# UNIVERSITY OF AGDER

# The Impact of Job Satisfaction on Perceived Desirability of Leaving:
# A Study in Cable Manufacturing Organizations in Sri Lanka

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*This Master's Thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.*

# Preface

**Background and Motivation,**

Sri Lanka is an Island which is situated in the southernmost tip of the Indian Ocean. Currently Sri Lanka has 20.65 million of people and the total employment rate is 95%. Of this 41.4% is employed by the private sector. The private sector in Sri Lanka involves in various industries. One of the industries that is fully owned by private sector investors is cable manufacturing. Currently this industry consists of 5 major private sector cable manufacturing organizations which are producing various types of cables.

In order to test the impact of job satisfaction on perceived desirability of leaving the executive level employees of the cable manufacturing industry was selected. In Sri Lanka, this industry is now emerging and growing. Such an emergence and growth is mainly derived from the high local and foreign demands for the cable and cable related products produced by this industry.

The high local demand is due to the various reasons. Few of them are; (1) government initiatives for the development. These initiatives are; development programs implemented for Northern and Eastern provinces after the 30 years civil war which ended in 2009 and infrastructure development programs such as highway projects, harbor development projects, hydro power plant projects and electricity supply expansion projects for rural people. (2) Both private and public sector initiatives for the rapid adaptation for the modern information and communication technological advancements. In addition to the local demands, high foreign demands are raising from India, Maldives, Bangladesh, and EU countries.

These high demands imply that the industry has a sufficient importance to the Sri Lankan economy and contributes significant amount for the country's GDP. Therefore, the employee dissatisfaction which causes intentions to leave the company or industry may have severe burdens for the company and finally for the industry's smooth functioning of operations. In such a context, the study of the relationship and impact of the job satisfaction and perceived desirability of leaving provides substantial insight for the HR policy revisions in the industry.

**Information about the contact persons and supervisor,**

The data for this study were mainly obtained from three major cable manufacturing companies. They are Kelani cables PLC, ACL Cables PLC and Ruhunu Cables pvt. Ltd. The first two companies have their own web sites and the last company still doesn't have a web site. The web addresses of the first two companies can be mentioned as; http://www.kelanicables.com/ and http://www.acl.lk/ respectively. The

information about the Ruhunu Cables can be obtained from Mr. Chula Rajapaksha, the Managing Director of the company. He will be reached through the number, 0094 11 2635581.

Throughout this research process, the guidance supervision and encouragement was given by associate professor Arngrim Hunness, attached to the Department of Economics and Business Administration, University of Agder, Kristiansand, Norway. He will be reached through the mail; arngrim.hunnes@uia.no. Also the author for this study will be reached through the mail; prigayan@badm.ruh.ac.lk or gayanp09@student.uia.no

## Acknowledgements

I wish to express my thanks to those who contributed for the success of this study and for those who helped me a lot for the studies in Norway.

Foremost my sincere gratitude to Associate professor Arngrim Hunnes, for the tremendous support, advices, encouragements, and feedbacks given to me in carrying out the research and preparing the research report. Further, I deeply appreciate his patience, kindness, and friendliness shared with me throughout the research process.

My grateful thanks go to Professor Otto Andersen, who gave me a thorough understanding and skill on Research Methodology in the course works in Msc. Program in International Management at the University of Agder, Norway.

My special gratitude goes to the Managing Directors of the sample organizations for giving me the fullest support for the data collection in Sri Lanka.

My sincere thanks go to all of the academic members of the Department of Economics and Business Administration at the University of Agder for the constant guidance and valuable knowledge transferred to me during this 2 year period. Also I take this opportunity to thank the staff members of the International Office at the University of Agder who lent me their fullest support at any time throughout the student life at University of Agder. Further, special thanks should go to the State Education Loan Fund (Lanekassen) for sponsoring my studies in Norway.

Last but not least, I would like to place on record a word of appreciation for my parents, my loving wife who stood by me, giving me moral support at all times, bearing all the hardships alone during my away from home and for helping me a lot with the data collection by communicating with all the respondents in the industry. I would also thankful to my family members, teachers, friends, who were behind me throughout my life and helped me in achieving the milestone in my life.

# Abstract

The job satisfaction level is a key determinant for the employees' leaving or retention decisions. The satisfied employees have a tendency to stay in the organization while the dissatisfied employees have a greater tendency to leave the organization. The research study on impact of job satisfaction on perceived desirability of leaving was conducted by selecting the executive level employees in cable manufacturing industry in Sri Lanka. The main objective of this study was to examine the impact of job satisfaction on perceived desirability of leaving. This was split into three sub objectives as; to examine the type of relationship between the job satisfaction and perceived desirability of leaving, to examine the type of relationship between the availability of outside job alternatives and perceived desirability of leaving and to examine whether the availability of outside job alternatives weaken the negative relationship between the job satisfaction and perceived desirability of leaving. In order to realize these three objectives, three hypotheses were developed and tested by using regression analysis.

It was evident in this study that the relationship between the job satisfaction and the perceived desirability of leaving is negative and complies with the similar studies which have been conducted in different contexts. This proves that the dissatisfied employees have intentions to leave the cable manufacturing companies. This study also provided significant evidence to prove the positive relationship between availability of outside job alternatives and perceived desirability of leaving. However, there was no significance evidence to prove that the availability of outside job alternatives has a moderating effect for the relationship of job satisfaction and the perceived desirability of leaving. This represent as the major contribution of this study. Even the literature supports that there is a moderating effect to the main relationship between the job satisfaction and perceived desirability of leaving, there was no significant effect from availability of outside job alternatives which moderate the relationship between the job satisfaction and perceived desirability of leaving. In addition to the main variables, three control variables, which include the age, marital status and the tenure of the executives, have significant effect for the dependent variable-perceived desirability of leaving. Therefore, the findings about the influence of those control variables on perceived desirability of leaving provide some insight to human resources policy changes.

## Key Words

Job Satisfaction, Availability of Outside Job Alternatives, Perceived Desirability of Leaving, Cable Manufacturing Industry, Executive Employees

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## 1.0 Introduction

All types and sizes of organizations have at least one common thing. That is, it must have satisfied and motivated employees. Satisfied people are the most important resource for any organization and they are making the most significant contribution to the organization's success. Satisfaction can be classified basically in to two; job satisfaction and life satisfaction (Amah, 2009). Job satisfaction can be seen as an affective (emotional) reaction to one's job, resulting from the incumbent's comparison of actual outcomes with those that are desired (expected, deserved, and so on) (Cranny, et al., 1992). The dissatisfaction associated with the job may have negative outcomes. For example, turnover intentions (Davidson et al., 1997) reduced productivity (Arnold et al., 1991) and even increased alcohol consumption (Moore et al., 2000).

Satisfied employees have a greater tendency to stay and contribute to the competitive advantage and productivity of an organization (Lee & Mowday 1987, Wright & Bonett 2007). Researchers have found that the employee dissatisfaction will also lead to turnover intentions (Mobley, 1977, Price & Mueller, 1981, Price, 1977 and Home et al, 1984). But it can be beneficial if the low performers leave the organization. However, the exit of important and valuable human resources from the organizations leads to the loss of the tacit knowledge possessed by the leavers (Amah, 2009). This has a huge effect on the cost of operation, as a result of the high cost of filling the positions that are vacant (ibid). Researchers have found that a high rate of voluntary turnover is linked to a low productivity (Huselid 1995), and poor future revenue growth (Baron, Hannan & Burton 2001). In other words, high levels of voluntary turnover adversely affect business unit performance (McElroy, Morrow and Rude 2001; Koys 2001).

Conventional models of intentions to quit and turnover behavior (e.g. Brewer, 1996) concentrate on the pecuniary aspects of the current job and potential alternatives (Stevens, P. A., 2005). People tend to satisfy from these pecuniary aspects and if dissatisfied they tend to consider alternatives. March and Simon (1958) have introduced the concepts perceived desirability of leaving and perceived ease of leaving in their research on turnover behavior. If the employee is dissatisfied with the pay, he is pushed to consider the perceived desirability of leaving. This consideration is facilitated by the perceived ease of movement from current job to another job.

Perceived ease of movement implies that the employee perceives how easy it is to move from one job to another job. This is derived from the perception about the job alternatives available.

Therefore, it can be assumed that there will be actual turnover, which will cause problems to the employer, which is derived from the perceived desirability of leaving when the employees perceives that there are number of external job opportunities available.

### 1.1 Problem Identification

Even though there are a sufficient number of studies relating to the job satisfaction and turnover intentions at different country contexts, there is limited research on the impact of job satisfaction on perceived desirability of leaving of the executives in Sri Lankan context. However, according to many media reports, statements from Human Resources consultants, there is evidence which show that the job mobility is high among the private sector employees in Sri Lanka. This may have a negative impact to the employers in various aspects. Some of the major aspects are continuous hiring costs and initial training costs. In order to find out whether there is any impact of job satisfaction on turnover intentions, this research study entitled as the impact of job satisfaction on perceived desirability of leaving is conducted in the Sri Lankan context with special reference to the cable manufacturing industry. Even there is high employee mobility in the private sector; the level of the mobility will vary from industry to industry. Due to the time and the resources limitations, this study was specified to the cable manufacturing industry with the intention to test the defined model in that industry.

In Sri Lanka, the private sector consists of various industries in which the total employment rate is 41.4 percent for the year 2010 first quarter (Quarterly report of the Sri Lanka labour force Survey, 2010). This consists of both manufacturing and the services. Different researchers have selected different industries and professional categories in different country levels to study the turnover behavior of employees. In this study, the main focus given was the executives in the cable manufacturing industry in Sri Lanka. The cable manufacturing is a heavy industry and it was evident that many of the executive level employees have intensions to leave than the shop floor level employees. These intensions may be due to the job dissatisfaction and the level of job availability outside the organization.

The job dissatisfaction is possible due to various factors. Some of them may be from the pay, job security, supervision, job content and around the clock working, hardness and heaviness of the industry and so on. The availability of outside job alternatives may be relating to the same job or different jobs. This job satisfaction level and the perception on the availability of outside job alternatives are assumed to have an impact to the turnover intentions of the employees. These turnover intentions will ultimately results to the quitting decisions which have been proven by research studies (Bluedorn, 1982; Price & Mueller, 1981) and these quitting decisions will make problems for the employer as mentioned above. The identification of the relationships of these concepts and the impact will result to make and adjust the HR policies for the government, respective cable manufacturing organizations and the entire private sector in order to make improved retention. Therefore the problem is clear for this study. The main objective of this study is to find out the impact of the job satisfaction on perceived desirability of leaving. In order to quantify the general problem, there are three main research questions for this study which is mentioned as follows;

- *What type of relationship is there between the job satisfaction and perceived desirability of leaving?*,
- *What type of relationship is there between the job alternatives and perceived desirability of leaving*?,
- *Does the availability of outside job alternatives weaken the negative relationship between the job satisfaction and perceived desirability of leaving*?

## 1.2. Objectives of the Research

In order to test the relationships and finally the impact, whether it is positive or negative, of the job dissatisfaction and turnover intentions, the research objectives must be set up. The main objective for this study is;

- *To examine the impact of job satisfaction on perceived desirability of leaving.*

This main objective is further subdivided in to more specific objectives as follows;

- *To examine the type of relationship between the job satisfaction and perceived desirability of leaving*,
- *To examine the type of relationship between the job alternatives and perceived desirability of leaving*,

- *To examine whether the availability of outside job alternatives weaken the negative relationship between the job satisfaction and perceived desirability of leaving.*

## 1.3. The Context

Even though this research is not a fully replication of the work done by March and Simon (1958), the main idea of that paper has been taken into consideration. In addition to that, the ideas of Price (1977) and later researchers on intention to turnover have been taken in to consideration for this study. There is a huge time gap between this study and the work of March and Simon (1958) and Price (1977). Moreover, these researchers and later researchers have conducted their research studies in different contexts and unit of analysis have been different professional categories. Therefore the results would be different since this study was conducted in a different context.

Before interpreting the results and making conclusions, it is important to have a general understanding about the context in which this study was conducted. The context was the cable manufacturing industry in Sri Lanka. It still remains as small where only five cable manufacturing organizations exist. However, it plays a dominant role when it comes to the significance to the economy since Sri Lanka is now on the right track towards the development after the 30 years civil war. This significance cannot be statistically proved since there are no other industry specific surveys available in the accessible mode. Therefore, the major information on each factories from which the sample was drawn is explained in the following paragraphs.

### 1.3.1. ACL Cables PLC

ACL Cables PLC is the largest manufacturer of cables in Sri Lanka. It was started in 1962 as a pioneer in cable manufacturing in Sri Lanka and now it is holding a 35-40% share of the cable market in Sri Lanka (http://www.acl.lk). Currently it has 500 employees and its annual income is approximately LKR 7.2 billion (ibid). One of the principle objectives of ACL is to participate in the infrastructure development of the country and the region, by providing cables and conductors for the transmission, distribution, and utilization of electricity (http://www.acl.lk/). The official web site (http://www.acl.lk) of ACL is reported about the ACL as; "With a rich heritage of over

four decades, ACL offers its products, which not only meet the stipulated requirements of the governing National and International specifications, but far exceeding them". The product range it offers can be mentioned as; Home and building wires, Flexible cords and cables, Armoured and unarmoured power cables, XLPE insulated Aerial Bundled Cables(ABC),Control Cables and ACL-FRLS cables (http://www.acl.lk).

When talking about the technology of the ACL, from its inception it has been acquiring the technology from foreign reputed organizations like Mitsui and Nokia. The company web site reports its technology acquisition its developments as follows;

*Having obtained technology from NOKIA on two occasions in the years 1989 and 1993, ACL upgraded its technology on XLPE insulated Aerial Bundled Cables to surpass National French Standards NFC 33-209 in the region by any other 1998 through its own Research and Development. The technology so achieved is employed in the region by any other manufacture of XLPE insulated Armoured and Unarmoured power cables. These developments offer many benefits to valued customers and in order to highlight those benefits it was decided to name all our XLPE insulated cables under the brand name POWER-X.*

Source: (http://www.acl.lk/)

ACL cable has a very good HR department under a HR manager and a HR consultant, which provides HR services to all 500 employees in the factory. The HR activities are done by using the integrated HR information system in the factory. Employees are free to form unions and employee problems are solved through the joint consultative committee.

The factory is located at Piliyandala, which is situated in Colombo city area, the capital of Sri Lanka. The factory is operating, 24 hours a day, 7 days of the week. And the employees are employed on shift basis.

### 1.3.2. Kelani Cables PLC

Kelani cables PLC is the second largest cable manufacturer in Sri Lanka. It was founded in 1967. Currently it is holding a 35% share of cable market and it has 410 dedicated employees (www.kelanicables.com). The annual turnover is approximately LKR 3.3 billion (ibid). The

company has achieved better product safety, international recognition, breakthroughs in product development, and, above all, import substitution (www.kelanicables.com). In addition to that the company's priority is the Research and Development (R&D) with regard to the objectives of the company (ibid).

When talking about the technology of the Kelani Cables, the web site reports it as; "A state-of-the-art laboratory and testing facility at KCL offers precise and methodical tests for all products, ensuring that they are SLS compliant (SLS is the certificate which must be obtained from Sri Lanka Standards institution to ensure that the products are complied with the standards), as well as meeting other international standards, before being rolled out of the factory" (www.kelanicables.com). This will help to assure the product safety and reliability.

The company's main products are all types of aluminium and steel-reinforced aluminium conductors, single-core, and multi-core PVC/XLPE insulated armoured and unarmoured copper or aluminum cables and coaxial cables (www.kelanicables.com). The company is also the leading manufacturer in Sri Lanka of enameled copper winding wires (Ibid)

There is a very good HR department which provides HR services to all other functional divisions. All the HR activities are done by using the integrated HR information system in the factory. There are 14 functional divisions (HR Policy Manual, PP-6) and work is organized through such divisions. The heads of divisions are given responsibility, authority, & empowerment to function and take decisions independently (HR Policy Manual, PP-6). The Company engages in fair labor practices, respects the rights and freedom of every employee of the Company, and engages in maintaining harmonious employer employee relationship through the Joint Consultative Council (ibid).

The company operates in 2 plants at Wewelduwa and Siyambalape, which is situated in Colombo city area, the capital of Sri Lanka. Also, it operates 24 hours a day, 7 days of the week. Therefore the employees are employed on shift basis.

### 1.3.3. Ruhunu Cables PLC

Ruhunu cables PLC is a small scale manufacturing organization when comparing to the other two organizations considered for this study and it was founded in 1979. The products it produces are aluminium and copper cables. It has only 200 employees and annual sales turnover is approximately LKR 360 Million.

When talking about the technology, they do not have sophisticated technology as being used by the other two giant organizations. Most of the machineries the company is using are acquired from Taiwan and India. Most of the processes are operating manually. In addition to that, Ruhunu cables is the pioneered organization which obtained the ISO 9001-2000 certification in the cable industry.

There is no proper HR department and basic HR activities like, attendance, leave management, salary administration are done by the clerical staff. Instead, all the other functions are managed and main decisions are taken by the managing director.

The factory is operating 24 hours and 7 days of the week. Therefore the employees are employed on shift basis.

### 1.4. Limitations of the Study

The following are the limitations of this empirical study.

**Firstly,** even the industry is small; it was harder to consider all the cable manufacturing companies since they have been located in different places in the country.

**Secondly,** many things had to be done in a short period of time. The time limitation was a barrier for this study. Similarly, since there was limited finance for this study the sample size was limited to 150 executives in the industry.

**Thirdly,** the job satisfaction was measured in terms of four main aspects. They were, pay, security, supervision and promotion. Spector (1985) used 36 items which covered different

aspects. Hence using four items and covering only four aspects somewhat limit the notion of job satisfaction.

**Finally,** there were not detailed reports prepared about the industry. Therefore it was difficult to find information regarding the contribution of the industry to the country's GDP and total employment in the industry which was useful for this study.

## 1.5 Chapter Organization

This thesis is organized in to five parts. The next section is about the theory on turnover behavior. This consists with the literature and the theoretical framework, study variables and the hypothesis for this study. The third section is about the methodology. This contains the research design, sampling, procedure, operational definitions, methods of collecting data, and data analysis methods. The fourth section contains the results of this study. In this section the test results will be explained. The fifth section is about the discussion of the obtained results of the study. The final section is about the conclusion drawn from this study.

## 2.0 Theory

The theories regarding labor turnover behavior were given much attention in this study. The main literatures from 1958 were surveyed in order to select the study variables and define the conceptual framework in this study. In the following section 2.1, the turnover behavior literature is explained. For that, the major turnover behavior models will be used. In section 2.2 the theoretical framework is developed, which is the research framework for this study, and defined the variables of the framework based on the literature. Finally, the section 2.3 is about the hypothesis of the study. There were three hypotheses which were developed in order to find out the solutions for the research questions developed for this study.

### 2.1 Relevant Literature on Turnover Behavior

Satisfaction level of the individual employee plays a major role in labor turnover literature. March and Simon (1958) suggested that there are two important concepts which have a causal effect on labor turnover. They are "Perceived desirability of leaving" and "Perceived ease of leaving." The perceived desirability of leaving is derived from both the satisfaction with current job and the perceived possibility of intra-organizational transfer. According to March and Simon (1958), the pay level and the employee contribution are the main factors for the satisfaction. There should be equilibrium for the pay and the contribution in order to satisfy the employee. If the pay level is low relative to the contribution, the employee is not satisfied. Then the employee is pushed to consider perceived desirability of leaving. Perceived ease of leaving is derived from the number of perceived extra-organizational alternatives. Perceived possibility of intra-organizational transfer is derived from the Perceived ease of leaving. The perceived ease of leaving is the perception from the employee about how easy it is to move from one job to another. This perception of easy moving is derived from the knowledge about the other job alternatives available for the job.

March and Simon (1958), also introduced the factors affecting to job satisfaction. They are conformity of job to self image, predictability of job relationships, and compatibility of job and other roles. Increases in these factors result to job satisfaction and which result to decrease the perceived desirability of leaving. In addition to that, the size of the organization has also been considered. If the size of the organization is large, there will be more job opportunities. When the

employee is dissatisfied with the job he will have more job opportunities to consider within the organization. Therefore, this will result to decrease the perceived desirability of leaving. The relationship of these factors can be demonstrated as in figure 2.1.

Figure 2.1 Major Factors for Perceived Desirability of Leaving

```
┌──────────────┐      ┌──────────────┐      ┌──────────────┐
│ Conformity of│      │ Predictability│      │ Compatibility│
│ Job to self  │      │ of job       │      │ of Job and   │
│ Image        │      │ Relationships│      │ Other roles  │
└──────────────┘      └──────────────┘      └──────────────┘
         \                  │                  /
          \                 │                 /
           ▼                ▼                ▼        ┌──────────────┐
            ┌─────────────────────┐                  │ Size of      │
            │ Satisfaction with   │                  │ Organization │
            │ the job             │                  └──────────────┘
            └─────────────────────┘                         │
                      │                                      ▼
                      ▼                          ┌─────────────────────┐
            ┌─────────────────────┐              │ Perceived possibility│
            │ Perceived           │◄─────────────│ of Intra-organizational│
            │ Desirability of     │              │ Transfer            │
            │ Movement            │              └─────────────────────┘
            └─────────────────────┘
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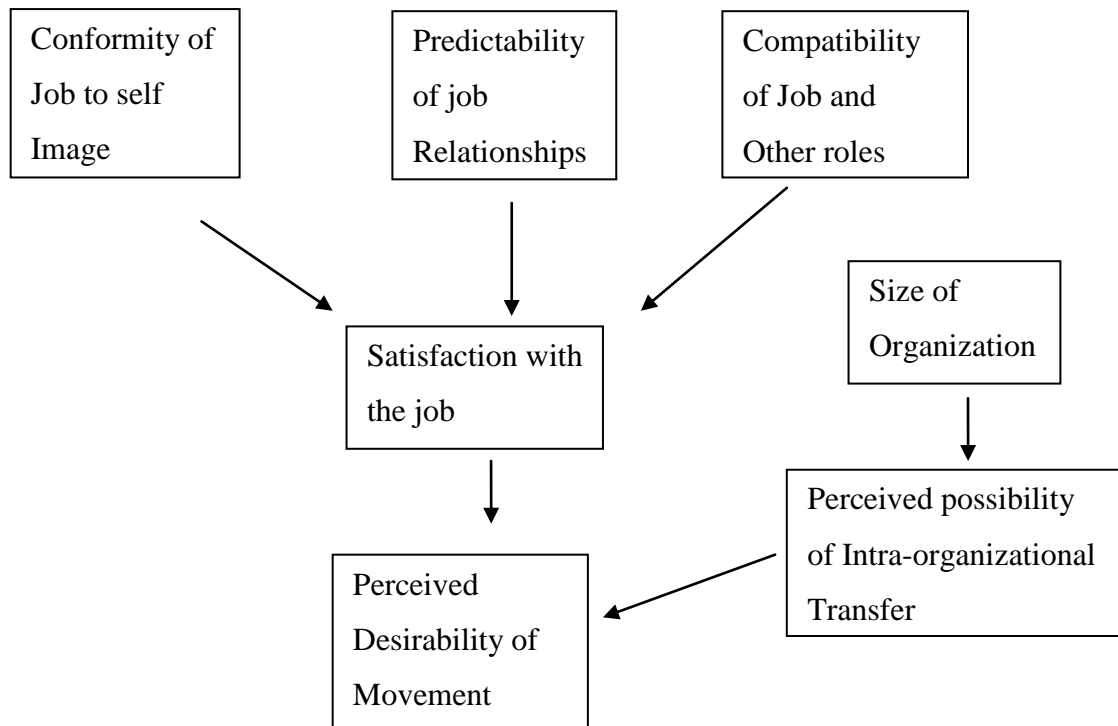
*Source:* March and Simon, (1958), In- *Rilovick, C. Y., (2005), Effects of Career Plateauing on Turnover: a Test of a Model,http://www.entrepreneur.com/tradejournals/article/182035190.html*

Mobley (1977) identified job dissatisfaction as leading to thoughts of quitting. He developed a sequential model that consists of Job Dissatisfaction, Intentions to Quit, Evaluations of Alternatives, Comparison, and Quit. The intentions of quitting are derived from the job dissatisfaction and the evaluations of cost of quitting. When the cost of quitting is low, then employees start to search for job alternatives. Then employees will start to evaluate the identified options of job alternatives. This evaluation then leads to the comparison of outstanding options with employee's current job. If the evaluation results show that the alternatives are more beneficial than the current job, the employee simply takes the quitting decision. The steps

proposed by Mobley (1977) have been figured out by Hunter (2008) as illustrated in figure 2.2 as follows;

Figure 2.2 Sequential Model for Turnover

| Job Dissatisfaction | → | Intentions to Quit | → | Evaluations of Alternatives | → | Comparison | → | Quit |
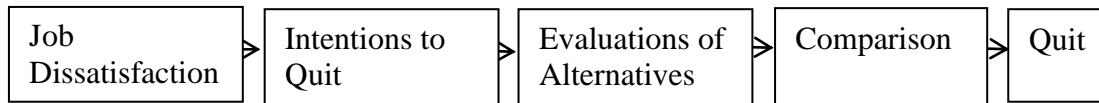
*Source: Hunter, M., (2008), Voluntary Turnover of information systems Professionals: A cross cultural investigations, Journal of global Information Management, 16(4).*

The model developed by Mobley (1977) was tested by Hom et al (1984). The findings of this study suggested that the job satisfaction negatively affects turnover and thoughts of quitting positively affects turnover (Hom et al., 1984). This means that the model suggesting that job satisfaction directly influenced thoughts to quit and thoughts of quitting directly resulted in intent to quit (Rilovick, 2005).

Another model has been developed by Price (1977) for turnover behavior. The model includes pay, integration, instrumental communication, formal communication, and centralization as determinants for job satisfaction. He suggested that the satisfaction is a mediator and opportunity as a moderator of the relationship between satisfaction and turnover (Rilovick, 2005). Here, Price (1977) has used the term opportunity for perceived desirability of leaving which was used by March and Simon (1958). According to Price (1977), a decrease in pay, integration, instrumental and formal communication, and increases in centralization resulted in decreased job satisfaction. If this low job satisfaction occurs and at the same time, the job opportunities available outside the organization are many, it was predicted that the rate of turnover will be high (Rilovick, 2005). The explained relationships are graphically demonstrated in the figure 2.3.

In 1981, Price and Mueller included 11 determinants for job satisfaction and two intervening variables for turnover. The 11 determents were: opportunity, routinization, participation, instrumental communication, integration, pay, distributive justice, promotional opportunity, professionalism, general training, and kinship responsibility. The two intervening variables are:

job satisfaction and intent to stay. The relationship of these variables is illustrated in the figure 2.4. In this study, seven of the determinants which includes; routinization, participation, instrumental communication, integration, pay, distributive justice, and promotional opportunity, were directly affect to job satisfaction. The professionalism, general training, and kinship responsibility, were directly affect intent to stay. The low job satisfaction and low intentions to stay were believed to increase turnover (Price & Mueller, 1981).

Figure 2.3 Determinants of Job Satisfaction and Turnover
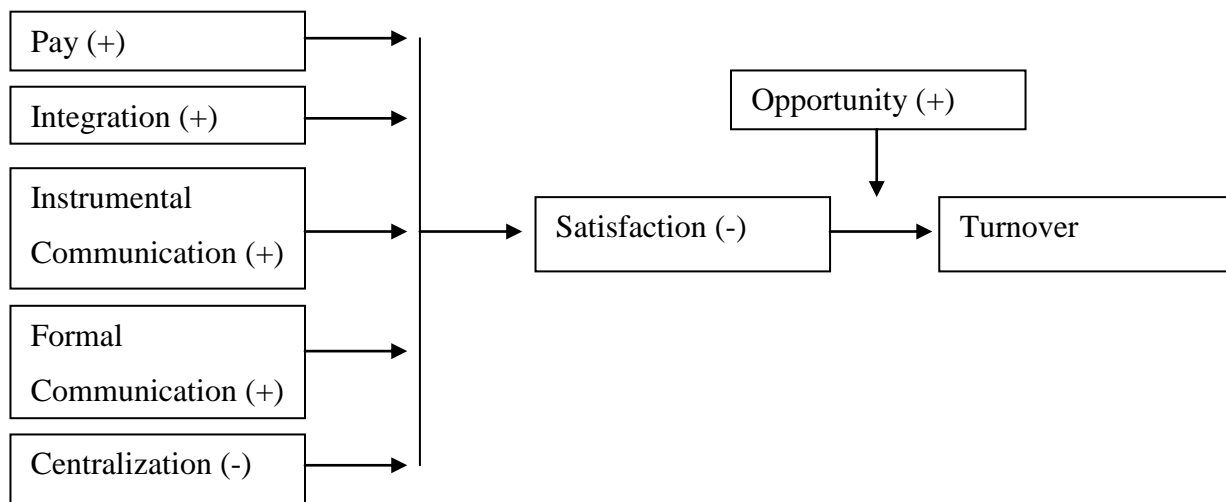


*Source: Price, J.L., (1977), In- Rilovick, C. Y., (2005), Effects of Career Plateauing on Turnover: a Test of a Model,http://www.entrepreneur.com/tradejournals/article/182035190.html*

In 1982, Bluedorn developed a turnover model which combined all the main ideas in the models developed by March and Simon (1958), Price (1977), Mobley (1977) and Price and Mueller (1981). There were five dependent variables which include; job satisfaction, organizational commitment, job search, intent to leave, and turnover. Moreover, there were 15 independent variables. They are; promotional opportunities, centralization, formalization, instrumental communication, equity, pay, routinization, member integration, environmental opportunities, foregone environmental opportunities, role conflict, length of service, age, education, and marital status. Bluedorn (1982) suggested that these 15 variables directly affect to the job satisfaction (Rilovick, 2005). The types of relationships between these variables are illustrated in the figure 2.5. Bluedorn (1982), in his model, explained the organization commitment, job search, and

intent to leave as the intervening variables between the job satisfaction and the turnover. Bluedorn (1982) has also considered the availability of job alternatives or opportunity introduced by Price (1977) in his model. According to him, employee will retain in the organization, even dissatisfied, if the job alternatives are very limited (Rilovick, 2005).

Figure 2.4 Causal Model for Turnover
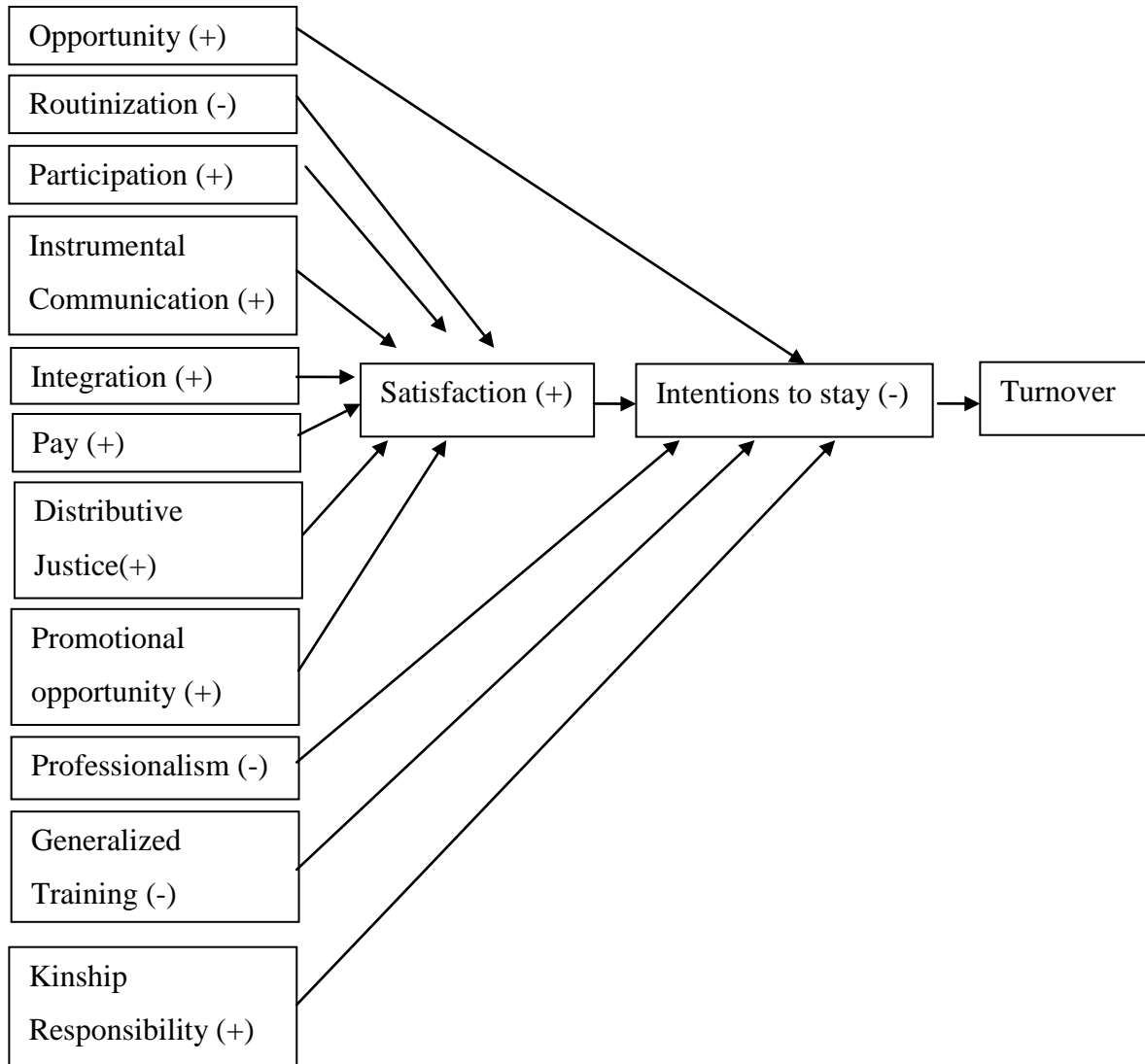


*Source: Price and Muller (1981). In-Rilovick, C. Y., (2005), Effects of Career Plateauing on Turnover: a Test of a Model,http://www.entrepreneur.com/tradejournals/article/182035190.html*

Figure 2.5 Model Developed by Bluedorn (1982)

Centralization (-) ⟶

Formalization (+) ⟶

Instrumental Communication (+) ⟶

Equity (+) ⟶

Pay (+) ⟶

Routinization (-) ⟶

Member Integration (+) ⟶

Environmental Opportunities (-) ⟶

Foregone Environmental Opportunities (-)

Role Conflict (-) ⟶

Length of Service (+) ⟶

Age (+) ⟶

Education ⟶

Marital Status ⟶

| Job Satisfaction (+) |
| Organizational Commitment (-) |
| Job Search (+) |
| Intent to Leave (+) |
| Turnover (+) |
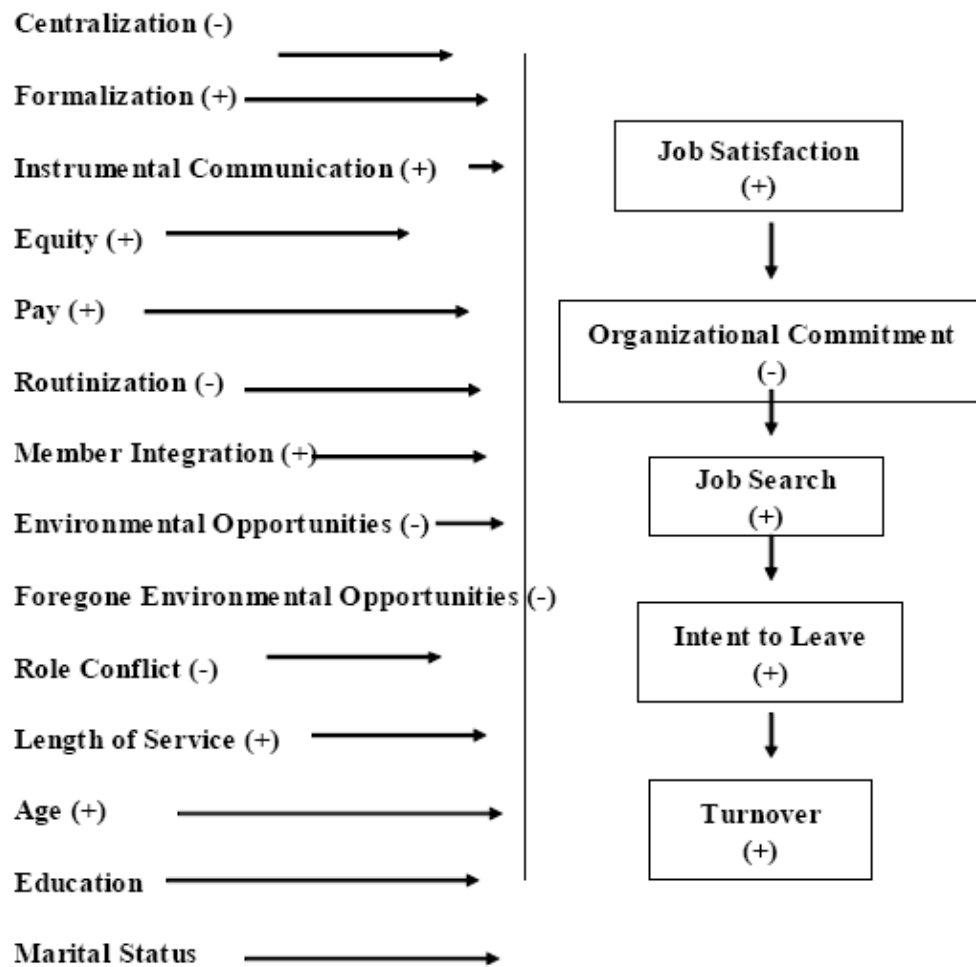
Source: Bluedorn (1982), In- *Rilovick, C. Y., (2005), Effects of Career Plateauing on Turnover: a Test of a Model,http://www.entrepreneur.com/tradejournals/article/182035190.html*

The Jackofsky's (1984) theory explains about the relationship between the performance and the turnover. He found that there was a U-shaped curvilinear relationship between the Job performance and turnover. The U shape means that the turnover will be relatively high for both very poor performers and very good performers (ibid). The high turnover for very poor performers causes primarily due to involuntary turnover. Similarly the high turnover for relatively good performers causes primarily due to voluntary turnover. Thus, this Jackofsky's

(1984) theory highlights about the voluntary and involuntary turnover which is created by the high performers and the poor performers respectively.

Steers and Mowday (1981) has found that the high performance will lead to increased expectations of rewards such as promotions and salary growth. Mohammad (2008) also found that there was an increased turnover when only those expectations are not met.

Griffeth et al (2005) has also conducted a research on turnover behavior. They have used job satisfaction, organizational commitment, job search behavior, and intent to quit as predictors of turnover (Rilovick, 2005). The relationship between these variables is illustrated in the figure 2.6. The level of job satisfaction and organizational commitment leads to the intent to search the jobs. This intent to search the job and knowledge about the job alternatives affect to the intentions to leave which eventually leads to actual turnover.

Figure 2.6 Turnover Model by Griffeth, et al. (2005)
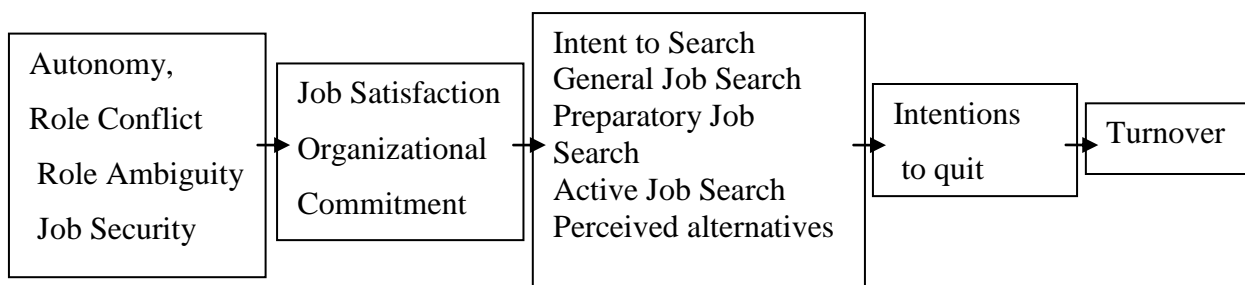


Source: Griffeth et al. (2005), In- *Rilovick, C. Y., (2005), Effects of Career Plateauing on Turnover: a Test of a Model,http://www.entrepreneur.com/tradejournals/article/182035190.html*

According to Amah (2009), job satisfaction was found to have a direct negative relationship with turnover intention. The researcher has used life satisfaction and role centrality as moderate variables to this relationship (ibid). Also Amah, (2009) has found that low life satisfaction and role centrality, had greater tendency to exit the organization even at high levels of job satisfaction. The relationships found in this study can be illustrated as shown in the figure 2.7.

Figure 2.7 Job Satisfactions and Turnover Intention
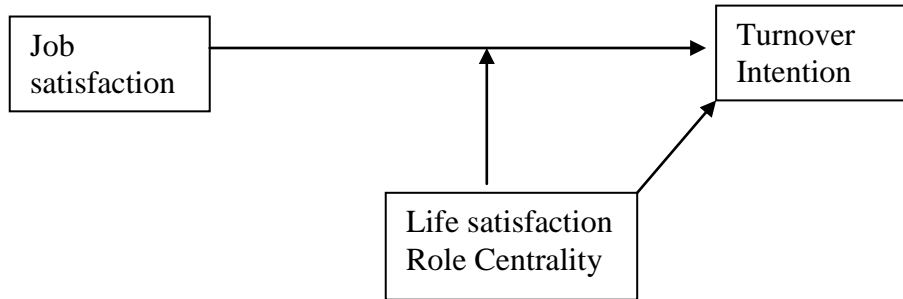


*Source: Amah,O.E., (2009), Job Satisfaction and Turnover Intention Relationship: The Moderating Effect of Job Role Centrality and Life Satisfaction, Research and Practice in Human Resource Management , 17(1), 24-35.*

## 2.2 Theoretical Framework

Based on the literature given above, the following theoretical framework was developed for this study. The theoretical framework was developed consistent with the research questions. The framework and the explanations about the variables are given below;

Figure 2.8 Theoretical Framework
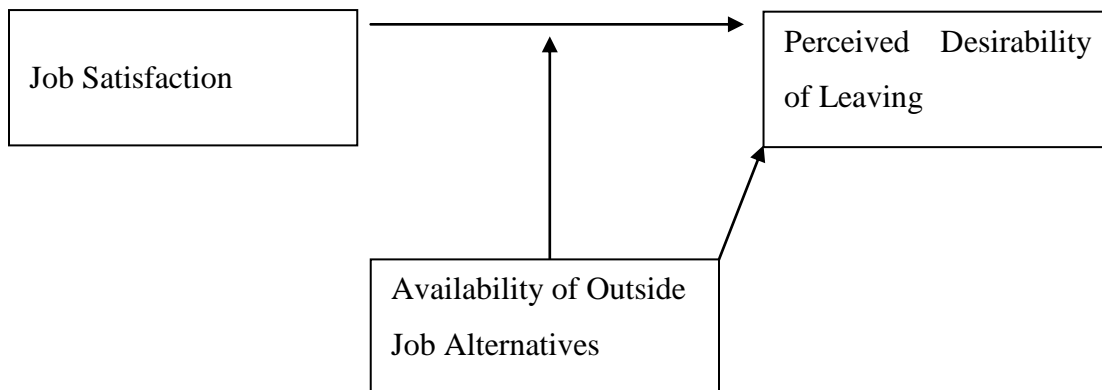


The theoretical framework consists of the concepts of job satisfaction, perceived desirability of leaving and availability of outside job alternatives. There is a relationship between job satisfaction and perceived desirability of leaving and the literature support that the direction of the relationship is negative. There is also a relationship between the availability of outside job

alternatives and perceived desirability of leaving. According to the literature, its direction is positive. Further, there is an interaction effect from availability of outside job alternatives to the relationship between job satisfaction and perceived desirability of leaving. This means that the negative relationship and positive relationship will interact with each other and availability of outside job alternatives will weaken the negative relationship between job satisfaction and perceived desirability of leaving.

### 2.2.1 Dependent Variable

The dependent variable in this study is perceived desirability of leaving. March and Simon (1958) introduced "Perceived Desirability of Leaving" in their research on job satisfaction and intensions of leaving. They argued that employee may reconsider the perceived desirability of leaving when the employee is not satisfied, even if the pay level is high. In other words, perceived desirability of leaving is low when the employee is more satisfied with the job. March and Simon (1958) also took in to account the size of a firm and perceived possibility of leaving with perceived desirability of leaving. If the organization is large, the availability of jobs is high and then the perceived desirability of leaving will be high when the employee perceives any dissatisfaction with the job. Similarly, the perceived desirability of leaving is high when the intra- organizational transfer is relatively easy. Price (1977) also suggested about the relationship between the job opportunities and the labor turnover. This means that high opportunities will result to high turnover. Hom and Griffeth (1995) showed that the intensions to leave are among the best predictors of actual departures. Some researchers have used the term turnover intension instead of using this perceived desirability of leaving. Rilovick (2005) explains the work of Hom et al (1984) as "job satisfaction directly influenced thoughts to quit and thoughts of quitting directly resulted in intent to quit". In this research, the perceived desirability of leaving is considered as a dependent variable of job opportunities or availability of job alternatives and job satisfaction.

### 2.2.2. Independent Variable

Job satisfaction can be defined as "pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating one's job values" (Locke, 1969). As mentioned in the literature, the job satisfaction level is a variable which has a direct relationship with labor

turnover decisions. Researchers have used job satisfaction as independent variable to turnover behavior (March and Simon, 1958, Mobley, 1977, Hom et al, 1984, Price, 1977, Price and Mueller, 1981 and Amah, 2009). Price (1977) has measured the job satisfaction in terms of pay, integration, instrumental communication, formal communication, and centralization. Price and Mueller (1981) considered 11 determinants, include: opportunity, routinization, participation, instrumental communication, integration, pay, distributive justice, promotional opportunity, professionalism, general training, and kinship responsibility. Similarly, Warr (1996) considered, pay, colleagues, supervisors, working conditions, job security, promotion prospects and the nature of the work undertaken to measure the job satisfaction. He found that each of these components are usually positively inter-correlated and correlate with overall job satisfaction (ibid).

In this study, I consider pay, supervision, job security, and promotional prospects as important determinants for job satisfaction. The executives in early career stages are more concerned about pay levels. They expect higher levels of pay and promotions since they have good educational backgrounds such as bachelor and master degrees. In addition to that, continuous HR development activities initiated by the companies have lead the executive level employees' expectations towards the increased pay and promotions and not realizing these will ultimately lead to dissatisfaction. Supervisors play a major role for the career development of the early career employees. Similarly training opportunities, appreciation, and encouragements provided by the supervisor are important factors for job satisfaction. Also, the job security is another factor which is expected by the early career executives leading to their satisfaction. The Sri Lankan private sector employees perceive that the job security is very much lower than the government sector. Even though there is limited research on this area, there is a well known fact that there is a strong preference towards the government job for which a major factor is job security.

### 2.2.3. Moderating Variable

Price (1977) considered the external opportunity as a moderator of the relationship between satisfaction and turnover. This study use the term "availability of job alternatives" instead of using the term "opportunity" as the moderating variable to the relationship between the job

satisfaction and the perceived desirability of leaving. This is because of the dependent variable chosen. One of the two main concepts introduced by March and Simon (1958) was perceived ease of leaving. The perceived ease of leaving is facilitated by the perceived intra organizational transfers. The term intra organizational transfers meant moving within the organization. March and Simon (1958) found that the intention to leave is high when the organization size is high since there are more opportunities to move from one job to another. In this case, March and Simon (1958) considered about moving within the organization. But in this study, the term availability of job alternatives is focused about the perceptions of the job alternatives outside the organization. The perceived desirability of leaving is not an actual turnover. It is an intension to turnover or in other words, it is a job search behavior. The opportunity would be the ideal term as a moderator if the dependent variable was the actual turnover

### 2.2.4. Control Variables

Most turnover behavior studies have taken demographics as control variables (Carr, et al. 2008, Wright & Bonett, 2007 and Amah, 2009). Because, there may be some influence from these variables to the variations in the dependent variable that is perceived desirability of leaving. In this study the age, gender, marital status, and tenure were taken as control variables. In addition to that the company size in terms of the number of employees was also considered as control variable.

### 2.3. Hypothesis

There are sufficient literature to prove the relationship between the job satisfaction and labor turnover. Mobley (1977) identified job dissatisfaction as leading to thoughts of quitting. Hom, et al. (1984) suggested that the job satisfaction is negatively affected to employee turnover. Price & Mueller (1981) also found that low job satisfaction and low intentions to stay were believed to increase turnover. March and Simon (1958) concluded that the perceived desirability of leaving is derived from the satisfaction with current job. If the satisfaction is low the perceived desirability of leaving is high. Therefore in this study the first hypothesis is developed as;

*$H_1$ -Job satisfaction is negatively related to perceived desirability of leaving*

Kirschenbaum and Mano-Negrin (1999) showed that the actual turnover is strongly influenced by external labor market factors like job mobility and availability of jobs. Price and Muller (1981) considered the outside job opportunity as a moderator of the relationship between job satisfaction and turnover. They argued that the outside job opportunities have a positive relationship with the labor turnover. Therefore the second hypothesis is developed as;

*H$_2$- Availability of outside job alternatives are positively related to perceived desirability of leaving*

Job satisfaction has a negative relationship with the employee turnover (Hom et al, 1984). Outside job opportunity has a positive relationship with the labor turnover (Price, 1977). Since Price (1977) argue that the opportunity is the moderator to the relationship of job satisfaction and labor turnover, it can be concluded that the job opportunity weaken the relationship between job satisfaction and labor turnover. Therefore the third hypothesis in this study is developed as;

*H$_3$- Availability of outside job alternatives weaken the relationship between the job satisfaction and perceived desirability of leavings*

## 3.0 Research Methodology

Researchers have used different methodologies in order to test the turnover behavior; some used qualitative and some used quantitative. This research study focused on the quantitative methodology. In this section the research design, sampling methods and unit of analysis, procedure, operational definitions, methods for collecting data, and methodology for analyzing the data is will be explained.

### 3.1 Research Design

This study is based on quantitative research method which involves the use of a more structured plan for data collection. The main purpose of this study is to analyze the relationships between the job satisfaction and the perceived desirability of leaving and the moderating relationship to the relationship of job satisfaction and perceived desirability of leaving.

### 3.2. Sampling and Unit of Analysis

Population of this study is the executives of cable manufacturing firms in Sri Lanka. The executives include the junior and senior executives and managers of different functions in such firms. Their perceptions on job satisfaction level have an impact for the perceived desirability of leaving. Therefore the unit of analysis is the junior and senior executives and managers of the cable manufacturing firms.

Since there is no proper sampling frame purposive sampling is adopted for this study. According to Sekaran (2003), in Multivariate Research, the sample size should be several times (preferably 10 times or more) as large as the number of variables in the study. Since the multiple regressions is going to be applied the sample size will be 150 respondents

### 3.3. Procedure

The data were collected from 10 item questionnaire. Initially the Managing directors of the respective cable manufacturing organizations were contacted and got the permission from data collection. Then the detailed list of the executive level employees which include name, designation, service location, age, gender, and contact number was obtained from the HR department of the respective cable manufacturing firms. Finally, the respondents were contacted

and allocated a time for the questionnaire filling. 15-20 minutes were spent with each respondent. The collected questionnaires were fed in to the SPSS which also will be used to run the statistical procedures.

## 3.4. Operational Definitions

As mentioned above, the three variables, dependent, independent, and moderating variables are, job satisfaction, perceived desirability of leaving and the perceived availability of job alternatives respectively.

The concept perceived desirability of leaving is measured in terms of 4 questions. Most of the research studies have used the term "Intent to Leave" instead of the "Perceived Desirability of Leaving" even the two concepts give the same meaning. However, in this study, the term perceived desirability of leaving was used for the term intention to leave which was originally used by March and Simon (1958). The term intention to leave or perceived desirability of leaving has been measured by different number of items used by different authors. Sang et al, (2009) have used four-item scale to measure the intention to leave. The items are given in the following table 3.1. The reported Cronbach's alpha value for these items was 0.8349.

It is important to note that the purpose of the term Cronbach's alpha. Normally the alpha value is calculated by using the inter correlation coefficients between the items. Since this concept was found by Lee Cronbach, it is known as Cronbach's alpha. This Cronbach's alpha is a coefficient which is used to interpret the reliability and validity of the items used to measure a particular concept. Hair et al (2003) define rule of thumb about this Cronbach alpha coefficient size as; <0.6: Poor, 0.6 < 0.7: Moderate, 0.7< 0.8: Good, 0.8< 0.9 Very Good,  >0.9: Excellent.

Table 3.1 Four-Item Scale for Turnover Intentions Used by Sang, et al. (2009)

| Variable and Cronbach's α | Items |
|---|---|
| Intent to Leave<br><br>Cronbach's α=0:8349, | I will be actively searching for a job outside of the architectural profession over the next 12 month |
|  | I will be actively searching for a new job over the next 12 months |
|  | I often think about leaving the architectural profession |
|  | I often think about leaving my job |

*Source: Sang. K.J.C., Ison ,S.G. and Dainty ,A. R.J.,(2009) The job satisfaction of UK architects and relationships with intentions, Engineering, Construction and Architectural Management Vol. 16 No. 3.*

Similarly, Kim, Price, Mueller, & Watson (1996) have used four-item scale in which different items have been used to measure the intention to leave. The items are given in the table 3.2 with the reported alpha value of 0.85.

Table 3.2 Four-Item Scale for Turnover Intentions Used by Kim, et al. (1996)

| Variable and Cronbach's α. | Items |
|---|---|
| Intent to Leave<br>Cronbach's α=0.85. | 1. I plan to leave the organization as soon as possible. |
|  | 2. Under no circumstances will I voluntarily leave the organization. |
|  | 3. I would be reluctant to leave the organization. |
|  | 4. I plan to stay in the organization as long as possible. |

*Source: Kim, S.W., Price, J.L., Mueller, C.W., & Watson, T.W. (1996), The determinants of career intent among physicians at a U.S. air force hospital. Human Relations, 49(7), 947-976.*

Further, Lentz (2004) has used 3 items which is given in the table 3.3. The reported alpha value for these items was 0.88.

Table 3.3 Three-Item scale for turnover intentions used by Lentz, (2004)

| Variable and Cronbach's α | Items |
|---|---|
| Intent to Leave Cronbach's α= 0.88. | I am currently looking for another organization to work for. |
| | I often think of leaving this organization. |
| | I will probably leave this organization in the next few months. |

*Source: Lentz, E., (2004), The Link between the Career Plateau and Mentoring–Addressing the Empirical Gap, http://purl.fcla.edu/fcla/etd/SFE0000307*

By considering all the items used by the above authors, 4 items were selected to measure the intention to leave or perceived desirability of leaving in this study. These selected four items were extracted from all the three studies mentioned above without giving special attention to only one study. There is no special reason to justify the reasons why there were only four items out of eleven items mentioned above used in this study. It is obvious that all the items explain the same concept of perceived desirability of leaving. However, some items used in some studies were country specific and industry specific. For example, Sang, et al, (2009) have used the items such as "I often think about leaving the architectural profession" those type of items were omitted. Also some items were modified in order to fit with the current study. For example, Sang, et al, (2009) have used as "I often think about leaving my job" and Lentz (2004) has used as" "I often think of leaving this organization". It was modified in this study as "I often think of leaving this company". In addition to that, the items in which the simple English language have been used and the items which are easy and quickly to understand the meaning of it were extracted. Sri Lanka is a non-English speaking country and the questionnaire was printed in English. Therefore the items which are given in the following paragraph were selected as items to measure the Perceived desirability of Leaving;

The items used in this study are "I have planned to leave the company as soon as possible" (extracted from Kim, Price, Mueller, & Watson, 1996), "I often think of leaving this Company (Lentz 2004, and Sang, et al, 2009)", "I plan to stay in the company as long as possible (Kim, Price, Mueller, & Watson ,1996)", and "I will be actively searching for a new

job within the next 12 months (Sang, et al, (2009)". These are measured by using 5 point Likert scale which ranges from strongly disagree to strongly agree

In social sciences research, attitudes and opinions are very much important to draw conclusions. Generally attitudes are measured in different types of scales. The Likert scale is one of the tools used to measure such attitudes. Zikmund (2003) defines the Likert scale as; A measure of attitudes designed to allow respondents to indicate how strongly they agree or disagree with carefully constructed statements that range from very positive to very negative toward an attitudinal object.

The concept job satisfaction is measured in terms of different aspects. The Michigan Organizational Assessment Questionnaire (Cammann, Fichman, Jenkins, & Klesh, 1979) measured the job satisfaction using three items. Conbanch's alpha for these three items was 0.82. Spector (1985) have used 36 items to measure the job satisfaction. Reported Cronbach's alpha for these 36 items was 0.89. The 36 items have been assessed in terms of nine aspects of job satisfaction. These nine aspects include; pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, coworkers, nature of work, and communication. As mentioned in the section 2.2.2, pay, promotion, supervision, and security aspects were included to measure the job satisfaction. To measure these aspects one question for each included in the questionnaire. The items include; "I feel I am being paid a fair amount for the work I do", "I feel that high performers have a chance of promotional opportunities", "My supervisor is quite competent in doing his/her job", "I am satisfied with my job security". The first three items were extracted from the work of Spector, (1985) and the last item was included by the researcher since it is important to the Sri Lankan private sector. The job satisfaction level is measured by using the 5 point Likert scale which ranges from strongly disagree to strongly agree.

The concept availability of job alternatives is measured by using the items such as "I feel that the market availability for my job (availability of outside job alternative to my job) is very high" and "I feel that my job position is restricted to my company". These items were created by the researcher and 5 point Likert scale which ranges from strongly disagree to Strongly agree were used.

### 3.5. Methods of Collecting Data

Both primary and secondary data was obtained for this study. For the primary data the survey method was applied. Self administered questionnaires (Appendix II) were used for this purpose. The questionnaire contained 4 sections. First section contained the items to get the data about the demographic factors and about the size of the companies. Second section contained four items which assessed the concept job satisfaction. Third section contained four items which assessed the concept perceived desirability of leaving. The last section contained four items which assessed the concept availability of outside job alternatives. The secondary data was collected from the annual reports and company reports to identify and describe about the nature of cable industry in Sri Lanka.

### 3.6. Data Analysis

In order to measure the validity and reliability of the items used to test the concepts, Cronbach's alpha coefficient was used. Under the validity, the convergent validity of the items was intended to test. To test the validity of the items further factor analysis was performed.

Basically, since there are different variables used in this study, multiple regression analysis was used to test the study hypothesis. For this task two regression models was developed. The two models can be categorized as the main model and the model with interaction effect. The main model is illustrates as follows;

$$Y = \alpha - \beta_1 X_1 + \beta_2 X_2 \qquad \underline{\qquad\qquad} \enspace \textcircled{1}$$

(Note: *Y=Perceived Desirability of Leaving, α= Intercept, β₁= The slope of the relationship of Job Satisfaction and Perceived Desirability of Leaving, β₂ =The Slope of the relationship of Availability of outside Job Alternatives and Perceived Desirability of Leaving, X₁ =Job Satisfaction, X₂ = Availability of outside Job Alternatives.*)

As mentioned in the conceptual framework, the main model can be explained as; the job satisfaction will negatively affect to the perceived desirability of leaving. The availability of

outside job alternatives will positively affect to the perceived desirability of leaving. The type of the relationship is demonstrated by the +/- β values in the model.

Under the main model, correlation coefficient was used in order to find out the relationship between the job satisfaction and perceived desirability of leaving, and availability of job alternatives and perceived desirability of leaving. In addition to that, the coefficient of determination was used to interpret the variation of dependent variable explained by associating with the independent variable and the moderating variable. Likewise, together with other test statistics of the regression analysis, the hypothesis 1 and 2 were tested.

According to the literature, there will be both the variables job satisfaction and availability of job alternatives interact with each other and weaken the perceived desirability of leaving. In statistics, this is called the interaction effect. Interaction effect would be tested by using following model;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2 \quad \text{————————} \quad ( 2 )$$

(Note: $\beta_3$ = *The slope of both the Availability of Job Alternatives and Job Satisfaction and Perceived Desirability of Leaving (interaction effect), other notations are the same as defined in the model 1*)

Under the model with interaction effect, $R^2$ values and Partial Eta squared values were computed in order to find out the interaction effect. In addition to that estimated marginal means of the observations were plotted to analyze the interaction effect. All these tests were relating to test the hypothesis 3.

There is basically one important question that needs to be answered when proving these relationships statistically. The question can be given as follows;

- *Is the main or interaction effect statistically significant?*

To find out the whether the main or interaction effect is statistically significant a null and alternative hypothesis is set up and which can be given as follows;

$H_0$: $\beta_3 = 0$

$H_A$: $\beta_3 \neq 0$

After setting up the hypothesis, the calculated regression coefficients $R^2$ for both the models were considered. To prove this whether the predicted relationship is significant, F test was used. If the F value is greater than the Critical value (F $\rangle F_{\alpha;(k_2-k_1),(n-k_2-1)}$ ), null hypothesis is rejected. If the F value is below than the critical value, null hypothesis is accepted.

To perform all these statistical calculations, SPSS version 17 will be used.

## 4.0 Results

In this section the main intention is to present the outputs of the test statistics of the study. The results were obtained by running the respective test statistics commands of SPSS version 17. The results are very much important for the data analysis and thereby making relevant conclusions for the defined models. This chapter contains different sections. In section 4.1 the results relating to the validity and reliability of the items used to test the concepts will be explained. The section 4.2 is about the data set and the response rate of the study. The section 4.3 explains about the control variables and its effect for the variations in perceived desirability of leaving. This is followed by the section 4.4 which includes the results of the main model developed for the study. Then section 4.5 contains the results of the model with interaction effect. Finally, section 4.6 contains the information about hypothesis testing. In this section the hypothesis will be tested by using the test result mentioned in sections 4.4 and 4.5.

### 4.1. Validity and Reliability of Measurements

In this study, the three concepts used were, the perceived desirability of leaving or in other words the intent to leave, job satisfaction and the availability of outside job alternatives. The convergent validity and reliability of these concepts were measured in terms of Cronbanch's alpha. The convergent validity ensures how well the items used converge or covered each other. In other words it describes how well the items measure the concept. In order to derive the cronbanch's alpha, the correlations between the items is calculated (see Appendix I). If there is a good correlation between the items, we can say that the items properly measure the concept. In other words, the items are valid to measure the concept. The good correlation will lead to a higher value of Cronbach's alpha. Therefore higher cronbach's alpha value represents a high validity. Similarly, if the same items have been used in similar studies, a higher alpha value represents a high reliability.

As mentioned in table 3.1, Sang et al, (2009) have used 4 items to measure the intention to leave. The cronbach's alpha for those items was 0:8349. Kim, Price, Mueller, & Watson (1996) also used 4 items ,which was mentioned in table 3.2, to measure the same concept and the alpha value for those items was 0 .85. Further, Lentz (2004) used three items, which is mentioned in table

3.3, and alpha value for those items was 0.88. All these high alpha values reveal that all the items were highly valid and reliable.

As mentioned in the section 3.4, the items used to measure the perceived desirability of leaving or intention to leave were extracted from the eleven items which belongs to three studies conducted by different contexts and different authors. Moreover, some items were modified in order to fit with the Sri Lankan context and simplify the English language used to write the item. The convergent validity and the reliability can be measured for these items in terms of Cronbach's alpha. The alpha value for these four items used to measure the perceived desirability of leaving was 0.87.

Similarly, the job satisfactions were measured by using four items scale which was extracted from the 36 items scale used by Spector (1985). The Cronbach's alpha for these 36 items was 0.89. Even though there was only four items which was taken from the 36 items, the calculated alpha value for the four items was 0.75

The availability of outside jobs alternatives was measured by two items which was developed by the researcher. The alpha value for this was 0.92.

All these alpha values for the three concepts are above 0.7. This means that there is high convergent validity and reliability for all the items used to measure the concepts. Further, some of the items were taken from different studies to measure the same concept; some of them were taken as it is and some of them were modified. Moreover, some of the items were newly created. However, the resulted alpha values for items intended to measure the three concepts were highly reliable and valid.

In order to test the validity of these items further, factor analysis was conducted. The factor analysis technique creates factors that are explained well by the set of variables. The well explained variable set is given a specific common name which will be a common concept and before giving such a name it is known as a factor. In factor analysis, there should be sufficient correlations between the items in order to have the high factor loadings. The high factor loadings

represent best linear combinations of variables. It is important to note that the factor loadings vary from +1 to −1 in which the factor value near to one will have a maximum explanation of the factor or common concept by each item. One method for deriving such a factor loadings is the rotated component matrix. The rotated component matrix for the items used for this study is given in the following table 4.1.

Table 4.1 Rotated Component Matrix

| Item | | Component | | |
|------|-------|-----|-----|-----|
| No. | Items | 1 | 2 | 3 |
| 1 | I have planned to leave the company as soon as possible. | .763 | | |
| 2 | I often think of leaving this Company | .828 | | |
| 3 | I plan to stay in the company as long as possible. | .754 | | |
| 4 | I will be actively searching for a new job within the next 12 months | .836 | | |
| 5 | I feel I am being paid a fair amount for the work I do. | | .578 | |
| 6 | My supervisor is quite competent in doing his/her job | | .763 | |
| 7 | I am satisfied with my job security | | .707 | |
| 8 | I feel that high performers have a chance of promotional opportunities | | .783 | |
| 9 | I feel that the market availability for my job (Availability of outside job alternative to my job) is very high | | | .945 |
| 10 | I feel that my job position is restricted to my company | | | .946 |

*Note; Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.*

According to the table 4.1, the first four items have factor loadings which are 0.75 (factor loading for item three) or more than that value. This comes under factor 1. All the items used under factor 1 is relating to the intention to leave or perceived desirability of leaving. This means that the term perceived desirability of leaving is well explained by these four items. It reveals that these four items can clearly measure the common concept perceived desirability of leaving.

Similarly, from item number 5 to item number 8, there are high factor loading which comes under factor 2 and from item number 9 to 10, there are also high factor loadings which comes under factor 3. Therefore the items relating to factor 2 is about the job satisfaction and the items relating to factor 3 are about the perceived desirability of leaving. These high factor loadings reveal that the items used to measure the job satisfaction and the perceived desirability of leaving are well explained and well measured. This means that the items taken for measuring the three concepts were ideal.

## 4.2 Data Set and Response Rate

As mentioned in the methodology section, the questionnaires were delivered to executive level employees in three major cable manufacturing organizations in Sri Lanka. The sample size was 150 executives. Responses were received from 136 Executives. Therefore, the response rate for this study was 90%. Such information on the responses obtained, number of questionnaires delivered and the total number of executive employees employed in each factory are given in the table 4.2.

Table 4.2 Distribution of Respondents for the Sample

| Factory | Number of respondents | Number of questionnaires delivered | Total Number of Executives |
|---|---|---|---|
| Ruhunu Cables | 11 | 20 | 30 |
| ACL Cables | 35 | 40 | 105 |
| Kelani Cables | 90 | 90 | 95 |
| **Total** | **136** | **150** | **230** |

The data set consisted of the responses received from each factory. In order to identify the perceived desirability of leaving of the executive level employees, it would be better to analyze the data from each factory separately, if the responses were different from one factory to other. However, the responses received from each factory had the same pattern. Therefore all the data were merged in to one data set and taken together for the analysis.

## 4.3 Measuring the Control Variables

There are some instances where some of the variables influence for the variations in dependent variable rather than the independent variable. These variables are known as control variables. In a research study, the effect of these variables to the predictability of dependent variable must be controlled. This is done in order to interpret the main and moderating effects accurately. The control variables in this study were gender, age, marital status, tenure, and size of the company. It was assumed that there would be an effect for the variations in the perceived desirability of leaving from these control variables. For example, there would be an effect from the age to the predictability of the perceived desirability of leaving. The following paragraphs explain about the frequency distribution of those control variables. In the latter part of this section, the influence from the control variables to the variations in the dependent variable will be explained.

The first demographic factor was gender. It was quite important for considering the gender in the cable manufacturing industry in Sri Lanka, because there was a substantial variation in gender in the industry. The variation consists with the higher proportion of male executives than the female executives; the males were 107 and females were 29. Since this is a hard industry, and operating 24 hours, it seems that the females are not very much attracted. In other words it is male dominated. To elaborate graphically, the frequency distribution of the gender is given in the following figure 4.1.

Figure 4.1 Frequency Distribution of Gender
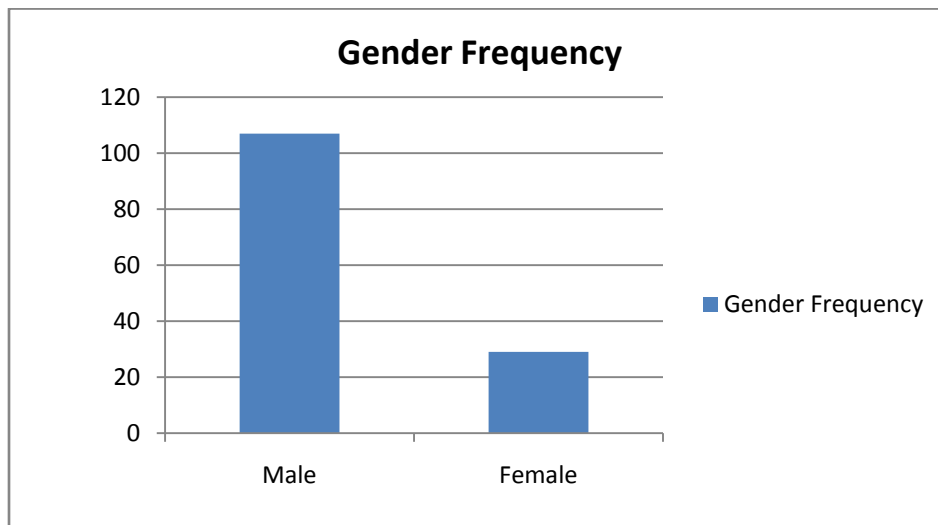
The tenure is also a demographic factor considered for this study. The tenure here means that the number of years the executive level employees possible to retain in the factories. There were 56 executives who had tenure of below 5 years. Similarly, there were 42 employees who had tenure of 6-11 years. Altogether, there were 92 employees whose tenure was below 11 years. This study resulted there was very lower number of executives who had highest tenure period. For example, there were only 12 executives whose tenure was 18-23 years. This means that there was a decreasing trend of retention when the tenure period increases. In other words, increases in service period or the tenure would result to increase in the executive turnover. It reveals that a larger number of employees will retain only below 5 years period of time. The frequency distribution of the tenure of the executives is given in the following figure 4.2.

Figure 4.2 Frequency Distribution of Tenure
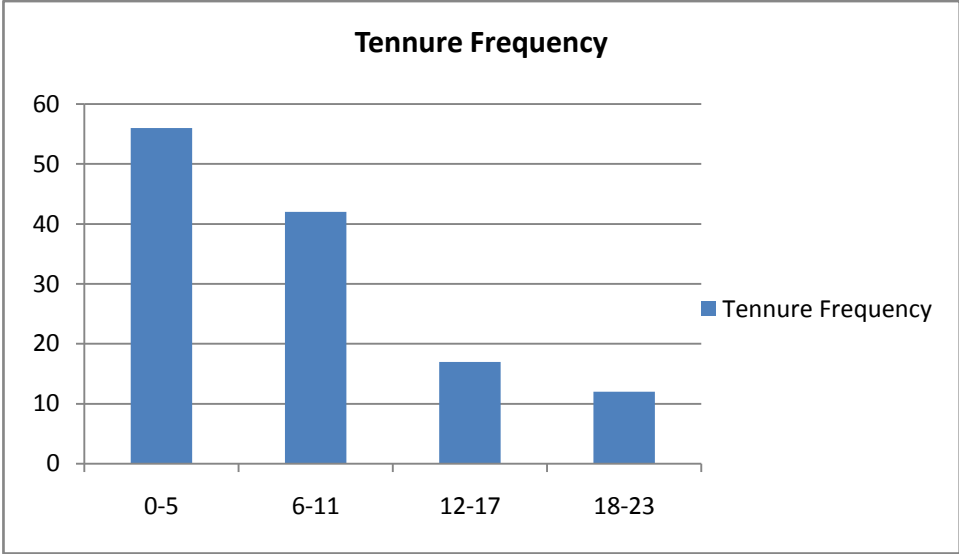


Another demographic factor considered for this study was age level of the executives. When considering about the age level of the respondents, majority of the executives were in the age category of 31-40 years. The frequency of this category was 66 executives from the total sample of this study. Similarly, next highest frequency of the age was 36 executives who are in 41-50 age category. Altogether, there were 102 executives whose age ranges from 31 to 50. This reveals that the most of the executives were at their mid career. There were only very few executives who were most senior or older. The frequency of this is 9 executives. In addition to

that the frequency distribution of the most junior executives was 25. To summarize, the frequency distribution of the age level is given in the following figure 4.3.

One of the most important demographic factors was the marital status. In this study, it was revealed that most of the respondents were married. The frequencies of the married executives were 87 and 47 were unmarried. There were only one executive who was divorced. This seems that the married population in the industry is high.

Figure 4.3 Frequency Distribution of Age
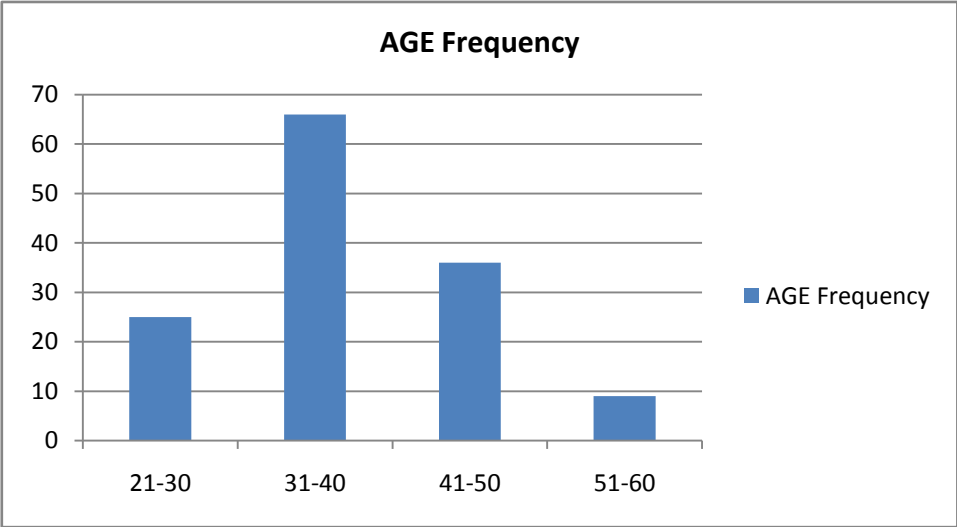


Figure 4.4 Frequency Distribution of Marital Status
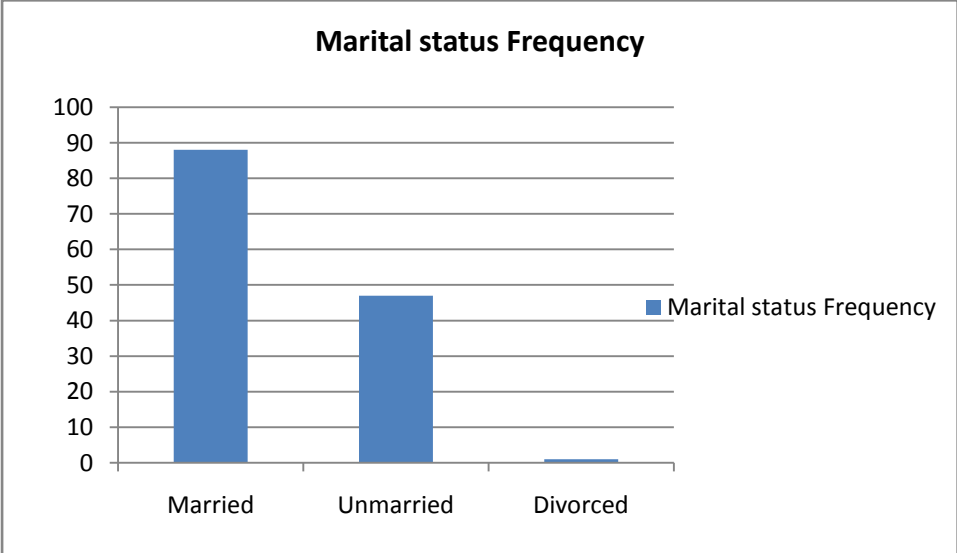
In addition to the demographic factors, the size of the factory was considered as a control variable. The size of the each factory was measured by the total number of employees in this study. The total number of employees of Ruhunu cables (factory 1), Kelani Cables (factory 2) and ACL Cables (factory 3) were 210, 430 and 500 respectively. The frequency distribution of the size of the factory (headcount) is given in the following figure 4.5.

Figure 4.5 Frequency Distribution of Headcount
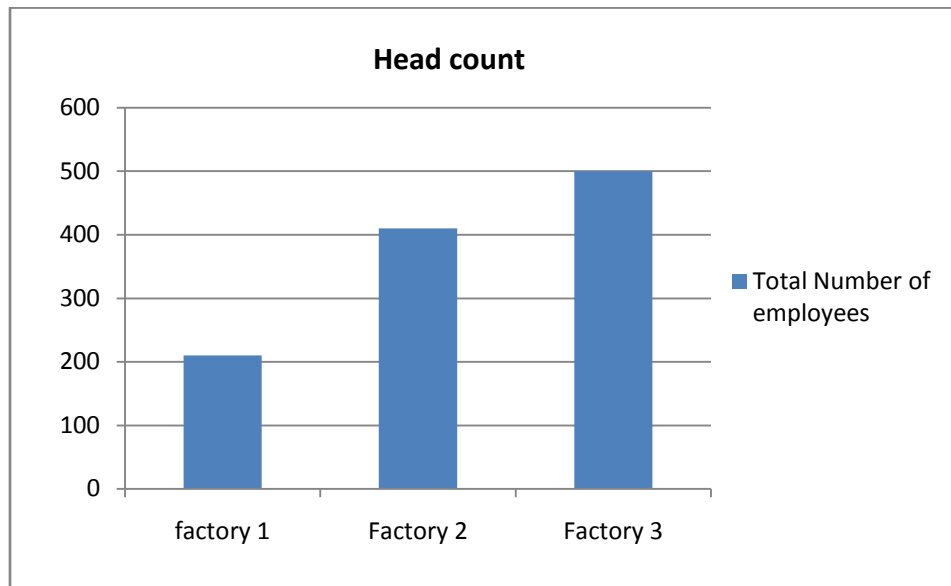


The next attempt was to test whether there was an impact of these control variables to the variations in the perceived desirability of leaving. For this task the relationship of the variables were calculated. In this case, the partial correlation was used to test the relationship between the dependent variable (perceived desirability of leaving) and two independent variables (job satisfaction and availability of outside job alternatives) while controlling the effects of control variables. Table 4.3 depicts the descriptive statistics and zero order correlations.

Table 4.3 Descriptive Statistics and Zero-order Correlations

| Variables | Mean | SD | PDL | JS | AJA | Gender | Age | Marital status | Tenure | Size |
|---|---|---|---|---|---|---|---|---|---|---|
| PDL | 2.9577 | 1.06134 | - | | | | | | | |
| JS | 3.1691 | .75638 | -.598*** | - | | | | | | |
| AJA | 4.0368 | 1.00117 | .230*** | .097 | - | | | | | |
| Gender | | | .114 | -.057 | .098 | - | | | | |
| Age | | | -.457*** | .396*** | -.109 | .019 | - | | | |
| Marital status | | | .226*** | -.237*** | -.086 | .129 | -.473*** | - | | |
| Tenure | | | -.420*** | .323*** | -.063 | .015 | .644*** | -.233*** | - | |
| Size | | | .044 | .023 | .027 | .068 | -.001 | .009 | .019 | - |

Notes: *N=136, SD=Standard Deviation, PDL=, Perceived Desirability of Leaving, JS=Job Satisfaction, AJA=Availability of outside Job Alternatives, p***< 0.01, p**<0.05, p*<0.10*

According to the table 4.3, there is a relationship between the perceived desirability of leaving and the age, marital status and tenure. These relationships are statistically significant. There is no any significant evidence to prove that the gender and the size of the company have an effect to the perceived desirability of leaving. However, it is important to note separately about the three control variables which have an impact to the perceived desirability of leaving.

 As mentioned above, the age level, marital status and the tenure have a significant effect to the perceived desirability of leaving. Firstly, the relationship between the perceived desirability of leaving and the age level of the executives is negative. This means that the perceived desirability of leaving is low when the age level of the executive is high. Secondly, the relationship between the perceived desirability of leaving and the marital status is positive. Finally, the tenure has a negative effect to the perceived desirability of leaving. This means that the perceived desirability of leaving is low when the tenure is high.

## 4.4. Main Model

The correlations between the variables are important to find out the relationships between them. The correlations of the job satisfaction, perceived desirability of leaving, and availability of outside job alternatives are given in the above table 4.3.

According to the correlations in table 4.3, there is a strong relationship between the job satisfaction and the intention to leave or perceived desirability of leaving (-0.598, p< 0.01); the relationship is negative. There is a weak relationship between the availability of outside job alternatives and the perceived desirability of leaving (0.230, p< 0.01). This is somewhat different from what is mentioned in the literature. Further, the relationship is positive. However, these relationships are statistically significant.

In this study, the main objective was to test the impact of job satisfaction and the availability of outside job alternatives on the perceived desirability of leaving from job. As mentioned in the section 4.3, there is an effect of control variables on perceived desirability of leaving. In order to examine the effect of the job satisfaction and the availability of outside job alternatives on perceived desirability of leaving, the effect of control variables must be controlled. Therefore, after controlling for the control variables, especially the effect of the age, marital status and the tenure, the information of the impact of job satisfaction and the availability of outside job alternatives on the perceived desirability of leaving can be depicted in the following table 4.4.

Table 4.4 Relationship of Study Variables after Controlling for the Control Variables

|  | PDL | JS | AJA |
|---|---|---|---|
| PDL | - |  |  |
| JS | -.502*** | - |  |
| AJA | .202** | .153* | - |

Notes: *N=136, PDL=, perceived desirability of leaving, JS=Job satisfaction, AJA=availability of outside job alternatives, p***< 0.01, p**<0.05, p*<0.10*

As per the table 4.4, after controlling for the control variables, job satisfaction was negatively related to the perceived desirability of leaving (-0.502, p<0.000). This reveals that there is a

slight reduction of the strength of the relationship than before controlling the control variables. Similarly, availability of outside job alternatives was positively related to the perceived desirability of leaving (0.202, p<0.05).

Moreover, this relationship is further explained by the regression model ( $Y = \alpha + \beta_1 X_1 + \beta_2 X_2$ ) mentioned in the methodology section. In that model the β values or coefficients of partial regression is the percentage of the variance in perceived desirability of leaving(dependent variable) that is explained by a job satisfaction or availability of outside job alternatives (Independent variables).

Similarly, the standardized regression coefficients or beta coefficients also explain the variance in perceived desirability of leaving, which is explained by a job satisfaction or availability of outside job alternatives. The objective of standardization is to make all the independent variables are comparable. Most of the independent variables are measured in different types of units. Therefore, we require converting them in to a common measurement and we make sure that the variables are comparable. The standardized variables have means and standard deviations which are equal to 0 and 1 respectively.

The t-values are calculated in order to make sure the significance level of the partial correlation coefficients. Then, with the standard level of error, the researcher can say that the regression coefficients are not equal to zero.

The above mentioned partial regression coefficients (β), standardized beta coefficients, and t values are given in the table 4.5. According to the table 4.5, the partial regression coefficient for job satisfaction was -0.878 and 0.308 for the availability of job outside job alternatives. This means that variation in one unit of job satisfaction will result to -0.878 variations in perceived desirability of leaving. In other words, if one unit of job satisfaction increases, the perceived desirability of leaving will decrease by -0.878. Similarly, one unit of variation in availability of outside job alternatives will result to 0.308 variations in perceived desirability of leaving. In other words, if one unit of availability of outside job alternatives increases, the perceived desirability of leaving will increase by 0.308.

Since the standardized beta coefficients is the good measure of the regression, there was -0.626 for job satisfaction and 0.290 for the availability of job outside job alternatives. This means that, one unit of variations in job satisfaction and the availability of outside job alternatives will result to -0.626 and 0.290 variations in perceived desirability of leaving respectively. This reveals further that the relationship between the job satisfaction and the perceived desirability of leaving is negative. Also, the relationship between the availability of outside job alternatives and perceived desirability of leaving is positive. Both the relationships between the variables are highly significant (p=0.000) when it come to the t value. This gives a high level of assurance that the coefficients is not equal to zero and reveals it as a good predictor for the perceived desirability of leaving. It can be said that at a 95% confident level.

Table 4.5 Coefficients of the Dependent Variable-Perceived Desirability of Leaving

| Variable | Unstandardized Coefficients | | Standardized Coefficients | t | Sig |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 4.498 | 0.388 | | 11.587 | .000*** |
| JS | -0.878 | 0.091 | -0.626 | -9.607 | .000*** |
| AJA | 0.308 | 0.069 | 0.290 | 4.458 | .000*** |

*Note; JS=job satisfaction, AJA= availability of outside job alternatives, p\*\*\*<0.01, p\*\*<0.05, p\*<0.10*

Since the model gives a high level of assurance for the prediction of perceived desirability of leaving, it also important to find the overall predictive fit of the model. The model fit information is summarized in the table 4.6. The predictive fit capacity is derived from the $R^2$ and it is 0.441 for this model. This $R^2$ was obtained from the R, which was the correlation coefficient. The correlation coefficient (R) for this model was 0.664. This value reflects the degree of the association between the perceived desirability of leaving and the two independent variables of job satisfaction and the availability of outside job alternatives. This means that there is strong association between the perceived desirability of leaving and the two independent variables of job satisfaction and availability of outside job alternatives.

Further, Zikmund (2003) defines the $R^2$ as "the percentage of variance in the dependent variable that is explained by the variation in the independent variables". According to the table 4.6 and based on the definition of Zikmund (2003), there was 44% variation in perceived desirability of leaving from the two independent variables of job satisfaction and the availability of outside job alternatives.

Table 4.6 Model Summary for the Perceived Desirability of Leaving without the Interaction Effect

| R | R Square | Adjusted R Square | Std. error of the estimate | F Value | Sig. |
|---|---|---|---|---|---|
| .664(a) | .441 | .432 | 0.79960 | 52.423 | .000*** |

*Note; a Predictors: (Constant), AJA= availability of outside job alternatives, JS= job satisfaction, p***<, 0.01, p**<0.05, p*<0.10*

Further, the adjusted $R^2$ is taken in to consideration in order to reduce the inflation of the $R^2$ when adding the more independent variables to the model. Since there are two independent variables, it's better to take the adjusted $R^2$ for interpretation. Therefore 43% of the variation of perceived desirability of leaving is explained by the two independent variables used for this study. For this calculation, statistical assurance can be given from the F value. The F value is 52.42 and it is highly significant (p=0.000). This means that the regression model is statistically significant; it can be said that at a 95% confident level that the perceived desirability of leaving is influenced by job satisfaction and the availability of outside job alternatives.

All those information mentioned above was relating to the main model which was not intended to interpret the interaction effect of the job satisfaction and the availability of outside job alternatives. Therefore all those information relating to the variables in the defined model without the interaction effect can be summarized in to the conceptual model and it is depicted in the figure 4.2

Figure 4.6 Conceptual Model Without the Interaction Effect.



| Job Satisfaction Cronbach's α =0.75 | Standard Beta = -0.626 (t=-9.607, p<.01) | Perceived Desirability of Leaving • Cronbach's α =0.87. • AdJ. R2 =.432 • F=52.423(p<0.01) |

Availability of Job Alternatives Cronbach's α =0.92.

Standard Beta = 0.290 (t=-4.458, p<.01)
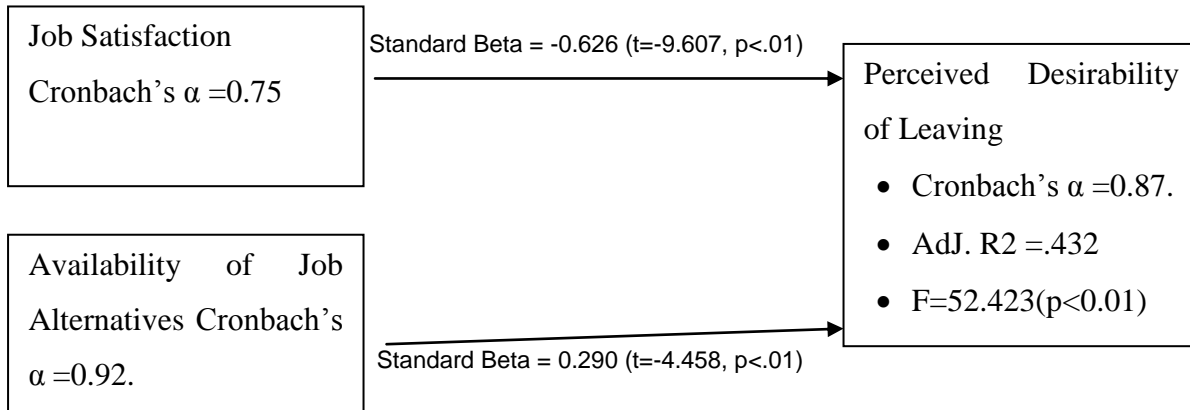
## 4.5. Model with the Interaction Effect

As mentioned in the methodology section, the interaction effect of the job satisfaction and availability of outside job alternatives for the prediction of perceived desirability of leaving can be mentioned statistically as; $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 X_2$. As mentioned in the table 4.5, it is important to state the coefficients of the dependent variable (Perceived Desirability of Leaving) which was derived from the two independent variables (Job Satisfaction and the Availability of outside Job Alternatives) with the interaction effect. The coefficient information for the model with interaction effect is given in the table 4.7.

Table 4.7 Coefficients of the Dependent Variable: Perceived Desirability of Leaving with Interaction Effect.

| Parameter | B | Std. Error | t | Sig. | Partial Eta Squared |
|-----------|------|------------|--------|---------|---------------------|
|           |      |            |        |         |                     |
| Intercept | 2.962 | .069 | 42.830 | .000*** | .933 |
| JS | -.864 | .095 | -9.096 | .000*** | .385 |
| AJA | .309 | .069 | 4.464 | .000*** | .131 |
| JS * AJA | -.059 | .104 | -.565 | .573 | .002 |

Notes: *JS=job satisfaction, AJA= availability of outside job alternatives, p***<0.01, p**<0.05, p*<0.10.*

In this section, the main objective is to explain the interaction effect of the job satisfaction and the availability of outside job alternatives. In order to find out the interaction effect, all the independent variables must be centered first. Therefore the job satisfaction and the availability of outside job alternatives were then centered. The partial regression coefficient for the job satisfaction was -0.864. Similarly, the partial regression coefficient for the availability of outside job alternatives was 0.309. As mentioned in the section 4.4, the job satisfaction was negatively related to the perceived desirability of leaving while the availability of outside job alternatives was positively related to the perceived desirability of leaving. The t- values for both the job satisfaction and the availability of outside job alternatives were -9.096 and 4.464 respectively. Both these t- values were significant ($p<0.01$). This significant t- value for the job satisfaction indicates that it is able to account for a significant amount of variation in the perceived desirability of leaving independent of the other independent variable, namely, the availability of outside job alternatives.

As mentioned in the hypothesis 3, both the job satisfaction and the availability of outside job alternatives   was expected to be interacted with each other. The partial regression coefficient for the interaction effect (JS * AJA) was -0.059. There was sufficient evidence that the interaction effect was not significant ($t=-.565$, $p>.10$). This reveals that the interaction effect for the job satisfaction and the availability of outside job alternatives are not able to account for a significant amount of variation in the perceived desirability of leaving.

As stated in the table 4.6, the $R^2$ and adjusted $R^2$ were also calculated with the interaction effect. The F-test statistics is calculated in order to compare with a null model. According to the table 4.8, the $R^2$ and adjusted $R^2$ were .442 and .449 respectively. Even though the F- values for job satisfaction (F=82.738, $p<0.01$) and availability of outside job alternatives (F=19.925, $p<0.01$) were significant, the interaction effect (JS * AJA) was not significant (F= .319, $p>0.10$). This reveals that there was no interaction effect from the job satisfaction and availability of outside job alternatives for the variations in perceived desirability of leaving. However, both the variables of job satisfaction and the availability of outside job alternatives have an effect to the variations in perceived desirability of leaving. The model summary for the perceived desirability of leaving with interaction effect is given in the following table 4.8.

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Further, the Partial Eta test values proved this interpretation. The Partial Eta values must be closer to 1 if the F-value of the model is highly significant. According to the table 4.7, the Partial Eta values for the job satisfaction and the availability of outside job alternatives were 0.385 and 0.131 respectively. Since there was no any interaction effect from the job satisfaction and the availability of outside job alternatives (JS*AJA), the Partial Eta value of this interaction effect was .002 and which is closer to zero.

Table 4.8 Model Summary for the Perceived Desirability of Leaving with the Interaction Effect

| R Square | Adjusted R Square | Source | F | Sig. |
|---|---|---|---|---|
| .442 | .429 | Intercept | 1834.434 | 0.000 |
| | | JS | 82.738 | 0.000 |
| | | AJA | 19.925 | 0.000 |
| | | JS * AJA | .319 | 0.573 |

*Note: JS=Job Satisfaction, AJA=Availability of outside job alternatives, p***< 0.01, p**<0.05, p*<0.10,*

This further reveals that the model is very good for interpreting or explaining the variations in perceived desirability of leaving only from the two independent variables (job satisfaction and availability of outside job alternatives) without any interaction effect. This means that the model clearly interpret the variations of the perceived desirability of leaving from the two independent variables. But there is no moderating effect. However, if there was a significant moderating effect from the availability of outside job alternatives, the negative relationship between the job satisfaction and the perceived desirability of leaving would be weaken.

According to the Estimated Marginal Means of perceived desirability of leaving, which is shown in the figure 4.7, clearly explains the respondents have no clear idea about the effect of availability of outside job alternatives to the relationship between the job satisfaction and perceived desirability of leaving.

Figure 4.7 Estimated Marginal Means of Perceived Desirability of Leaving



Note;Non-estimable means are not plotted, PDL=Percived Desirability of Leaving, AJA=Availability of outside Job Alternatives.
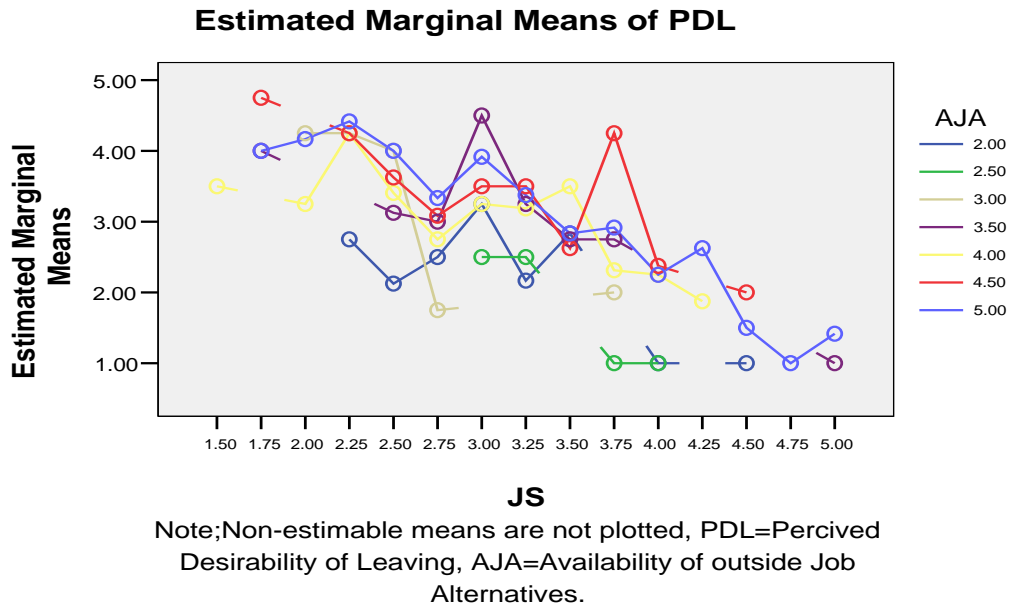
In the graph shown in figure 4.4, the downward sloping, light blue lines, (highly agreed respondents to the availability of outside job alternatives) shows that the negative relationship between the job satisfaction and perceived desirability of leaving which is supported by the availability of outside job alternatives. However, the dark brown line which belongs to the point 3.5 in the scale of the availability of outside job alternatives is above than the light blue lines which belong to the point 5 in the scale of the availability of outside job alternatives. This means that the respondent have neutral idea about the effect of the availability of outside job alternatives to the relationship between the job satisfaction and perceived desirability of leaving. There is sufficient statistical evidence that there is no significant interaction effect. But there is sufficient evidence to prove that the relationship between the job satisfaction and the perceived desirability of leaving is negative and significant. This negative relationship is supported by the availability of outside job alternatives.

As mentioned in the figure 4.6 and for simplification, the above mentioned information can be summarized and demonstrated by the figure 4.8 which explains both the direct effect and the predicted moderating effect.

Figure 4.8 Conceptual Model with Predicted Interaction Effect

```
                      F=82.738, p<.01
┌─────────────────────┐  B = -0.864 (t=-9.096, p<.01)        ┌─────────────────────────┐
│ Job Satisfaction    │─────────────────────────────────────▶│ Perceived Desirability  │
│                     │                                       │ of Leaving              │
│ Cronbach's α =0.75  │         F =.319, p>.01                │   • Cronbach's α =0.87  │
└─────────────────────┘                                       │   • AdJ. R² =0.449      │
                                 B = -0.059 (t=-.565, p>.01)  └─────────────────────────┘
                                      ▲                      ▲
                                      │                  F= 19.925, p<.01
                                      │
                      ┌─────────────────────┐          B = 0.309 (t=-4.464, p<.01)
                      │ Availability of Job │
                      │ Alternatives        │
                      │ Cronbach's α =0.92  │
                      └─────────────────────┘
```

## 4.6. Hypothesis Testing

There were 3 hypotheses for this study. It was evident that there were sufficient evident to test the hypothesis from the above paragraphs. The hypothesis testing information is summarized in the following table 4.9.

According to the table 4.9, the H1 is supported. Because the standardized beta value ($\beta$=-0.626,) and the correlation coefficients (-.502, p<.01***) after controlling the control variables was negative. This proves that the relationship between the job satisfaction and the perceived desirability of leaving is negative. The H2 is also supported. This is proved by the positive standardized beta value ($\beta$ = 0.290) and the correlation coefficients (.202, p<.05**) after controlling the control variables. However the H3 is not supported in this study. Because, the F-value was not significant (F =.319, p>.01). This means that there is no any supportive evidence to prove that the availability of outside job alternatives weaken the relationship between the job satisfaction and perceived desirability of leaving.
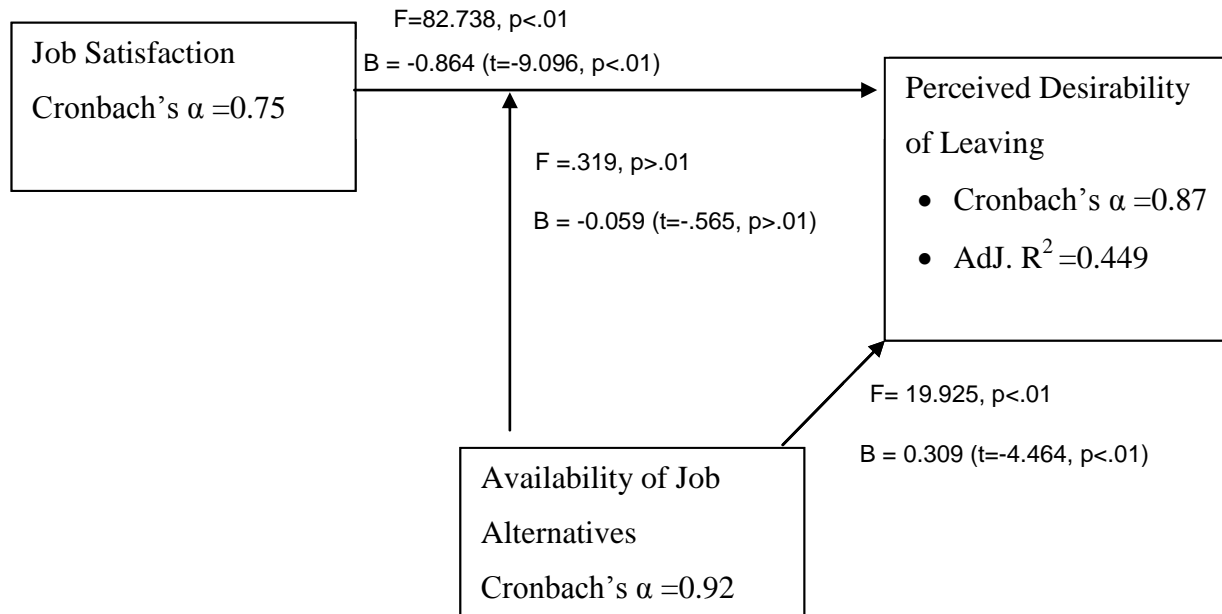
Table 4.9 Hypothesis Testing Information

| Hypothesis | Expected | Actual (observed) | Whether Supported/ Not | Values |
|---|---|---|---|---|
| H1: *Job satisfaction is negatively related to perceived desirability of leaving* | Negative relationship | Negative relationship | Supported | B=-0.626,(t=-9.607, p<0.01***) Correlation coefficient after controlling the control variable =-.502,p<.01*** |
| H2:*Availability of job alternatives are positively related to perceived desirability of leaving* | Positive relationship | Positive relationship | Supported | β = 0.290 (t=-4.458, p<0.01***) Correlation coefficient after controlling the control variable= .202,p<.05** |
| H3: *Availability of outside job alternatives weaken the relationship between the job satisfaction and perceived desirability of leaving* | Moderating effect | No any moderating effect | Not supported | F =.319, p>.01 and B = -0.059 (t=-.565, p>.01) |

*Note; p***<, 0.01, p**<0.05, p*<0.10*

## 5.0 Discussion

Before going the detailed discussion in to study variables, it is noteworthy about the validity and reliability of the items used to measure the concepts. Hair et al (2003) define rule of thumb about Cronbach's alpha coefficient size as; < 0.6: Poor, 0.6 < 0.7: Moderate, 0.7 < 0.8: Good, 0.8 < 0.9 Very Good, > 0.9: Excellent. The Cronbach's alpha value obtained for the study concepts were more than 0.7. This seems that the validity and the reliability of these items are good. Similarly the same conclusion is further proved by the factor loadings obtained from rotated component matrix obtained by performing the factor analysis for the items.

There are three objectives of this study. They are, to examine the type of relationship between the job satisfaction and perceived desirability of leaving, to examine the type of relationship between the availability of outside job alternatives and perceived desirability of leaving and to examine the availability of outside job alternatives weaken the negative relationship between the job satisfaction and perceived desirability of leaving. This last objective was to test the interaction effect from availability of outside job alternatives and job satisfaction as defined by price (1977). It is important to note that the main contribution of this study is derived from this interaction effect.

The outputs of the regression analysis indicate that there is a negative relationship between the job satisfaction and the perceived desirability of leaving. This resulted that the study hypothesis was supported. Moreover, the finding of this study was complied with the findings of March and Simon (1958) Hom, et al. (1984) and Rilovick (2005). The results of the study demonstrate that it is obvious in a Sri Lankan context that the dissatisfied employees will have turnover intentions or perceived desirability of leaving. In other words, the decrease in job satisfaction will have an increased perceived desirability of leaving. Even, this study is not intended to test the effect of turnover intentions or perceived desirability of leaving on employee turnover, this increased perceived desirability of leaving will have an impact on employee turnover. Put it in other way, the dissatisfied employees may take leaving decisions which will impact to the success and smooth functioning of the cable manufacturing companies. However, the proved negative relationship between the job satisfaction and perceived desirability of leaving implies that the executives who are on low satisfaction about their job- for example, they would be dissatisfied if

their salary is low, if they are not secured on their job, if they didn't have any promotional opportunities or if they have problems with their supervisors,-will have intentions to leave their respective cable manufacturing company every time.

Similarly, the same regression analysis results indicate that there is a positive relationship between the availability of outside job alternatives and perceived desirability of leaving. The positive relationship indicates that the high outside job alternatives results to higher intentions to leave or perceived desirability of leaving. According to the study results, there is no such a strong relationship. Because, the outside job alternatives will not make itself the perceived desirability of leaving. There may be some other factors which will create turnover intentions. The identification of such other factors will be a problem for future researchers. However, the second hypothesis is also supported and complies with the findings of Price (1977).

The third hypothesis was regarding the interaction effect. Price (1977) has taken the availability of outside job alternatives (originally he termed as opportunity) as a moderating variable. This moderating variable interacts with the job satisfaction and weakens the prediction of perceived desirability of leaving. In other words, even though there are sufficient job alternatives available outside, we don't tend to have intentions to leave if we satisfied with our job. Conversely, if we dissatisfied with the job, given that the availability of outside job alternatives are high, we tend to have greater perceived desirability of leaving. However, the findings of this study reveal somewhat different results. The non significant moderating effect results that there is no interaction effect between the job satisfaction and availability of outside job alternatives. The reason for this is that most of the respondents have neutral perception about the availability of outside job alternatives at their current job satisfaction level. They don't have clear idea about the job alternatives even their satisfaction level of the job is very low. This shows that there is a trend towards the retention in the organization. Therefore, this study reveals that the findings for the third hypothesis do not comply with what Price (1977) has originally found. This convinced that the Price's (1977) idea on moderating effect from job alternatives to the relationship of job satisfaction and perceived desirability of leaving can't be generalized in to cable manufacturing industry in Sri Lankan context. This finding represents as the major contribution of this study.

The unclear idea is resulted due to the industry specific factors and country specific factors. Under the industry specific factors, it can be explained that most of the production related jobs are industry specific and the industry has limitedly expanded in Sri Lankan context. The clear justification for the limited expansion is that there are only five major companies in a country like Sri Lanka which has more than 20 million of people. The country specific factors lead to the culture. Most of the people don't have perceived desirability of leaving, which will result from the outside job alternatives. Because, moving from one job to another will result to other problems even a higher salary is rewarded for the new job. For example, the employee has totally settled with the own residence, schooling of the children and highly familiar with the area. However, there are so many problems the employee has to face when it comes to search for a new residence, school for the children and some other factors. There are strict rules for having bank loans to purchase houses and admissions for the schools. Due to those types of reasons the employees tend not to intent to leave if the new jobs are not close by with the current job location. This reveals that there should be some more variables added to the study. This proposes new problems and study variables for the future researchers.

Even though the moderating variable is not significantly interact with the job satisfaction. The conceptual framework set up for this study has significance evidence for the variations in perceived desirability of leaving. By looking at the figure 4.6, the job satisfaction, and the availability of outside job alternatives has significance relationship with the perceived desirability of leaving. The relationship is assured at a 95% confidence level. This means that the model is very good for deriving the variations of perceived desirability of leaving. In other words, both the job satisfaction and the availability of outside job alternatives can predict the perceived desirability of leaving. However, the interaction effect from the availability of outside job alternatives is not sufficient. If it would be sufficient, there could be reasonable impact to the relationship between the job satisfaction and the perceived desirability of leaving. This reveals that the model proposes some further research insights. The model can be tested in deferent countries, industries, and different worker categories.

In addition to the independent and moderating variable effects, the control variable effects must be discussed. As stated in the results section above, the cable manufacturing industry is male

dominated. It is useful to find the underlined reasons for this. One main reason for this may be due to the hardness of the industry. In addition to that, running the factory 24 hours and 7 days of the week may be another factor. It is a well known fact that females don't prefer hard jobs and jobs which runs 24 hours of the day even the shift basis is adopted. However there is no significance evidence to prove that the perceived desirability of leaving is varied by being a male or a female. In other words, gender does not predict the perceived desirability of leaving.

The majority of the executives are at their mid career age when it comes to the age level of the executives. It was evident that the most eldest executives were very few in the industry. However, there was a significant evidence to prove that the age level had an effect for the variations in perceived desirability of leaving. The effect was negative. In other words the age level was negatively related to the perceived desirability of leaving. To elaborate it further, for example, when the age level of a particular executive increases, the perceived desirability of leaving will decrease. Put it another way, when the executive is getting older, if he retains in the factory, he does not push to think about leaving, the perceived desirability of leaving is then decreased. This implies that the most senior or eldest executives possible to retain in the factories. This is obvious that those executives have already settled in their life. They have permanent positions in the respective organizations. Most of them have realized their career objectives and have reached the top positions in their career ladder. They have already fulfilled their responsibility on their families when it comes to their personal life. Therefore they don't have any urgent requirement for leaving the factories.

Conversely if the executive is young, he will start thinking about the perceived desirability of leaving. They don't have, sometimes, the permanent positions. They have career objectives which have still not been realized. They may not have fulfilled their family responsibilities fully. In fact, they have a long way to go. In this case, they may find best possible alternatives. These facts reveal that younger executives have higher perceived desirability of leaving.

Being married or not affects to the variations of the perceived desirability of leaving. The study results that the majority of the executives were married. The positive relationship between the marital status and perceived desirability of leaving reveals that the high perceived desirability of

leaving when the married respondents are high. This is obvious that the marriage creates the perceived desirability of leaving. For example, assume both the husband and the wife are working and their working places located far away from each other's places. One of them has to take a leaving decision of leaving. Therefore, the executives who are married or expecting to get married have higher perceived desirability of leaving.

The results of the study proved that the tenure of the executives significantly effect for the variations in perceived desirability of leaving. The main idea emphasized from tenure of the executives is that the majority of the executives retain only five years periods of time. This seems that there is decline of executives when the service period exceeds the 5th year. This result proves that there is a negative relationship between the tenure and the perceived desirability of leaving of the executives. This negative relationship was evident from the negative correlation coefficient (-.420, $p<.01^{***}$) obtained for the relationship between the perceived desirability of leaving and the tenure. This provides useful insights to the HR policy development, even finding the type of the relationship between these two variables is not an objective of this study. For example, the executives who have exceeded the five years service period may possible to leave the factories. Therefore, sound HR policies are required to retain them.

There may be two sizes, either small or large. The small factories may not have sufficient systems developed. There may not be sufficient HR practices. For example, the Ruhunu cables is quite small when comparing to the ACL and the Kelani cables. There are no very good HR practices. The working environment is somewhat different and not satisfactory when comparing to the two giant ACL and Kelani cables. The executives in the small companies may have intentions to leave to join the larger factories. However, the test results have revealed that the company size in terms of the number of employees had an insignificant effect for the variations in perceived desirability of leaving.

The concluding comment on the effect of control variables to the variations of perceived desirability of leaving is that the age level of the executives, marital status, and the tenure of the executives must be controlled when interpreting the variations in perceived desirability of leaving from the job satisfaction and the availability of outside job alternatives.

## 6.0. Conclusion

It was evident in this study that the relationship between the job satisfaction and the perceived desirability of leaving was negative. This complies with the works of March and Simon (1958), Hom et al (1984) and Rilovick (2005). It can be concluded that this negative relationship is obvious to Sri Lankan context. We can predict with an assurance that the job dissatisfaction in terms of pay, supervision, job security, and promotion will create leaving intensions or perceived desirability of leaving of the executives. Conversely, if there is a job satisfaction, the executives will not have intentions to leave. The job satisfaction plays a dominant role in intentions to leave.

This study also proves that the positive relationship between the variables of availability of outside job alternatives and perceived desirability of leaving. This complies with the work of Price (1977) and can be generalized the same conclusion to Sri Lankan context. Therefore, based on the finding of this study, it can be concluded that outside job alternatives will create perceived desirability of leaving.

The non moderating effect from the availability of outside job alternatives, found in this study, represent as the major contribution of the study. According to Price (1977), the availability of outside job alternatives would be a moderating variable. However, in cable manufacturing industry in Sri Lanka, this variable plays as an independent variable in predicting the perceived desirability of leaving. Since there is no clear idea for the executives about the effect of job alternatives, the executives tend not to have the perceived desirability of leaving even they have dissatisfied with their current job.

Even though this study have taken five control variables, three variables, age, marital status and the tenure of the executives, had an effect for the variations in perceived desirability of leaving. This concludes not only that job satisfaction and the availability of outside job alternatives but also the age, marital status and the tenure of the executives had an impact for the variations in perceived desirability of leaving. It is important control the age level of the executives and the size of the factory when interpreting the perceived desirability of leaving. Identifying the factors for perceived desirability of leaving is quite important since such perceptions will ultimately result to the actual turnover. The findings about the influence of the age marital status and the

tenure of the executives on perceived desirability of leaving provide some insight to HR policy changes.

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# Appendix –I Correlation Matrices

| **Inter-Item Correlation Matrix for Perceived Desirability of Leaving** | | | | |
|---|---|---|---|---|
| | I have planned to leave the company as soon as possible. | I often think of leaving this Company | I plan to stay in the company as long as possible. | I will be actively searching for a new job within the next 12 months |
| I have planned to leave the company as soon as possible. | 1.000 | | | |
| I often think of leaving this Company | .643 | 1.000 | | |
| I plan to stay in the company as long as possible. | .470 | .652 | 1.000 | |
| I will be actively searching for a new job within the next 12 months | .716 | .747 | .525 | 1.000 |

| **Inter-Item Correlation Matrix for job Satisfaction** | | | | |
|---|---|---|---|---|
| | I feel I am being paid a fair amount for the work I do. | My supervisor is quite competent in doing his/her job | I am satisfied with my job security | I feel that high performers have a chance of promotional opportunities |
| I feel I am being paid a fair amount for the work I do. | 1.000 | | | |
| My supervisor is quite competent in doing his/her job | .398 | 1.000 | | |
| I am satisfied with my job security | .356 | .384 | 1.000 | |
| I feel that high performers have a chance of promotional opportunities | .493 | .541 | .449 | 1.000 |

| Inter-Item Correlation Matrix for availability of outside job alternatives | | |
|---|---|---|
| | I feel that the market availability for my job (Availability of outside job alternative to my job) is very high | I feel that my job position is restricted to my company |
| I feel that the market availability for my job (Availability of outside job alternative to my job) is very high | 1.000 | .859 |
| I feel that my job position is restricted to my company | .859 | 1.000 |

**Survey Questionnaire**          *(Confidential)!*

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I'm a lecturer attached to the University of Ruhuna and currently pursuing my Master at the University of Agder, Norway. My Master Research focuses on the *Impact of Job Satisfaction on Perceived Desirability of Leaving of Executives in Cable Manufacturing Industry in Sri Lanka*.

I would be extremely grateful to you if you could kindly spend few minutes of your valuable time to answer my Questionnaire

**I would like to thank you in advance for participating in this study and the outputs of this study will be having immense HR policy implications for Sri Lanka. A copy of findings of this study will be made available to you.**

**1.** **Your Gender**:

       1 Male   ☐   2 Female ☐

**2. Your Age** …………Years

**3. Marital status**:

       1 Married ☐   2 Single    ☐

**4. Number of Years you are in your Job Position in this company………………..**

**5. Total Number of employees in your Company…………………**

**6. The following statements are relating to Intention to leave of the executives. To what extent you agree or disagree to the following statements. Please tick in the appropriate box**

| Code | Item | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| IL1 | I have planned to leave the company as soon as possible. | | | | | |
| IL2 | I often think of leaving this Company | | | | | |
| IL3 | I plan to stay in the company as long as possible. | | | | | |
| IL4 | I will be actively searching for a new job within the next 12 months | | | | | |

**7. The following statements are relating to Job Satisfaction. To what extent you agree or disagree to the following statements .Please tick in the appropriate box**

| Code | Item | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|---|---|---|---|---|---|---|
| JS1 | I feel I am being paid a fair amount for the work I do. | | | | | |
| JS2 | My supervisor is quite competent in doing his/her job | | | | | |
| JS3 | I am satisfied with my job security | | | | | |
| JS4 | I feel that high performers have a chance of promotional opportunities | | | | | |

**8. Availability of outside job alternatives. To what extent you agree or disagree to the following statement. Please tick in the appropriate box**

| Code | Item | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|------|------|-------------------|----------|---------|-------|----------------|
| AJA1 | I feel that the market availability for my job (Availability of outside job alternative to my job) is very high | | | | | |
| AJA2 | I feel that my job position is restricted to my company | | | | | |
| AJA3 | I feel that the market availability for my job (availability of outside job alternatives) is moderate | | | | | |