

Impact of Job Satisfaction on Turnover Intention of Employees at Kosamattam Finance Pvt. Ltd., Kozhikode

Dr.K.Muraliselvam¹ and Dr.N.Santhoshkumar²,

¹Associate Professor in Commerce,

²Research Advisor in Commerce,

^{1and2}Marudupandiyar College, Thanjavur – 613 403, Tamil Nadu, South India.

¹Email: drkemma@gmail.com, ²Email: cnrskumar@gmail.com

Abstract: Turnover is the least supported by organizations because it has a potential to be hurtful to them. This is to emphasize that the feeling of insecurities felt by staff cannot be left to perpetuate. Leaving the insecurities to continue will result in a drop in employee morale, develop stresses for them or lessen organizational commitment. The repercussions of leaving with continued insecurities will lead to intentions to turnover, decreased commitment, and decreased job satisfaction and eventually turnover. Non-Banking Finance Companies as any other firms have always considered their employees as the backbone of their Companies and aim at providing employee satisfaction enabling them to deliver better results year over year. Some are also committed in providing their employees with many opportunities to learn and advance in their career in their quest for having a satisfied work force. As proposed by many researchers, a productive business outcome is interrelated to numerous human resource constructs, such as employee job satisfaction, psychological empowerment, and employee retention. Related to this, employees' job satisfaction and turnover intentions turn out to be two prominent factors in the present study. Thus, this study intends finding out the effect of job satisfaction on turnover intention of employees. The investigation will focus on the employee reactions with regard to job satisfaction and intentions to turnover in Kosamattam Finance, Kozhikode area.

Keywords: *Job Satisfaction, Turnover Intention*

1. Job satisfaction: An Introduction

Job satisfaction is a phenomenon that has been researched by many researchers. Smit, Kendall and Hulin, quoted by (Martin, 2007:17), defined job satisfaction as persistent feelings that are thought to be associated with perceived differences between what is expected and what is experienced in relation to the alternatives available in a given situation. Job satisfaction can also be seen within a broader context of the range of issues, which affect an individual experience of work or their quality of working life. Job satisfaction can be understood in terms of its relationships with other key factors such as general well-being, stress at work, control at work, homework interface, and working conditions.

1.1 Causes of Dissatisfaction

According to Grobler *et al.* (2007:128), job dissatisfaction is caused by an expectation that is not met in the employee's understanding. Job satisfaction depends on pay, benefits, supervision, co-workers, work, and the organization generally. In addition, some of the other causes of job dissatisfaction are an in conducive work environment, management not recognizing employee job performance, fewer opportunities for growth/promotion, low salaries, and employees not receiving praise from their superiors for good performance.

1.2. Employee turnover

Turnover is defined as the movement of employees out of the organization. Turnover intention is normally the predecessor of the actual turnover. It is defined as mental decisions intervening between an individual's attitudes regarding a job and the stay or leave decision. The occurrence of staff turnover in organization can be harmful to the organization in such that high employee turnover becomes very costly to the organization because of monetary costs incurred in recruiting, training, low productivity, more accidents and disruptions in programmes and projects. Most importantly, it raises quality problems of the services/ products delivered, thus tarnishing the image of the organization.

1.3. Turnover intention

Turnover intention is an inclination among employees to quit their organization. Intention to withdraw has been found to be a predictor of actual turnover among employees. Turnover intention is an individual's probability estimated by themselves that they are going to leave the organization permanently in near future. In reality, turnover intention is the direct predictor of turnover behaviour and shows a combination of attitudes related to withdrawal.

2. Need for the study

The intention of this study is to investigate the job satisfaction, and turnover intentions of employees of Kosamattam Finance, Kozhikode area. The study will benefit both employees and management. It will benefit the employees in the sense that each employee will be given an opportunity to state their individual perceptions of the their work, the organization, to give their feelings regarding job satisfaction and organizational commitment, and then make recommendations as to what they feel the institution should do to increase their job satisfaction, and need to stay. The management will benefit from the study too, as the findings will be presented to them with recommendations from the respondents. It will also serve to make them aware of what their employees may be going through. The study will thus assist management with their efforts and endeavors toward management of the people. The study will also highlight areas that employees perceived to be good practice and that they wish could be sustained. Therefore, this will create and strengthen a reciprocal relationship between the employees and management of Kosamattam Finance, Kozhikode area.

3. Scope of the study

- ❖ The research work was conducted at Kosamattam Finance, Kozhikode area.
- ❖ The study was done to understand the job satisfaction and turnover intentions of employees in Kosamattam Finance, Kozhikode area.

4. Ethical considerations

- ❖ The purpose of the study was made clear to all participants and they partook voluntarily.
- ❖ The study did not request any identifying information from the subject in order to maintain confidentiality.

5. Objectives of the study

- ❖ To investigate the impact of job satisfaction on turnover intentions of employees of Kosamattam Finance, Kozhikode area.
- ❖ To find out if respondents have any suggestions as to how the job satisfaction and intentions to stay can be improved.

6. Hypotheses of the study

Following are the null hypotheses to be framed for this research:

Null hypothesis (H01): There is no significant difference between gender of respondents and turnover intention of respondents.

Null hypothesis (H02): There is no significant difference between the tenure and turnover intention.

Null hypothesis (H03): There is no significant difference between the position of employees and turnover intention.

Null hypothesis (H04): There is no significant difference between the salary and turnover intention.

7. Research methodology

The present study is also going through the predefined path of research methodology. The primary data and secondary data are adopted in this study. In essence, the primary data that obtained from the respondents consist of the participant's characteristics (age, gender, origin, education level and occupation), job satisfaction and turnover intentions. 100 employees were randomly selected in the different branches Kosamattam Finance, Kozhikode. This includes branch head, assistant branch head, executive officers, cashiers and housekeeping assistant.

8. Testing the Hypotheses

Table 1: Independent Samples T-Test indicating the difference of turnover intention among the employees in terms of gender

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean	P Value
How often have you considered leaving your job?	Male	54	2.74	.805	.110	.000
	Female	46	2.96	.988	.146	

Source: Computed

There is no significant difference between gender of respondents and turnover intention of respondents.

A significant difference between gender and turnover intention ($p < 0.05$) was found based on the t-test analysis. **Females ($X = 2.96$) have a higher turnover intention than males ($\bar{X} = 2.74$).** This result is consistent with previous studies that found **females have a higher turnover intention than males** (Carbery et al., 2003; Cotton and Tuttle, 1986; Lambert, 2006).

Table 2 : ANOVA Table showing the difference of turnover intention of the employees in terms of tenure

Descriptive

How often have you considered leaving your job?

	N	Mean	Std. Deviation	Std. Error	95 per cent Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1 – 4 years	61	3.51	.698	.089	3.33	3.69	2	4
4 – 8 years	24	3.54	.658	.134	3.26	3.82	2	5
8 – 12 years	9	3.33	.866	.289	2.67	4.00	2	4
12 – 16 years	4	2.25	1.258	.629	.25	4.25	1	4
16 – 20 years	2	1.50	.707	.500	-4.85	7.85	1	2
Total	100	3.41	.805	.081	3.25	3.57	1	5

Source: Computed

ANOVA

How often have you considered leaving your job?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.736	4	3.434	6.466	.000
Within Groups	50.454	95	.531		
Total	64.190	99			

Source: Computed

Table 3: ANOVA Table showing the difference of turnover intention of the employees in terms of position

Descriptive

How often have you considered leaving your job?

	N	Mean	Std. Dev	Std. Error	95 per cent Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Executive	85	3.53	.683	.074	3.38	3.68	2	5
Assistant manager	10	3.10	.876	.277	2.47	3.73	2	4
Manager	5	2.00	1.225	.548	.48	3.52	1	4
Total	100	3.41	.805	.081	3.25	3.57	1	5

Source: Computed

ANOVA

How often have you considered leaving your job?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.114	2	6.057	11.282	.000
Within Groups	52.076	97	.537		
Total	64.190	99			

Source: Computed

Table 4: ANOVA Table showing the difference of turnover intention of the employees in terms of salary

Descriptive

How often have you considered leaving your job?

	N	Mean	Std. Deviation	Std. Error	95 per cent confidence interval for mean		Minimum	Maximum
					Lower bound	Upper bound		
8-12K	64	3.50	.690	.086	3.33	3.67	2	4
12-20K	24	3.54	.658	.134	3.26	3.82	2	5
20-30K	6	3.33	1.033	.422	2.25	4.42	2	4
30-40K	4	2.25	1.258	.629	.25	4.25	1	4
ABOVE 40K	2	1.50	.707	.500	-4.85	7.85	1	2
Total	100	3.41	.805	.081	3.25	3.57	1	5

Source: Computed

ANOVA

How often have you considered leaving your job?

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.648	4	3.412	6.413	.000
Within Groups	50.542	95	.532		
Total	64.190	99			

Source: Computed

There is no significant difference between the tenure and turnover intention.

As can be seen in table, there is a significant difference between tenure and turnover intention ($p < 0.05$) and hypothesis H02 was rejected. In this research, it was concluded that people who have tenure of **12-16 years, 16-20 years and over have lower turnover intention compared to people who have relatively short tenure such as four years and less, 4-8 years.** ($\bar{X} = 3.51, 3.54, 3.33, 2.25, 1.50$). This finding corresponds with previous studies that found people who have long tenure have low turnover intention than people who have short tenure (Cotton and Tuttle, 1986; Lambert, 2006; Martin and Roodt, 2008). **There is no significant difference between position and turnover intention.**

A significant difference between position and turnover intention was also found ($p < 0.05$) and hypothesis H03 was rejected. Employees **who have higher position such as managers and assistant managers have lower turnover intention than people who have low position such as executives.** ($\bar{X} = 3.53, 3.10, 2.00$). This finding is consistent with previous studies that **found people who have higher position have lower turnover intention compared to people who have lower positions.** (Abdullah et al., 2010; Radzi et al., 2009).

There is no significant difference between the salary and turnover intention.

A significant difference wage and turnover intention was found ($p < 0.05$) and hypothesis H4 was rejected. Employees who are paid between **8-12K and 12-20K in relatively lower wage groups have higher turnover intention than people who have higher wage group** of 30-40K and above 40K. This finding corroborates with previous studies that **argue staff that have low wage have a higher turnover intention.** (Albattat and Som, 2013; Carbery et al, 2003; Pizam and Thornburg, 2000).

9. Major Findings

- ❖ The respondents were pleased with the following aspects: keeping themselves busy all the time, using their abilities, being somebody in the community, having a steady employment, doing things that do not go against their conscience and doing different things from time to time. A number of respondents were not satisfied with the opportunity they were getting to use their abilities and using their own judgment, and the way the job provides for steady employment. Of note is the fact that there was a high tendency of giving neutral responses. Overall, there appears to be more intrinsic job satisfaction by than dissatisfaction.
- ❖ The results suggest that there may be a concern regarding extrinsic satisfaction, which has more to do with the way the managers handles his/her workers, pay and benefits as well as possibility of progression and/or promotion within the organization. The results showed that 60.0 per cent of respondents reported being satisfied overall with their institution.
- ❖ Aspects of the Job that Make it Dissatisfying: The respondents came up with various issues, including location, implementation of policies, salary, and lack of better work position, communication flow, work overload and temporary employment. 40.0 per cent of the respondents mentioned salary as a worrying factor, followed by communication flow (14 per cent), work overload (13 per cent), lack of better work position (12 per cent), and temporary employment (12 per cent).
- ❖ Aspects of the job that make it satisfying: 25.0 per cent of the respondents indicated that the opportunities their jobs were affording them to learn and the empowerment they were receiving were making them satisfied, team work was 2nd (23 per cent), followed by independence in job (19 per cent), space for creativity (15 per cent) and space to initiate programmes and projects (6 per cent).

10. Suggestions

Employees stated that they were not satisfied with their jobs basically because they felt amongst others, they got low salaries, lack of better work position, work overload, temporary employment, location and they sometimes were not clear as to what was expected of them. The following are recommended:

- ❖ Salary increment. (the significance test also supports this since employees who are paid in relatively lower wage groups have higher turnover intention than people who have higher wage group).

- ❖ Improve work position by e.g. creating new intermediate positions with higher pay grade and benefits. (The significance test also supports this since employees who have higher position such as managers and assistant managers have lower turnover intention than people who have low position such as associates).
- ❖ Reduce Work overload by practicing equality in treatment of staff, so that efficient team members are not burdened with work of inefficient members. Permanent appointment of employees who are employed temporarily.
- ❖ Empower employees through attendance of conferences, workshops and any other forms of learning and training.

11. Conclusion

The research findings have shown that the respondents perceive the institution to be somewhat unappreciative of their efforts and dedication they put into it. If it does, it is to a minimal extent. Overall, the results of the study indicated that there is reason for the company to start worrying as the employees' level of job satisfaction and intentions to stay are questionable. The respondents have suggested that the institution should strive for in order to improve their job satisfaction and intentions to remain employed by the organization. The institution perhaps needs to put into place support systems that are effective to continuously ensure that performance is kept to the optimum.

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