

Research Article

Factors influencing the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks : A discriminant analysis approach

■ C. MURALIDHARAN AND R. VENKATRAM

ARTICLE CHRONICLE :

Received :
12.08.2013;
Revised :
01.09.2013;
Accepted :
15.09.2013

SUMMARY : This paper examined the factors influenced the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks. Total sample size of 201 Specialist officer (Agriculture) form public sector bank and 51 private sector banks were selected and personally interviewed. Research results revealed that in case of all banks, compensation, job design, pay promotion and work stress were common factors that influenced the intention to quit behaviour. In case of public sector banks, compensation, career management, transfer, job design, pay promotion, work itself, supervisor, family situation, continuance commitment, health reasons and work stress were strong predictors. However, in case of private sector banks, compensation, work environment, job design, pay, promotion, peer pressure, achievement of loan targets, and work stress were influenced the intention to quit behaviour. Further, this study brought out the major HR challenges and issues faced by Specialist officer (Agriculture) in public and private sector banks. Finally, some important strategies were suggested to avoid the intention to quit behaviour of Specialist officer (Agriculture) employed in public and private sector banks.

KEY WORDS :

Intention to quit, Public sector banks, Private sector banks, Specialist officer (Agriculture), Discriminant analysis

How to cite this article : Muralidharan, C. and Venkatram, R. (2013). Factors influencing the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks : A discriminant analysis approach. *Agric. Update*, 8(4): 527-531.

BACKGROUND AND OBJECTIVES

As on 31 March, 2012, 70,314 number of public sector bank (PSB) branches were functioning in India. Around 7.75 lakh employees were employed in PSBs. It is reported that 3.23 lakh employees (45%) are due to retire in the coming next three to four years and 6.0 lakh (80%) employees will be retiring over the period of next ten years. There has been a tremendous increase (31.95% growth) in the number of candidates registered for the banking career exams from the year 2001-02 to 2010-11. It shows that majority of the youths are preferring banking as their career (Muralidharan and

Venkatram, 2013).

Even though majority of youths preferring the banking as their career, but the attrition level of banking industry is also high next to information technology sector. Intention to quit and attrition were two buzzwords mostly related to private sector banks, but it is happening in public sector banks too. There were different factors which affect the employee turnover in banks. All these causal factors which lead to intention to quit will be studied in the following chapters. Chakrabarty (2012) reported that the banking system may increasingly face the problem of staff attrition in the coming years and banks have to tackle the issue. There is a need

Author for correspondence :

C. MURALIDHARAN
Department of Agricultural
and Rural Management,
Tamil Nadu Agricultural
University, COIMBATORE
(T.N.) INDIA
Email: muraliabm@
gmail.com

See end of the article for
authors' affiliations

for adequate focus on Human resource management and adequate care for manpower.

One in four employees in the organized sector in India is switching jobs, the highest attrition rate globally (Biswas, 2013). Highest attrition (39%) occurred in the employees with experience of up to five years experience, while it was 27 per cent for those with 5-10 years of experience and 22 per cent in the 10-15 years' experience bracket. However, senior-level employees (experience more than 15 years) had a very low attrition rate of 15 per cent (Anonymous, 2011). Intention to quit in the organization refers to an individual's perceived probability of staying or leaving an employing organization.

Banks introduced innovative ways of engaging the staff in order to arrest the intention to quit behavior. e.g; 'Citizen SBI' of State Bank of India, 'Spandan' of Canara Bank, 'Baroda Manthan' of Bank of Baroda and 'Jagruti' of Allahabad Bank. Some other banks like IDBI have introduced 'Hotline' for the staff to directly communicate with CMD. A well-designed and operationalized 'Suggestions Scheme' is also practiced in some banks. These programmes are conducted on a continuous basis covering wider section of staff at different locations of rural and semi urban branches. In these programmes, staffs were sensitized about the larger vision of the bank and customer services issues. This will motivate the employees to perform better in their job. Sometimes, job satisfaction attitude might also influence the attrition level of employees but the causal factors may be different. There were chances of highly satisfied employees might quit the job due to other causal factors. So in this study the factors responsible for intention to quit were studied and discussed in the following paper.

March *et al.* (1958) defined intention to quit is the psychological process that an individual goes through when they are considering alternative employment options due to some measure of dissatisfaction with their current employment situation. The ultimate decision to leave, results when job dissatisfaction is at a level sufficient that the employee has reached a decision on the desirability of movement and the perceived ease of movement. A study was conducted on intention to quit behaviour of employee in the organization. Results showed that different factors for the causes of the intention to quit of employees were personal preferences, and organizational level factors and human resource practices. Intention to quit was classified in to four types. According to Maertz and Campion (2004), there were four types of quitters that could be identified by the circumstances surrounding their decision to quit. The first type is impulsive quitters. They were employees who quit without any pre-planning and are usually motivated by a strong negative event and difficult for management to predict or prevent. The second type is comparison quitters. These

employees are drawn away from their job through attractive alternatives and typically do not have strong negative affects toward their current employer. The third type is preplanned quitters. These employees have a goal in mind regarding when they will quit. The final type of quitter is the conditional quitter. Conditional quitters make decisions to quit when an uncertain event or shock occurs. This type of event or shock includes the possibility of a better job offer, being overlooked for a promotion, or may be related to work conditions such as the way they are treated by a supervisor. They typically experience some type of negative affect toward the organization. Griffeth *et al.* (2000) studied empirically the relationship between intention to quit and job satisfaction. Results showed that attitudinal constructs such as job satisfaction account for less than 5 per cent of the total disagreement in turnover and almost 95 per cent of the job satisfaction was in agreement with turnover of employees. Further Wei (2009) conducted a study, involving 164 respondents from a leading Chinese retail organization. The results indicated that strong support for the negative relationship between employee turnover intention and job satisfaction. Frontline employees expressed higher levels of intention to leave their job than management/office employees. Besides, Price and Mueller (1981) developed a causal model for voluntary turnover. They proposed seven determinants that have an indirect impact on turnover through job satisfaction. Those determinants were repetitive work, participating in job related decisions, being informed of job related issues, having close friends as co-workers, receiving good pay, being fairly compensated and having an opportunity to obtain a better job within the organization. Form the above reviews, following objective was framed.

– To identify discriminant factors responsible for intention to quit behavior of specialist officers in public and private sector banks.

RESOURCES AND METHODS

In the present study factors influencing the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks were identified. A multi stage sampling method was adopted to select the respondents. Totally, 290 Specialist officers (Agriculture) were employed in both public and private sector banks in Coimbatore zone (Coimbatore, Erode, Nilgiris, Tiruppur and Salem). Among these officers, majority (222) of them were working in public sector banks and remaining 68 of them were working in private sector banks. All the officers were selected for the study. However, only 150 Specialist officers (Agriculture) from various public sector banks and 51 Specialist officers (Agriculture) from private sector banks have finally agreed and provided the details. Based on the review of literature different factors influencing the intention to quit behaviour

were selected.

Discriminant function analysis :

Discriminant function analysis is a parametric technique to determine and identify weightings of variables or predictor best discriminate between the two or more than two groups of cases. The analysis produces a discriminant function which is a linear combination of the weightings and scores on these variables.

Discriminant function was used to differentiate the officers intention to quit behaviour. A value of 1 was assigned if Specialist officer (Agriculture) has low intention to quit and 0 for high intention to quit. The independent variables considered were compensation, career management, transfer, work life balance, work environment, job design, pay, promotion, peer pressure, work itself, supervisor, family situation/ personal reasons, continuance commitment, normative commitment, achievement of loan targets, health reasons, and work stress

– Discriminant function analyses were carried out for public and private banks to discriminant the high and low intention to quit in each category of banks.

Discriminant linear functions of this analysis are as follows :

$$D_i = d_0 + d_1 \text{ compensation} + d_2 \text{ career management} + d_3 \text{ transfer} + d_4 \text{ work life balance} + d_5 \text{ work environment} + d_6 \text{ job design} + d_7 \text{ pay} + d_8 \text{ promotion} + d_9 \text{ peer pressure} + d_{10} \text{ work itself} + d_{11} \text{ supervisor} + d_{12} \text{ family situation/ personal reasons} + d_{13} \text{ continuance commitment} + d_{14} \text{ normative commitment} + d_{15} \text{ achievement of loan targets} + d_{16} \text{ health reasons} + d_{17} \text{ work stress.}$$

where,

D_i = Score on discriminant function (1- if low intention to quit or 0 high intention to quit)

d_0 = Constant

d_i = Discriminant co-efficient for the independent variable " i ". (compensation, career management, transfer, work life balance, work environment, job design, pay, promotion, peer pressure, work itself, supervisor, family situation/ personal reasons, continuance commitment, normative commitment, achievement of loan targets, health reasons and work stress).

OBSERVATIONS AND ANALYSIS

In this study, two discriminant analyses were performed to identify the factors influencing the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks.

Intention to quit behaviour :

In this study, a discriminant analysis was performed to

identify the factors influencing the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks. The intention to quit behaviour of sample respondents was taken as the dependent variable (discriminant variable). A value of 1 was assigned if an employee had low intention to quit behaviour and 0 if an employee having the high intention to quit behaviour. The independent variables considered were compensation, career management, transfer, work life balance, work environment, job design, pay, promotion, work itself, supervision, continuance and normative commitment, achievement of loan targets, health reasons and work stress. The results are presented in the Table 1.

Table 1 : Factors influencing the intention to quit behaviour officers in public sector banks

Sr. No	Particulars	Structure matrix/ discriminant loadings
1.	Compensation	0.529***
2.	Career management	0.406***
3.	Transfer	0.419***
4.	Work life balance	0.247***
5.	Work environment	0.255***
6.	Job design	0.358***
7.	Pay	0.621***
8.	Promotion	0.633***
9.	Peer pressure	0.294***
10.	Work itself	0.538***
11.	Supervisor	0.581***
12.	Family situation/ personal reasons	0.583***
13.	Continuance commitment	0.652***
14.	Normative commitment	0.271 ^{NS}
15.	Achievement of loan targets	0.149 ^{NS}
16.	Health reasons	0.428***
17.	Work stress	-0.452***

Eigen value = 2.046, Canonical correlation = 0.860, Wilks' Lambda = 0.298, Chi square (χ^2) = 155.363, df =17, 94.7% of original grouped cases correctly classified, *,** and *** indicate significance of value at P=0.05, 0.01 and 0.10, respectively, NS=Non-significant

The results shown in Table 1 suggested that the discriminant function was significant at one per cent level with chi square (χ^2) = 155.363 at 17 degrees of freedom. The canonical correlation was the multiple correlations between the predictors and the discriminant function. The canonical correlation value for this function was 0.860 and suggested that the model explains 94.7 per cent of the variations in the grouping of variables *viz.*, whether the respondents had intention to quit behaviour or not. Wilks' Lambda indicated that the significance of the discriminant function provides the proportion of total variability not explained. In this study, only 29.80 per cent of variability was unexplained. The cross validated classification showed that overall 67.20 per cent were correctly classified.

In case of public sector banks, discriminant loading variables having cut off value 0.30 and above were compensation, career management, transfer, job design, pay, promotion, work itself, supervisor, family situation, continuance commitment, health reasons and work stress were 0.529, 0.406, 0.419, 0.358, 0.621, 0.633, 0.538, 0.581, 0.583, 0.652, 0.428, and -0.452, respectively. Therefore, these variables were specified as good predictor for intention to quit behaviour. Variable work life balance, work environment and peer pressure were weak predictors. The results were presented in the Table 2.

Table 2 : Factors influencing the intention to quit behaviour officers in private sector banks

Sr. No	Particulars	Structure matrix/ Discriminant loadings
1.	Compensation	0.635**
2.	Career management	0.078 ^{NS}
3.	Transfer	0.102 ^{NS}
4.	Work life balance	0.151 ^{NS}
5.	Work environment	0.341***
6.	Job design	0.356***
7.	Pay	0.369**
8.	Promotion	0.334***
9.	Peer pressure	0.339***
10.	Work itself	0.248**
11.	Supervisor	0.257**
12.	Family situation/ personal reasons	0.159*
13.	Continuance commitment	0.160 ^{NS}
14.	Normative commitment	0.144 ^{NS}
15.	Achievement of Loan targets	0.618**
16.	Health reasons	0.228*
17.	Work stress	-0.477***

Eigen value = 2.596, Canonical correlation = 0.850, Wilks' Lambda = 0.278, Chi square (χ^2) = 51.188, df = 17, 92.2 % of original grouped cases correctly specified, *, ** and *** indicate significance of value P=0.05, 0.01 and 0.10, respectively, NS=Non-significant

It could be inferred from Table 2, that in case of private sector banks, discriminant function for private sector banks were significant at one per cent level with chi square (χ^2) = 51.188 at 17 degrees of freedom. The canonical correlation value for this function was 0.850 and suggested that the model explains 92.2 per cent of the variations in the grouping of variables. In this study, only 27.8 per cent variability was unexplained. The cross validates classification showed that overall 92.2 per cent were correctly classified.

Discriminant loading variables like compensation, career management, transfer, work life balance, work environment, job design, pay, promotion, work itself,

supervision, continuance and normative commitment, achievement of loan targets, health reasons and work stress were 0.635, 0.078, 0.102, 0.151, 0.341, 0.356, 0.369, 0.334, 0.339, 0.248, 0.257, 0.159, 0.160, 0.144, 0.618, 0.228 and -0.477, respectively. Variables like work environment, job design, pay, promotion, peer pressure, work itself, supervisor, family situation, continuance commitment, normative commitment, achievement of loan target, health reasons and work stress were significant at one, five and ten per cent level. Discriminant loading variables having cut off value 0.30 and above were compensation, work environment, job design, pay, promotion, peer pressure, achievement of loan targets, and work stress, respectively. Therefore, these variables were specified as good predictor for intention to quit. The other variables like work life balance, health reasons, work itself, supervisor, family situation/ personal reasons, continuance commitment, normative commitment, health reasons and work environment were weak predictors. Variables like career management, transfer, work life balance, continuance commitment and normative commitment were insignificant.

Thus, from the above analysis, it could be inferred that factors that could influence the intention to quit behaviour were different for public and private sector banks.

Conclusion :

This paper examined the factors influenced the intention to quit behaviour of Specialist officers (Agriculture) employed in public and private sector banks. Factors influencing the intention to quit behaviour were different for Specialist officers (Agriculture) employed in public and private sector banks. In case of public sector banks, compensation, career management, transfer, job design, pay promotion, work itself, supervisor, family situation, continuance commitment, health reasons and work stress were strong predictors. These factors strongly influenced the intention to quit behaviour of specialist officers (Agriculture) employed in public sector banks. However, in case of private sector banks, compensation, work environment, job design, pay, promotion, peer pressure, achievement of loan targets, and work stress were influenced the intention to quit behaviour. In case of both banks, compensation, job design, pay promotion and work stress were common factors that influenced the intention to quit behaviour. These critical factors can be strengthened in order to reduce the intention to quit behaviour. Mentoring, counselling and career development programmes can be implemented in order to avoid the intention to quit behaviour of both officers of public and private sector banks.

Authors' affiliations :

R. VENKATRAM, Department of Agricultural and Rural Management, Tamil Nadu Agricultural University, COIMBATORE (T.N.) INDIA

REFERENCES

Chakrabarty, K.C. (2012). Social banking and finance – opportunities in inclusion. keynote address by Dr. K.C.Chakrabarty, Deputy Governor of the Reserve Bank of India, at the 2nd FT-YES Bank International Banking Summit, 15, October 2012, Mumbai (M.S) INDIA.

Griffeth, R.W., Horn, P.W. and Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: update, moderator tests and research implications for the millennium. *J. Mgmt.*, **26** (3):463-488.

Maertz, C.P., and Campion, M.A. (2004). Profiles in quitting: integrating process and content turnover theory. *Acad. Mgmt. J.*, **47**(4): 566–582.

March, J.G., Guetzkow, H. and Simon, H. (1958). *Organizations*. New York: John Wiley & Sons, NEW YORK, 262.

Muralidharan, C. and Venkatram, R. (2013). A comparative study

on innovative recruitment and selection practices adopted for officers in public sector banks. *Internat.J.Comm.&Busin. Mgmt.*, **6**(1):28-34.

Price, J.L. and Mueller, W.C. (1981) .A causal model of turnover for nurses. *Acad. Mgmt. J.*, **24**(3): 543-565.

Wei (Amy) Tian-Foreman (2009). Job satisfaction and turnover in the Chinese retail industry, *Chinese Mgmt. Stud.*, **3**(4): 356-378 from DOI 10.1108/17506140911007503.

WEBLIOGRAPHY

Anonymous (2011). IT, banking sectors see high attrition, accessed from *Businesstoday.intoday.in/story/it-banking-attrition/1/17124.html*.

Biswas, Shreya (2013). Attrition in India to top world charts in 2013; one in four employees to change jobs. Accessed from http://articles.economictimes.indiatimes.com/2013-06-07/news/39815456_1_three-employees-indian-employees-attrition.


 ★★★★★ of Excellence ★★★★★