

**JOB SATISFACTION AND EMPLOYEE TURNOVER IN
NEPALESE FINANCIAL INSTITUTIONS**

A Dissertation submitted to the office of the Dean, Faculty of
Management, in partial fulfillment of the requirements for the Degree of
Masters of Business Studies

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "**Job satisfaction and employee turnover in Nepalese financial institutions**". The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

Anisha Shahi

July, 2024

Report of Research Committee

Ms. Anisha Shahi has defended research proposal entitled "**Job satisfaction and employee turnover in Nepalese financial institution**" successfully. This research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidance of supervisor Mrs. Binita Manandhar and submit the thesis for evaluation and viva voce examination.

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Approval Sheet

We, the undersigned, have examined the dissertation entitled "**Job satisfaction and Employee turnover in Nepalese financial institutions**" presented by Ms. Anisha Shahi a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination. We hereby certify that the dissertation is worthy of acceptance.

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Abbreviation

ANOVA	Analysis of Variance
CFA	Confirmatory Factor Analysis
CB	Commercial Bank
DB	Development Bank
FC	Finance Companies
FINGO	Financial Institution Non-Government Organizations
HCCP	High Commitment Compensation Practices
HR	Human Resource
HRM	Human Resource Management
HID	Hydropower Investment and Development
HPs	Hire Purchase
IDB	Infrastructure Development Bank
IDB	Infrastructure Development Bank
MFFI	Micro Finance Financial Institution
MFDB	Micro Finance Development bank
NRB	Nepal Rastra Bank.
PLS	Partial Least Square Path Modelling
RO	Representative Office
SWIFT	Society for Worldwide Interbank Fund Transfer
SCC	Savings and Credit Cooperatives
SEM	Structural Equation Modeling
SPSS	Statistical Package for the Social Science

Abstract

Financial institutions are the firms that provide financial services and advice to clients. Since financial sector is a profession of dynamism, the employees working in financial sectors are always surrounded by challenges. The fundamental objective of this study is to identify the determinants of job satisfaction and to show the relationship between job satisfaction and employees' turnover in financial institutions of Nepal. In order to achieve the objectives, primary data collection was performed by providing questionnaire to 700 employees of financial institutions covering commercial bank, development bank, finance and cooperative. The questionnaire was divided into two sections. The first section included the demographic aspects of the respondents. The second section included questions under five point Likert scale. Weighted mean value, standard deviation, correlation, regression and ANOVA of each variable were used to examine the relationship between dependent and independent variables as for the study purpose. The major conclusion of the study shows that there is a significant negative relationship between job satisfaction and employee turnover. This study can be regarded as the preliminary steps in investigating the relation among determinants of job satisfaction and employee turnover in context of Nepalese financial institutions. Basic pay, rewards and benefits had shown major impact on job satisfaction thus organizations should consider raising the compensation and benefits for employees to reduce the employee turnover.

CHAPTER 1

INTRODUCTION

1.1 Introduction

Financial institutions are entities that offer financial services and advisory support to clients. In Nepal, these institutions are classified into 11 categories by the NRB. Over the past decade, the financial sector has experienced significant growth, resulting in a heightened demand for experienced and skilled human resources. However, this growth has also contributed to an increasing trend of employee turnover, which in turn escalates costs and diminishes organizational productivity and efficiency. The financial sector is characterized by its dynamic nature, presenting employees with constant challenges. Both current employees and potential candidates seek organizations where they can feel comfortable and proud. Unfortunately, several factors such as limited opportunities for professional and career development, inadequate salaries and benefits, administrative bureaucracy, and others, contribute to dissatisfaction and turnover among employees within Nepal's financial sector. Therefore, it is essential to thoroughly investigate the factors influencing employee turnover in this sector.

The financial sector operates within a highly competitive environment where ensuring employee job satisfaction is crucial for maintaining efficient performance. As the era of the knowledge worker progresses, employee retention has become an increasingly critical challenge for organizations. According to Meyer and Allen (1997), exploring the connection between human resource practices and employee commitment is imperative. Enhanced job satisfaction not only reduces the costs associated with staff turnover but also fosters brand loyalty among employees, positioning the company as an employer of choice that attracts talented individuals. Therefore, it is essential for management to have a deep understanding of the factors that contribute to employee satisfaction within their organization. This understanding enables them to implement effective strategies that enhance job satisfaction, thereby promoting employee retention and organizational success.

Gregory (2011) emphasizes that employee satisfaction is crucial for the overall success of any business. Higher levels of employee satisfaction directly correlate with lower turnover

rates. There are several reasons why employees may become disheartened with their jobs and decide to leave, such as high stress levels, poor communication within the company, lack of recognition, or limited opportunities for growth. Employees play a pivotal role in banks, as they are responsible for all functions including planning, leading, organizing, and controlling. The efficiency and effectiveness of a bank largely depend on the capabilities of its employees. Many managers today recognize that the quality of employees they attract and retain is a key factor that distinguishes successful banks from less successful ones (Dessler, 2009).

Human resource management is important for any organization as it becomes hindrance for an HR to individuals who form the bedrock for organizational development and goal achievement. In contemporary times, humans are esteemed as the most valuable assets that significantly influence organizational performance. According to Spector (1997), job satisfaction profoundly impacts individuals' attitudes toward their work and various aspects of their job roles. This satisfaction is influenced by both personal and organizational factors, triggering emotional responses that can affect turnover within the organization (Mowday, Steers, & Porter, 2019). Spector (1997) further explained that individuals with high job satisfaction generally hold positive attitudes toward their work, whereas those dissatisfied tend to harbor negative sentiments. Robbins (1993) underscores the complexity of understanding these attitudes, emphasizing the interconnected factors that contribute to job satisfaction.

Job satisfaction significantly impacts an organization's health, influencing factors such as work productivity, employee turnover, absenteeism, and overall life satisfaction due to its connection with employees' emotions and affective states. The workforce is pivotal to an organization's success, and understanding the factors that drive individuals in the workplace can enhance organizational commitment (Afif, 2023). Dalkrani (2018) discovered a direct link between organizational commitment and employee turnover, concluding that employees with high levels of commitment are less likely to leave their jobs. Motivated employees play a critical role in an organization's achievements. Therefore, comprehending the dynamics of individuals in their roles and what motivates them can serve as a catalyst for reducing turnover and strengthening organizational performance (Schein, 1996) .

Allen and Meyer (1990) explored the connection between organizational commitment and employee turnover, concluding that employees who exhibited strong commitment to their organization were less likely to leave. This study seeks to identify the factors influencing job satisfaction and assess their impact on employee turnover within financial institutions in Nepal, where employee turnover is seen as a consequence of job satisfaction. Given the limited prior research on the relationship between job satisfaction and organizational commitment, especially in the Nepalese context, this study aims to contribute empirical evidence to the existing literature on these variables. Existing research overwhelmingly suggests that employees who are satisfied with their jobs tend to be more committed to their organizations.

In any organization, human resources are vital for its existence. In today's competitive environment, an organization cannot thrive without dedicated and competent human resources. Loyal employees are the backbone of productivity and play a crucial role in organizational development. Conversely, turnover poses a challenge for Human Resource Managers as it disrupts continuity and productivity. High turnover increases hiring costs and reduces overall productivity. Therefore, retaining qualified, productive, and loyal workforce is essential for gaining a competitive edge in the market. Human Resource Managers must focus on strategies to retain employees for longer periods to minimize turnover and ensure sustained organizational success.

The aim of this study is to assess employee job satisfaction, turnover rates, and the key factors that influence job satisfaction within the financial sector in Nepal. This research aims to investigate the impact of job satisfaction on employee turnover in this sector, addressing the aforementioned challenges. Specifically, this paper aims to identify factors such as pay, promotion opportunities, job safety and security, and the nature of the work that affect the level of job satisfaction among employees. Given the absence of research linking job satisfaction and organizational turnover, especially in the Nepalese context, this study endeavors to contribute empirical evidence to the existing theoretical framework regarding the relationship between these variables within the financial sector.

1.2 Statement of the Problem

Organizations increasingly recognize employees as their most valuable assets, leading them

to focus on building an employment brand that attracts both current employees and prospective talent, amidst what is often referred to as a "war for talent" (Glen, 2006). Consequently, researchers emphasize the need to understand the factors influencing job satisfaction and organizational commitment within the organizational context (Lumley, 2010). Job satisfaction is typically defined as the extent to which employees enjoy their work. Researchers have studied job satisfaction extensively over the past decades, exploring its dimensions, antecedents, and its relationship with turnover. Studies have also examined job satisfaction across various demographic factors such as gender, age, race, education, and work experience. Much of this research is framed within the person-environment fit paradigm, highlighting the alignment between individual expectations and organizational realities. Job satisfaction is a critical area of study because dissatisfaction is consistently cited as one of the primary reasons individuals leave their jobs. Therefore, understanding and enhancing job satisfaction can significantly impact employee retention and organizational success.

One of the primary responsibilities of Human Resources (HR) departments is to ensure that employees are sufficiently satisfied with their jobs. Research consistently shows that satisfied employees or organizations tend to be more productive. Conversely, dissatisfaction among workers is associated with lower productivity, increased absenteeism, and higher turnover rates. Therefore, HR departments must measure employee job satisfaction and explore the relationships among job satisfaction, productivity, absenteeism, and turnover, while considering potential extraneous variables (Sahadev & Keyoor, 2008). Job satisfaction is recognized as a multidimensional concept, making it crucial to understand the specific aspects that influence employees' intention to leave their current organization. Numerous studies indicate that job satisfaction is the primary predictor of turnover intention among employees. This highlights the importance of fostering job satisfaction to mitigate turnover and promote organizational stability and effectiveness.

Research on job satisfaction among salespersons often defines and measures satisfaction across seven dimensions: supervision, fellow workers, the job itself, pay, organizational policies, advancement opportunities, and promotion prospects. Various studies consistently show that positive relationships with colleagues and a supportive work environment

contribute significantly to job satisfaction. Organizations that foster a positive workplace culture and facilitate good relationships among coworkers can effectively enhance job satisfaction. Interestingly, while the level of salary itself may not directly impact turnover intention, it indirectly influences employee turnover rates through its effect on job satisfaction. Higher salaries generally correlate with greater job satisfaction, which in turn enhances organizational commitment and reduces the intention to leave. Intention to leave refers to an employee's inclination to physically depart from or quit the organization. Thus, a higher salary can contribute to greater job satisfaction and organizational commitment, thereby lowering turnover intentions among employees.

According to Carmeli and Weisberg (2006), turnover intention encompasses three fundamental elements: thoughts of leaving the job, actively searching for another job, and the intention to depart from the organization. Among the various factors influencing turnover intention, compensation is a critical consideration. Research has shown that relationships with colleagues, salary levels, opportunities for promotion, working environment, the nature of the work, and organizational commitment significantly influence employees' intentions to leave. The level of salary and job satisfaction indirectly impact employee turnover rates through their effect on organizational commitment. When employees perceive higher levels of organizational commitment—understanding the company's goals, business strategies, and their role within the organization—they are less likely to consider leaving. Islam, Ahmed, and Khan (2013) highlight that in the service sector, such as banking, turnover intentions decrease when employees integrate into the organizational culture and receive support from senior members. Emotional attachment to the organization is also crucial in reducing turnover intention, as a stronger relationship between intention to leave and organizational commitment tends to be negative. This implies that when employees feel emotionally connected and committed to their organization, they are less inclined to leave.

According to Halepota and Shah (2011) in their research paper "An empirical investigation of organizational antecedents on employee job satisfaction in a developing country," several factors were identified to have a positive impact on job satisfaction among employees. They found that perceptions of organizational justice, the level of teamwork, and on-the-job training significantly contribute to job satisfaction. Employees who perceive

fairness in organizational practices, experience strong teamwork, and receive adequate on-the-job training tend to report higher levels of job satisfaction. However, the study also revealed that job clarity perception does not have a positive and substantial effect on job satisfaction. Specifically, in public sector health institutions in Pakistan, employees reported lower job satisfaction due to a perceived lack of clarity in their job roles. In summary, organizational justice and teamwork play crucial roles in enhancing job satisfaction, while addressing issues related to job clarity is essential for improving satisfaction levels, especially in specific sectors such as public health institutions in developing countries like Pakistan.

HR professionals are increasingly focusing on enhancing job satisfaction among employees by creating conducive work environments that cater to their essential personal needs within the organization. However, despite the implementation of various job satisfaction strategies, managers often struggle to achieve desired levels of satisfaction among their employees. There are several reasons for this challenge. Firstly, employees have diverse needs and motivations, meaning that a one-size-fits-all approach to job satisfaction may not be effective. Different individuals are motivated by different types and levels of job satisfaction measures. Secondly, while monetary compensation was traditionally considered the primary motivator for employment, contemporary employees place significant value on factors that fulfill their self-esteem and self-actualization needs, alongside financial rewards (Saklani, 2004). Thirdly, the ownership and organizational structure of a company can significantly impact the level of job satisfaction experienced by employees. Different ownership models and corporate cultures can influence how employees perceive their workplace and their overall job satisfaction levels. Ultimately, ensuring job satisfaction among employees is crucial for the long-term success of any organization, including banks and industries. Addressing individual needs, recognizing non-monetary motivators, and cultivating a positive organizational culture are essential strategies for enhancing job satisfaction and fostering employee engagement and retention.

Research has consistently shown that job satisfaction and organizational turnover are inversely related to withdrawal behaviors such as tardiness, absenteeism, and turnover itself (Yousef, 2000). Additionally, they are positively linked to increased productivity and enhanced organizational effectiveness (Buitendach & de Witte, 2005). Batt (2002) argues

that high-performance work systems are particularly impactful in customer service settings. Such systems facilitate high involvement practices that enable employees to develop firm-specific human capital, including knowledge of the organization's products and processes. This knowledge empowers employees to effectively interact with customers, contributing to the organization's competitive edge in sales and service delivery. In these contexts, organizations often adopt a relationship management strategy aimed at cultivating long-term customer relationships through the provision of high-quality service. Service employees play a crucial role in this strategy because their performance directly impacts customer satisfaction and loyalty (Lovelock, 1983). Thus, fostering job satisfaction and reducing turnover among service employees is not only beneficial for employee well-being but also critical for organizational success in customer-centric industries.

In numerous studies focusing on employee turnover within the banking sector, it has been consistently found that job dissatisfaction is a primary reason for employees leaving their jobs, often more significant than lower pay scales. Dissatisfied employees not only have a higher likelihood of quitting but may also experience decreased productivity. Additionally, they tend to exhibit lower commitment to their organization and actively seek opportunities elsewhere, contributing to increased turnover rates. Therefore, it is imperative for human resource departments to prioritize understanding and addressing employee needs and concerns. Employee turnover can have detrimental effects on banking management, leading to negative long-term consequences for organizational stability and performance (Bakotic & Babic, 2013). By proactively managing job satisfaction and fostering a supportive work environment, organizations can mitigate turnover and promote employee retention, ultimately enhancing overall organizational effectiveness and success.

The aim of this study was to explore whether the factors influencing job satisfaction correlate with organizational turnover among employees within financial institutions in Nepal. The research sought to identify issues stemming from disparities in pay and benefits, promotion opportunities, and working conditions that contribute to dissatisfaction among employees in these institutions, potentially leading to high turnover rates. To mitigate turnover intentions among employees, organizations must pinpoint the factors driving these intentions. Drawing from existing research, this study focused on the relationship between job satisfaction and turnover. By understanding and addressing the determinants of job

satisfaction, organizations can effectively reduce turnover and enhance employee retention strategies within the financial sector in Nepal.

According to our study, job satisfaction is considered the independent variable, while employee turnover is the dependent variable. Strategies to enhance job satisfaction that can potentially decrease employee turnover include improving reward and compensation systems, refining performance appraisals and promotion policies, optimizing working conditions and schedules, ensuring job security, aligning with organizational policies and strategies, fostering positive supervisor-employee relationships, clarifying job tasks, and enhancing career advancement opportunities within the organization. Numerous studies suggest that job satisfaction significantly influences employee turnover rates. Therefore, this study investigates the relationship between job satisfaction and employee turnover impactively. To find out the genuine level of job satisfaction among employees across various financial institutions in Nepal, this thesis aims to address the following research questions.

- What factors influence job satisfaction among employees in financial institutions, and which factors are most significant?
- Are there effective measures to enhance job satisfaction among employees in financial institutions?
- What factors contribute to job satisfaction among employees in financial institutions in Nepal?
- What is the turnover rate like among employees in financial institutions in Nepal?
- Do the determinants of job satisfaction have an impact on employee turnover in financial institutions in Nepal?

1.3 Objectives of the study

The primary objective of this study is to identify the factors influencing job satisfaction and to examine their relationship with employee turnover in financial institutions in Nepal. To achieve this objective, the following subsequent goals are considered:

- To identify the factors that determine job satisfaction among employees working in financial institutions in Nepal.
- To investigate the practices of employee turnover in financial institutions in Nepal.

- To assess the impact of factors influencing job satisfaction on employee turnover in financial institutions in Nepal.
- To determine the impact of employee turnover on the quality of service in financial institutions.

1.4 Rationale of the study

There is ongoing discourse regarding the correlation between job satisfaction and employee turnover. Our study specifically examines "Job Satisfaction and Employee Turnover in Nepalese Financial Institutions." Employee turnover has become a significant concern within the financial sector due to the escalating demand for experienced and skilled human resources. This trend has intensified recruitment and retention challenges for organizations operating in this sector. Consequently, research focusing on employee turnover has garnered substantial attention in recent years. Given the absence of research specifically addressing the relationship between job satisfaction and employee turnover in the Nepalese financial market context, our study aims to contribute empirical insights to the existing theoretical framework concerning these variables. The present research endeavors to identify the factors influencing job satisfaction and their subsequent impact on employee turnover within the financial sector in Nepal.

Research has demonstrated that job satisfaction is influenced by organizational factors such as structure, size, compensation, working conditions, and leadership. Over several decades, researchers have explored various dimensions of job satisfaction, its antecedents, and its relationship with turnover. Studies have also examined how satisfaction varies across demographics such as gender, age, race, education, and work experience. Much of this research has centered on the person-environment fit paradigm, highlighting job satisfaction as a critical area of study because dissatisfaction is consistently cited as a top reason for job turnover. Furthermore, this study could provide valuable insights into the essential aspects of job satisfaction and employee turnover within Nepal, serving as a foundational resource for future research. Currently, there is a paucity of literature focusing on the entirety of financial institutions in this context. Moreover, the findings from this research could help identify the root causes of high employee turnover rates and offer recommendations to address this issue.

Examining the factors and circumstances surrounding employee turnover is critically important for sustaining organizational performance. Recommendations stemming from insights into job satisfaction and turnover are crucial for addressing deficiencies and weaknesses within financial institutions. Furthermore, understanding satisfaction and turnover is invaluable for HR professionals and practitioners, who can apply study findings to maintain focus on these pivotal areas within their own organizations. The study aims to clarify whether turnover in modern business organizations is predominantly driven by low employee satisfaction. Organizational management and HR practitioners can leverage these findings to develop effective strategies. If a positive relationship between these variables is established, strategies can be implemented to enhance job satisfaction.

This research and its findings on job satisfaction and employee turnover aim to illuminate organizational dynamics and factors. It contributes valuable insights for managers and professionals on effectively managing and evaluating employee turnover within their organizations. The research intends to offer an assessment and guidance on leveraging employee satisfaction to mitigate turnover rates. Additionally, this study lays the groundwork for further exploration into how employee satisfaction influences employees' decision-making processes, particularly in terms of their inclination to resign or retire from their positions.

1.5 Limitations of the study

All of the researches that has been carried out till date has never been free from constraints and limitations. This research is no exception. Thus some of the limitations which were faced during carrying out this research is mentioned below:

- This study is focused specifically on "Job Satisfaction and Employee Turnover in Nepalese Financial Institutions," therefore its applicability to other sectors may be limited.
- The study exclusively included employees from financial institutions only.
- The study relies on primary data collected primarily from respondents in the Kathmandu Valley. Therefore, generalizing the findings to the entire country may be challenging.
- The research was constrained by a limited time frame, which prevented a more in-

depth exploration of the subject matter.

- Limited time and resources resulted in data collected from only 424 respondents, which restricted the broad view of the findings.
- This study is static and examines employee behavior within a specific time period only. Conducting longitudinal studies could provide more insightful information over time.
- During data collection, some respondents may have felt hesitant to provide accurate information about their jobs, which could potentially impact the study's results.
- Since the questionnaire method was employed in this study, it may not have fully capture the feelings and emotions of employees.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This study has been conducted by reviewing various theoretical, empirical, and conceptual researches pertaining to job satisfaction and employee turnover. The review of these studies has facilitated the development of concepts such as job satisfaction, determinants of job satisfaction, employee commitment, types of employee commitment, and the relationship between job satisfaction and employee commitment to the organization. Furthermore, the review has identified specific research gaps. Based on these identified research gaps, further research will be conducted on the topic of "Job Satisfaction and Employee Turnover in Nepalese Financial Institutions" to gain a deeper understanding and insights into the subject matter.

The study has been effectively conducted by reviewing various theses, articles, newspapers, magazines, and suggestions from experts in the related field. Conducting a thorough literature review offers several benefits: it prevents duplication of effort in research topics, enables successful adoption of methodologies proven effective by other researchers, suggests new approaches in planning, helps clarify and narrow down the research problem, and assists investigators in developing a deeper understanding of the theoretical implications of their proposed inquiries.

2.2 Theoretical review

2.2.1 Maslow's Hierarchy of Needs

Maslow's hierarchy of needs theory is a foundational concept in the study of human motivation. It outlines a five-tier model of human needs, often represented as levels in a pyramid. The hierarchy includes physiological needs (such as food and water), safety needs, social needs (love and belonging), esteem needs, and self-actualization needs. According to Maslow, lower-level needs must be met before higher-level needs can be fulfilled, and self-actualization is considered the pinnacle of human fulfillment, though it is reached by few. Motivation, driven by these needs, influences our approach to work, our dedication, and our sense of purpose derived from our tasks. Simply put, motivation is the driving force that gets us out of bed, dressed, and ready for work each day.

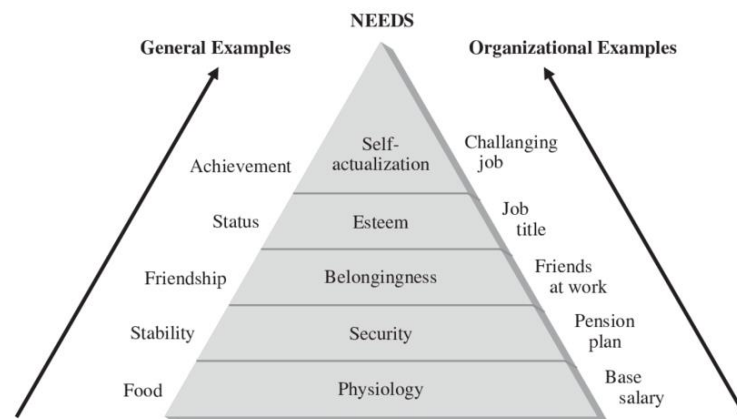


Figure 1: Maslow's Need Hierarchy Theory

The basic concept of Maslow's hierarchy is that there are five critical needs that must be met, in order to experience a sense of purpose and motivation.

- **Physiological needs**

The most fundamental set of needs includes essentials for survival such as food, water, and shelter. In today's workplace, these needs translate into basic pay that reflects the role's responsibilities, designated eating areas, clean restroom facilities, and conveniently located water stations throughout the office. Organizations address these physiological needs through financial compensation and healthcare benefits provided to employees.

- **Security needs**

The second tier of needs in Maslow's hierarchy refers to our psychological and physical safety. In the contemporary workplace, these needs are reflected in factors such as job security, stability in employment, and physical safety measures. When employees feel secure in these aspects, they are more likely to be motivated and engaged in their work. Safety needs are met when employees feel physically safe in their work environment and perceive adequate job security supported by suitable organizational structures and policies.

- **Social needs**

Human beings inherently have a profound need to belong. Feeling included, supported, valued socially, and being comfortable with one's identity are crucial for mental well-being in any social setting. Despite their significance, these social

needs can sometimes be overlooked or considered less essential compared to other aspects of motivation and well-being. However, they are fundamentally important and can be highly vulnerable if not adequately fulfilled.

We all possess a fundamental, innate need to belong. Feeling supported, valued, and socially accepted, as well as being comfortable with one's identity, is crucial for mental well-being in any social setting. In the workplace, fostering a culture that nurtures friendships is essential for enhancing the mental well-being and motivation of employees. It's vital that organizational culture promotes inclusivity and warmly welcomes newcomers. Employees thrive when they feel a sense of belonging within their workplace environment. This can be fostered through positive relationships with colleagues and supervisors, and by ensuring they feel integrated into their team or organization.

- Esteem needs

The fourth tier of needs centers on cultivating healthy self-esteem, involving self-respect and a sense of self-belief. Fundamental to this is the need for genuine appreciation and respect from others. In the workplace, this translates to the critical role of feedback and acknowledgment in motivating employees. Feeling respected and valued individually is essential for fostering robust self-esteem. Issues like imposter syndrome often surface in environments where individuals question their abilities and worthiness. Offering constructive feedback and recognition reinforces employees' confidence in their skills and value. When employees feel satisfied and appreciated, they are driven to seek continued acknowledgment from both their peers and the organization.

- Self-actualization needs

The ultimate and perhaps most impactful need, situated at the top of Maslow's hierarchy, is our desire for self-actualization. Self-actualization represents a deeper sense of fulfillment that surpasses earlier needs. According to Maslow, it involves "becoming everything one is capable of becoming." This encompasses striving for a greater purpose in our work, experiencing achievement and fulfillment, and feeling connected to a broader significance that extends beyond our individual selves.

An effective approach to help employees feel self-actualized is to emphasize the significance of their work. It begins with individuals understanding themselves, what motivates them personally and how they handle stress. The ultimate phase involves employees striving for self-actualization, where they aim to grow and develop to achieve their full potential.

While each step in the progression toward self-actualization may appear distinct, they all contribute to the journey of achieving self-actualization. Therefore, organizations aiming to enhance employee job satisfaction should first focus on fulfilling employees' basic needs before addressing higher-order needs.

2.2.2 Motivation - Hygiene Theory

Herzberg's two-factor motivation theory, also known as the motivation-hygiene theory or dual-factor theory, presents that there are distinct sets of factors in the workplace that contribute either to job satisfaction or dissatisfaction (Herzberg, 1966; 1982; 1991; Herzberg, Mausner, & Snyderman, 1959). According to Herzberg's theory of motivation and hygiene, there are two primary factors influencing employee satisfaction—motivation and hygiene. Motivation contributes to satisfaction, whereas hygiene factors mitigate dissatisfaction.

Factors that drive motivation include compensation and benefits, opportunities for achievement, recognition, job status, responsibility, meaningful work, personal development, and chances for advancement. These motivational factors must be fulfilled to ensure employee satisfaction in the workplace. Conversely, 'hygiene' factors such as inadequate pay, organizational policies, job security, poor relationships with supervisors and colleagues, quality of management, working conditions, workspace quality, and supervision can lead to dissatisfaction. Failure to improve these conditions can result in unhappy employees.

Because hygiene and motivational factors are considered independent in this theory, there is a possibility that employees may feel neither satisfied nor dissatisfied. According to this theory, low hygiene factors lead to dissatisfaction, but high hygiene factors simply prevent dissatisfaction without necessarily resulting in satisfaction—they may leave the employee neutral. Employee satisfaction is primarily influenced by motivational factors. When these

motivators are fulfilled, employees are likely to feel satisfied. This distinction helps explain the complexity of employee emotions, as they might experience both satisfaction and dissatisfaction simultaneously, or neither satisfaction nor dissatisfaction.

2.2.3 Job Characteristics Model

Hackman and Oldham developed the job characteristics model in 1976 to assist employers in enhancing the engagement and interest of their employees' work. This model emphasizes that job motivation is driven by the tasks employees perform. Jobs that are repetitive and dull are less motivating and tend to result in lower productivity. Conversely, jobs that are diverse and challenging lead to higher productivity and greater autonomy for employees.

According to the model, adjusting the five characteristics-skill variety, task identity, task significance, autonomy, and feedback-can enhance the engagement, motivation, and satisfaction of work. Employees find work more meaningful when they experience variety in skills, a clear sense of task identity, and understand the significance of their tasks. Autonomy gives employees a sense of responsibility for their work outcomes, while feedback enables them to assess the impact of their work and make improvements as necessary. These psychological states foster high internal motivation, superior work performance, job satisfaction, and reduce absenteeism and turnover rates.

2.2.4 Theory of Organizational Equilibrium

The Barnard-Simon theory of Organizational Equilibrium proposed that an employee will remain with an organization as long as they perceive their contributions to be commensurate with what the organization provides them in return. Barnard (1938) highlighted the critical role of management in motivating individuals to continue making contributions. He emphasized that people are the most valuable resource of an organization, which functions as a system of interconnected social behaviors among its participants. Each participant receives rewards (inducements) from the organization in exchange for their contributions. An individual will stay as long as they believe the rewards outweigh their contributions. The collective contributions of all participants constitute the pool of resources from which the organization generates the inducements. Therefore, an organization remains sustainable ("solvent") only if contributions are sufficient to provide the necessary inducements to sustain continued contributions. According to this theory, job satisfaction hinges on several factors: the alignment of an employee's role with their

personal compatibility, the predictability of work relationships, and the congruence between an individual's self-image and their job.

2.3 Conceptual review

This section explores the conceptual framework through an examination of the variables considered in this study based on the existing literature.

2.3.1 Job Satisfaction

Job satisfaction is the extent of contentment or happiness an individual experiences in their job. It is crucial in the workplace as it significantly impacts employees' productivity and motivation. Job satisfaction also enhances employee engagement with their work. According to Graham (1982), job satisfaction is the overall assessment of one's feelings and attitudes towards their job. Hoppock (1935) defined it as a combination of psychological, physiological, and environmental factors that lead a person to genuinely express satisfaction with their job.

Job satisfaction varies among employees even when they work under the same conditions. Several factors influence job satisfaction, such as salary and wages, job security, workplace location, work hours, schedule flexibility, performance appraisals, and opportunities for career advancement. Importantly, the impact of these factors can differ significantly from one employee to another. Job satisfaction occurs when employees feel they have job stability, opportunities for career growth, and a healthy balance between work and personal life. This alignment means that employees are satisfied because their job meets their personal standards. It represents a state of well-being and happiness concerning an individual's performance within their work environment.

2.3.2 Employee Turnover

Employee turnover is simply the total number of workers who leave a company within a specific period, whether voluntarily or involuntarily. Voluntary turnover occurs when employees resign to pursue career advancement or other personal goals, while involuntary turnover happens when employees are terminated or laid off by the organization. High turnover rates can be costly for organizations due to expenses related to hiring and training new staff. Turnover intention, on the other hand, refers to an individual's intention to quit their current job. According to Bigliardi, Petroni, and Ivo Dormio (2005), intention to leave

reflects an individual's perception of the likelihood of staying or leaving their employer organization.

According to Price (1977), "turnover" is defined as the ratio of the number of organizational members who have left during a specific period to the average number of people in that organization during the same period. Managers commonly use the term "turnover" to encompass the entire process involved in filling a vacancy: Whenever a position becomes vacant, whether due to voluntary resignation or involuntary separation, a new employee must be recruited and trained. This continuous cycle of replacing employees is referred to as turnover (Woods, Hom, and Griffeth, 1995). The term is also frequently employed when studying the dynamics of employee relationships within an organization, irrespective of the reason for departure.

2.3.3 Relationship between Job satisfaction and Employee turnover

In recent times, both job satisfaction and employee turnover have become critically important issues for each and every organizations. Job satisfaction is widely believed to increase employee loyalty and commitment, which in turn can enhance productivity within an organization. On the other hand, turnover intention where employees contemplate leaving their jobs can have a detrimental effect on the daily operations and overall effectiveness of an organization. Schoeder, Harrel, and Stahl (1984) noted from previous literature reviews that individuals with lower job satisfaction are more likely to consider changing their jobs. The notion that satisfied employees are more productive has been a long-held belief among managers, and recent research, such as that by Judge, Thoresen, Bono, and Patton (2001), has started to support this theory after decades of debate on the relationship between job satisfaction and performance. However, organizations also bear the responsibility of providing employees with challenging and intrinsically rewarding jobs, as emphasized by Robbins and Judge (2007).

2.3.4 Nepalese Financial Institutions

A financial institution is an organization that facilitates financial transactions and plays a crucial role in financial intermediation. These institutions manage activities such as loans, deposits, and currency exchanges. They operate by accepting deposits from clients, offering interest on those deposits, and then using the deposited funds for investments or lending activities that generate higher returns than the interest paid to depositors. Financial

institutions are vital for economic growth within a country. They create a marketplace for money and assets, ensuring that capital collected from depositors is effectively allocated to areas where it can be most productive and useful.

Financial institutions in Nepal are regulated by Nepal Rastra Bank i.e. central bank of country. The financial system in Nepal comprises various entities including banks and financial institutions (BFIs), non-bank financial institutions (NBFIs), the capital market, the insurance market and cooperatives. The institutions are classified into different categories based on their minimum paid-up capital: commercial banks (Class A), development banks (Class B), finance companies (Class C), and microfinance institutions (Class D). Additionally, they are categorized as payment service providers, payment service operators, infrastructure development banks, hire purchase companies, representative offices, cooperatives, and hydropower investment and development offices. Currently, there are 20 commercial banks, 17 development banks, 17 finance companies, 55 microfinance institutions, 28 payment service providers, 10 payment service operators, 1 infrastructure development bank, 10 hire purchase companies, 3 representative offices, 1 cooperative, and 1 hydropower investment and development company. Banks and financial institutions collectively hold approximately 85 percent of the financial system, with commercial banks holding the largest share.

2.3.5 Growth of Nepalese Financial Institutions

The history of financial institutions in Nepal reflects a gradual and natural progression within the financial and economic sectors. Banking in Nepal is believed to have originated during the tenure of Prime Minister Ranodip Singh in 1877 A.D., marked by significant financial and economic reforms. During this period, the Tejaratha Adda was established with the primary objective of providing credit facilities to the general public at highly favorable interest rates. Loans were granted against collateral in the form of gold and silver, and government employees could also access these loans, with repayments deducted directly from their salaries. It's important to note that the Tejaratha Adda focused solely on extending credit and did not engage in accepting deposits from the public.

The history of banking in Nepal dates back to the establishment of Nepal Bank Limited in 1994 B.S. (1937 A.D.), founded by Juddha Samsher, making it the country's first bank. Initially, Nepal Bank Limited focused on providing loans and accepting deposits.

Subsequently, Nepal Rastra Bank was established in 2013 B.S. (1956 A.D.) as the central bank, fully owned by the government. It began issuing currency notes starting from 2016 B.S. (1959 A.D.). The establishment of Nepal Rastra Bank marked a significant milestone in Nepal's financial system, providing centralized control and stability. In addition, the Industrial Development Bank was founded in 1957 as the first development bank, later transformed into Nepal Industrial Development Corporation (NIDC) in 1959, further contributing to the country's economic development.

Rastriya Banijya Bank was established in 2022 B.S. (1965 A.D.) as Nepal's second commercial bank. Subsequently, the emergence of several commercial banks has had a substantial effect on the economy. Given that agriculture is a fundamental occupation for many Nepalese, the development of this sector plays a crucial role in the overall economy. Consequently, the Agricultural Development Bank was established in 1968 A.D., marking the country's first institution dedicated to agricultural financing. Its primary objective was to provide long-term and medium-term credit facilities to support the agriculture sector. Following Nepal's adoption of liberalization policies, the financial sector has experienced substantial growth, both in terms of the number of banks established and the expansion of financial services to a wider population. The growth and development of Nepalese financial institutions has been presented in table 1.

Table 1
Growth and development of financial institutions in Nepal

Types of financial institutions	Mid July									
	1980	1985	1990	1995	2000	2010	2020	2021	2022	2023
CBs	2	3	5	10	13	27	27	27	26	20
DBs	2	2	2	3	7	79	20	18	17	17
FCs	0	0	0	21	45	79	22	17	17	17
MFDBs/MFFIs	0	0	0	4	7	18	85	70	65	57
SCCs	0	0	0	6	19	15	-	-	-	-
FINGOs	0	0	0	0	7	45	-	-	-	-
IDBs	-	-	-	-	-	-	1	1	1	1
Cooperatives	-	-	-	-	-	-	0	0	0	1
HPs	-	-	-	-	-	-	0	0	0	10
ROs	-	-	-	-	-	-	0	0	0	3
HIDs	-	-	-	-	-	-	0	0	0	1
Other institutions	-	-	-	-	-	-	14	15	15	0
TOTAL	4	5	7	44	98	181	169	148	141	127

Source: Banking and financial statistics of various issues and list of BFIs, NRB.

CBS: Commercial Banks; DBs: Development Banks; FCs: Finance Companies; MFDBs: Microfinance Development Banks; MFFIs: Micro Finance Financial Institutions; SCCs: Saving and Credit Cooperatives and FINGOs: Financial Intermediary Non-government Organizations; IDBs: Infrastructure Development Bank; HPs: Hire Purchase; ROs: Representative Offices; HIDs: Hydropower and Investment Development.

2.4 Empirical review

An empirical study was conducted to gain a deeper understanding of job satisfaction and employee turnover within Nepalese financial institutions. A review of various journals and articles revealed that employee job satisfaction is influenced by several factors including compensation, motivation, training and development opportunities, organizational support, and recruitment practices. The study examined key articles and journals to explore these factors in detail. Below are summaries of some of the major articles and journals reviewed in this study.

Ghayas and Siddiqui (2022) undertook a study focusing on the impact of job satisfaction on turnover intention within the pharmaceutical industry of Karachi. Their research aimed to investigate how job satisfaction influences turnover intention. The study employed multiple regression analysis, Cronbach's alpha test, Kaiser-Meyer-Olkin (KMO) measure, and Bartlett's test of sphericity. Principal Component Factor Analysis was utilized to analyze the hypotheses. The findings of the study revealed that factors such as compensation, co-workers' attitudes, job satisfaction, supervisor support, promotional opportunities, and communication significantly and negatively impact turnover intentions among. The study concluded that there is a negative relationship between job satisfaction and turnover intention in this industry.

Chatzoglou et al. (2021) conducted the study on factors affecting accountants' job satisfaction and turnover intentions: A structural equation model. The research aimed to assess the job satisfaction levels of accountants, with a particular emphasis on organizational commitment, work motivation, and job characteristics as key determinants affecting both job satisfaction and turnover intentions. Structural equation model was employed to test their proposed theoretical framework. The findings of the study provided robust evidence indicating the importance of addressing specific actions within accounting offices or departments, as well as managerial interventions, to enhance working conditions and bolster employees' commitment. This, in turn, was found to improve overall

performance and reduce turnover intentions among accountants. The study concluded that job characteristics significantly influence internal work motivation, organizational commitment, and professional commitment. Therefore, management should prioritize enhancing employee commitment levels to achieve higher job satisfaction levels.

Alam and Asim (2019) conducted a study to explore the relationship between job satisfaction and turnover intention among nurses in Karachi. The research aimed to analyse how factors like organizational policies, supervision, compensation levels, task clarity, and career development influence job satisfaction and its association with turnover intention. The study employed statistical measures such as mean, standard deviation, correlation analysis, and multiple regression to evaluate the levels of job satisfaction and turnover intention. The findings revealed a negative correlation between job satisfaction and turnover intention. This suggests that nurses with higher levels of job satisfaction were less inclined to leave their current organization. The study highlighted that enhanced job satisfaction among nurses could potentially mitigate turnover intentions, emphasizing the importance of organizational support and conducive working conditions in retaining nursing staff.

Ali and Anwar (2021) conducted a study on employee turnover intention and job satisfaction in private hospitals located in Erbil, Kurdistan Region, Iraq. The primary aim of their research was to investigate how job satisfaction levels among employees correlate with their intention to leave their current positions within this specific context. The researchers utilized reliability tests, correlation coefficient analysis, and ANOVA (Analysis of Variance) models to analyse the data collected from participants. The study's findings indicated a significant relationship where higher job satisfaction was associated with lower turnover intention, particularly noticeable among younger workers. In summary, the study emphasized the pivotal role of job satisfaction in influencing employee turnover intention within private hospitals. It underscored the potential for enhancing job satisfaction as a strategy to reduce turnover rates and highlighted the importance of implementing effective retention strategies by human resource managers in healthcare settings.

Rahman and Iqbal (2013) conducted a study to find out the relationship between job satisfaction and turnover intention. The primary objective was to identify the key factors influencing job satisfaction and to investigate how job satisfaction impacts turnover

intention within this sector. The researchers utilized the Z-test to assess the significance of turnover's impact on private commercial banks. The study identified several critical factors that contribute significantly to job satisfaction among bank employees. These factors were crucial in shaping the levels of satisfaction reported by employees. Additionally, the study explored the potential implications of turnover intention on the quality of banking services. It concluded by offering recommendations for private commercial banks to enhance job satisfaction and mitigate turnover rates. These suggestions included revising salary policies and implementing attractive incentive programs aimed at retaining skilled employees and improving overall organizational effectiveness.

Anwar and Shukur (2015) conducted a study on employee turnover intention and job satisfaction: A case study of private hospital in Erbil. The primary aim was to investigate the relationship between job satisfaction and turnover intention among hospital employees. Using statistical methods such as mean analysis, ANOVA (Analysis of Variance), Cronbach's alpha test for reliability, and correlation coefficients, the researchers analyzed the collected data. The study concluded that job satisfaction had a minimal impact on turnover intention among employees in the private hospital setting in Erbil. Additionally, the study offered recommendations for hospital administrators to implement administrative tools aimed at improving workplace effectiveness and efficiency. These strategies were suggested to potentially enhance overall employee satisfaction and reduce turnover intention within the hospital environment.

Medina (2012) conducted a study on job satisfaction and employee turnover intention: What does organizational culture have to do with it? The study aimed to explore the influence of job satisfaction on turnover intention and the impact of organizational culture on job satisfaction. It utilized mean, standard deviation, and multiple regression analysis to examine these relationships and assess moderating effects. According to the findings, job satisfaction was found to have a negative association with turnover intention, indicating that higher job satisfaction correlates with lower turnover intention. The study also highlighted that lower turnover rates contribute positively to organizational productivity and performance. Moreover, the study concluded that as job satisfaction increases, turnover intention decreases. Additionally, it noted that employees who reported higher satisfaction with their workplace culture tended to have lower turnover intention, even when job

satisfaction levels were held constant. This suggests that organizational culture plays a significant role in influencing turnover intentions among employees.

Chin (2018) conducted a study on the influence of job satisfaction on employee turnover intention in the manufacturing industry of Malaysia. The objective was to find the factors affecting satisfaction in employee. Mean scores were used to analyse the data, providing insights into the central tendencies of these variables. Pearson's correlation coefficient was employed to assess the relationship between variables. Additionally, regression analysis was conducted to determine which factor among them contributed the most to turnover intention. The research revealed a negative relationship between career enhancement and management control. It emphasized that effective supervision is crucial for guiding, evaluating, and supporting employees, which in turn enhances collaboration, reduces absenteeism, improves retention rates, and boosts overall employee performance. In conclusion, the study underscored the pivotal role of supervisors in influencing job satisfaction levels and consequently mitigating turnover intention among employees.

Bhagwandeem (2021) conducted a research on relationship between intrinsic job satisfaction, extrinsic job satisfaction, and employee turnover intentions. The study aimed to provide insights that could help insurance leaders understand and address factors contributing to turnover within their organizations. Spearman brown coefficient was used to analyse the data. The study found that extrinsic job satisfaction factors, such as career advancement, compensation, and level of supervision, were found to have a higher impact on turnover intentions compared to intrinsic job satisfaction. The study concluded that there is a significant relationship between intrinsic job satisfaction, extrinsic job satisfaction, and turnover intentions among casualty insurance professionals. These findings suggest that addressing extrinsic factors like career advancement and compensation could potentially reduce turnover rates and enhance retention strategies within the insurance industry.

Aleem and Khan (2014) conducted a research on the impact of job satisfaction on employee turnover: An empirical study of autonomous medical institutions of Pakistan. The study aimed to identify impact on job satisfaction and turnover from determinants like pay, promotion, job security, and the nature of work. To analyse the significance of these factors in the health department of the institutions, the study employed regression analysis, Beta analysis, T-tests, F-tests, and R-squared tests. The findings indicated a positive relationship

between factors like pay, promotion opportunities, job safety, and employees' job satisfaction levels. Specifically, higher levels of pay and more opportunities for promotion were associated with increased job satisfaction among employees. Furthermore, the study concluded that there is a negative relationship between these factors and turnover intentions. It recommended that management should prioritize factors that contribute to job satisfaction in order to enhance employee satisfaction levels and reduce turnover rates within autonomous medical health institutions.

Sultana, Shah, Rafiq, Gul, Aziz and Arshad (2021) conducted a study on the role of job satisfaction and job stress on registered nurses' turnover intentions directly and indirectly through affective commitment in healthcare industry of twin cities of Pakistan. The objective of the study was to investigate how stress levels among nurses impact job satisfaction and their effect on turnover rates within the healthcare industry. The research utilized mean analysis, standard deviation, correlation coefficient, regression analysis, ANOVA, and Cronbach's alpha to explore these relationships. The findings highlighted that affective commitment played a significant role in reducing turnover among nurses. Affective commitment refers to an employee's emotional attachment and identification with the organization, which can lead to greater job satisfaction and lower turnover intentions. The study concluded that turnover increases costs and negatively impacts organizational growth, productivity, and success. Therefore, reducing stress levels and fostering affective commitment among nurses are crucial for mitigating turnover rates and ensuring organizational stability and performance in the healthcare sector.

Nirande and Terera (2014) conducted a research on the impact of rewards on job satisfaction and employee retention. The objective of the study was to investigate the impact of rewards on employee retention, determine the relationship between rewards and job satisfaction, establish the relationship between job satisfaction and employee retention, and provide recommendations to policymakers on strategies to enhance employee retention based on research findings. Chi square test and correlation coefficient test was used to measure the association between the variables. The study found positive relationship between rewards and employee retention, indicating that higher rewards lead to increased employee retention within the same organization. The study showed that there is no significant relationship between rewards and job satisfaction among employees, especially

in the nursing sector. Overall, the study concluded that while employee rewards contribute to employee retention, they do not necessarily result in job satisfaction. Job satisfaction, on the other hand, plays a crucial role in employee retention.

Ali and Baloch (1999) conducted a research on the impact of job satisfaction on turnover intention: An empirical evidence on 10 private sector schools located in Charsadda district, Pakistan. The objectives of the study was to find out how satisfaction with pay, security, and promotion impacts turnover intention among teachers in private sector schools. Zero-order correlation and Pearson correlation analysis was also used to test the hypotheses. The study found that addressing factors such as pay, security, and promotion is crucial in reducing turnover intention among teachers. It also concluded that enhancing job satisfaction will help to retain teaching staff and create a more stable work environment in private sector schools.

Rubel and Kee (2015) conducted a research on high commitment compensation practices and employee turnover intention: Mediating role of job satisfaction among employees of readymade garment industry in Bangladesh. The objective of the study was to find out the relationship between employees perception on high commitment compensation practices and their turnover. Partial least square path modelling was used to test the hypothesis. Confirmatory factor analysis (CFA) was used to find out the reliability and validity of the data. The key findings from the research showed that high commitment compensation practices (HCCP) reduced the likelihood of turnover intention among employees. Job satisfaction was the mediator in the relationship between high commitment compensation practices and turnover intention. It also showed that understanding employees' perceptions of HCCPs and their impact on job satisfaction is crucial in comprehending their influences on organizational performance. The research concluded that the managers should focus on designing compensation packages to not only attract but also retain talented employees in the organization.

Mudor and Tooksoon (2011) conducted a research on conceptual framework on the relationship between human resource management practices, job satisfaction, and turnover. The objective of the study was to explore how HRM practices, specifically supervision, job training, and pay practices, influence job satisfaction and turnover rates among employees. The data were analysed using correlation coefficient, regression analysis, mediation

analysis, descriptive and factor analysis techniques. The study found that there is a positive relationship between HRM practices (specifically supervision, job training, and pay practices) and job satisfaction. This signifies that when organizations implement effective HRM practices, employees are more likely to be satisfied with their jobs and there is a negative relationship between HRM practices and turnover. The study concluded that HRM practices can help in retaining employees within the organization and job satisfaction acts as a mediator between HRM practices and turnover.

Chen (2020) conducted a research studying perspective on the influence of leadership on job satisfaction and lower employee turnover in the mineral industry on workers of China. The objective of the study was to find the impact of leadership on job satisfaction and employee turnover in the mining industry, focusing on factors such as organizational commitment, working conditions, and leadership styles. Mean, standard deviation, percentage of variance, cronbach's alpha was used along with confirmatory factor analysis. Path analysis was used to test the hypotheses regarding the influence of leadership on job satisfaction and employee turnover. The study found how factors such as leadership, job satisfaction, and employee turnover contributed to reduce turnover rates and improve overall job satisfaction in the mining sector. The study concluded that fair working conditions play a mediating role and effective leadership was identified as a key factor in lowering employee turnover rates.

Samad (2006) conducted a research on the contribution of demographic variables: Job characteristics and job satisfaction on turnover intentions on IT staff in Telecom Malaysia (TM). The objective of the study was to determine the relationship between job characteristics, job satisfaction, and turnover intentions among employees in the organization. Pearson product moment correlation and multiple and hierarchical regression analysis has been used to analyse the data through mean and standard deviation. The study found that there is significant and negative correlation between skill variety, task identity, task significance, autonomy, feedback and job satisfaction with turnover intention. The study concluded that by focusing on enhancing job satisfaction and job characteristics, organizations can potentially create a more positive work environment and decrease turnover rates among IT staff.

Dalluay and Jalagat (2017) conducted a research on the impacts of job satisfaction on employee turnover: A case study of Oman air in Sultanate of Oman on Al-Zahra College for Women in Muscat, Sultanate of Oman. The study was conducted to examine factors such as general working conditions, pay and promotion, work relationships, use of skills and abilities, and work activities in relation to job satisfaction and turnover rates. Statistical analysis tools such as correlation and regression were used to determine the significant relationships between them. The study found positive significant correlations between factors such as pay and promotion, work relationships, and the use of skills and abilities with employee job satisfaction. The study concluded satisfactory salary and recognition were identified as factors that contribute to staff retention and lower job turnover rates. Also, job satisfaction was linked to reduced interest in workplace conflicts, increased willingness to cooperate with colleagues, and better performance during emergencies or crises.

Ramlawatib, Ramlyb and Kurniawatya (2019) conducted a research on the effect of work environment, stress, and job satisfaction on employee turnover intention. The research aimed to investigate the relationship between work environment, stress, job satisfaction, and turnover intention among employees at Bank Mandiri. Regression analysis and path analysis model was used to analyse both direct and indirect effects of independent variables on the dependent variable. The findings of the research indicated that work environment had a positive and significant effect on job satisfaction; stress had a negative and significant effect on job satisfaction; work environment had a negative and significant effect on turnover intention; stress had a positive and significant effect on turnover intention and job satisfaction had a negative and significant effect on turnover intention. In summary, the study concluded the importance of addressing work environment conditions, managing stress levels, and enhancing job satisfaction to reduce turnover intention and promote employee retention at Bank Mandiri.

Azzahra, Ilmi and Wijaya (2021) conducted a research on the influence of role ambiguity, job stress and leadership on job satisfaction and employee turnover at PT. Bank BRI Syariah Samarinda. The objective of the study was to find out the impact of role ambiguity. The study utilized regression analysis, R-square, and Q-square tests to investigate the relationship. It found that role ambiguity was significantly negatively correlated with employee job satisfaction and positively correlated with employee turnover. The findings

underscored the importance of mitigating role ambiguity, addressing job stress, and improving leadership quality in organizational contexts to improve employee well-being and retention.

2.5 Research Gap

The earlier research conducted by previous researchers has been highly valued and beneficial in various related fields. The suggestions and recommendations put forth by these studies have greatly contributed to advancements and further research in underexplored areas within the topic. In comparison to these prior studies, our research aims to provide a fresh perspective by incorporating primary information gathered through personal observations and perceptions. Unlike most previous studies that focused primarily on specific sectors, particularly commercial banks in Nepal, our study seeks to explore the relationship between determinants of job satisfaction and employee turnover across the entire spectrum of Nepalese financial institutions. Additionally, the existing research in Nepal has been limited to a few domains, which has posed challenges in obtaining comprehensive information relevant to our study.

Few researchers have collected primary data for the research. However, sample size used for the data collection is from few and limited organizations and participants. Thus, the findings and conclusions of these researches cannot be generalized for all the organizations. Also most of the previous articles were based on literature review so, these researches are not based on primary data whose findings and conclusions might not be relevant in the present time and context. Given the absence of Nepalese studies assessing the determinants of job satisfaction and their impact on employee turnover in Nepalese financial institutions as a whole, this dissertation aims to address these research gaps. Specifically, the study proposes a framework to examine the effects of job satisfaction determinants on turnover intention within Nepalese financial institutions. By filling this gap in the literature, the study seeks to provide valuable insights that can inform human resource management practices and policies within Nepalese financial institutions. This research aims to contribute to a better understanding of the dynamics between job satisfaction and turnover intention, thereby assisting organizations in developing strategies to enhance employee retention and satisfaction. Since most of the data has been collected from employees working in commercial bank the results may not be completely generalized for the whole

industry. Also most of the respondents are staff working inside Kathmandu valley thus it may not be generalized to employees working in whole Nepal.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter includes the research methodology of this study. This chapter establishes the foundational framework for the study. It outlines the methodology for data collection and the specific statistical tools used to analyze survey results to achieve the research objectives. The chapter details the research design, the study's population and sample, the nature and sources of data, the instruments utilized, the procedures for data collection, and the chosen method of analysis. The subsequent chapter concludes with an explanation of the data analysis process. Each section provides comprehensive details intended to guide future studies in this field.

3.1 Research Design

Descriptive and Survey research design has been used in this research to find out the relationship between determinants of Job satisfaction and employee turnover in Nepalese financial institutions. Survey research design has been used to collect the data from employees working in various financial institutions including banks, cooperatives, insurance companies, wallet service providers and hire purchases.

This research has used descriptive research design to deal with the impact of determinants of job satisfaction on employee satisfaction and loyalty in an organization. This study also used the causal comparative research design to establish the cause and effect relationship of job satisfaction, determinants of job satisfaction, job loyalty, turnover intention, and workplace environment.

3.2 Population, Sampling and Sample design

Employees working in Nepalese financial institutions have been selected as a population for this specific study. Since Kathmandu serves as Nepal's economic hub with a significant concentration of financial institutions, the study selected Kathmandu Valley as its sample area. Respondents were chosen using a combination of simple random sampling and convenience sampling methods. Questionnaire had been distributed to staffs working in major commercial banks, staffs of Kamana Sewa Bikas Bank, Muktinath Bikas Bank, Garima Bikas Bank, Manjushree Finance and other small cooperatives.

Data has been mostly collected from employees working in Kathmandu valley. Questionnaire was distributed to a sample size of 700 participants. Data had been collected from employees working under head offices and branches. Among the distributed questionnaire total of 424 responses were recorded for data analysis.

3.3 Nature and Sources of data and Instrument of data collection

3.3.1 Nature of Data Collection

The type of data collection that is used in this research is primary source of data collection using questionnaire survey.

3.3.2 Sources of Data Collection

The data for this study is collected from the sample selected from among the employees' population of staffs working at major commercial banks, staffs of Kamana Sewa Bikas Bank, Muktinath Bikas Bank, Garima Bikas Bank, Manjushree Finance and other small cooperatives. The data for this study is collected from the sample of 424 employees from the entire employees' population of these organizations.

3.3.3 Method of Data Collection

A meticulously designed questionnaire serves as the primary tool for gathering data from the respondents. The survey is divided into two parts: 1) demographic information, which includes questions about employees' age and gender, and 2) job satisfaction and organizational factors, which gather data on employees' satisfaction levels. Questionnaires were distributed using emails, Google forms, social media platform and also physical questionnaire forms were distributed. Subsequently, the data collected from the questionnaire was compiled together to further analyse the data.

3.3.4 Instrument of Data Collection

The instrument that is used to collect the primary data in this study is questionnaire. The questionnaire is divided into two sections. The first section includes the demographic aspects of the respondents. The second section includes questions under five point Likert scale (5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree and 1=Strongly Disagree) to study the relationship between independent and dependent variables. Here, the respondents were given questions with options for responses. The respondent selected the responses that explained their situation in the best way, from the available options for responses.

3.4 Methods of analysis

IBM SPSS Statistics Viewer software 25.0.0.0 was used to analyse the data collected for this research. Similarly, tables are used to present the analysis of data in this study. In order to study the relationship between the independent variables that are basic salary, reward and benefits; performance appraisal, evaluation process and promotion; working schedule and environment and nature of work (autonomy, management and leadership) with dependent variables that is employees' turnover, descriptive analysis, association analysis and impact and regression analysis were performed.

3.4.1 Descriptive analysis

In descriptive analysis, the demographic characteristics of the respondent, mean and standard deviation are used to analyze the relation of independent and dependent variables.

3.4.1.1 Mean

Mean is the average value of the entire data. Single mean value represents the entire data.

It is calculated as:

$$\bar{X} = \frac{\sum X}{n}$$

Where,

\bar{X} = Arithmetic Mean

n = Numbers of observation

$\sum x$ = Sum of observation

3.4.1.2 Standard Deviation

Standard Deviation is the absolute measure of dispersion and variability. It is calculated as:

$$SD = \sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}}$$

Where,

SD= Standard Deviation

n= number of population

\bar{X} =Arithmetic Mean

X= Value of population

3.4.2 Association Analysis

In association analysis, the correlation is used to analyze the relation of job satisfaction and employees turnover that are basic salary, reward and benefits; performance appraisal,

evaluation process and promotion; working schedule and environment and nature of work with employees' turnover.

3.4.2.1 Correlation Analysis

Correlation measures the linear correlation between the two variables. A positive correlation signifies that the relationship between the variables is positive that is with the increase in one variable, another variable also increases. Unlikely, a negative correlation signifies that the relationship between the variables is negative that is with the decrease in one variable, another variable increases.

3.4.3 Impact and Regression Analysis

In impact and regression analysis, the model summary, Anova and coefficient analysis are used to analyze the relation between determinants of job satisfaction and employee turnover. It can be expressed mathematically as mentioned below.

$$y = \beta_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where,

y= Employees' turnover

β_1 = constant

X_2 = Basic salary, reward and benefits

X_3 = Performance appraisal, evaluation process and promotion

X_4 = Working schedule and environment

X_5 = Nature of work

β_i = Regression of Coefficient of X_i

i= 2, 3, 4, 5

e = error

3.5 Research framework and definition of variables

The overall structure of the research, the approach used and theoretical underpinnings that guide a research study is known as a research framework. It is a systematic way of organizing and conceptualizing the research process, including the research question, data collection methods, analysis techniques, and interpretation of findings. The variables involved in this research can be shown as mentioned below:

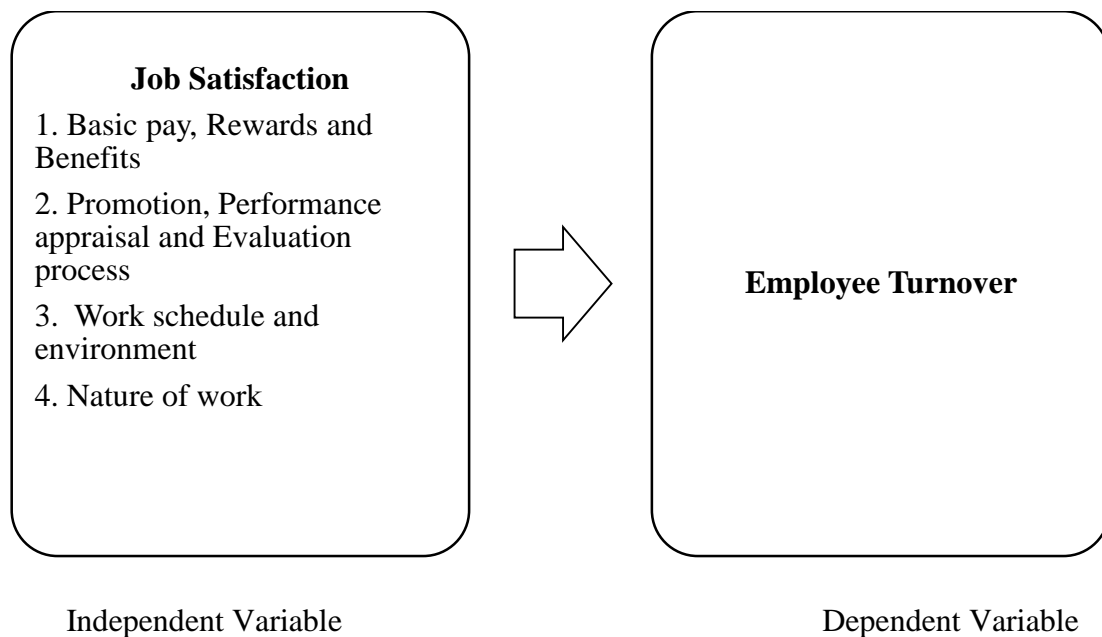


Figure 2: Research Framework of the Research

The conceptual framework of this study has been developed based on various models that have been created to measure the determinants of job satisfaction and their impact on employee turnover. The conceptual framework of this study is shown in figure 2.

In this analytical study, employees' job satisfaction is determined by factors such as compensation, rewards, and benefits; opportunities for promotion; the process of performance appraisal and evaluation; the work schedule and environment; and the nature of the work itself. The figure illustrates how various factors affect employees' job satisfaction in employees of financial institutions in Nepal. This framework explains the connections between job satisfaction and each determinant, aiming to identify which factors exert the greatest influence on job satisfaction in Nepalese financial institutions.

3.5.1 Definition of variables

3.5.1.1 Basic salary, Reward and Benefits

Basic pay refers to salary that an individual receives for the work done in the organization without taking into consideration any other additional allowances, bonuses and benefits. Every individual wants to be acknowledged for their work and wants to be valued in return. It boosts their morale and increases the drive in an individual to contribute more to the job. Adequate and fair pay is expected by an employee. In short, basic salary, also known as

base salary, is the salary amount earned by an employee before any particular addition or deduction is made to the same. Most people work to earn a cost of living. Salary only sometimes is not enough to pay for those expenses and to keep a person motivated in the job. Sometimes people are motivated by benefits other than salary. Rewards and benefits fall under those. According to Mondy & Martocchio, (2016), employees who believe their bosses are unable to pay them at the level they expect may quit the company.

Rewards and benefits can be monetary or non-monetary. Rewards are additional pay or benefits that an employee receives for extra or exceptional work done. Rewards can be bonuses, cash prizes, travel packages etc. Employee benefits typically encompass health insurance, life insurance, educational facility, childcare assistance programs, lunch packages, employee discounts, company vehicles, and similar offerings. Competitive pay, benefits, and rewards are instrumental in keeping employees motivated, thereby enhancing job satisfaction and reducing employee turnover.

3.5.1.2 Performance appraisal, Evaluation process and Promotion

A regular review of an employee's work performance is known as performance appraisal. It can be conducted on an annual basis, or on the basis of projects as well. Normally it is evaluation of an employee's work contribution in an organization to figure out if an employer is getting the benefits and equal return so as to his/her pay scale. Companies use performance appraisals to determine which employees have contributed the most to the company's growth, to review their progress, and to reward high-achieving workers. Promotion can be simply defined as an advancement received by an employee to a better job in terms of greater responsibility, higher pay and higher position within the working organization. (Mondy & Martocchio, 2016) defines promotion as 'their assignment of an employee to a more senior position within a company.

A job with opportunity for advancement, growth, achievement and recognition is considered as an enriched job. Higher the enrichment higher satisfaction is perceived. Evaluation process should also be fair and without any bias and favouritism. Performance evaluation aims to improve on how an employees can work individually or in a team to achieve individual and organizational goals. Regular evaluation process can help determine the scope of growth in employee's career and the motivation it brings in an individual to achieve organizations success. A performance evaluation is not only important for feedback

on one's performance but it is also a good opportunity to understand what your gap areas are and what more you can do to improve your own performance.

3.5.1.3 Working schedule and environment

While basic salary and allowances are primary focus for an employee, the ability to have comfortable work schedule is equally important. Employees are more satisfied in those organization which provides flexible working environment. Normally Nepalese financial institutions have 8 hour fixed working schedule. However sometimes they have to take an extra duty. Even though there are fixed duty set, it is seen that employees are being overworked. Job satisfaction is influenced by quality of work environment as well. Working condition includes both physical and psychological conditions that an employee needs to work under. Working environment significantly impact employees health, safety, mental well-being and productivity. Physical working condition, working hours, workload, salary, employee relationship, managerial support, company culture, disciplinary procedures, organizational stress etc. all falls under the working environment. Thus, working environment means the total working infrastructure of the job. A favourable working environment increases the level of job satisfaction of employees.

3.5.1.4 Nature of work

Nature of work can affect the productivity and job satisfaction level, thus it is very important in every organization. It affects the degree of qualitative outcome in any organization. Social, economical, political and cultural changes in work environment brings similar change in the nature of work. The nature of work includes various different topics like purpose of the job, autonomy, trainings and developments, collaboration, management practices, leadership etc. Autonomy, Management and Leadership are the three major topics that we are going to discuss under here.

- **Autonomy**

The freedom that an employee has in a job to carry out a task in a way that suits him/her the best and brings the nicest possible outcome is known as autonomy. Employees that are free to make their own decisions are happier, productive and loyal in the organization. Autonomy has led to further gain in the concept of professionalism, like autonomy in setting standards of performance and autonomy

is regulating terms and conditions of employment (Clarke, 1995). The lack of autonomy and self-control may be the cause of dissatisfaction.

- **Leadership and Management practices**

The nature of work encompasses both leadership and management, as they are essential components of organizational success. Leadership can be defined as an ability that an individual possess which can influence other people's way of thinking and make them to follow his/her decisions. Leadership is often tied to hierarchy and job title in an organization. An effective leader possesses characteristics like self-confidence, strong communication and management skills, creative and innovative thinking, willingness to take risks, open to change, and reactivity in times of crisis. Employees are satisfied in those organization where leader listens to their problems and act upon their suggestions in decision making. In short, leadership involves understanding people's motivations and leveraging them to achieve a shared goal.

Effective management is not just about overseeing tasks but about inspiring, motivating, and guiding your team to achieve their best. A management style refers to the specific methods and approaches a manager uses to achieve their objectives. This includes how a manager plans, organizes, makes decisions, delegates tasks, and oversees their team. An effective manager is capable of adapting their management style to suit varying circumstances while maintaining a clear focus on reaching goals. Management style can be democratic, coaching, transformational, laissez-faire, and servant-type. Managers needs to effectively select and incorporate different styles as per different situations.

Workplace autonomy, effective leaders and managers are crucial in creating an environment that allows individuals, teams, and organizations to thrive. However, it is important to note that leadership and management are distinct concepts, with leadership focusing on innovation, development, and people, and management focusing on systems, structure, and coordination.

CHAPTER IV

RESULTS AND DISCUSSION

This chapter includes the information received from the data collected. This information has been gathered from the responses of the respondents from a survey. In this chapter, data are presented, analysed and discussed to reach a meaningful conclusion. It consists of two sections that are results and discussions.

4.1 Results

In the result section, the data are presented and analysed to understand the meaning of the data. Different tables are used to present data. Similarly, descriptive analysis, association analysis and impact and regression analysis are the method used to analyze the data.

4.1.1 Descriptive Analysis

In descriptive analysis, the demographic characteristics of the respondent, mean and standard deviation are used to analyse the relation of job satisfaction and employee turnover that are basic pay, rewards and benefits; promotion, performance evaluation and evaluation process; work schedule and environment and nature of work with employees' turnover. The parameters of these variables were measured on 5 point Likert scale with 5 indicating strongest agreement and 1 indicating strongest disagreement. The most typical value in the set of values is defined by mean. Similarly, how far the value is away from mean is defined by standard deviation.

4.1.1.1 Demographic Characteristics of Respondent

Table 2

Gender of Respondent

SN	Gender	Total in number	Total in percentage
1	Female	164	38.70%
2	Male	260	61.30%
	Total	424	100%

In the table 2, the employees of Nepalese financial institutions were the respondents for the survey. The women consist of 38.70% of the total participants and men consist of 61.30 % of the total participants.

Table 3
Age of Respondent

S. No.	Age	Total in number	Total in percentage
1	15-25	104	24.53%
2	26-35	252	59.43%
3	36-45	56	13.21%
4	46 and above	12	2.83%
	Total	424	100%

In the table 3, the employees of Nepalese financial institutions were the respondents for the survey. The age between 15-25 years consist of 24.53% of the total participants, the age between 26-35 years consists of 59.43 % of the total participants, the age between 36-5 years consists of 13.21 % of the total participants and the age above 46 years consists of 2.83% of the total participants.

Table 4
Marital status of Respondent

S. No.	Marital status	Total in number	Total in percentage
1	Married	192	45.28%
2	Unmarried	232	54.72%
	Total	424	100.00%

In the table 4, the employees of Nepalese financial institutions were the respondents for the survey. The married consist of 45.28% of the total participants and unmarried consist of 54.72 % of the total participants.

Table 5
Educational qualification of Respondent

S. No.	Educational qualification	Total in number	Total in percentage
1	Bachelor's degree	200	47.20%
2	Master's degree and above	180	42.40%
3	Upto Intermediate	44	10.40%
	Total	424	100%

In the table 5, the employees of Nepalese financial institutions were the respondents for the survey. The educational qualification upto intermediate level consist of 10.40% of the total participants, the educational qualification upto bachelor's degree consists of 47.20 % of the total participants, the educational qualification of master's degree and above consists of 42.40 % of the total participants.

Table 6
Income level of Respondent

S. No.	Income level	Total in number	Total in percentage
1	lower than 15,000	16	3.77%
2	15,001-30,000	92	21.70%
3	30,001-45,000	124	29.25%
4	45,001-60,000	60	14.15%
5	above 60,000	132	31.13%
Total		424	100.00%

In the table 6, the employees of Nepalese financial institutions were the respondents for the survey. The income level below 15,000 consists of 3.77% of the total participants, similarly, the income level of 15,001-30,000 consists of 21.70% of the total participants, income level of 30,001-45,000 consists of 29.25% of the total participants, income level of 45,001-60,000 consists of 14.15% of the total participants and income level above 60,000 consisted of 31.13% of the total participants.

Table 7
Position of Respondent in organization

S. No.	Position	Total in number	Total in percentage
1	Entry level	152	35.80%
2	Mid level	208	49.10%
3	Senior level	64	15.10%
Total		424	100%

In the table 7, the employees of Nepalese financial institutions were the respondents for the survey. 35.80% of total participants were seen working in entry level jobs, 49.10% of total

participants were seen working in mid-level jobs and 15.10% of total participants were seen working in senior level jobs.

Table 8
Years of work experience of Respondent in organization

S. No.	Number of years	Total in number	Total in percentage
1	1-5	256	60.38%
2	6-10	112	26.42%
3	above 10	56	13.21%
	Total	424	100.00%

In the table 8, the employees of Nepalese financial institutions were the respondents for the survey. 60.38% of total participants have work experience of 1-5 years, 26.42% of the total participants have work experience of 6-10 years and 13.21% of the participants have work experience above 10 years.

4.1.1.2 Analysis of Basic pay, rewards and benefits

Table 9
Analysis of Basic pay, rewards and benefits

	N	Minimum	Maximum	Mean	Std. Deviation
B1	424	1	5	2.98	0.982
B2	424	1	5	3.18	0.878
B3	424	1	5	2.91	0.987
B4	424	1	5	3.25	1.011
B5	424	1	5	3.1	1.056
Valid N	424				

In the table 9, the parameter of Basic pay, rewards and benefits in B1 is understanding employee satisfaction on current salary, B2 is developing salary comparison with similar organization, B3 is understanding the satisfaction on salary increment policies, B4 is enhancing employee satisfaction on bonuses and rewards, B5 is enhancing additional benefits that the employee receives like insurance benefits and retirement plans. The mean for all these parameters of Basic pay, rewards and benefits in its relation to employee job satisfaction is above 2 and below 3.5 under 5 point scale. This signifies that these

parameters satisfy the relation of Basic pay, rewards and benefits with employees' job satisfaction. However lower mean also signifies that respondents aren't very satisfied with Basic pay, rewards and benefits they receive from their current organization. Similarly, the standard deviation for all these parameters of Basic pay, rewards and benefits is slightly above 0.5 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent.

4.1.1.3 Analysis of Promotion, performance appraisal and evaluation process

Table 10

Analysis of Promotion, performance appraisal and evaluation process

	N	Minimum	Maximum	Mean	Std. Deviation
P1	424	1	5	3.20	0.977
P2	424	1	5	3.18	0.999
P3	424	1	5	2.98	1.074
P4	424	1	5	3.08	1.084
P5	424	1	5	3.43	1.057
Valid N	424				

In the table 10, the parameter of Promotion, performance appraisal and evaluation process in P1 is developing the common understanding about the career advancement, P2 is understanding about the career advancement opportunities, P3 is recognizing fair promotion in relation with job performance, P4 is conducting timely promotion and P5 is providing proper feedback about the performance to the team members. The mean for all these parameters of promotion, performance appraisal and evaluation process in its relation to employee turnover is above 2 under 5 point scale. This signifies that these parameters satisfy the relation of promotion, performance appraisal and evaluation process with employees' turnover. Similarly, the standard deviation for all these parameters is slightly above 0.5 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent.

4.1.1.4 Analysis of work schedule and work environment

Table 11
Analysis of work schedule and work environment

	N	Minimum	Maximum	Mean	Std. Deviation
W1	424	1	5	3.67	0.856
W2	424	1	5	3.64	0.883
W3	424	2	5	3.75	0.800
W4	424	1	5	3.15	1.045
W5	424	1	5	2.93	1.177
W6	424	1	5	2.88	1.071
Valid N	424				

In the table 11, the parameter of empowerment in W1 is figuring out comfortable physical work environment, W2 is leading to understand that employee are provided with necessary tools and resources, W3 is developing the understanding about the work relationship developing the discretion relationship between the management and the team members, W4 is understanding the communication between staffs and management, W5 is enhancing the working schedule and hours along with option of remote works and W6 is finding out the work-life balance. The mean for all these parameters of empowerment in its relation to employee job commitment is above 2.5 under 5 point scale. This signifies that these parameters satisfy the relation of work schedule and work environment with employees' turnover. Similarly, the standard deviation for all these parameters of empowerment is slightly above 0.8 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent.

4.1.1.5 Analysis of nature of work

Table 12
Analysis of nature of work

	N	Minimum	Maximum	Mean	Std. Deviation
N1	424	1	5	3.54	0.827
N2	424	1	5	3.09	1.043
N3	424	1	5	3.13	1.075
N4	424	1	5	3.25	1.027

N5	424	2	5	3.42	0.788
N6	424	1	5	3.45	0.983
Valid N	424				

In the table 12, the parameter of contingent reward in N1 is understanding the assigned role of the job, N2 is understanding employees active participation in decision making processes, N3 is developing the decision making capacity of the employee, N4 is developing skills and knowledge of employee, N5 is understanding employees satisfaction level with relation to variety of job assigned to them and N6 is developing the contribution of employee in organizations strategic goal and direction. The mean for all these parameters of nature of work in its relation to employee turnover is above 3 under 5 point scale. This signifies that these parameters satisfy the relation of contingent reward with employees' job commitment. Similarly, the standard deviation for all these parameters of contingent reward is slightly above 0.7 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent.

4.1.1.6 Analysis of Employees' turnover

Table 13

Analysis of Employees' turnover

	N	Minimum	Maximum	Mean	Std. Deviation
E1	424	2	5	3.39	0.908
E2	424	1	5	3.10	1.019
E3	424	2	5	3.56	0.860
E4	424	1	5	3.09	1.061
E5	424	1	5	3.80	0.863
Valid N	424				

In the table 13, the parameter of employees' turnover in E1 is leading to understand employees active search to switch the job, E2 is employees turnover intention in the past 6 months, E3 is developing employees thought on career growth opportunities in existing organization, E4 is employees attitude towards switching the job with same compensation level and E5 is leading to various factors within organization that leads to job switch. The

mean for all these parameters of employee job commitment in relation to organizational change is above 3 under 5 point scale. This signifies that these parameters satisfy the negative relation of employee turnover with factors of job satisfaction. Similarly, the standard deviation for all these parameters of employees' job commitment is slightly above 0.8 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent.

4.1.1.7 Analysis of relation of independent variables with dependent variable

Table 14

Analysis of relation of independent variables with dependent variable

	N	Minimum	Maximum	Mean	Std. Deviation
B	424	1.00	5.00	3.0849	0.72403
P	424	1.00	4.80	3.1755	0.82957
W	424	1.67	4.67	3.3381	0.63744
N	424	1.67	4.50	3.3129	0.60107
E	424	1.80	5.00	3.3887	0.72135
Valid N	424				

B: Basic pay, rewards and benefits; P: Promotion, performance appraisal and evaluation process; W: Work schedule and environment; N: Nature of work; E: Employee turnover

In the table 14, the mean of independent variables that are B, P, W and N in relation to dependent variable that is E is above 3 under 5 point scale. This signifies that all these independent variables satisfy their negative relation with the dependent variable. Similarly, the standard deviation for all these variables is slightly above 0.6 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent.

4.1.2 Association Analysis

In association analysis, the correlation is used to analyse the relation of job satisfaction and employee turnover are basic pay, rewards and benefits; promotion, performance evaluation and evaluation process; work schedule and environment and nature of work.

4.1.2.1 Correlation Analysis

Correlation is a statistical measure that expresses a measure to which two variables are linearly related. It measures the change between the variable together at a constant rate. The value of correlation lies within -1 to 1. A positive correlation i.e. 1 signifies that the

relationship between the variables is positive. It means that both variables move in same direction. Similarly, negative correlation i.e. -1 signifies that the relationship between the variables is negative. It means that both variables move in different direction. When the value between variables is 0 it is called as no correlation which means that there is no relation whatsoever between the variables.

Table 15
Correlation Analysis

	B	P	W	N	E
B	1				
P	.588**	1			
W	.346**	.592**	1		
N	.482**	.521**	.614**	1	
E	-.404**	-.527**	-.402**	-.334**	1

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

B: Basic pay, rewards and benefits; P: Promotion, performance appraisal and evaluation process; W: Work schedule and environment; N: Nature of work; E: Employee turnover

In the table 15, independent variables are B, P, W, N and dependent variable is E. The correlation between basic pay, rewards, benefits and employee turnover is -0.404, promotion, performance appraisal, evaluation process and employee turnover is -0.527, work schedule, environment and employee turnover is -0.402, nature of work and employee turnover is -0.334. There is negative correlation between these independent variables and dependent variable.

4.1.3 Impact and Regression Analysis

In impact and regression analysis, the model summary, Anova and coefficient analysis are used to analyse the relation of employee turnover intention and determinants of job satisfaction that are basic pay, rewards and benefits; promotion, performance evaluation and evaluation process; work schedule and environment and nature of work.

4.1.3.1 Model Summary Analysis

Table 16

Model Summary Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.551 ^a	0.304	0.297	0.60478

a. Predictors: (Constant), N, B, W, P

b. Dependent Variable: E

B: Basic pay, rewards and benefits; P: Promotion, performance appraisal and evaluation process; W: Work schedule and environment; N: Nature of work; E: Employee turnover

In the table 16, Pearson's correlation (R) is 0.551. Similarly, the coefficient of determination (R square) is 0.304. This signifies that there is negative correlation between independent variables and dependent variable.

4.1.3.2 ANOVA

Table 17

ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66.855	4	16.714	45.697	.000b
	Residual	153.251	419	0.366		
	Total	220.106	423			

a Dependent Variable: E

b Predictors: (Constant), N, B, W, P

In the table 17, the p-value is 0.000 which concludes that the difference in variables is significant and negative.

4.1.3.3 Coefficient Analysis

Table 18

Coefficient Analysis

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Beta		
1	(Constant)	5.333		28.644	0.000

B	-0.147	0.052	-0.148	-2.811	0.005
P	-0.314	0.051	-0.362	-6.146	0.000
W	-0.164	0.064	-0.145	-2.547	0.011
N	0.017	0.067	0.014	0.258	0.797

a. Dependent Variable: E

B: Basic pay, rewards and benefits; P: Promotion, performance appraisal and evaluation process; W: Work schedule and environment; N: Nature of work; E: Employee turnover

In the table 18, the basic pay, rewards and benefits has B of -0.147, t of -2.811 and p of 0.005. The p value is lower than 0.05, it signifies that basic pay, rewards and benefits have substantial effect on employee turnover in an organization. Also, the employee turnover will decrease by 0.147 units for every unit increase in basic pay, rewards and benefit.

The promotion, performance appraisal and evaluation has B of -0.314, t of -6.146 and p of 0.000. The p value is lower than 0.05 which signifies that promotion, performance appraisal and evaluation has substantial effect on employee turnover. Also, the employee turnover will decrease by 0.314 units for every unit increase in promotion, performance appraisal and evaluation process.

The work schedule and environment has B of 0.017, t of -2.547 and p of 0.011. The p value is lower than 0.05 which signifies that work schedule and environment does have substantial effect on employees' turnover. Also, the employee turnover will decrease by 0.164 units for every unit increase in betterment of work schedule and environment.

The nature of work has B of 0.039, t of 0.258 and p of 0.797. The p value is higher than 0.05 which signifies that nature of work have substantial effect on employees' turnover.

4.2 Discussion

In this section, the relationships of independent variable and dependent variable are interpreted as mentioned below.

4.2.1 Basic pay, rewards and benefits and Employee turnover

The mean of independent variable basic pay, rewards and benefits in relation to dependent variable that is employees' turnover is 3.0849. This signifies that basic pay, rewards and benefits satisfies its relation with employees' turnover. Similarly, the standard deviation for

all these variables is 0.72403 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent. The correlation between basic pay, rewards and benefits and employees' turnover is -0.404. There is negative correlation between these two variables. In the model summary, Pearson's correlation (R) is 0.551. Similarly, the coefficient of determination (R square) is 0.304. This signifies that there is negative correlation between them. In the Anova analysis, the p-value is <0.001 which is lower than 0.05. This signifies that significant relationship exists between basic pay, rewards and benefits and employees' turnover. In the coefficient analysis, basic pay, rewards and benefits (B) has B of -0.147 t of -2.811 and p of 0.005. The p value is lower than 0.05 which signifies that Basic pay, rewards and benefits have substantial effect on employees' turnover. These results show that there is significant negative relationship between basic pay, rewards and benefits and employees' turnover. These results are consistent with the study of Alam and Asim (2019).

4.2.2 Promotion, performance appraisal, evaluation process and Employee turnover

The mean of independent variable promotion, performance appraisal, evaluation process in relation to dependent variable that is employees' turnover is 3.1755. This signifies that promotion, performance appraisal, evaluation process satisfies its relation with employees' turnover. Similarly, the standard deviation for all these variables is 0.82957 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent. The correlation between promotion, performance appraisal, evaluation process and employee turnover is -0.527. There is negative correlation between promotion, performance appraisal, evaluation process and employee turnover. In the model summary, Pearson's correlation (R) is 0.551. Similarly, the coefficient of determination (R square) is 0.304. This signifies that there is negative correlation between promotion, performance appraisal, evaluation process and employee turnover. In the Anova analysis, the p-value is <0.001 which is lower than 0.05. This signifies that significant relationship exists between promotion, performance appraisal, evaluation process and employee turnover. In the coefficient analysis, the effective communication has B of -0.314, t of -6.146 and p of 0.000. The p value is lower than 0.05 which signifies that promotion, performance appraisal, and evaluation process has substantial effect on employees' job. Also, the

employee turnover will decrease by 0.314 units for every unit increase in promotion, performance appraisal and evaluation process. These results show that there is significant negative relationship between promotion, performance appraisal, evaluation process and employee turnover. These results are inconsistent with the study of Bhagwandeem (2021)

4.2.3 Work schedule, environment and Employee turnover

The mean of independent variable work schedule and environment in relation to dependent variable that is employees' turnover is 3.3381 This signifies that these parameters satisfy the relation of work schedule and work environment with employees' turnover. Similarly, the standard deviation for all these parameters of empowerment is slightly above 0.8 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent. The correlation between work schedule, environment and employee turnover is -0.402. There is negative correlation between work schedule, environment and employee turnover. In the model summary, Pearson's correlation (R) is 0.551. Similarly, the coefficient of determination (R square) is 0.304. This signifies that there is negative correlation between work schedule, environment and employee turnover. In the Anova analysis, the p-value is 0.000 which is lower than 0.05. This signifies that significant relationship exists between work schedule, environment and employee turnover. In the coefficient analysis, the empowerment has B of 0.017, t of -2.547 and p of 0.011. The p value is lower than 0.05 which signifies that work environment and schedule have substantial effect on employees' turnover. These results show that there is significant negative relationship between work schedule, environment and employee turnover. These results are inconsistent with the study of Ghayas and Siddiqui (2022).

4.2.4 Nature of job and Employee turnover

The mean of independent variable nature of job in relation to dependent variable that is employees' turnover is 3.3129. This signifies that nature of job satisfies its relation with employees' turnover. Similarly, the standard deviation for all these variables is 0.60107 which is significantly lower than the mean. This signifies that there is less variability in the data set and the values are close to the mean value and the values are more consistent. The correlation between nature of job and employees' turnover is -0.334. There is negative

correlation between nature of job and employees' turnover. In the model summary, Pearson's correlation (R) is 0.551. Similarly, the coefficient of determination (R square) is 0.304. This signifies that there is negative correlation between nature of job and employees' turnover. In the Anova analysis, the p-value is 0.000 which is lower than 0.05. This signifies that significant relationship exists between nature of job and employees' turnover. In the coefficient analysis, the nature of job (N) has B of 0.039, t of 0.258 and p of 0.797. The p value is more than 0.05 which signifies that nature of job does not have substantial effect on employees' turnover intention. These results show that there is significant negative relationship between nature of work and employees' turnover. These results are inconsistent with the study of Anwar and Shukur (2015)

CHAPTER 5

SUMMARY AND CONCLUSION.

This chapter includes the research summary, conclusion and implications of the study. This chapter is divided in three sections. The first section gives the overview of the study. The second section provides the conclusion of the study. The third section provides the recommendations.

5.1 Summary

Job satisfaction plays one of the crucial role in any organization to reduce the employee turnover. Employees who are satisfied with their jobs will, be productive, will build good work environment and peer relation and stay within the company for a very long time. The primary aim of this study was to explore the correlation between factors influencing job satisfaction and employee turnover. The study has been focused on employees working in Nepalese financial institutions. Descriptive research design and comparative analysis strategies has been used to achieve the stated objective. Several literatures from various authors have been discussed to develop the understanding about the relationship between determinants of job satisfaction along with employee turnover rates. Data were gathered from respondents through a structured questionnaire. 5-point Likert scale was used. This study relies on primary data collected from a sample of 424 employees representing various financial institutions. IBM SPSS Statistics Viewer software 25.0.0.0 was used to analyse the data collected for this research.

In order to study the relationship between the independent variables that are basic pay, rewards and benefits; promotion, performance evaluation and evaluation process; work schedule and environment and nature of work with dependent variables that is employees' turnover; descriptive analysis, association analysis and impact and regression analysis were used. Mean, standard deviation, correlation coefficient, regression analysis and Anova were used as a statistical tool to study the relationship between dependent and independent variables. The study had found out that there exists negative relationship between determinants of job satisfaction and employee turnover in Nepalese financial institutions. This means that employee are more likely to leave their job when they are dissatisfied with the organization. Various determinants like pay, promotion, rewards and benefits, work

environment, supervisor relation etc play a major role in determining job satisfaction level in an individual.

The key findings of the study are outlined as follows:

1. There exists negative relationship between determinants of job satisfaction and employee turnover.
2. Most of the employee working in mid-level jobs aged 26-35 were mostly dissatisfied with the organizations job satisfactions determinants primarily pay, rewards and benefits and management practice and were actively searching for other similar jobs.
3. Basic pay, rewards and benefits had the most impact on employee turnover whereas nature of work had the least impact, which shows that pay is the primary driving factor of job satisfaction.

5.2 Conclusions

This study shows that there is a significant negative relationship between job satisfaction and employee turnover. This means that when an employee is satisfied in the organization he/she is less likely to switch jobs. The employee shall willingly continue to work in the existing organization which in return reduces the rate of employee turnover.

This study also shows that there is a positive relationship between basic pay, rewards, and benefits with job satisfaction and a negative relation with employee turnover. An increase in the determinants like pay is likely to increase satisfaction level and decrease the turnover and vice versa.

Similarly, the study shows that there is a positive relationship between promotion, performance appraisal and evaluation process with job satisfaction and negative relation with employee turnover. Carrying out fair and transparent promotion policy on a timely basis is likely going to make employees satisfied with the current organization as they are regularly provided with career advancement opportunities.

Accordingly, the study shows there is positive relationship between work schedule and environment with job satisfaction and negative relation with employee turnover. Flexible

working hours, shift basis system, work from home etc attracts the employees to switch the job even under same pay scale.

In conclusion, the study demonstrates a positive correlation between the nature of work and job satisfaction, and a negative correlation with employee turnover. Employees exhibit higher satisfaction in organizations where they have the freedom to make decisions and suggestions, and where their opinions are valued in managerial decision-making processes.

Based on the findings from the responses, it can be concluded the financial sector should prioritize enhancing job satisfaction levels by addressing factors such as rewards and benefits, improving the work environment, and providing training and development opportunities to employees.

5.3 Implications

This study represents initial steps toward exploring the relationship between factors influencing job satisfaction and employee turnover within Nepalese financial institutions. Since job in Nepalese financial institutions are considered very highly by everyone, this study had tried to study whether employee working in these institutions are satisfied with their job or not. Similarly further research can be carried out in other similar type of industry as well. Due to time crunch data has been mostly collected from respondent of Kathmandu valley only thus further research can be carried out in other cities as well incorporating wide geographical character of the respondents. This study has been done under only few variables thus future researches can be carried out incorporating other determinants like job characteristics, organizational commitment, motivation, peer relation etc. Basic pay, rewards and benefits had shown major impact on job satisfaction thus organizations should consider raising the compensation and benefits for employees to reduce the employee turnover.

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APPENDIX
JOB SATISFACTION AND EMPLOYEE TURNOVER IN NEPALESE
FINANCIAL INSTITUTIONS

Dear Respondent,

This study is designed to understand Job Satisfaction and Employee Turnover in Nepalese Financial Institutions. The survey will take a few minutes to complete and the information provided by you will only be used for this academic purpose. Your response will be kept confidential. I request you fill in the question based on your knowledge and experience.

Thankyou for your understanding and cooperation

Regards,

Anisha Shahi
Shanker Dev campus

Q1. Age:

- 15-25
- 26-35
- 36-45
- 46 and above

Q2. Gender:

- Male
- Female
- Others

Q3. Marital Status:

- Married
- Unmarried

Q4. Education Level:

- Up to Intermediate
- Bachelors
- Masters and Above

Q5. Income Level:

- less than 15000
- 15001 to 30000
- 30001 to 45000

- 45001 to 60000
- 60001 and above

Q6. Position in the organization:

- Entry level
- Mid level
- Senior level

Q7. Years of experience:

- 1-5 years
- 6-10 years
- Above 10 years

Following are the factors that determines job satisfaction and its impact on employee turnover. Please tick a right mark to reflect your opinion:

1	2	3	4	5
Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree

S.N.	Items	Responses				
		1	2	3	4	5
8	Basic pay, Rewards and Benefits					
8.1	I am satisfied with my current salary?					
8.2	My salary is competitive compared to similar organization?					
8.3	I am satisfied with salary increment policy in my current organization?					
8.4	The rewards I get i.e. bonuses and incentives is satisfactory to make me motivated and continue working in the same organization?					
8.5	I am satisfied with the benefits package (healthcare, retirement plans, etc.) provided by my organization?					
9	Promotion, Performance appraisal and evaluation process	1	2	3	4	5
9.1	Career advancement criteria are clear in my organization?					
9.2	I find opportunities for advancement in my organization?					
9.3	I believe promotions are given fairly based on employees'					

	skills and performance?					
9.4	Promotions are conducted timely and transparently in my organization?					
9.5	I receive guidance and support from my superiors regarding professional growth and advancement?					
10	Working schedule and environment	1	2	3	4	5
10.1	I find the physical work environment (office space, equipment, etc.) comfortable and as per work requirement?					
10.2	Necessary tools and resources are easily provided to me?					
10.3	The members of my department are generally cooperative.					
10.4	The communication between staffs and upper management are open and effective?					
10.5	I am satisfied with the flexible work hours and options available for remote work?					
10.6	My organization promote a healthy work-life balance for its employees?					
11	Nature of the Work	1	2	3	4	5
11.1	I find the tasks and responsibilities of my current role meaningful?					
11.2	My organization allows my participation in decision making process.					
11.3	I am able to make independent decisions in my job?					
11.4	I am satisfied with the training and career development programs.					
11.5	I satisfied with the variety and diversity of tasks I am assigned within my role?					
11.6	My current role allows me to contribute to the organization's strategic goals and direction.					
12	Employee Turnover	1	2	3	4	5
12.1	I actively explore job opportunities outside of this organization?					
12.2	I have seriously considered leaving this organization in the past six months?					
12.3	I think my career growth prospect is limited if I continue to stay in this organization.					
12.4	I am likely to accept another job at the same compensation level if it is offered to me.					
12.5	There are various specific factors within this organization that makes me more inclined to consider leaving.					

JOB SATISFACTION AND EMPLOYEE TURNOVER IN NEPAL...

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Abstract Financial institutions are the firms that provide financial services and advice to clients. Since financial sector is a profession of dynamism, the employees working in financial sectors are always surrounded by challenges. The fundamental

objective of this study is to identify the determinants of job satisfaction and

to show the relationship between job satisfaction and employees' turnover in financial institutions of Nepal.

In order to achieve the objectives, primary data collection was performed by providing questionnaire to 700 employees of

financial institutions covering commercial bank, development bank, finance and cooperative. The questionnaire was divided into two sections. The first section included the demographic aspects of the respondents. The second section included questions under five point Likert scale. Weighted mean value, standard deviation, correlation, regression and Anova

of each variable were used to examine the relationship between dependent and independent variables as for the study purpose. The major conclusion of the study shows that

there is a significant negative relationship between job satisfaction and employee turnover.

This study can be regarded as the preliminary steps in investigating the relation among

determinants of job satisfaction and employee turnover in context of Nepalese financial institutions. Basic pay, rewards and benefits had shown major impact on job satisfaction thus organizations should consider raising the compensation and benefits for employees