

## **Impact of job satisfaction on turnover intention among employees: a comparative study of private and public banks employees in Sri Lanka**

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### **ABSTRACT**

Employee performance depends majorly on job satisfaction. Satisfied employees result in employee retention while job dissatisfaction creates turnover intention among employees. Although studies have been performed regarding job satisfaction and turnover intention in other countries, only a handful of studies have been conducted in the Sri Lankan context. Among those studies, research with reference to the banking sector is minimal. A deficiency of literature exists in terms of comparative research as the aforementioned studies have considered only public banks. Therefore, this study aimed at examining the impact of job satisfaction on turnover intention of employees in commercial banks of Sri Lanka. The current study used a sample of 151 bank employees in Colombo district. Data was collected using a questionnaire, created by adapting indicators from Job Satisfaction Survey and Turnover Intention Scale (TIS-6). An exploratory factor analysis was performed in identifying the four reflective latent factors as pay, promotion, nature of work and supervision. Data was analyzed through a Covariance-Based, Higher order Structural Equation Modeling (SEM), using the SPSS AMOS version 23. The study found that, job satisfaction has a significant negative impact on turnover intention of banking employees. Identified four latent factors were found to be positively related to job satisfaction. Moderation analysis found that, gender and work setting do not alter the relationship between job satisfaction and turnover intention. Male employees reported a lower job satisfaction compared to females and job satisfaction of private sector employees was higher in comparison to public sector. Aligned with the study findings, enhancing job satisfaction through adequate compensation, clear promotion criterion, positive work environment and stronger supervision are potential policy implications to reduce the turnover intention of employees.

**Keywords: Commercial banks, Employee performance, Gender, Job satisfaction, Turnover intention**

### **INTRODUCTION**

In the era of intense competition, the success and the goal achievement of an organization depends on the employees of that organization. Therefore, employees are the most important asset of any organization (Guest, 2001). The performance of an employee is largely influenced

by job satisfaction. Job satisfaction is identified as an emotional response which defines the degree to which people like their job (Siegal & Lance, 1987). According to Locke (1969), job satisfaction is a positive or a pleasurable reaction which results from the appraisal of one's job, job achievement or job experiences. Hence, it is composed with feelings and attitudes about variety of intrinsic and extrinsic elements towards the job they perform and the organization or the sector they work for. Employee job satisfaction is determined by various factors such as good pay, nature of work, work life balance, supervision, job security, promotions, compensation, and etc. Job satisfaction is important to each and every employee regardless of the occupation, the sector of employment and the designation. By ensuring the job satisfaction of employees, work places would receive immense benefits. Satisfied employees benefit the work place with increased profits, higher productivity, lower turnover and loyalty (Lee & Way, 2016).

Among the numerous employment sectors in Sri Lanka, the banking sector acquires a remarkable position, as it dominates the Sri Lankan financial system and play a significant role in providing liquidity for the entire economy. Moreover, the banking sector which comprises both the public and private banks, provides employment opportunities to the community. With the current financial crisis, the importance of the financial system stability is widely discussed. Therefore, in order to achieve financial system stability or the financial system soundness, it is important to ensure the soundness of the banking sector (Mendis, 2017). Ensuring the employees are satisfied in banks is crucial for maintaining the soundness of the banks as it determines the performance of banks as well as the performance of the Sri Lankan economy.

According to Armstrong (2006), Negative and unfavourable attitudes towards the job is identified as job dissatisfaction. In other words, the absence of job satisfaction or employee being not satisfied indicates job dissatisfaction. Due to the job dissatisfaction, disappointment and lack of interest may emerge among the employees leading to several negative consequences in the work place such as job stress, low job involvement, low commitment to the organization, lack of productivity, conflicts, procrastination, poor performance and work life imbalances. In addition to these negative consequences, job dissatisfaction develops employee turnover intention which adversely influence the growth, and the sustainability of any organization (Alam, 2019). Turnover intention is defined as the likelihood of an employee to leave the job which she or he currently engage in. According to Mahdi et al. (2012), employee turnover intention increases the cost of recruiting new employees. Moreover, it would reduce the productivity as the new employee needs time to get adjusted to the new

working environment and to be familiar with the job role. Therefore, it is vital for the organization to be aware of the facets which are contributing to the employee job satisfaction (Seta et al., 2000). Human resource, on the other hand, is considered to be the key driver of competitive advantage for any organization (Pfeffer, 2005). Hence, it is important for the banks as well as to the other organizations to retain qualified, motivated, committed and satisfied employees within their organizations to ensure effective and efficient performance of the organization (Alam, 2019).

Therefore, this study attempts to examine the impact of job satisfaction on the turnover intention of employees in the banking sector which comprises both public and private banks. Moreover, this study would also assess the factors which are contributing to the job satisfaction of employees and any difference of the perceived job satisfaction based on gender and work setting of the employees.

Accordingly, the research problem addressed under this study is “Does the job satisfaction has a significant negative impact on the turnover intention of banking employees?”

## **LITERATURE REVIEW**

### **Determinants of job satisfaction (Uniformity in space)**

Job satisfaction and turnover intention possess a rich literature as those two concepts had been the topic of many researchers pertaining to different geographical locations and various employment sectors. Shaheen (2014) revealed that, People, promotion, work, pay and supervision are the key factors which affect the job satisfaction of the employees in the government hospitals in Islamabad and Rawalpindi.

### **Influence of gender in determining the job satisfaction**

In a Chinese study on gender differences, Miao et al., (2017) revealed that female doctors have higher job quality and greater job satisfaction compared to the male counterparts. On the contrary, a study which was conducted in Pakistan revealed that, male medical officers were more satisfied than the female medical officers. The statistical results of this study claimed that, gender is a factor leading to significant differences in overall job satisfaction of medical officers (Shaheen, 2014).

### **Influence of work setting in determining the job satisfaction**

Apart from gender, work setting can also impact on the employees' job satisfaction. A study which was carried out in Limpopo province in South Africa, claimed that, the public sector possesses a higher turnover intention compared to the private sector (Pietersen & Oni, 2014). Conversely, Matei and Fataciune (2016) concluded that employee job satisfaction was higher in private sector compared to the public sector in Romania.

### **Importance of job satisfaction as an antecedent of turnover intention**

Tnay et al., (2013) performed a study to examine the impact of job satisfaction and organizational commitment on the turnover intention. The study found that, job satisfaction is a primary antecedent of turnover intent and a significant inverse relationship exists between the job satisfaction and the turnover intent. Moreover, the study concluded that, organizational commitment does not possess a significant impact on turnover intention (Tnay et al., 2013). Another study in Pakistan, investigated the antecedents of turnover intentions by considering job satisfaction, distributive justice, perceived organizational support and affective commitment as the predictors and the turnover intention as the dependent variable of the study (Ashraf, 2016). They indicated that, the predictors were negatively correlated and impact the turnover intention and the strength of job satisfaction in predicting the turnover intention was higher compared to the other independent variables.

### **The impact of job satisfaction on the turnover intention**

Numerous studies have disclosed that an inverse relationship exists between job satisfaction and turnover intention. (Chin, 2018; Rahman & Iqbal, 2013). A recent study which was conducted in the private higher education sector in Iraq revealed that, job satisfaction has a negative impact on the turnover intention of the employees and the impact is significant (Serin et al., 2022). In contrast, a study in an international school in Indonesia claimed that, the negative relationship between job satisfaction and turnover intention is not significant and job satisfaction did not directly affect the school teachers' turnover intention (Kartika & Purba, 2018).

### **Studies in the Sri Lankan context**

Although the existing literature evident that studies have been performed regarding job satisfaction and the turnover intention in other countries, there are only few studies that have

been conducted in Sri Lanka associating job satisfaction and the turnover intention. Perera and Madagamage (2018) explored how job satisfaction and organizational commitment influence on the turnover intention of employees in the hospitality industry of Sri Lanka. Findings of the study revealed that, a moderate inverse relationship exist between the job satisfaction and the turnover intention of the employees in the Sri Lankan hospitality industry. Gamage (2021) examined the job satisfaction and turnover intention of trainee team members of a leading apparel manufacturing firm in Sri Lanka and revealed that, a significant negative relationship exist between job satisfaction and turnover intention of trainee team members. Nonetheless, among those few studies, there is only few research that have been conducted with reference to the banking sector. Such studies have considered only the public banks in Sri Lanka (Lakmali & Jayasekara, 2020).

### **Methodologies that have been used in previous studies**

Correlational analysis, multiple regression analysis, One-way ANOVA and principal component analysis have been widely used in examining the relationship between job satisfaction and the turnover intention of employees (Abbas & Iqbal, 2020; Ayalew, 2016; Deri et al., 2021).

The existing literature comprises results which are inconsistent with each other. In the Sri Lankan context, there is a lack of literature pertain to job satisfaction and turnover intention in terms of a comparative research which considers both the private and public banks. In order to fill this gap existing in the literature, this paper will examine the impact of job satisfaction on turnover intention of both private and public banks.

## **METHODOLOGY**

**Research approach :**The research approach was the deductive approach as it is quantitative research which includes testing of hypotheses in a cause-and effect order (Basias & Pollais, 2018). Due to its status as the commercial capital of Sri Lanka and its high concentration of bank employees compared to the other districts, banking employees in the Colombo district was the target population of the study. The study considered both the male bank employees and females bank employees. Moreover, employees were considered from both the private banks and public banks.

**Sample size :**According to the sample requirement in Structural Equation Modeling, the sample size for the study was determined. It is considered that, the minimum sample size for conducting Structural Equation Modeling is 100-150 (Tabachnick & Fidell, 2001; Tinsley &

Tinsley, 1987). Accordingly, the study collected data from 151 bank employees as the sample size considering the time constraint.

A non-probability convenience sampling method was used as the sampling technique and the sample comprised 93 males and 58 females. Out of the 151 bank employees, 85 were from the private sector and 66 were from the public sector.

**Variables in the study and the relationships among variables :** According to the aim of the study, the independent variable of the study was job satisfaction and the dependent variable was turnover intention. Both the independent and dependent variables are latent variables Hence, job satisfaction was measured through four variables; pay promotion, nature of work and supervision, which were identified through the literature review of the study. Studies have proved high internal consistency and validity among the four independent variables (Spector, 1985; Tsounis & Sarafis, 2018). Hence, various relationships can be identified among the variables of the study.

When an employee is adequately compensated, the employee is motivated within the organization which reflects that pay affects the nature of work performed by the employee. Promotion is involved with offering higher wages to the employee and significant advancements in the work which is performed by the employee. Therefore, promotion affects both the pay and nature of work. When an employee is motivated and finds the job meaningful, it enhances the performance of that particular employee leading to salary increments and promotions. Therefore, nature of work affects pay as well as promotion. A strong supervision contributes to create a positive working environment to the employee. Hence, supervision in organization affects the nature of work.

The dependent variable, turnover intention was measured through the “Turnover Intention Scale (TIS-6)”. It was selected due to the high reliability of the scale ( $\alpha = 0.80$ ) which was validated by Bothma and Roodt in 2013. Therefore, TIS-6 which comprises 6 indicators was used in the study on a five-point Likert scale to measure the turnover intention of banking employees.

**Data collection and analytical tools :** The study was mainly based on primary data which was gathered through a self-administered questionnaire which included Likert scale and closed ended questions. The questionnaire was circulated through the banking employees in the Colombo district through a google form. The questionnaire was designed by combining the Job

Satisfaction Survey (JSS) which was developed by Spector in 1985 and the Turnover Intention Scale (TIS-6) which was developed by Roodt,2004. According to the variables of the study 16 indicators were adapted from the JSS to the questionnaire to measure the job satisfaction and one additional indicator was created by the researcher for each variable as the contribution of the researcher. In total, 20 indicators were assessed on a five-point Likert scale. Indicators of the variables of the study are presented in Table 1.

**Table 1: Indicators of the variables of the study**

Variable	Indicators	Name
Pay	I feel I am being paid a fair amount for the work I do.	PAY1
	Raises are too few and far between.	PAY2
	I feel unappreciated by the organization when I think about what they pay me.	PAY3
	I feel satisfied with my chances for salary increases.	PAY4
	I feel satisfied about the process used to determine my raises.	PAY5
Promotion	There is really too little chance for promotion on my job.	PRO1
	Those who do well on the job stand a fair chance of being promoted.	PRO2
	People get ahead as fast here as they do in other places.	PRO3
	I am satisfied with my chances for promotion.	PRO4
	I am satisfied with the way how promotions are given out on this job.	PRO5
Nature of Work	I sometimes feel my job is meaningless.	NOW1
	I like doing the things I do at work.	NOW2
	I feel a sense of pride in doing my job.	NOW3
	My job is enjoyable.	NOW4
	I feel positive and motivated within the work place.	NOW5
Supervision	My supervisor is quite competent in doing his/her job.	SUP1
	My supervisor is unfair to me.	SUP2
	My supervisor shows too little interest in the feelings of subordinates.	SUP3
	I like my supervisor.	SUP4

	When I have problems or concerns, my supervisor is able to address them.	SUP5
Turnover Intention	How often have you considered leaving your job?	TI 1
	To what extent is your current job satisfying your personal needs	TI 2
	How often are you frustrated when not given the opportunity at work to achieve your personal work-related goals?	TI 3
	How often do you dream about getting another job that will better suit your personal needs?	TI 4
	How likely are you to accept another job at the same level of compensation should it be offered to you?	TI 5
	How often do you look forward to another day at work?	TI 6

Initially, the Statistical Package for Social Science (SPSS) version 26 was used in data cleaning to detect missing values and unengaged responses. Data was subjected to test the reliability and the validity. The descriptive statistics were applied to analyze the demographic profile of the respondents and an exploratory factor analysis (EFA) was performed to identify the factors from the relations among observed variables. EFA is only appropriate for reflective latent factors. The independent variables of the study were reflective and latent (Spector, 1985). Hence, an EFA was performed and the convergent validity as well as the discriminant validity were tested.

### **Structural Equation Modeling (SEM)**

The hypotheses tested in the study were analyzed using the Structural Equation Modeling (SEM) which was performed using the SPSS AMOS version 23 (Analysis of Moment Structures). The study used the CB-SEM approach in estimating the structural equation model as the indicators of the variables in the study are reflective. Confirmatory factor analysis (CFA) was computed using the software AMOS 23 to test the measurement models.

### **Higher / Second order Confirmatory Factor Analysis (CFA)**

According to the objectives of the study, a Higher/Second order modeling was performed as the SEM analysis, considering job satisfaction as the higher order construct. Pay, promotion, nature of work, supervision and turnover intention were the lower order constructs of the study.



A moderation analysis was performed through a path analysis and the impact of categorical variables on job satisfaction was tested using AMOS.

### **Hypotheses of the study**

Hypothesis 1: Job satisfaction has a significant negative impact on turnover intention

Hypothesis 2: Pay is positively related to job satisfaction

Hypothesis 3: Promotion is positively related to job satisfaction

Hypothesis 4: Nature of work is positively related to job satisfaction

Hypothesis 5: Supervision is positively related to job satisfaction

Hypothesis 6: Gender moderates the relationship between job satisfaction and turnover intention

Hypothesis 7: Work setting moderates the relationship between job satisfaction and turnover intention

## **DATA ANALYSIS AND RESULTS**

### **Data set and survey responses**

The collected data was subjected to data cleaning to identify missing data, outliers, and unengaged responses. The data set recorded no outliers and no missing data. Unengaged responses were checked through the standard deviation and no unengaged responses were detected. Hence, the data reflected a valid sample with higher quality allowing the survey results to proceed with the further analysis.

### **Demographic profile of the respondents**

Out of the sample of 151 respondents, 93 respondents were males representing 61.6 % and 58 were females representing 38.4%. Majority of the respondents are employed in private banks which is 85 respondents, representing 56.3% of the total sample. Meanwhile, 66 respondents are employed in public banks in the Colombo district.

### **Exploratory Factor Analysis (EFA)**

The initial EFA was performed based on the eigen value which is greater than 1 and it proposed six factors which contradicts with the conceptual framework. Hence, the researcher proceeds with a new EFA based on fixed number of factors expecting to acquire four factors as per the conceptual framework. The indicators were loaded into four factors and two indicators (PAY3

and PAY5) reported cross loadings. PAY3 was acceptable but PAY5 was not acceptable as it does not possess a difference of more than 0.2 between the loadings. Hence, the researcher repeated the EFA by removing the indicator PAY5.

**Table 2: Pattern Matrix**

	Factor			
	1	2	3	4
NOW1	0.512			
NOW2	0.816			
NOW3	0.555			
NOW4	0.851			
NOW5	0.707			
PAY1				0.813
PAY2				0.674
PAY3	0.307			0.578
PAY4				0.418
PRO1			0.743	
PRO2			0.584	
PRO3			0.704	
PRO4			0.791	
PRO5			0.7	
SUP1		0.516		
SUP2		0.839		
SUP3		0.869		
SUP4		0.774		
SUP5	0.301	0.512		

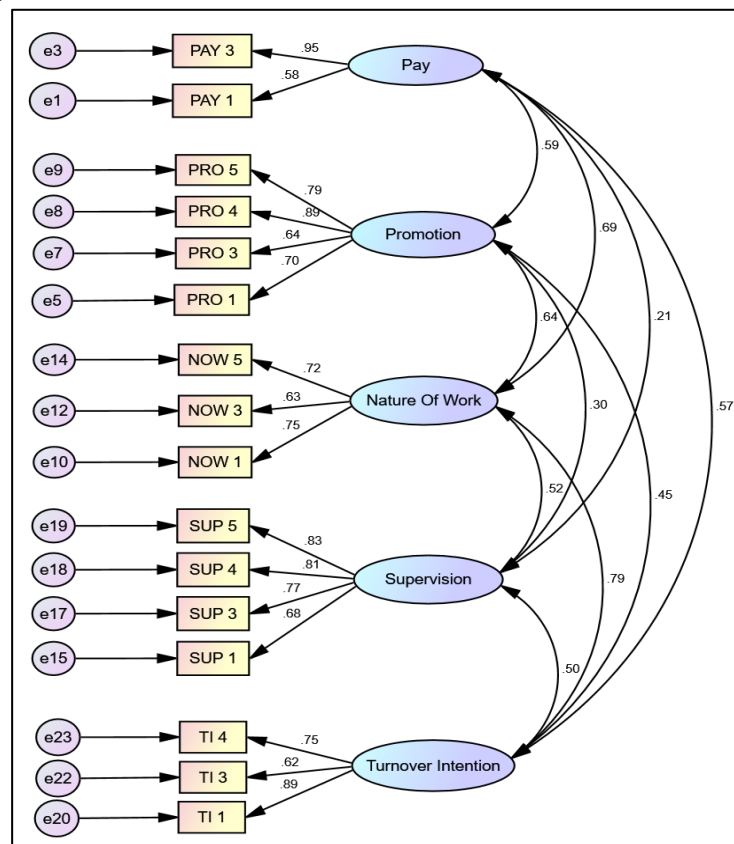
The results from the new analysis confirmed the four-dimensional structure which is theoretically defined in the conceptual framework. The Kaiser-Meyer-Olkin Measure of sampling adequacy was 0.806 which is considered as meritorious. Bartlett's Test of Sphericity was significant indicating the variables relate to one another enough to perform a meaningful EFA. Hence, the set of observed data were adequate and appropriate to run the EFA. All communalities were over the required value of 0.40 and the four factors explained a total of 52.580 percent of the variance in the model. All the factor loadings were reported above 0.45 establishing the convergent validity. In the pattern matrix, all the other variables load significantly only on one factor except PAY3 and SUP1 which reported cross-loadings.

Nevertheless, cross-loadings were differed by more than 0.2 allowing them to remain in the model. Hence, the discriminant validity was established.

### Structural Equation Modeling (SEM) – Higher/ Second order Modeling

Confirmatory factor analysis (CFA) was computed using AMOS to test the measurement models to determine whether the observed variables are adequate indicators of the latent variables (Anderson & Gerbing, 1988).

**Figure 1: Measurement Model for Lower order constructs**



Factor loadings which are greater than 0.50 are better at explaining the latent constructs in the research (Hair et al, 2010). Accordingly, 10 indicators were removed due to their low factor loadings which were less than 0.5. The remaining indicators possessed loadings greater than 0.50.

### Goodness of fit of the measurement model for lower order constructs

The model's overall goodness of fit was assessed by using the absolute fit indices, incremental indices and parsimony fit indices. All the observed values were within their respective acceptance levels (Hair et al. 2010; Ullman, 2001; Hu and Bentler, 1999). Results for the model are presented in Table 3.

**Table 3: Results of the Goodness of fit of the Measurement Model**

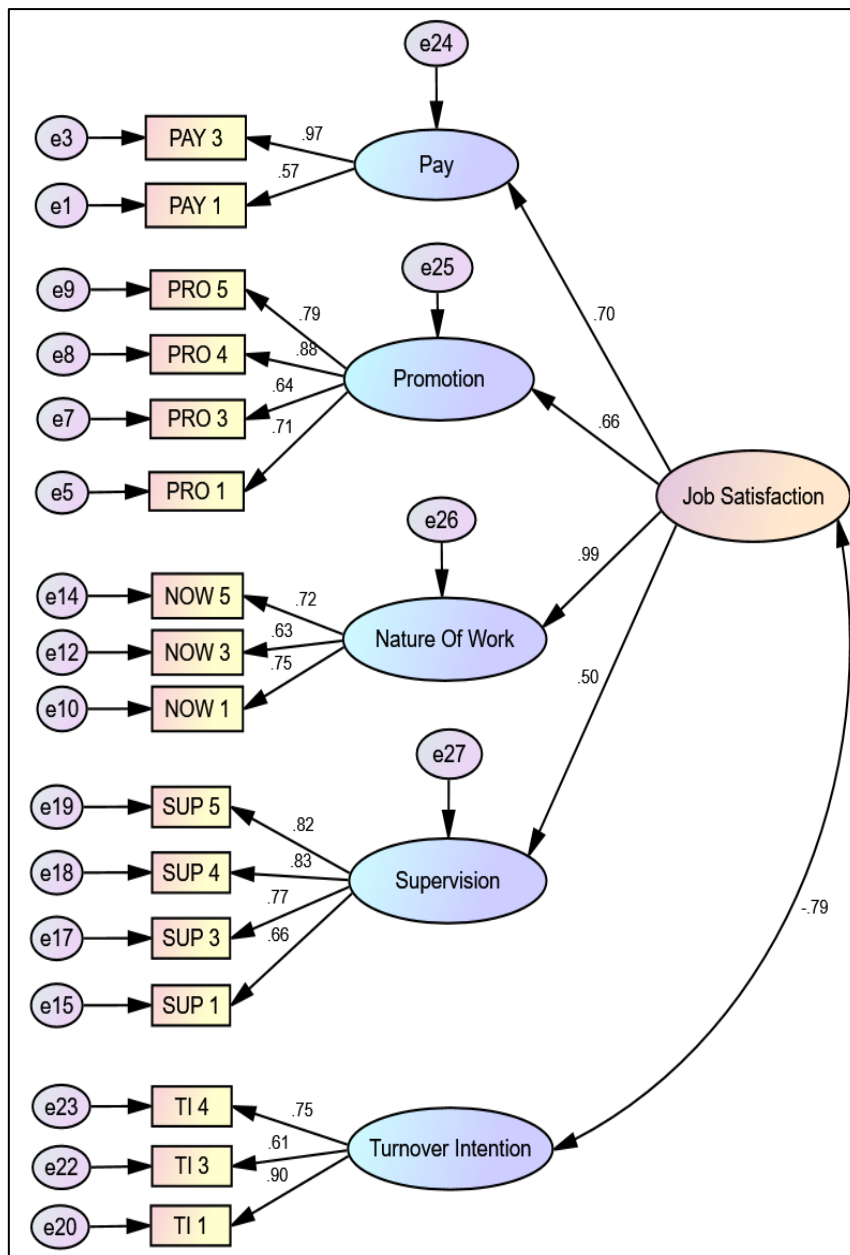
Model-fit Index	Fit Indices	Acceptable value/adequate fit	Obtained Value
Absolute fit indices	CMIN/DF	<3 or <5	1.708
	GFI	>0.8	0.882
	AGFI	>0.8	0.829
	RMSEA	<0.1	0.069
Incremental fit indices	TLI	>0.9	0.923
	CFI	>0.9	0.940
	IFI	>0.9	0.941
Parsimony fit indices	PNFI	>0.5	0.680
	PCFI	>0.5	0.736

According to the table 3, the calculated values for the five-factor model or the lower order constructs of the study (pay, promotion, nature of work, supervision and turnover intention) yielded good fit for the data verifying the overall goodness of fit of the measurement model.

### Validity and reliability of the measurement model for lower order constructs

The individual standardized factor loadings of all the scale indicators were greater than the adequate level of 0.50 (Awang, 2012). The values of the Average Variance Extracted were above the threshold value of 0.50 (Fornell & Larcker, 1981). Hence, the convergent validity of the measurement model was established. Composite reliability was computed for each latent construct to assess the construct reliability. The values were above the minimum threshold of 0.70 (Hair et al., 2010), confirming that each latent construct in the study possesses reliability. The discriminant validity of the measurement model was assessed using the Heterotrait - Monotrait (HTMT) ratio. The ratios were in the required limit which is less than 0.85 (Henseler et al., 2015) Therefore, the discriminant validity of the measurement model was established.

Figure 2: Higher order Measurement Model



**Goodness of fit of the higher order measurement model**

The observed value for absolute fit indices, incremental indices and parsimony fit indices were within their respective common acceptance levels indicating an adequate fit of the model (Hair et al., 2010; Ullman, 2001; Hu and Bentler, 1999).

**Table 4: Results of the Goodness of fit of the Measurement Model**

Model-fit Index	Fit Indices	Acceptable value/adequate fit	Obtained Value
Absolute fit indices	CMIN/DF	<3 or <5	1.795
	GFI	>0.8	0.872
	AGFI	>0.8	0.825
	RMSEA	<0.1	0.073
Incremental fit indices	TLI	>0.9	0.913
	CFI	>0.9	0.929
	IFI	>0.9	0.930
Parsimony fit indices	PNFI	>0.5	0.705
	PCFI	>0.5	0.766

According to the table 4, the absolute fit indices indicate that, CMIN/DF is 1.795 which is less than 5, GFI is 0.872 which is greater than 0.8 and closer to 1, AGFI is 0.825 which is greater than 0.8 and RMSEA is 0.073 which is less than 0.1. Therefore, the model is absolutely fit. The incremental fit indices present that, TLI is 0.913, CFI is 0.929 and the IFI is 0.930. All the values are greater than 0.9 and it indicates that, the model is incrementally fit.

The parsimony fit indices, PNFI is 0.705 and PCFI is 0.766. Both the values are greater than 0.5 and confirmed that the model is parsimoniously fit. Therefore, the calculated values for the six-factor model (pay, promotion, nature of work, supervision, turnover intention and job satisfaction) yielded good fit for the data, confirming the overall goodness of fit of the higher order measurement model.

### **Validity and reliability of the Higher order Measurement model**

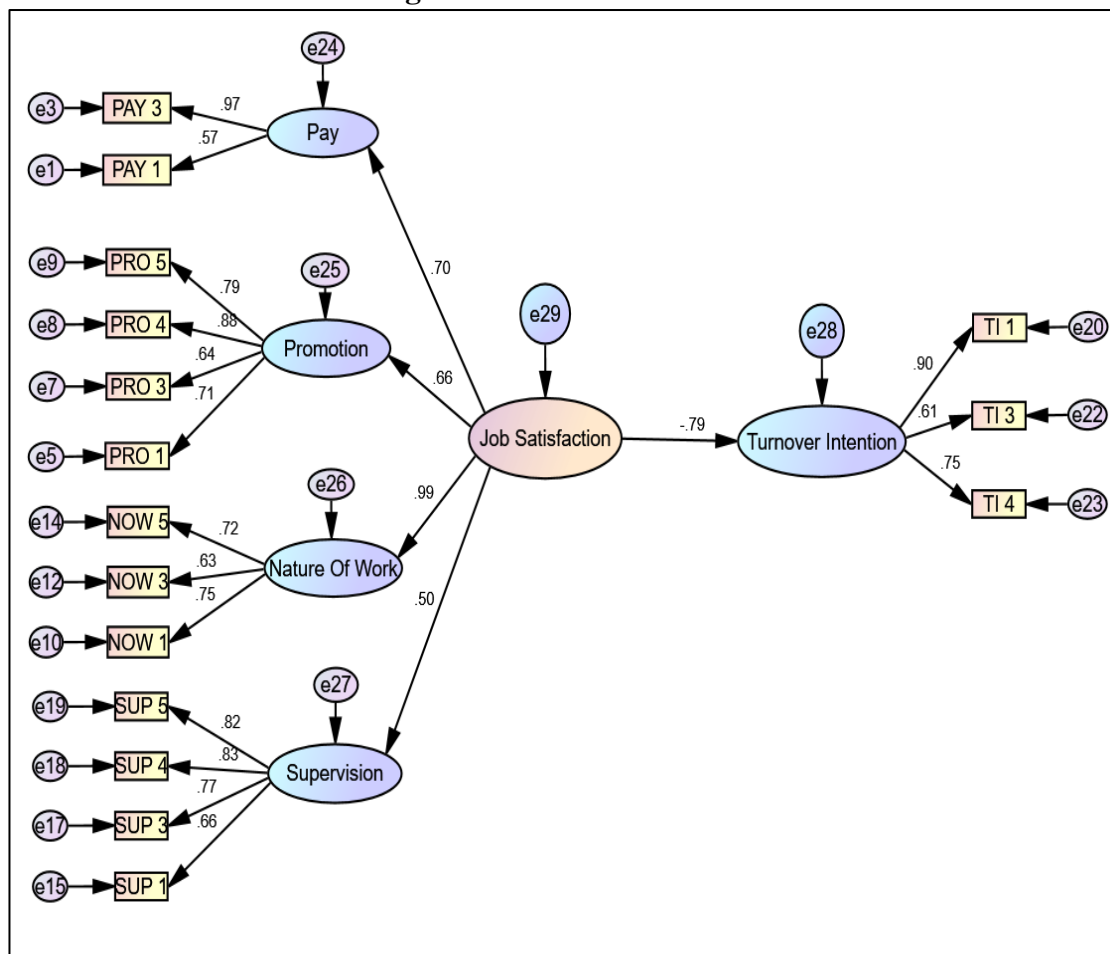
The convergent value of the higher order measurement model was established as the calculated AVE value was 0.539. The calculated CR values was 0.815 which was above the minimum threshold of 0.70 (Hair et al., 2010). Therefore, the construct reliability of the higher order measurement model was verified. The HTMT ratio of the higher-order measurement model was -0.806 and the absolute value was taken into consideration. The calculated the HTMT ratio was in the required limit of less than 0.85 (Henseler et al., 2015). Therefore, the discriminant validity of the higher-order measurement model was established.

### Structural Model Assessment

The structural model assesses the relationships between the constructs. In other words, it assesses how well the data fit a model which describes the relationships between independent and dependent variables (Tarigan & Ariani, 2015).

Based on the final measurement model which is the higher-order measurement model, the structural model was generated through AMOS to test the relationships.

**Figure 3: Structural Model**



### Goodness of fit of the Structural Model

According to the table 4, the value for CMIN/DF is 1.813 which is less than 5 and RMSEA is 0.074, which is in the required limit of less than 0.1. The fit indices GFI and AGFI are not provided by AMOS in the structural model. Hence, the observed values indicate that, the structural model is absolutely fit.

**Table 5: Results of the Goodness of fit of the Structural Model**

Model-fit Index	Fit Indices	Acceptable value/adequate fit	Obtained Value
Absolute fit indices	CMIN/DF	<3 or <5	1.813
	RMSEA	<0.1	0.074
Incremental fit indices	TLI	>0.9	0.911
	CFI	>0.9	0.928
	IFI	>0.9	0.929
Parsimony fit indices	PNFI	>0.5	0.698
	PCFI	>0.5	0.758

The incremental fit indices TLI is 0.911, CFI is 0.928 and IFI is 0.929. All the observed values are greater than the adequate fit which is 0.9 and this indicates that, the structural model is incrementally fit.

The value for PNFI is 0.698 and PCFI is 0.758. Both the observed values are greater than 0.5 which indicates that, the structural model is parsimoniously fit. Therefore, the observed values of the model fit indices yielded good fit for the data, confirming the overall goodness of fit of the structural model.

### Testing of hypotheses

Following a perfect fit of the structural model to the data, the five hypotheses of the study which were built according to the conceptual framework, were tested through the standardized path coefficients.

**Table 6: Path coefficients of the Structural Model**

Path / Hypothesized relationship	Standardized path coefficients	P- value	Decision
Turnover intention - Job Satisfaction	-0.793	0.001	Supported
Pay - Job Satisfaction	0.704	0.001	Supported
Promotion - Job Satisfaction	0.662	0.001	Supported
Nature of Work - Job Satisfaction	0.987	0.001	Supported
Supervision - Job Satisfaction	0.499	0.001	Supported



The study mainly assessed the impact of job satisfaction on turnover intention of bank employees. According to the table 6, the value of the standardized path coefficient of job satisfaction and turnover intention was -0.793 and it was significant as the P-value was less than 0.05. Hence, empirically supporting the Hypothesis 1, the result indicates that job satisfaction has a significant negative effect on turnover intention ( $\beta = -0.793$ ,  $p < 0.05$ ). The standardized path coefficient of job satisfaction and pay was 0.704 and it depicted a P- value which is less than 0.05. Accordingly, the Hypothesis 2 was supported, indicating that pay is positively related to job satisfaction ( $\beta = 0.704$ ,  $p < 0.05$ ). Job satisfaction and promotion reported 0.662 as the standardized path coefficient and its P- value was less than 0.05. Therefore, the result supported the Hypothesis 3 which claims that, promotion is positively related to job satisfaction ( $\beta = 0.662$ ,  $p < 0.05$ ). The value of the standardized path coefficient of job satisfaction and nature of work was 0.987 and its P- value was less than 0.05. Hence, the Hypothesis 4 was supported through the result, indicating that nature of work is positively related to job satisfaction ( $\beta = 0.987$ ,  $p < 0.05$ ). Finally, job satisfaction and supervision reported a standardized path coefficient of 0.499 which is significant as the p-value was less than 0.05. Therefore, the Hypothesis 5 was supported by the result of the study claiming that, supervision is positively related to job satisfaction ( $\beta = 0.499$ ,  $p < 0.05$ ).

### Moderation Analysis

Moderation analysis was performed using the interaction term method to test the moderating effect of the two categorical moderators in the study; gender and work setting. The interaction term was generated by multiplying the categorical variable with the mean centered independent variable which is the Job satisfaction.

### Roles of gender as the categorical moderator

The standardized path coefficient of the interaction term is -0.237 which is not significant. Hence, the Hypothesis 6 which posits that, gender moderates the relationship between job satisfaction and turnover intention was not supported ( $\beta = -0.237$ ,  $p > 0.05$ ).

Hypothesized paths	Standardized path coefficients	p- value	Decision
Turnover intention - Job satisfaction	-0.412	0.30	

Turnover intention - Gender	0.14	0.829	
Turnover intention - Interaction	-0.237	0.211	Not supported

**Table 7: Results of the moderation analysis for gender**

### Role of work setting as the categorical moderator

The standardized path coefficient of the interaction term which was generated by multiplying the mean centered job satisfaction with work setting is -0.70. It is not significant as the p-value is greater than 0.05. Hence, the Hypothesis 7 was not supported, indicating that, work setting does not moderate the relationship between job satisfaction and turnover intention ( $\beta = -0.70$ ,  $p > 0.05$ ).

**Table 8: Results of the moderation analysis for work setting**

Hypothesized paths	Standardized path coefficients	p- value	Decision
Turnover intention - Job satisfaction	-0.745	$p < 0.01$	
Turnover intention - Work setting	0.158	0.010	
Turnover intention - Interaction	-0.70	0.705	Not supported

### Impact of categorical predictor variables on job satisfaction

In order to compare the job satisfaction among bank employees based upon their gender and work setting or the type of bank which they are employed, the impact of categorical predictor variables on job satisfaction was analyzed.

**Table 9: Impact of gender and work setting on job satisfaction**

Impact	Estimate	p-value
JS - Gender_1	-0.046	0.647
JS - Type_1	0.170	0.79

“Gender\_1” represents male bank employees. The negative coefficient of -0.046 indicates that, male bank employees have a lower job satisfaction in comparison to female bank employees. However, the impact of gender on job satisfaction is insignificant as the p-value is greater than 0.05

“Type\_1” represents the private banks and the coefficient is positive which is 0.170. This value indicates that, employees in private banks possess a higher job satisfaction compared to the employees in public banks. Nonetheless, the impact is insignificant as the p-value is greater than 0.05.

## DISCUSSION

Supporting the Hypothesis 1, findings of the structural equation model indicated that, job satisfaction has a significant negative effect on turnover intention. It is similar to the findings of the study which was conducted in the private commercial banks in Bangladesh (Rahman & Iqbal, 2013).

Hypotheses 2, 3, 4 and 5 of the study were supported through the results of the structural equation model, indicating that, pay, promotion, nature of work and supervision are positively related to job satisfaction. This indicates that, higher compensation, increased promotion opportunities, better nature of work and stronger supervision leads to higher satisfaction among the employees. This positive relationship is in line with the findings of the previous study which was conducted in Nigeria which explored the job satisfaction and turnover intention along with the facets of job satisfaction (Mbah & Ikemefuna, 2012).

Findings of the moderation analysis indicated that, gender does not moderate the relationship between job satisfaction and turnover intention as the path coefficient of the interaction term was not significant. Hence the hypothesis 6 of the study was not supported. This finding is similar to the findings of the study which was conducted in Cameroon, to test the moderating effect of gender in the relationship between job satisfaction and turnover intention (Emmanuel & Agaha, 2021). Nevertheless, a study which was conducted in the hospital industry of Turkey concluded that, gender moderates the relationship between job satisfaction and turnover intention (Mete & Sokmen, 2017).

Hypothesis 7 was also not supported through the results of the moderation analysis as the path coefficient of the interaction term was not significant. Hence, it indicated that, work setting or the type of bank which the employees are employed does not moderate the relationship between job satisfaction and turnover intention. This finding is in line with the findings of the Serbian study regarding the relationship between job satisfaction and turnover intention of private and public sector employees (Mihajlov & Mihijlov, 2016).

Results from assessing the impact of categorical predictor variables on job satisfaction, indicated that male bank employees have a lower job satisfaction in comparison to the female bank employees. It is similar to the results of the study which was performed in China regarding the job satisfaction among medical professionals (Miao & Bian, 2017).

Moreover, findings indicated that employees in private banks possess a higher job satisfaction compared to the public bank employees. This finding is in line with the results presented in the study which was performed in Romania regarding the degree of job satisfaction of public and private sector employees (Matei & Fataciune, 2016).

## **CONCLUSION AND IMPLICATIONS**

The study results have fulfilled the aim of the study concluding that, job satisfaction has a significant negative impact on turnover intention of banking employees. Moreover, the study has confirmed that, pay, promotion, nature of work and supervision are positively related to job satisfaction of the banking employees. Performing the moderation analysis, study has claimed that, gender and work setting do not alter the relationship between job satisfaction and turnover intention. Comparing the job satisfaction perceived by employees, study has concluded that, male bank employees possess a lower job satisfaction compared to the female bank employees. Furthermore, the study found that, employees in private banks possess higher job satisfaction in comparison to the employees in public banks. Therefore, the current findings contribute to expand the existing knowledge regarding job satisfaction and turnover intention of banking employees in Sri Lanka, considering both the private banks and public banks in the Colombo district through a structural equation modeling which has not been widely used in the existing literature pertain to job satisfaction and turnover intention.

Based on the study findings, enhancing job satisfaction through adequate compensation, clear promotion criterion, positive work environment and stronger supervision are potential policy implications to reduce the turnover intention of employees

## **LIMITATIONS AND FUTURE RESEARCH DIRECTIONS**

This study was conducted specifically in the banking sector of Sri Lanka, with a limited sample of 151 bank employees in the Colombo district. Hence, the generalizability of the findings is limited and cannot provide conclusions to the entire workforce of banking employees in Sri

Lanka. Therefore, it would be worthwhile to conduct studies nationwide, considering the entire workforce of banks in Sri Lanka. Apart from job satisfaction, future research may consider other variables such as organizational commitment which contributes to employee turnover intention and may consider other employment sectors.

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