

Employee Turnover Intention in Bangladesh

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Abstract: *In this era of highly volatile business environment organizations are continuously exposed by the mentality of disengaged employees. They are more prone to switch to make progress in their career instead of focusing on fundamental prospects of the organization. It clearly articulates the shifting of the paradigm from simple to complex management of human resources in terms of turnover and retention of employees. There are countless factors responsible for employee turnover intention. This paper urges to explore the factors associated with employee turnover intention in Bangladesh. To conduct this research 145 purposive sample was selected from telecommunication and banking industries. A detailed structured inventory was used to collect primary information which was scored according to the liker-scale. To test the hypothesis a simple correlation matrix was used. This research identified that work load, relationship to peers, employee rewards, status, contribution and career opportunity is more associated with employee turnover intention. To find out the effect of dependent variable (employee turnover intention) a simple regression was also administered which justified the hypothesis a bit further. This paper expects to stimulate advanced researches on human resource management in Bangladesh.*

Keywords: *Employee turnover, human resources management, employee retention*

1. Introduction

The wave of globalization, privatization, and window of opportunities for career makes it challenging more than ever for managers to uplift the level of motivation and morale of employees to ensure their loyalty and hence, stickiness with the organization. Effective management of Human resources plays a pivotal role for securing success of organization. There is a sequential justification for proving HR as an important function for business success, however, success is a relative term. The high performance work system, rapid market changes, disruptive technologies, limited resources with plenty of opportunities are, true for relative success, forcing organizations to reexamine the connections amongst business performance, leadership, employee satisfaction, employee

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involvement, work arrangement, employee stability, employee turnover, etc. In a series of 14 individual studies, Wilson Learning Worldwide has found a direct correlation between employee Fulfillment Satisfaction and job performance and employee turnover (Lum et al, 1998). Chan et al. (2010) also quoted staff turnover as a serious issue especially in the field of human resources management. Now, employee retention, satisfaction and turnover are as important as financial aspects, technological improvement, process development, and etc.

The underlying reasons for such importance to employee turnover are dated back in the classical thoughts of management. By idealizing 'stability of staff' principle of Henry Fayol pointed out the growth of organization in a more structured manner. Stability of staff is ensured by fulfilling their pertaining needs. So the motivational theory proves the congruence among stability of staff, staff satisfaction, motivation, and performance. But employee turnover intention may create dissonance of those related terms. In the light of such importance the factors for making employee turnover intention should be unearth for the common good.

2. Objectives

From the standpoint of the relative issues discussed, the specific objectives of this study are dragged down, like-

- To find out the factors which are responsible for the employee turnover intention.
- To show the relative importance of the factors associated with employee turnover intention.
- To testify the congruence between empirical findings of existing literature and proposed hypothesized factors associated with employee turnover intention.

3. Literature Review

Employee turnover is one of the most happened phenomena that HR managers face in day to day business. Is it said that sometimes turnover is good for the company but most of the time, if there persistent rise in employee turnover for whatever the cause, is detrimental for ongoing business operations. Literature reveals that there are already ample of studies on employee turnover and its different aspects. Employee turnover is a much studied phenomenon. These literatures are based on many polemical issues, like the definition itself, the varying factors, leadership and turnover, controlled turnover, causes of turnover, etc.

This literature review was purposively designed to be conducted in three different focus areas.

Employee Turnover

In human resource management employee turnover is defined as the ratio of the number of employees that had to be replaced in a given time period to the average number of employees (Mobley et al, 1979; Price, 1977; Agnes, 1999; Ongori, 2007). Most commonly employee turnover is classified and categorized into voluntary or involuntary, as well as functional or dysfunctional, skilled vs. unskilled, internal vs. external (Ongori, 2007; Mbah et al, 2012). In a research of Wells (2010) defined involuntary or functional turnover is the situation in which organization undertaken the control over the employee's decision to stay or leave the organization. In contrast, voluntary turnover is usually dysfunctional and defined as a process in which an employee makes decision whether to stay on or leave the organization. This dysfunctional nature of employee turnover can be most detrimental to the organization (Mobley, 1982).

Employee Turnover intention

Turnover intention is a psychological state where employee intent to leave the organization voluntarily due to some behavioral, situational and achievement maladjustment. Kerlinger (1973) in his *Foundation of Behavioral research* mentioned that employee turnover intention is an employee's personal estimated probability that he or she has a deliberate intent to leaving the organization permanently in near future.

Factors of turnover intention

By developing multivariate models that combine a number of factors contributing to employee turnover and empirically testing these models researchers sought to predict why individuals voluntarily leave organizations. When attempted to explore the causes of employee turnover intention, literature explains varieties of variables which is largely dependent on employees' personal, organizational, environmental, psychological, and situational aspects. Empirical evidence reflects that identified causes for most turnover intention behavior of the employees largely driven by individualism (Wasti, 2003), individual power distance (Clugstone et al, 2000), strong tendency to uncertainty and longer tenure (Chew and Putty, 1995), seniority (Fisher, 2008), attitude towards money (Mitchell and Mickel, 1999), compensation and money (Tang, 2002), strategic training practices (Anvari and Amin, 2011), low job satisfaction (Lee TW, 1988), mentoring (Dawley et al, 2010), leadership behavior (Joo and Park , 2010), organizational culture (Moncarz et al, 2009), job security (Min, 2007), loyalty and commitment to workplace (Lee, 2006) was found. Most of the research identified the relationship between turnover intentions and turnover is consistent and generally stronger than the satisfaction-turnover relationship, although it still accounted for less than a quarter of the variability in

turnover (Mobley et al, 1979). Much of the research on perceived opportunities has been found to be associated with intentions to leave but not actual turnover (Kirschenbaum & Mano-Negrin, 1999).

A detail description of those variables is also found in many literatures. Referring to the organizational commitment, the link between turnover and the three components of attitudinal commitment: affective commitment, continuance commitment and normative commitment was found (Allen and Meyer, 1999). In some researches it has been showed that organizational commitment has direct influence than employee job satisfaction (Lum et al, 1998 and Mueller et al, 1990). And also in researches where there has shown the turnover intention is negatively associated with pay structure which is also negatively directly related with job satisfaction (Martin, 2003). A detailed theoretical framework was also established (Anvari and Amin, 2011) relating to turnover intentions, training, commitment, strategic training practices. With these general and universal studies, turnover intention has also studied in the specific location (Sujeewa, 2011) like Africa, Asia, India, Sri Lanka, at specific industry (Sujeewa, 2011)like Garments, IT, Hotels etc.

Based on these review of literature this study attempts to sort out the following hypothesis:

5.1 Hypothesis: The greater is the employees' Job satisfaction the less likely the employee turnover intentions.

The factors constructing the hypothesis in the job satisfaction and employee turnover intentions are working environment, work repetition, work schedule, work load, work complexity, relationship to peers, employee rewards, employee status, value of the employee contribution, career opportunity. In short, another hypothesis can be stated that there is a relationship between multiple independent variables with employee turnover intention as the dependent variable.

6. Methods

6.1 Respondents

Total of 145 employees was taken on the basis of purposive sampling technique from different banking and telecommunication industries in Bangladesh. Sample has been taken by 95% level of confidence. Their age ranged from 24 to 38 years. Brief demographic descriptions of the employees are given in the following table.

Table 1: General classification of sample

<i>Gender</i>		<i>Experience</i>		
<i>Male</i>	<i>Female</i>	<i>Below 3 years</i>	<i>3-6 years</i>	<i>More than 6 years</i>
92	53	99	36	10
<i>Income Group</i>				
<i>Below 10000</i>	<i>10000-20000</i>	<i>20000-30000</i>	<i>30000-40000</i>	<i>More than 40000</i>
6	29	77	28	5

6.2 Instruments

To test the proposed hypothesis an inventory titled “employee turnover intentions survey in Bangladesh” was constructed following International Test Commission (ITC) guidelines. Initially to measure turnover intention five identical questions were asked and scored on a Likert’s 5 point scale. Extended inventory contains 11 items namely; employee general satisfaction level, working environment, work repetition, work schedule, work load, work complexity, relationship to peers, employee rewards, employee status, value of the employee contribution, career opportunity. The reliability of the inventory was measured using cronbach’s Alpha. The cronbach’s Alpha was found to be 0.812. As the measure of validity of the inventory and item analysis (if item deleted) was carried out. Items were found to be valid.

6.3 Scoring

The scoring of employee satisfaction survey was completed using Likert scale. At first instance, all the items of the questionnaire were complied with five options namely, least satisfaction (1) to highest satisfaction (5). The initial turnover measured in total scored from 5 to 25, where lower score means high turnover intentions and vice versa. Total scores of the extended inventory were ranged from 11 to 55, where high score indicates high employee satisfaction and low turnover intention and on the other hand low score indicates low employee satisfaction and high turnover intention.

7. Results

To determine the general observation about the turnover intentions in Bangladesh, a descriptive study was administered shown in table 3. This table indicates that the sampled employees have moderately strong tendencies to leave the organization with the mean of 12.6828 with a standard deviation 4.72244. This finding of this paper instigates to search further analysis.

Table- 2: Descriptive statistics of turnover intentions

	N	Minimum	Maximum	Mean	Std. Deviation
Turn_Int	145	5.00	23.00	12.6828	4.72244
Valid N (listwise)	145				

To search for in-depth findings and to test the proposed hypothesis of this research Pearson moment correlation was applied for determining the association of each variable. Table 4 shows that there are positive correlation with turnover intention and other variables. But this table also finds that turnover intention has a strong correlation with employee general satisfaction ($r = .812, p < .001$), work repetition ($r = .598, p < .001$), work load ($r = .678, p < .001$), work complexity ($r = .650, p < .001$), employee rewards ($r = .704, p < .001$), employee status ($r = .640, p < .001$), work value ($r = .625, p < .001$), and career opportunity ($r = .700, p < .001$).

Table 3: Correlation Matrix

		Turn_Int	Gerl. Satisf	W_Repat	W_Sched	W_Load	W_Complex	Rel_Peer	E_Rewads	E_Status	W_Env	C Opport
Over_Satisf	Pearson Correlation	.812**										
	Sig. (2-tailed)	.000										
W_Repat	Pearson Correlation	.598**	.603**									
	Sig. (2-tailed)	.000	.000									
W_Sched	Pearson Correlation	.522**	.571**	.587**								
	Sig. (2-tailed)	.000	.000	.000								
W_Load	Pearson Correlation	.678**	.654**	.644**	.647**							
	Sig. (2-tailed)	.000	.000	.000	.000							
W_Complex	Pearson Correlation	.599**	.600**	.467**	.587**	.726**						
	Sig. (2-tailed)	.000	.000	.000	.000	.000						
Rel_Peer	Pearson Correlation	.388**	.471**	.352**	.398**	.228**	.438**					
	Sig. (2-tailed)	.000	.000	.000	.000	.006	.000					

E_Rewards	Pearson Correlation	.704**	.700**	.502**	.495**	.540**	.530**	.566**				
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000				
E_Status	Pearson Correlation	.640**	.675**	.571**	.479**	.491**	.526**	.639**	.809**			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000			
W_Env	Pearson Correlation	.553**	.682**	.295**	.317**	.340**	.401**	.442**	.517**	.550**		
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000		
C_Opport	Pearson Correlation	.709**	.718**	.585**	.567**	.504**	.476**	.484**	.707**	.774**	.542**	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
W_Value	Pearson Correlation	.625**	.698**	.515**	.537**	.466**	.486**	.635**	.760**	.848**	.548**	.735**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	145	145	145	145	145	145	145	145	145	145	145

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

In order to test the factors combined leverage, multiple regression analysis was administered. Table 5 shows that the model tested is significant ($P < 0.05$). The regression analysis accounted for 75% change is caused by those dependent variables. The sum of squares is positive which is also tested with 144 degree of freedom. The result of the detailed equation is presented in table 5 as it has been seen from the table, employee general satisfaction ($\beta = .410, p < .05$), Work load ($\beta = .184, p < .05$), employee rewards ($\beta = .230, p < .05$), and employee career opportunity ($\beta = .231, p < .05$), those are significantly influence to turnover intention.

Table 4: Multiple Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 ^a	.748	.727	2.46668

a. Predictors: (Constant), C_Opport, W_Complex, Rel_Peer, W_Env, W_Repat, W_Sched, E_Rewards, W_Value, W_Load, Over_Satisf, E_Status.

Table 5: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.906	.796		2.394	.018
	Over_Satisf	1.827	.400	.410	4.572	.000
	W_Env	.115	.248	.030	.465	.643
	W_Repat	.372	.315	.079	1.180	.240
	W_Sched	-.462	.297	-.103	-1.553	.123
	W_Load	.807	.369	.184	2.185	.031
	W_Complex	.340	.296	.082	1.149	.253
	Rel_Peer	-.184	.235	-.050	-.784	.435
	E_Rewads	1.053	.376	.230	2.805	.006
	E_Status	-.380	.384	-.105	-.990	.324
	W_Value	-.046	.337	-.013	-.136	.892
	C_Opport	.870	.301	.231	2.887	.005

a. Dependent Variable: Turn_Int

7. Discussion

Employee turnover intention and employee general satisfaction is strongly positively correlated with the .01 level of significance testify the acceptance of the hypothesis of this study. And the factors (work load, relationship to peers, employee rewards, employee status, value of the employee contribution, career opportunity) which has more association with the employee general satisfaction level and turnover intentions are showed. The regression model put rights the hypothesis of this study and the factors considering the employee turnover intentions in general. In specific β value denotes the percentage change in the model for employee general satisfaction level, workloads, employee rewards and employee career opportunity.

8. Conclusion

The purpose of this study was to find out the factors considering employee turnover intentions in Bangladesh. The findings of this study are satisfactory as the hypothesis

(The greater the job satisfaction the less likely is the turnover intention) is tested true which will help organization to reexamine the turnover intention factors specially the workloads, employee rewards and career opportunity. This study to some extent thus confirms previous literature regarding turnover intention of employees in other industries and in other countries.

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