

ISSN: 2349-2147



Modern Research Studies

Editor-in-Chief
Gyanabati Khuraijam

**An International
Journal of
Humanities and Social
Sciences**

An Indexed & Refereed e-Journal

www.modernresearch.in

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**Volume 1, Issue 2
September 2014**

pp. 302–313.

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Influence of Satisfaction with supervision, Satisfaction with Nature of Work, Satisfaction with Pay on Turnover Intention: an Empirical Study in Banks

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Abstract: The movement of workforce from one organization to another lead to a huge amount of cost in the recruitment and training of those employees. Organizations always have the concern about their employees and their intentions to quit from that organization. Banking is one of the important service industries which have a dominant role in the development of a country's economy. Like all other sectors, banking is also very much affected by the phenomenal problem of employee turnover. So, studying the reasons for employee turnover is a big treatment of this critical issue. This study aims to examine the relationship between Satisfaction with supervision, Satisfaction with the nature of work, Satisfaction with pay and Turnover Intention in Banks. The result of this study indicates that an employee's turnover intention is strongly influenced by satisfaction with supervision, satisfaction with the nature of work and satisfaction with pay.

Keywords: Turnover intention, Intention to quiet, satisfaction with supervision, satisfaction with nature of work, satisfaction with pay.

Introduction

Engaging employees is the ultimate aim of all the workplaces because engaged workers are the fuel for the running of the entire organization. They should be productive, efficient, and work better; more than that, they should stay. Movement of workforce from one organization to another leads to a heavy cost in the process of recruitment and training. All the organizations always have the concern about their employees and their intentions to quit from that organization. Because the turnover is a costly one to the companies which will lead to the cost of recruitment and selection, and cost involved in training and development. More than that, the loss of knowledgeable employee will ask big deal from any organisation.

Banking is one of the important service industries which have a dominant role in the development of a country's economy. Like all other sectors, banking is also very much affected by the phenomenal problem of employee turnover. The health of any banking system depends on its employees; thus, employee turnover is a big problem currently faced by the banks in India, which leads more cost as a whole.

Review of Literature

From the money and time perspective, employee turnover is the big issue for all organizations. Although several research works have been carried out for understanding the phenomenon 'employee turnover' organizations still have the problem to address the variables which influence the job turnover the most.

Turnover intention can be defined as the cognitive process of thinking, planning and desiring to leave a job (Mobley, 1977). According to James L. Price (1977) employee turnover is the ratio of the number of organizational members who left during the period being considered divided by the average number of people in that organization. According to Kevin et al. (2004), there is no proper way to understand the employee turnover as a whole, but there are several factors found useful in interpreting employee turnover. Mobley (1982) again redefined employee turnover as the discontinuance of

membership in an organization by the person who received monetary compensation from the organization. Rosse (1988) states that employee turnover means the rotation of workers around the labor market, between organizations, jobs and careers.

Mobley et al. (1979) revealed that age, tenure, overall satisfaction, job content, intentions to remain in the job, and commitment are all negatively related to turnover. If the employer provides his employee the good working condition, appropriate wages and well defined working climate, then the employee will react in the same way and give his best (D. Pierce & E. Bots, 2013). Campion (1991) mentioned that higher wages will play a greater role in turnover intention. Martin (2003) ensured that there is an inverse relationship between relative wages and turnover.

An employee's organizational behavior is very important for his job satisfaction; and further, if he is satisfied with his organization or his manager, then he can work with morale, concentration and sincerity (Vinokuret et al. 2013). Several studies argue that there is a negative relationship between satisfaction with supervisor and turnover intention studies (e.g., Dirks and Ferrin, 2002 as cited in P. Mulki et al. 2008). In the study of Shukla & Sinha (2013), it is found that employee goal setting (Medlin and Green 2009); career growth (Hamel and Breen, 2007), work environment (Cardoso and Monfardini, 2008; Hansen, 2008; Burke and Hsieh, 2006), job satisfaction (Palazzo and Kleiner 2002; Garcia and Kleiner 2001; Hannay and Northam 2000; Stein, K. 1996), training and development (Walsh and Taylor 2007; Shaw et al. 1998; Huselid, 1995) as cited in Shukla and Sinha (2013) are the foremost decisive factors and very strong predictors of employee turnover intention. Mobley et al. (1979), in his studies, finds the role of pay in turnover is mixed but that often there is no relationship between pay and turnover.

Hypothesis:

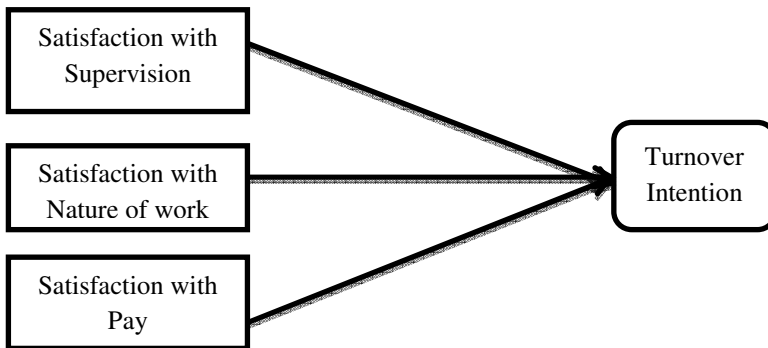
This study is carried out based on the following hypothesis:

- H1: Satisfaction with supervision influences turnover intention.
- H2: Satisfaction with working condition influences turnover intention.
- H3: Satisfaction with pay influences turnover intention.

Conceptual Framework:

This study has taken three variables – satisfactions with supervision, satisfaction with nature of work, and satisfaction with pay to find out the correlation with intentions of bank employees to leave their job.

Figure 1: Conceptual Model



Finally for better understanding and measuring a conceptual model (Figure 1) has been developed for this study. The model depicts the turnover intention is influenced by three variables like Satisfaction with supervision, Satisfaction with nature of work, and Satisfaction with pay. These 3 variables are treated as independent and turnover intention is labeled as dependent variable.

Research Methodology

This study is descriptive in nature and survey has been conducted among bank employees of both PSBs and private sector banks in Madurai. A well administered questionnaire has been issued among 120 employees. Since the survey includes both managerial and non-

managerial category, all 120 questionnaires are taken back, and 115 responses are taken for further analysis.

The survey has two parts, the personal details like age, gender, Education level, Job category, Working hours, and Work Experience of the employees are in part 1. The second part contains four sections. The first three sections have statements to find out the satisfaction level of employees towards supervision, nature of work, and pay. There are 10 statements used to measure the satisfaction with supervision, 10 statements for measuring the satisfaction with nature of work and 8 items to measure the satisfaction with pay. The final section contains 4 statements used to measure the turnover intention. A total of 32 statements have been chosen based on the literature and all are rated using a 5-point Likert Scale like 'Strongly Disagree', 'Disagree', 'Neutral', 'Agree', and 'Strongly Agree'.

Reliability Analysis

This study used Cronbach's coefficient alpha to measure the internal consistency of the used scale. The values of Cronbach's Coefficient Alpha range from 0 to 1. If the coefficient value is more than 0.600, the scale is a reliable one (Hair et al. 1998).

Table 1: Summary of Cronbach's coefficient alpha for each measure showing reliability of measures

Variables	N of Items	Cronbach's Alpha
Satisfaction with supervision	10	.930
Satisfaction with nature of work	10	.871
Satisfaction with pay	8	.889
Turnover intention	4	.883
Overall	32	.926

Source: Primary Data

Cronbach’s Alpha was 0.930 for Satisfaction with supervision, 0.871 for Satisfaction with nature of work, 0.889 for Satisfaction with pay, 0.883 for Turnover intention saying that the internal consistency in the instrument is satisfactory.

Normality test:

The normality test was carried out for all the variables by measuring the skewness and kurtosis. When the values of skewness and kurtosis are zero, the data is normally distributed. If those values are in the range of +2 to -2, then the data is considered non-normality (George and Mallery 2003).

Table 2: Summary values of Skewness and kurtosis for all variables

Satisfaction With Supervision			Satisfaction With Work condition			Satisfaction With Pay			Turnover Intention		
	S	K		S	K		S	K		S	K
Ssupe1	-0.476	-0.549	Swork1	-0.338	-0.462	Spay1	0.010	-1.050	TI1	-0.166	-1.289
Ssupe2	-0.363	0.699	Swork2	-0.465	0.038	Spay2	-0.319	-0.712	TI2	-0.067	-1.081
Ssupe3	-0.135	0.219	Swork3	-0.399	-0.409	Spay3	-0.153	-0.321	TI3	-0.376	-0.782
Ssupe4	-0.262	0.769	Swork4	-0.339	-0.571	Spay4	-0.321	-0.626	TI4	-0.221	-0.928
Ssupe5	-0.177	0.538	Swork5	-0.376	-0.462	Spay5	-0.139	-0.758			
Ssupe6	-0.175	0.652	Swork6	-0.570	-0.435	Spay6	-0.288	0.428			
Ssupe7	-0.417	0.591	Swork7	-0.426	-0.014	Spay7	-0.071	0.464			
Ssupe8	-0.232	0.270	Swork8	-0.121	-0.586	Spay8	-0.005	-0.445			
Ssupe9	-0.099	0.885	Swork9	-0.289	-0.518						
Ssupe10	-0.175	0.525	Swork10	-0.304	-0.346						

The values of Skewness and Kurtosis of all the items of the four variables are found to be between the ranges of +2 to -2. It ensures that all the data are normally distributed in this study.

Analysis and interpretation

The researcher adopted percentage analysis, ANOVA, correlation for further analysis to interpret the collected data.

Results

Table 3 lists the basic information about the respondents of this study. According to the study, 47% of the participants are between 25 to 35 years; males occupy 70.4% of total sample; 50.4% of them are graduates and 44.3% are post graduates; 58.3% of the people are in Non-managerial category; and maximum (69.6%) respondents have less than 10 years of experience. 66.1% respondents are from Public Sector banks and 33.9% from Private Banks.

Table 3: Summary of the respondent's profile

		Frequency	Percent
Age	less than 25	23	20.0
	25-35	54	47.0
	35-45	12	10.4
	45 and above	26	22.6
Gender	Male	81	70.4
	Female	34	29.6
Education	Graduate	58	50.4
	Post Graduate	51	44.3
	Others	6	5.2
Job category	Managerial	48	41.7
	Non-managerial	67	58.3
Working hours	Less than 8 hrs.	53	46.1
	8 to 10 hrs.	50	43.5
	More than 10 hrs.	12	10.4
Experience	less than 2 yrs.	37	32.2
	3-10	43	37.4
	11-20	14	12.2
	21-30	16	13.9
	31 and above	5	4.3
Type of Bank	Public Sector	76	66.1
	Private Sector	39	33.9

Examining the age group and experience, it seems more youngsters enter the banking sector immediately after completing their graduation. Not only the clerical cadre, the young employees enter the managerial cadre also.

Table 4: ANOVA – Intention to Leave with Gender, Educational Level, Job Category

	F	P Value	Sig.
Gender	0.25*	0.080	Insignificant
Educational Level	0.482	0.622	Insignificant
Job category	0.264	0.611	Insignificant

* refers to t value and its significant level

ANOVA is used to find out the significance between level of education, job category and gender turnover intention. While finding the relationship between level of education and Intention to leave, the ‘p value’ is insignificant. The score 0.622 says the educational level is not highly significant with the employee’s intention to leave. The ‘p value’ for job category is 0.611 which indicates the job category is highly insignificant with turnover intention. By this it can be understood that, whether a manager or clerk, the job category does not make any difference in the employee’s intention of quitting the job. At the same time, the ‘p value’ of gender is 0.080 which says there is no high insignificance difference between the categories of gender in terms of intention to quit. In that, Gender plays a little role in negotiating the intention to leave from the organization.

Table 5: Correlation Matrix of age, working hours, and experience and turnover intention

	Age of the Employee	Working hours	Work Experience	TItotal
Age of the Employee	1			
Working hours	-.057	1		
Work Experience	0.952**	-0.030	1	
TItotal	-0.514**	0.029	-0.530**	1

** Correlation is significant at the 0.01 level

The Pearson correlation is used to find out the relationship between the personal factors like age, working hours, and experience and turnover intention. Both the variables of age and work experience have a negative relationship with the turnover intention. Their correlation score is -0.514 and -0.530 respectively. At the same time, working hours have a little bit of positive (0.029) relationship with turnover intention. The young employees who have a little experience want to quit the jobs from their current organizations.

Table 5: Correlation matrix of Satisfaction with supervision, Satisfaction with nature of work, Satisfaction with pay, and Turnover intention

	Satisfaction with supervision	Satisfaction with nature of work	Satisfaction with pay	Turnover intention
Satisfaction with supervision	1			
Satisfaction with nature of work	0.800**	1		
Satisfaction with pay	0.399**	0.481**	1	
Turnover intention	0.045	-0.023	-0.205	1

** Correlation is significant at the 0.01 level

According to this table, the independent variables like ‘satisfaction with nature of work’ (-0.023) and ‘satisfaction with pay’ (-0.205) have a negative relationship with turnover intention. If the employees are dissatisfied with the nature of work and pay, they are more likely to sign off their job from the current organization. On the other hand, ‘satisfaction with supervision’ (0.045) makes a positive relation in the employee’s intention to leave.

Findings and Conclusion

In the present job market, the banking sector is more penetrated by younger employees. While looking at the age group and experience, it seems more youngsters are entering the banking sector immediately after completing their graduation. For that, the IBPS examination is one of the reasons; if anyone scores above the cutoff marks, they can apply to and join any bank. Not only the clerical cadre, the young employees are joining the managerial cadre also.

The p value of gender (0.080) says there is no significant difference between the means of the gender in terms of intention to quit. The score 0.622 says the educational level is highly insignificant with the intention to leave. The p value for job category is 0.611 which indicates the job category is highly insignificant with turnover intention. By this it can be understood that whether a manager or clerk, the job category does not make any difference in the intention of employee's quitting the jobs.

The factors of age (-0.514) and work experience (-0.530) have a negative relationship with the turnover intention. At the same time, working hours have a little bit of positive (0.029) relationship with turnover intention. It is concluded that younger employees who have a little experience want to quit their jobs from their current organizations.

The factors of 'satisfaction with pay' (-0.205) and 'satisfaction with the nature of work' (-0.023) have a negative relationship with turnover intention. Meanwhile, satisfaction with supervision (0.045) has a small positive influence on turnover intention of the bank employees. So, the dissatisfied bank employees who consider pay and nature of work will move from one bank to another. Though the employees are not concerned about their managers, their intention towards continuing the job depends on the satisfaction of pay and nature of work.

Employee Turnover can hit the overall productivity of the company and it is a symptom of poor organizational performance. The costs involved in turnover are cost of selection, training and accommodation of the new workers. As such, HR managers of banks should give much importance to the phenomenal issue of 'Employee Turnover'.

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