



AN EMPIRICAL STUDY ON JOB SATISFACTION AND EMPLOYEE TURNOVER IN CELL PHONE SERVICING COMPANIES: BANGLADESH CONTEXT

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ABSTRACT

This paper aims to analyze the critical factors that lead to job dissatisfaction and high employee turnover at cell phone servicing companies in Bangladesh. The Nokia Care was chosen from three big mobile phone servicing companies as a case study to understand the grounds and factors leading to high employee turnover in mobile phone servicing companies in Bangladesh. The study reveals that the managers' mind set and management policy are more consistent with Taylor's scientific theory. According to Taylor employees are likely to work harder when they are being pressurized and supervised closely to ensure the maximum expected output from them. Employees in Nokia Care are regarded as unreliable by their senior managers who develop strategies that they consider to be the 'one best way' for carrying out jobs throughout the organization. Management also believes that for optimum results job roles should be divided into several tasks that are carried out by different employees. The study also reveals their preference for the right person and the right tool for performing any task. On the other hand, employees' viewpoints are different to the managers; they often possess an indifferent mentality to their work and most of the employees do not consider working in Nokia Care as their long term future career. Some employees argue that it's better to do something rather than be doing nothing. Despite the few amenities provided by the company, employees are still displeased with their salaries and any rewards given as incentives and they regard their working conditions as being unfair.

Keywords: Employee turnover, job satisfaction, motivation, organizational theory and behavior

INTRODUCTION

One of the greatest challenges for any organization is to improve its level of efficiency and productivity. An increase in productivity and efficiency can be achieved not only by applying

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particular techniques and adapting advanced technologies but also by taking into account its employee's behaviors and attitudes. To gain a productive and positive behavior from its employees, management needs to create a sound motivational environment within the entire organization. A positive motivation throughout the workforce is likely to lead a company to grow more smoothly in terms of production, productivity and effectiveness. Motivation is an important and unavoidable factor to be considered by an organization, and motivation relies on several elements rather than simply payments or wages (Hall *et al.* 2001). It is argued that if an individual's needs are not satisfied, then that worker will not be motivated to work. A lack of motivation may lead to reduced effort and lack of commitment. For cell phone servicing companies such as Nokia Care, client satisfaction is an obligatory factor and as mentioned above motivation has an important role to play, as excellent customer service can only be achieved when the employees are motivated and satisfied in their job. Moreover, employees play a significant role in achieving the objectives of Nokia Care and could be regarded as a key factor for business success.

Objectives of the study

This article aims to identify the factors that influence employees to leave their employment at Nokia Care. The main objective of the study is to uncover causes and critical factors that contribute to the high turnover of employees from the mobile phone servicing companies in Bangladesh. For achieving the core purpose of the study, the following objectives are considered:

1. To understand the Organizational and working procedures of Nokia Care and identify possible causes behind the tendency for high employee turnover in cell phone servicing companies of Bangladesh.
2. To explore whether and if so, then how job dissatisfaction causes high employee turnover in an organization.
3. To provide policy suggestions for ensuring job satisfaction and reducing high employee turnover tendency.

Methodology of the study

The following section demonstrates the methodological approach used in this study. The main purpose of this chapter is to assist the reader to understand the process which has been undertaken in selecting the most appropriate method for conducting the research.

Data collection tools

The study is based on an empirical study on employee motivation in a cell phone servicing company named Nokia Care. The data for this research was collected through both primary and secondary data. Secondary data is collected from various books, journals and newspapers. The main empirical method used for data collection and analysis was by the use of surveys

(questionnaire to the employees and managers). Some qualitative methods such as observation and in depth interviews with the clients were also applied. The author also followed Focus Group Discussion (FGD) for understanding the grounds and factors responsible for employee turnover in the company. So, both quantitative and qualitative data collection tools were applied as complementary methods in order to ensure validity and reliability of the research. At the first stage library based secondary data research was undertaken to identify the main themes in employee motivation. The reason for using the available electronic and library journals, books and online database etc. is because it was easier to find information and it is more up to date. The availability of secondary data also saves time and money. Surveys can be carried out in a number of ways, based on primary research obtained from questionnaires completed by focus discussion groups. The combination of both techniques was considered to be the most appropriate method of collecting data for this research. The research design involved the collection of quantitative data using a questionnaire survey method from participants working in different levels of the company. To measure both managers and employees' viewpoints, a questionnaire survey is considered to be the most appropriate method for this research.

According to Sekaran (2000), "A questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives". Part of the questionnaire was developed based on the outcome factors derived from the literature review and also partly from the outcome of the focus group discussion (Beckett et al. 2000). The Questionnaire was selected as one of the primary research techniques because it is an efficient data collection mechanism for providing the researchers with the information they require and how to measure the variables of interest. A focus group discussion was also conducted with employees. The main purpose of this technique was to find out different perspectives of both employees and managers in respect to the lack of motivation and job dissatisfaction in Nokia Care which derived from the literature review. The result of the focus group discussion was particularly helpful in designing the questionnaire. The questionnaire was found to be very satisfactory as far as the subjects' comprehension of the questions was concerned. However, the pilot survey resulted in the following issues being taken into account for the questionnaire:

- 1) Some words used in the questionnaire seemed to be ambiguous and confusing to the respondents.
- 2) Subjects were facing problems in expressing their feeling in terms of the 7 point scale allotted to each item to determine their overall expectations.

To overcome these problems more suitable words were used to enable ease of understanding and the 7 point scale was reduced to a 5 point scale. Following the necessary modifications on the basis

of the above observations from the pilot survey, it was decided to proceed to the final study. The subjects in the pilot survey were not included in the final study.

Questionnaire design

Design has been defined as the deliberately planned arrangement of conditions for analysis and collection of data in a manner that aims to combine relevance to the research purpose with economy of procedure (Selltiz et al. 1981). West, (1999) points out that the lists created as a result of respondents participating in a survey must remain confidential. Further, the introduction used in this questionnaire explains the purpose of the survey. The questionnaire was designed using closed ended questions. According to Yin et al. (1989)“a closed question would ask the respondents to make choices among a set of alternatives given by the researcher”. Closed questions help the respondents to make quick decisions to choose among the several alternatives before them. They also help the researcher to code the information easily for subsequent analysis. The main reason for using this type of question was that the data could be processed more easily and it also did not require any explanations or prompting to respondents. In this research, the researcher used the Brayfield-Rothe scale to determine the response of the respondents. Here the researcher used a 5 point scale which was indicated by “Strongly agree”, “agree”, “undecided”, “disagree” and “strongly disagree”. The scale received 5 for “Strongly agree”, 4 for “agree”, 3 for “undecided”, 2 for “disagree” and 1 for “strongly disagree”.

Population and sample

100 questionnaires were distributed in total to the employees working in Nokia Care and 60 questionnaires were returned, signifying a response rate of 60%. 15 questionnaires were returned out of 30 distributed to the officials working in Nokia Care, signifying a response rate of 50%. As it was not possible to reach all the employees, the non-proportional quota sampling method was used in conducting the survey. This method allows the researcher to specify the minimum number of sample units she wants and is not concerned with having numbers that match the proportions in the population. The quota sampling method is the non-probabilistic analogue of stratified random sampling characteristically used to assure that smaller groups are adequately represented in the sample (Trochim, 2006).

Hypothesis of the study

The null hypotheses are presented below:

H₀-1: Employer-employee relationship does not play any role on turnover.

H₀-2: Existing wage rate has no effect on job satisfaction and high turnover.

H₀-3: Incentives do not play any role on turnover.

H₀-4: Working conditions have no effect on turnover.

H₀-5: Flexible scheduling does not play any role on turnover.

H₀-6: Job satisfaction has no effect on turnover.

Here the dependent variable is labor turnover and the independent variables are employer-employee relationship, wage rate, incentives, working conditions, flexible scheduling and job satisfaction. The collected data were processed and analyzed in logical order. In analyzing data, SPSS was used for T-test in order to accept or reject the null hypothesis and a 5% level of significance is used to signify the results.

Findings and analysis

The author collected data from 100 respondents. The following discussion illustrates the perceived results of the questions. The study indicates that of the 100 respondents 30% are male and 70% are female. So, the study reveals that the majority of the employees of the Nokia Care are female. The age limit of the respondents of the company is within 25 to 40 years. The study also demonstrates that a very small number of employees (12%) retain their position for more than 3 years. 35% of employees maintain their position for 1 to 3 years. So, it is evident that a majority of the employees leave their job with the organization within 3 years. Whilst there are some conditions offered by the company which are enjoyed by the respondents, the respondents dislike some aspects and actions of the company. The study illustrates that the working conditions (65%) and flexible scheduling (90%) are the most enjoyable elements for the employees but the salary rate (00%) and incentives (02%) are the least enjoyable aspects for them. Fewer (15%) respondents enjoy job satisfaction. The researchers found that salary rate is the least enjoyable factor in the company. 100% of employees expressed this opinion. The second least enjoyable element is incentives (98%) followed by employer-employee relationship (90%) and job satisfaction (85%). It is overstated that 100 respondents have been interviewed through interview schedules. Six hypotheses have been tested through t-test for finding causes behind turnover of the company. Please see the attached T-test Table.

Table 1: T-test for testing hypotheses

Variables	Unstandardized Coefficient		Standardized Coefficient	t-value	p-value
	B	Std. Error	Beta		
Constant	6.096	0.072		84.584	0.000
1. Employer-Employee Relationship	-0.191	0.056	-0.180	-3.400	0.001*
2. Wage Rate	-0.487	0.071	-0.473	-6.844	0.000*
3. Incentive	-0.193	0.058	-0.182	-3.318	0.001*
4. Working Conditions	-0.009	0.008	-0.023	-1.166	0.247
5. Flexibility in Scheduling	-0.001	0.012	-0.002	-0.085	0.933
6. Job Satisfaction	-0.151	0.038	-0.163	-3.946	0.000*

Source: The author

From these tests the author found that the null hypothesis No. 1, 2, 3 and 6 are rejected and the null hypothesis 4 and 5 are accepted. These tests are based on a 5% level of significance. The interpretations of the tests are given below:

H₀: 1 Employer-employee relationship does not play any role on turnover.

The Table-1 shows that the p-value is 0.001. So, the null hypothesis is rejected on the basis of 5% level of significance i.e., employer-employee relationship plays a vital role on turnover.

H₀: 2 existing salary rates have no effect on turnover.

From the Table-1, it is shown that the p-value is 0.000. So, the null hypothesis is rejected on the basis of 5% level of significance i.e., the existing wage rate has an effect on turnover.

H₀: 3 Incentives do not play any role on turnover.

It is shown that the p-value is 0.001. So, on the basis of 5% level of significance the null hypothesis is rejected i.e., incentives play a positive role on turnover.

H₀: 4 working conditions have no effect on turnover.

It is found that the p-value is 0.247. So, the null hypothesis is accepted on the basis of 5% level of significance i.e., working conditions have no effect on turnover.

H₀: 5 Flexible scheduling does not play any role on turnover.

From the above table it is observed that the p-value is 0.933. So, the null hypothesis is accepted on the basis of 5% level of significance i.e., flexible scheduling does not play any role on turnover.

H₀: 6 Job satisfactions have no effect on turnover.

The above mentioned table depicts the p-value is 0.000. Hence, the null hypothesis is rejected on the basis of 5% level of significance i.e. job satisfaction has a positive effect on turnover.

Considering the above discussion it can be said that the turnover of the company is high due to poor employer-employee relationships, low wage rates, less incentives and lack of job satisfaction. But the working conditions of the company are not so bad and there is an opportunity for flexibility with their schedules. Other causes for high turnover have been identified by the researcher through focus group discussion viz. career change, ill health, unfair treatment, poor induction & training, inability to continue the services and lack of career development.

DISCUSSION

Based on results gathered from the study, a discussion of theoretical and practical implementations is presented in this section. The study shows that 73.33% of managers thought that employees work hard when they are under pressure which is consistent with Taylor's theory. In case of reliability 9 out of 15 managers thought that the employees are unreliable which is consistent with the findings of Bacon and Blyton and Pruijt' s study findings(Bacon and Blyton, 2000, Pruijt, 2000). For maximum output, employees should always be supervised and directed. 66.67% managers assume

that for maximum output members always need to be supervised which fulfills one of the most important principles of Taylor's scientific theory. Task allocation means breaking tasks into smaller and smaller sub tasks to ensure the most favorable result to the task completion. When the managers were asked about task allocation they (86.67%) replied strongly in favor of this. It is supported by Freeman, (1996) and Sandrone, (1997) that chain of command is necessary to maintain discipline and management control in any organization. The management viewpoints are similar. 93.33% strongly believe this fact and it is consistent with the review done by Smith in 2005.

According to Taylor (1998), to perform any job efficiently, the right person and right tool is essential. The managers' perspective absolutely matches with this fact and 100% showed their agreement with it. Taylor thought that for maximum efficiency there is one and only one method that should be used. In regard to the one best way, 67.67% of managers strongly believe in this fact. Higher production leads to higher income and when managers were asked about this, more than half strongly agreed while 26.67% just agreed with this statement. All these three considerations (right person and right tool; one best way; and higher production higher income) were reflected upon review (Smith, 2005). Nokia Care is well known for providing opportunities for its employees to work flexible hours according to their convenience. Most of the employees are working for this reason. The study shows that 55% of the employees are strongly interested as it provides flexible hours and 23.33% are in favor of this. This is supported by the various studies undertaken by Curtis and Lucas, (2001); Mizen et al. (1999); Lucas and Lammont, (1998). 85% of the employees agree strongly that the pay rate given is far from being a decent payment. People usually working for an organization expect a good remuneration. This expectation is no different for those working in a mobile phone servicing company. 53.33% of the employees agree that they are not being given a fair reward for their hard work and 25% of the employees agree to this strongly. Employees believe that the company does not value their hard work.

In case of making new friends in work place 61.66% employees agreed that they formed new friendships within the company and 20% strongly agreed with this. This is supported by Lucas and Lammont, (1998). Most of the employees do not consider employment with this company as their future career. Only 2 employees out of 100 choose a career path in Nokia Care. 71.67% employees strongly disagreed to choose Nokia Care as their long term future career. From the above discussion it could be said that the managers of top, middle and lower levels assume that employees are likely to work harder when they are being pressurized and supervised closely to ensure the maximum expected output. Employees of this company are also regarded as unreliable by Senior Management. Managers also believe that a chain of command is necessary to maintain discipline and management control. Moreover, the management also tends to set their own work strategies and consider these to be the 'one best way' for carrying out jobs within the organization. They also

believe that jobs should be divided into several smaller tasks to be undertaken by different employees in order to achieve optimum results. They prefer the utilization of the right person and the right tool for performing any task. It could be stated that the managers of the company exhibit a frame of mind which compiles more with Taylor's scientific theory. Employees' views are different to the managers; they often possess an indifferent mentality to their work. Most of the employees do not consider working in the company as their future career, and one of the possible reasons for this is the flexible hours provided to them. Despite the working conditions provided, employees are still displeased with their salaries and rewards given as incentives and regard these as being unfair.

Policy implications

Nokia Care is known as a diversified cell phone servicing company in Bangladesh. However, the company suffers from a high level of employee turnover and the author has uncovered some reasons that contribute to this situation. On the basis of data collected and observations, the researcher suggests some policy recommendations that may assist in overcoming the problem. It has been found that the employees of Nokia Care are not satisfied with their salaries. This is one of the most significant contributors to job dissatisfaction and high turnover of company employees. It is suggested Nokia Care revise their premium and overtime rates. The findings revealed a negative relationship between employees and their managers/supervisors in Nokia Care. They are dissatisfied with the management for their unfair treatment. A managers' rough behavior towards employees, sometimes demotivates the employees and this leads to excessive employee turnover. To help overcome this problem the researcher suggests management create a more cordial and respectful atmosphere for the employees in the company.

Cell phone servicing companies earn more profit than mobile phone companies but no financial incentive is given to the employees and this creates dissatisfaction among them. The author recommends that a financial incentive should be given to the employees to motivate them to work harder and achieve more job satisfaction. Furthermore, it has been revealed that there is no job satisfaction in Nokia Care due to a variety of other reasons. Management should be aware of the reasons that contribute to the dissatisfaction of their employees and take quick remedial measures to address these. This would help to ensure more job satisfaction for the employees and help motivate them towards providing better services. The management could adopt a technique of job rotation, job enlargement and job enrichment to make the job less monotonous. It is easy to get a job at Nokia Care due to the high turnover of staff resulting from inadequate salaries and lack of opportunities for promotion. This suggests that the company does not want employees to work with them for long. Because employees at Nokia Care have no job satisfaction from the beginning due to the limited promotional opportunities they readily accept a job with another company that offers better conditions. If Nokia Care provided improved conditions and a more cordial and prestigious

environment this problem may be reduced. Financial and behavioral changes should be considered by the company to improve this situation.

Furthermore, induction and training systems that prevail in Nokia Care are insufficient. When frontline workers commit mistakes in their services because of inadequate training, the result negatively impacts on the organization as a whole. This is why many employees lose their jobs and new employees need to be recruited. It is hoped that through initial training and ongoing job development programs, productivity and morale strength would be increased. Consequently staff turnover would be reduced. It is also reported that there is no scope for employees to develop a career path as a respected jobholder. If Management provided increased opportunities for employees, both financially and environmentally, they may consider maintaining their employment in Nokia Care for a long time.

CONCLUSION

In summary, the study has been undertaken in one of the mobile phone servicing companies in Bangladesh to better understand employer employee relationships and other related factors that are responsible for employee's job dissatisfaction. The recommendations mentioned above can be applied to any organization which suffers from high rates of employee turnover. Lasting development of an organization can only be possible if employees have job satisfaction and organizational commitment. Therefore, it could be stated that the managers in Nokia Care are applying Taylor's scientific theory in the workplace by making their employees work harder and supervising them closely with the intention of achieving the maximum level of output. On the other hand, the employees tend to possess an indifferent mentality to their work by not viewing the job in the company as their future career. In fact they are merely working in the company for survival and to cover their daily expenses. It could be concluded then, that both the employees and the employers are successful from their own point of view as they are both meeting their different needs and aspirations. The researchers and practitioner's need to carry out further research and analysis on the employee relationships with the company and try to build a stronger link between them despite the fact that the scientific theory doesn't take the employees concerns into account. This is likely to make the corporate factors such as production and supervision more effective.

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