reveals that "I am satisfied with the salary, rewards, and the amount of work that I do" has the lowest mean value, 2.06, and majority respondents (94) strongly disagreed with it. This interprets that this factor has the weak influence on the employees' job satisfaction. Contrarily, "I am satisfied with the organization's development and status" has the highest mean value, 3.50, and majority respondents (70) agreed with it. This interprets that this factor has the strong influence on the employees' job satisfaction.

### Opportunities to Job Alternatives of the Employees

Employees' opportunity for job alternatives depends on number of factors while the major five factors are considered in this paper. These factors are analyzed with frequency distribution and mean analysis and the estimated findings are presented in Table 3.

**Table 3.** Factors that affect the opportunities to job alternatives of the employees

Factors	SD	D	N	A	SA	Mean
I feel that it would be easy for me to find a job that is much better than the one I now have	23	7	1	99	50	3.81
I feel that it is easy for me to find a job as good as the one I now have	34	55	1	65	25	2.96
There are many opportunities for development outside my current organization	20	8	1	97	54	3.87
If I leave this organization, there are many available new jobs for me to choose from	20	8	1	100	51	3.86
All in all, this is the likelihood that I could find an acceptable alternative job with another company	20	36	4	91	29	3.41

Note: SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree

Source: Online survey, 2020

Table 3 reveals that majority of the respondents (54) strongly agreed with "There are many opportunities for development outside my current organization" and majority of the respondents

(100) agreed with If “I leave this organization, there are many available new jobs for me to choose from”. From the above table, it is confirmed that “I feel that it is easy for me to find a job as good as the one I now have” has the lowest mean value 2.96 and majority of respondents (65) agreed with it. This interprets that this factor has weak influence on job alternatives. . On the other hand, “There are many opportunities for development outside my current organization” has highest mean value 3.87 and majority of respondents (97) agreed with it. It indicates that this factor has a strong impact on employees’ opportunities to job alternatives.

### Employees’ Turnover Intention

Employees’ turnover intention depends on number of factors and five important are considered in this paper having five point Likert scale. These factors are analyzed with frequency distribution and mean analysis and the results are presented in Table 4.

**Table 4.** Factors affecting employees’ turnover intention

Factors	SD	D	N	A	SA	Mean
I intend to stay in this job.	89	11	5	55	20	2.48
I often think about resigning.	14	16	0	47	103	4.16
It would not take much to make me resign from the bank	11	6	1	100	62	4.09
I will probably be looking for another job soon.	10	14	1	105	60	4.12
I often dream about getting another job that will better suit your personal need.	16	12	1	92	59	3.92

Note: SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree

Source: Online survey, 2020

Table 4 reveals that majority of the respondents (103) strongly agreed with “I often think about resigning” with the highest mean at 4.16 which interprets that this factor has strong impact on employees’ turnover intention; and majority of the respondents (89) strongly disagreed with “I intend to stay in this job” with lowest mean at 2.48 which interprets that this factor has a weak impact on employees’ turnover intention.

### Correlation between Job Satisfaction and Employees’ Turnover Intention

Job satisfaction is an important factor that has an impact on employees’ turnover intention is found from the literature. There is a negative relationship between them which reveals that if employees are satisfied with the existing job, they will not intend to leave the job. The estimated result of correlation between job satisfaction and employee’s turnover intention is presented in Table 5.

**Table 5.** Correlation between job satisfaction and employees’ turnover intention

	Job Satisfaction	Turnover Intention
Job Satisfaction	1	-0.013
Turnover Intention	-0.013	1

Source: Online survey, 2020

Table 5 shows the estimated correlation coefficient is -0.013 that reflects a negative correlation between job satisfaction and employees’ turnover intention. According to the finding regarding Hypothesis 1, there is a negative and statistically insignificant relationship between job satisfaction and turnover intention which implies that employees of private banks are not highly satisfied on different conditions of their job including pay, promotion, performance based bonus, relationship with co-worker. That is why they may intend to leave the organization.

## **Correlation between Employees' Opportunities to Job Alternatives and Turnover Intention**

Opportunities to job alternatives are an important factor that affects employees' turnover intention. There is a positive relationship between them. The estimated result of correlation between opportunities to job alternatives and employees' turnover intention is presented in Table 6.

**Table 6.** Correlation between opportunities to job alternatives and employees' turnover intention

	Opportunities to Job Alternatives	Turnover Intention
Opportunities to Job Alternatives	1	0.141*
Turnover Intention	0.141*	1

Note: \* means the 5 percent level of significance

Source: Online survey, 2020

Table 6 shows that the estimated correlation coefficient is 0.141 which implies a positive and statistically significant relation between employees' job alternatives and turnover intention. This finding satisfies the Hypothesis 2 of this paper reveals that when employees of private banks in Bangladesh find out better job opportunities outside their bank, they may decide to leave.

## **Conclusion and Policy Recommendations**

This paper broadly investigates two segregate research questions. First, what is the condition of job satisfaction, opportunities to job alternatives, and turnover intention of the employees of the private banks in Bangladesh? Second, whether employees are intending to leave the organization in terms of job satisfaction, and opportunities to job alternatives? To investigate these questions, this paper uses primary data collected from the employees of the private banks and finds some interesting findings.

This paper finds that employees are not well satisfied with their job conditions; there are some other opportunities to job alternatives. That is why employees intend to leave their current job. There is no significant relation between job satisfaction and employees' turnover intention but is between opportunities to job alternatives and employees' turnover intention.

Based on the findings, this paper calls for the policymakers to consider the following suggestions to tackle employees' turnover intention and increase their productivity: (i) banks should ensure employees' job satisfaction by providing attractive salary on time and relaxing other job conditions like bonus, promotion, working environment and so on; (ii) banks should appraise to employees' performance; (iii) the management must ensure friendly working relationship with employees.

This study is carried out considering only private banks of Mymensing district of Bangladesh, thus, the study area and sample size is small due to time and budget constraints. As a result, the findings may not represent the actual scenario of the whole country. Therefore, this paper suggests carrying out a depth study on this issue overcoming these limitations so that the findings may represent the actual scenario of the country regarding this issue.

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