

Factors affecting employee's turnover in the banking sector: Evidence from- small domestic licensed commercial banks in Sri Lanka

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Abstract

This study aims to measure the relationship between staff promotion and remuneration package and employees' turnover of small domestic banks in Sri Lanka. The objectives of the study are; identifying the factors affecting the employee's turnover; assessing the relationship between staff promotion and remuneration package on employee's turnover and assessing the relationship between job satisfaction and employee's turnover of the small domestic banks in Sri Lanka. Two methods were used to measure the influence of variables; one method assessed the relationship between the staff promotion, remuneration package and employee's turnover. The second method measured the relationship between job satisfaction which considered as mediating variable and employee turnover. Data were analyzed using descriptive and inferential (correlation, multiple regression analysis) statistics. Three hundred middle to senior level staff were selected through sampling method from small domestic banks in Sri Lanka. Questionnaires were administered to gather data and 283 questionnaires were received. This study shows that only two factors i.e staff promotion and remuneration package influence on employee's turnover in this sector. The study shows that there is a negative relationship between staff promotion, remuneration package, and the employees turnover in the small domestic banks in Sri Lanka. Further, the study shows that there is a negative relationship between job satisfaction which is used as mediating variable and employee turnover in this sector. Existence of negative relationship between staff promotion, remuneration package, job satisfaction and employee turnover from the banking sector will give signal for the authorities of regulators to consider that if the satisfaction due to staff promotion and remuneration package, then there is a possibility of leaving from small domestic banks and join large banks.

Keywords: Employee's Turnover, Staff Promotion, Remuneration, Job Satisfaction and small domestic bank

Introduction

Human capital is the key resource in an organization and failure of organization would depend on the ability of the employers to attract capable and competent employees, retain them for long period and reward them properly. Employee's willingness to stay on the job depends on the satisfaction of the work due to the remuneration packed or package they offer and time to get promotions. In attempting to ensure employee optimal satisfaction and retention, Organizations need to consider a variety of appropriate ways to

reward the employee to get the desired result (Falola, 2014). It was argued that the degree to which employees are satisfied with their job and their readiness to remain in an Organization is a function of compensation packages (Osibanjo, 2012). Employees of an organization are expected better salaries, welfare facilities and good working conditions. The generic purpose of human resource management is to generate and retain an appropriate and satisfied labour force, which gives the maximum individual contribution to organizational success. Hence, the employers should take steps to create a balance of these

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two objectives mainly to keep employees satisfied while maximizing their contributions towards achieving organizational goals.

In the banking sector, uncontrolled employee turnover can destroy banks efficiency and profits. A well trained human resource is a distinct competitive edge for sustainable business performance of a bank. Hence, banks are committed to develop its human resources by providing job satisfaction (JS) through proper remuneration packages (RP), training and development and staff promotions (SP) on time. Banking sector of Sri Lanka is very important sector which contributes to the economic growth by facilitating lending to economic sectors and bridge savings and investment gap. At present, there are 32 licenced banks (LBs) operating in Sri Lanka and all these banks are licensed by the Central Bank of Sri Lanka (CBSL) These 32 banks are divided in to two parts based on the operational activities i.e., licensed commercial banks (26) and licensed specialized banks (6). In addition, these two parts further it is categorized as large banks (6), medium banks (8), small domestic banks (5) (SDBs) and small foreign banks (13) based on the assets size i.e assets Rs 500 bn and above – large banks, assets less than Rs 500 bn and above Rs 200 bn – medium banks and assets less than Rs 199 bn- small banks.

The main challenging task of an organization is to retain employees and therefore, management has been forced to study the cases of employee's turnover (ET) and identify the strategies to control it in order to face the growing competition. However, it has been identified that ET in an Organization is very critical factor, which is influenced by JS and gap between the values of Organization and employees (Robbins, 2001).

An emerging issue in Sri Lanka is the ET in SDBs that has created a loss to the economy. Currently, Sri Lankan banks operate with low profits due to increasing cost of funds, taxes and political imbalances. Meantime, cost of funds of large and medium banks would be managed with their stabilization. Small bank face with difficulties for retention of middle and senior level employees. However, these staff will be hired by middle and large banking groups with high RP and SP. Small foreign banks do not hire staff from the local market and therefore this study does not capture small foreign banks. Therefore, it is required to

study factors affecting ET of SDBs as to minimize the cost of the banks to give that benefits to customers by reducing lending rates.

It is rare to find research conducted on determinants ET which affect JS among the employees in SDBs in Sri Lanka. Hence, to explore the factors which affect ET that exist among the officers of the SDBs especially it is timely need for the policy makers of CBSL.

Problem Statement

Recruitment of highly experienced officers from the job market for the key positions represent a challenging problem in SDBs in Sri Lanka. In addition, even though recruitment of junior level staff from school leavers is not a challenging but retention of them is a challenging problem in this sector. Accordingly, the problem arises to research how far they are satisfied with their jobs in their capacity with the experience in the banking system and whether there is an intention to leave if they are dissatisfied with their jobs.

Therefore, this research intends to study what type of factors affect the ET in SDBs in Sri Lanka and the relationship with the most important factors and ET. Further, it will study how does the JS relates as a mediate variable.

Objective of Study

- i) To identify the factors affecting the employee's turnover of the small domestic banks in Sri Lanka
- ii) To assess the relationship between staff promotion and remuneration package on employee's turnover of the small domestic banks in Sri Lanka
- iii) To assess the relationship between job satisfaction on employee's turnover of the small domestic banks in Sri Lanka

Literature Review

ET in the banking sector has drawn attention of many countries. The employee retention is also considered the input for improving the financial performance of the organization (Raikes & Vernier 2004). The outcome of the increased level of turnover in the organization is also in the form of indirect cost like burden on the existing workforce, loss of social capital and low morale (Des & Shaw 2001). The increasing trend of ET enhances the cost and deteriorate the efficiency of the bank. In this modern age, human is considered the most precious assets that impact on the performance.

(Kabene et al, 2006). According to Samuel (2009), ET is a costly expense mainly in lower paying employees, for which the ET rate is highest. Mobley et al., (1979) identified the relationship between the turnover intention and turnover as consistent and stronger than the satisfaction turnover relationship. Allen (2010) argued that the problem of workers turnover has obtained significant attention from almost all human resource managers and organizational theoreticians. ET is a problem for all type organization or institutions as it reduces organizational productivity due to increasing employee hiring and training cost. There are factors such as job related i.e salary, promotion, training and development, relationships with co-workers and working conditions on the JS. These factors will influence for ET. In the banking industry, only two factors that mainly contribute for employee's turnover. Since other factors do not influence JS due to all other factors such as training and development, relationships with co-workers and working conditions are similar with each bank. Therefore, this study mainly focuses on SP and RP.

Staff Promotion (SP)

SP is the advancement of employees among the departments of a firm or within a department (Kuhn and Chamberlin, 1965). A promotion is an upward advancement of an employee in an organization to another job, which commands better pay/wages, better status/ prestige and higher opportunities/ challenges/ responsibilities and authority, better working environment/ facilities, hours of work and a higher rank (Pattnayak, 2006). A promotion to a higher level in an organization typically involves positive changes in supervision, job content and pay. However, the rewards associated with a particular promotion differ greatly from one situation to another (Luthans, 1995).

Organizations need talented employees and individuals and also expect opportunities to grow and develop their career capabilities. Providing organizational processes that help employees to reach developmental goals while achieving organizational benefits. This is consistent with Herriot and Pemberton (1996) as in Price (2005) view that effectiveness requires a "career contracting" process where the exchange of organizational and individual needs and resources are negotiated. In this changing career context, it is important to

understand how some traditional human resource activities, such as the internal employee transfer process, can be adopted to recognize the increasing importance of employee development needs.

Effective career promotions in an organization have been seen as requiring an integrated career-focus throughout all aspects of an organization's human resource management system (Glinow et al, 1983). Role changes, particularly transfers to new positions are significant career-related events from both organizational and individual perspectives. The movement of employees from position-to-position within organizations is a ubiquitous feature of organizational life. While employee moves associated with turnover and the geographic relocation has been well studied in the organizational literature, the employee promotion process has not been widely studied. Dissatisfaction with career prospects is a major cause of ET (Curtis and Wright, 2001). Often there is little that employers can do about people needing to move on to improve their careers, especially in flatter organizations.

Accordingly, the available literature strongly suggests that there is a negative relationship between SP and ET.

Remuneration Package (RP)

RP is generally based on the award that covers the particular employee in an organisation. The RP is a function of the discrepancy between what employee feels that they should get and how much pay (Lawler, 1971). If a satisfactory RP is widely applied in an organization and it will improve employee's satisfaction on the job and also change attitudes and social behavior of employees.

A satisfactory remuneration strategy should be congruent with and support corporate values and beliefs, emanate from business strategy and goals, organization performance, drive and support desired behavior at all levels, fit the desired management style, provide competitive edge needed to attract and retain the high levels of skills that the organization needs and anchored to the realities of the labor market.

The structures and allocations of RP may affect the motivation of individual team members and the inclusion of RPs are central to many models of work group effectiveness

(Hackman, 1990 as in Kerrin and Oliver, 2001). RP includes salaries, bonuses, medical benefits, low interest rates housing loans, vehicle and other loans.

Salary is the contractually agreed rate for a job (Cushway, 2001) between employer and employee. It is the amount that the individual can expect to receive as a regular basic regardless of performance. Pay satisfaction is a function of the discrepancy between what one feels and should receive and how much pay one does receive (Lawler, 1971). Pay satisfaction has its basis in the concepts of the equity theory of motivation (Adams, 1963). Equity theory focuses on people's feelings of how fairly they have been treated in comparison with the treatment received by others. One of the most popular financial benefits offered by banks are the bonus and this is defined as "a sum of money added to a person's wages for good performance" (Oxford Dictionary Thesaurus and word power Guide). However, the bonus policy of banks varies according to the performance of overall bank and the performance of individuals and employer perceptions. Medical benefits are plans, which provide for sick benefit payments and other programs conducive to maintaining a healthy work force (Roberts, 1971). Medical benefits are to provide protection against medical expenses for the employee and his or her dependents. Loans are funds advanced to suppliers on behalf of an employee for the purposes of purchasing a land, construction of house, purchase of a vehicle and purchase of consumer goods etc. The employer shall recover these factors from the employees over a period of time on a monthly basis from the salary along with a nominal interest charge. This will enable employees to own assets without paying them upfront which is practically impossible for monthly income earners given the escalating prices of lands, buildings and motor vehicles.

Therefore, the available literature strongly suggests that there is a negative relationship between RP and ET.

Job Satisfaction (JS)

JS is a "pleasurable positive emotional state resulting from the appraisal of one's job or job experience" (Locke, 1976). JS is the way an employee feels about his or her Job. It is a generalized attitude towards the job based on evaluation of different aspects of the Job

(Wexley and Yuki, 1984). A person with a high level of JS holds positive attitude towards the job, while a person who is dissatisfied with he or her job holds negative attitudes about the job (Robbins, 2001). JS results from the employee's perception that the job content actually provides what an employee value in the work situation (Chanda, 1994). JS is an employee's attitude formed on the basis of his or her contentment derived from the specific job factor, individual adjustment, group relationship, work environment, and his or her interaction with all the environmental factors. Vroom (1964) viewed JS in terms of the extent to which a job provides positively valued outcomes to the job holder. Simply, an employee will be satisfied if he/she fulfills the expectation with his/her job. Studies of information technology professionals have shown that JS strongly influences employee intention to leave (Bartol, 1983; Zeffane, 1994). Many studies conceptualize turnover to be a psychological response and rest on the belief that turnover is an individual choice behavior. At the individual level, satisfaction with one's job is the most frequently studied psychological variable in the satisfaction-turnover relationship (Mobley, 1979). Studies involving professional and non-professional employees indicate a negative relationship between overall satisfaction and turnover, although the variance accounted for is less than 14 percent. Cotton and Tuttle (1986) found that overall JS, satisfaction with work itself, pay satisfaction and satisfaction with supervision and organizational commitment were negatively related to turnover.

Although the relationship between JS and intent to leave is generally thought to be negative (Carsten and Spectir, 1987; Tett and Meyer, 1993; Mcbay and Karakowsky, 2001) the magnitude of this relationship is not consistent within the available literature.

It has been found that the most important factors for JS are payment, supervision, job content, working condition, job security, and promotion opportunity. These factors directly relate to the RP (Kenneth and Garry, 1984). There is convenience evidence that where JS is high turnover reduce. Effects of JS are very crucial to an organization in terms of efficiency, productivity, employee relation, absenteeism and turnover (Porter and Steers, 1973; Locke, 1976).

Hence, we can have observed that the available literature strongly suggests that there is a negative relationship between JS and ST.

Employee Turnover (ET)

ET defines as the rate at which employees leave a workplace—and are replaced. Labor turnover is defined as voluntary cessation of membership in an organization and is one of several forms of organizational withdrawal such as absenteeism and tardiness (Mitra et al., 1992; Zeffane, 1994). ST decisions are a function of two factors, i.e. ease of movement; how easy it is to find another job, and desirability of movement; whether employees experience enough dissatisfaction to want a different job (March and Simon, 1958). Many studies conceptualize turnover to be a psychological response and rest on the belief that turnover is an individual choice behavior. Mobley et al., (1979), McBey and Karakowsky (2001) stated that at the individual level, satisfaction with one's job is the most frequently studied psychological variable in the satisfaction-turnover relationship.

There are lots of models that have been studied for sources of influence on ET. However, March and Simon's (1958) two phase turnover model (desirability, and subsequent ease of movement) was the founding framework for all turnover process models and the first one to move beyond simple bivariate relationships between JS and turnover (Bowen, 1982; Jackofsky, 1984; Jackofsky and Peters, 1983; Mobley, 1982; Price, 1977). Mobley (1982) further contributed to the turnover literature with his Intermediate Linkages model, drawing attention to a number of critical sources of influence such as perceived job alternatives. Jackofsky's (1984) Integrated Process Model of Turnover accords individual job performance major causal status in its relationship to turnover behavior. Regardless of the model employed, much

of the research has drawn attention to four broad categories of influence on turnover i.e., work-related attitudes (push factors), external environmental factors (pull factors), individual characteristic factors and job performance factors.

Dissatisfaction with career prospects is a major cause of ET. An employer can provide career opportunities by providing employees with wider experience, introducing more systematic procedures for identifying potentials such as assessment or development centers,

encouraging promotion from within, developing more equitable promotion procedures and providing advice and guidance on career paths. Major reasons to leave private commercial banks are high salary, better promotion, challenging job, carrier growth and job security (Paranagama, 2003). "Employee turnover is a ratio comparison of the number of employees a company must replace in a given time period to the average number of total employees" (Purohit, 2016). The major concern of many companies for employee turnover is a costly expense especially in lower paying job roles, for which the employee turnover rate is highest (Samuel and Chipunza, 2012).

There were two researches have been conducted with respect to ET of Sri Lankan banks i.e Labor Turnover among new recruits at DFCC Bank, Wimalaratne, (2003) and lower managerial ST in local private commercial banks in Sri Lanka, Paranagama (2003) and Postgraduate Institute of Management, Sri Lanka.

8 variables have identified for affecting ST, i.e., pay, promotion, working conditions, participate decision-making, job scope, job clarity, age and personality (Wimalaratne 2003). The study had concluded that the primary factor affecting ST is pay followed by promotional opportunity.

Further, Paranagama (2003) has done a study covering 08 private commercial banks in Sri Lanka and identified high salary, high position, challenging job, carrier growth were the most reasons to leave employees from private banks.

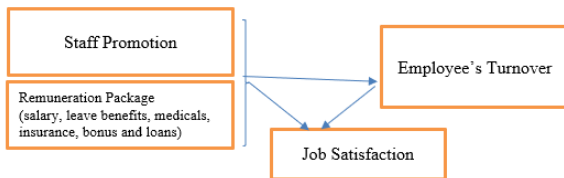
Conceptual Framework

Conceptual framework of the study consists of two parts. The First part assesses the SP and RP (salary, leave benefits, medical insurance, bonus and loans) on ET. The Second part examines the influence of JS on ET (Figure 1). The bank employees of Sri Lanka have always received salaries and other financial benefits much higher than other industries in Sri Lanka. The reasons for this difference are mainly due to large responsibilities towards banking sector, qualified staff and larger profits earned by the banking sector.

Even though the above positive factors with respect to banking industry, we could have observed that there is a large ET in small banks since large and medium banks would hire these

small banks staff with higher salaries and promotions. Therefore, only main two reasons that have been identified by policy makers i.e RP and SP to leave from small banks. The ET among banks in Sri Lanka is around 3% out of which the ET in local private commercial banks (PCBs) is 7% (CBSL). The ET of the banks of which the study has been done at present is well above 15%. Hence, it is prudent to study why SDBs are unable to retain employees successfully.

Figure 01: The Conceptual Model of the Study
Source: Author's Designed



Hypotheses of the Study

According to the research questions and background information, the following hypotheses have been developed in order to address the objectives of the research.

H1: There is a negative relationship between SP and ET of SDBs in Sri Lanka.

H2: There is a negative relationship between RP and ET of SDBs in Sri Lanka.

H3: There is a negative relationship between JS on ET of SDBs in Sri Lanka.

H4: There is a negative relationship between SP, RP and ST only JS is observed from employees of SDBs in Sri Lanka.

H5: Satisfaction on SP and RP will significantly explain the variance of ST of employees of SDBs in Sri Lanka.

Research Methodology

The population of this study is the number of bank employees (executive and non-executive) in 5 SDBs in Sri Lanka. The total number of employees of these 5 banks are 2,100. Sample of 300 employees were selected (60 from each bank), out of 2,100 population.

In this study, the quantitative approach is used to verify the hypotheses. A self-administered questionnaire was used to gather data in this regard. It contained two sections, No.01-personal information and No.2 – feelings and behavior trends of employees regarding SP and

RP on ET (Table 1). In addition, one question was delivered to get reasons for leaving SDBs which was responded 8 reasons. The assessment was carried out using a five-point scales ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

Table 1: Summary of Questionnaire

Section No	Area forecasted (variable)
01	Demography Variable (DV)
02	Staff Promotions (SP) Remuneration Package (RP) Employee Turnover (ET) Impact of SP and RP on ET Job Satisfaction (JS)

A printed questionnaire delivered and collected by the researcher personally to the respondents of the banks. Accordingly, 283 questionnaires, which constitute of 94 percent response rate, were returned out of 300 questionnaires and usable for analysis. Out of 283 responses, 281 responses were staff promotion and remunerations are the main reasons to leave the job. Therefore, SP and RP considered for the analysis.

Data Analysis and Results

Cronbach's Alpha has been used as the test to identify the scale reliability of this study (Table 2). Data collected using questionnaire was analyzed through descriptive statistics, a test of hypothesis, frequency distribution, correlation and multiple linear regression using the Statistical Package for Social Scientists (SPSS version 20.0). The regression analysis was carried for the first part of the conceptual framework and test the relationship between RP, SP and JB on ST.

The frequency distribution analysis was made individually for the dependent, independent and mediating variables. The frequency distributions are presented in table 3 and histograms and the results have been interpreted mainly considering the variance and skewness of distribution. It has interpreted that if the variance and skewness is in between 1 and -1 the data recorded are normally distributed.

Table 2: Cronbach's Alpha Coefficients Test

Dimension	Cronbach's Alpha value
Staff Promotion	0.755
Remuneration Package	0.881
Job Satisfaction	0.884
Employee's Turnover	0.621

Source: Survey Data- 2018

Table 3: Statistics of the Distribution of the selected variables

Items	SP	RP	JS	ET
Valid	283	283	283	283
Missing	0	0	0	0
Mean	3.2305	3.0869	3.498	3.688
Std. Error of Mean	.06584	.04959	.04710	.06384
Median	3.2000	3.0625	3.500	3.67
Variance	.455	3.31	3.10	.428
Skewness	-.064	.50816	.4826	-.219
Std. Error of Skewness	.236	.258	.233	.236
Kurtosis	-.114	-.097	-.688	-.548
Std. Error of Kurtosis	.467	.236	.236	.467
Range	3.00	-.369	.837	2.67
Minimum	1.80	.467	.467	2.33
Maximum	4.80	2.31	2.55	5.00
Sum	339.20	1.88	2.05	387.3

As per the correlation tests done using Spearman's rho there is a negative relationship between the dependent variable and independent variables (Table 4). There is also a negative relationship between the dependent variable and the mediating variable. This is in line with the hypothesis created for this study.

As per mean value of the distribution of all variables are suggesting the respondents are moderately satisfied with SP, RP, JS and ET. The variance and the skewness, which indicates the data recorded for SP, RP, JS and ET are approximately normally distributed. As an example, the mean value of the distribution is 3.2305 suggesting the respondents are moderately satisfied with the SP. The variance is 0.236 and skewness is -0.114, which

indicates the data recorded for SP are approximately normally distributed.

The relationship between SP and ET and JS and ET is significant at the 0.01 level (2-tailed). However, the relationship between RP and ET is not significant. There is also a significant positive relationship between the independent variables and the moderating variable.

Hypothesis Testing

In the regression analysis, the following values at Table 5 are obtained in order to accept or reject the hypotheses. Accordingly, the first 3 hypotheses were checked.

H1: The significance value is well below 0.05 that is $p < 0.05$, accordingly reject the null hypothesis and accept the satisfaction on SP and ET are negatively related of employees of SDBs in Sri Lanka.

H2: The significance value is slightly below 0.05 that is $p < 0.05$, accordingly reject the null hypothesis and accept the satisfaction on RP and ET is negatively related of employees of SDBs in Sri Lanka.

H3: The significance value is well below 0.05 that is $p < 0.05$, accordingly reject the null hypothesis and accept the JS and ET are negatively related of employees of employees of SDBs in Sri Lanka.

H4: JS is included as the mediating variable i.e., the satisfaction on SP and RP is negatively related to ET only when JS is observed of employees of SDBs in Sri Lanka. In such a situation, Partial Correlation is used. This computes partial correlation coefficients that describe the linear relationship between two variables while controlling the effects of one or more additional variables (two variables can be perfectly related, but if the relationship is not linear, a correlation coefficient is not an appropriate statistic for measuring their association).

Table 4: Results of the Correlation Analysis

			SP	RP	ET	JS
Spearman's rho	Staff Promotions	Correlation Coefficient	1.000	.316(**)	-.313(**)	.530(**)
		Sig. (2-tailed)	.	.001	.001	.000
		N	105	105	105	105
	Remuneration	Correlation Coefficient	.316(**)	1.000	-.121	.417(**)
		Sig. (2-tailed)	.001	.	.221	.000
		N	105	105	105	105
	Employee's Turnover	Correlation Coefficient	-.313(**)	-.121	1.000	-.302(**)
		Sig. (2-tailed)	.001	.221	.	.002
		N	105	105	105	105
	Job Satisfaction	Correlation Coefficient	.530(**)	.417(**)	-.302(**)	1.000
		Sig. (2-tailed)	.000	.000	.002	.
		N	105	105	105	105

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

Source: Survey Data- 2018

Table 5: Results of Hypothesis

	Relationship	Item	Sum of Squares	df	Mean Square	F	Sig.	Results
H1	Satisfaction on SP and ET are negatively related	Between Groups	12.569	14	.898	2.530	.004	Accepted
		Within Groups	31.935	90	.355			
		Total	44.504	104				
H2	Satisfaction on RP and ET are negatively related	Between Groups	18.552	32	.580	1.609	.049	Accepted
		Within Groups	25.951	72	.360			
		Total	44.504	104				
H3	JS and ET are negatively related	Between Groups	17.875	28	.638	1.822	.021	Accepted
		Within Groups	26.629	76	.350			
		Total	44.504	104				

Source: Survey Data- 2018

According to the Table 6, where there are no controlling variables SP and RP have correlation values of -0.324 and -0.049 against ET. When JS is the mediating variable, the values become -0.173 and 0.070. It is evident that the SP negatively related to ET when JS is made a mediating variable. Thus, we accept the alternative hypothesis i.e satisfaction on SP and RP is negatively related to ET only when JS is observed of employees of DSBs in Sri Lanka.

H5: To test whether the satisfaction on SP and RP will significantly explain the variance of ET of employees of SDBs in Sri Lanka, regression was the best possible method. However, as there was no linearity observed in the subject variables regression technique could not be used. Accordingly, we used the following techniques to test the above hypothesis.

- 1) Matrix extracted from bivariate analysis using Spearman's rho (Table 7).

Table 6: Results of Partial Correlation

Control Variables			SP	RP	ST	JS
-none-(a)	SP	Correlation	1.000	.276	-.324	.557
		Significance (2-tailed)	.	.004	.001	.000
		df	0	103	103	103
	RP	Correlation	.276	1.000	-.049	.327
		Significance (2-tailed)	.004	.	.622	.001
		df	103	0	103	103
	ET	Correlation	-.324	-.049	1.000	-.338
		Significance (2-tailed)	.001	.622	.	.000
		df	103	103	0	103
	JS	Correlation	.557	.327	-.338	1.000
		Significance (2-tailed)	.000	.001	.000	.
		df	103	103	103	0
Job Satisfaction	SP	Correlation	1.000	.120	-.173	
		Significance (2-tailed)	.	.226	.078	
		df	0	102	102	
	RP	Correlation	.120	1.000	.070	
		Significance (2-tailed)	.226	.	.482	
		df	102	0	102	
	ET	Correlation	-.173	.070	1.000	
		Significance (2-tailed)	.078	.482	.	
		df	102	102	0	

Accordingly, SP is a significant variable that explains ET while RP is not significant. However, the aggregate of these two variables have significantly explained the variance in ET as SP alone, and it is a significant variable. Thus, the satisfaction on SP and RP significantly explained the variance of ET of employees of SDBs in Sri Lanka.

2) The results of Question 22 (Table 8)

Ranking the reason/s that have impact for changing the job (RP, higher position (SP), disagreement with the management, challenging work, job security, working condition.

In this question, the respondents were requested to rank many variables associated with ET. The results are given below. As per Table 8, data more than 57% of the respondents have indicated that the main reason for their turnover decision would be either RP or SP, thus validating the hypothesis and rejecting the null hypothesis. Accordingly, all alternative hypotheses proposed in this study have been validated.

Table 7: The Matrix of the Significance of Independent Variables

Independent Variables	Dependent Variable (ET)	
	Significant Variable	Rank
SP	√	1
RP		2

Source: Survey Data- 2018

Table 8: Main Reasons for Staff Turnover

Reasons	Frequency	Perc ent	Valid Perc ent	Cumula tive Percent
Valid Remunerati on Package	105	37.1	37.1	37.1
Higher Position (staff promotion)	57	20.0	20.0	57.1
Disagreeme nt with Manageme nt	13	4.8	4.8	61.9
Working Conditions	30	10.5	10.5	72.4
Job Security	38	13.3	13.3	85.7
Challenging Work	13	4.8	4.8	90.5
Location	22	7.6	7.6	98.1
Other	5	1.9	1.9	100.0
Total	283	100.0	100.0	

Findings and Conclusion

As per the findings of the study, it was observed that there is a negative relationship between SP and ET among the employs of SDBs in Sri Lanka. As per the correlation test done using Spearman's rho, the negative relationship between SP and ST was -0.313 which is significant at once percent significance level. The relationship between RP and ET which was proved using Spearman's rho, the negative relationship between SP and ST was -0.121 which is not significant. Further, the results of the regression test validated the negative relationship between RP and ET with a

significance value of 0.049 which is slightly lower than 0.05. It has been documented that higher the satisfaction with pay /financial rewards received, the lower expected level of turnover.

Further, there is a negative relationship between JS and ET. As per the correlation test results, it was found that the negative relationship between SP and ET (-0.302) which is significant at 0.01 level. As per the results of the regression analysis, it was validated the negative relationship between RP and ET with significance value of 0.021 which is lower than 0.05.

The study was found that JS control the relationship between SP and RP with ET. As per the correlation test results, JS reduced the negativity of both SP and RP in relation to ST from -0.324 and -0.049 to -0.173 and 0.070. The impact was more on the relationship between RP and ST as the relationship become positive when JS is controlled.

Further, it was revealed that there is a significant impact of SP and RP on ET, which was a matrix created using the results of the bivariate analysis using Spearman's rho explained that both these variables will significantly explain the variance of ET.

The principal purpose of this study was to identify the impact of SP and RP on ET in SDBs in Sri Lanka. The study identified that SP and RP will significantly explain the variance of ST. The study also identified that there is a negative relationship between the independent and mediating variables with the dependent variable.

As per the univariate analysis, it was found from the frequency distribution that there was moderate satisfaction on SP among the respondents (Mean 3.23) in a 5-point Likert scale. The satisfaction on RP was also moderate (Mean 3.08). Thus, it is evident that the respondents were moderately satisfied with both SP and RP. On the other hand, JS indicated a mean value of 3.49 as per the Minnesota satisfaction questionnaire which evidenced satisfactory JS among the respondents. However, the intention to leave had the highest mean value of 3.68. It is evident from the above findings despite there being moderate satisfaction on SP and RP the intention to leave is high among the respondents.

Accordingly, the indicators of the subject measures are the main reasons for not being

satisfied with SP and RP. The main indicators above are fair promotion procedures, promotion within organizations, progressions in pay and compatibility with other banks with regard to RPs.

According to the observations and test results obtained, the following methods were recommended to overcome the subject shortcomings which need to be discussed subsequently.

- 1) Adoption of a uniform promotion policy which should be circulated among staff and adherence to same. Any deviation to be approved at board level with necessary justifications.
- 2) Encourage to the maximum, promotions within organization.
- 3) Adopt a Progressive (continuously growing) salary procedure and the other benefits such as bonus, medical and loan policies to be in line with the Industry. For this a suitable a pay survey should be done by an HR specialist.
- 4) Adopt other measures to increase employee loyalty.

The study revealed that the employee's turnover intention as dependent variable is significantly correlated to two factors as independent variables. In this regard, the management of SDBs should take contingency of the issues so that employee's turnover can be curtailed in a highest level. Thus, the implication of the research reveal that it is very important for any licensed bank in Sri Lanka to take effective measures to improve the effectiveness of factors associated with employee turnover. However, the study was confined to only 6 banks with a limited sample size as well as some selected variables the results of which may not be generalized for whole banking sector. In a further study, the researchers may try to explore other variables such as job security, working conditions, management attitudes and other relevant variables that affect staff turnover of the banking sector. Further, it would be an interesting topic if researchers may find out the impact of demography factors with regard to SP and RP.

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