

ISSN (Online) : 2455 - 3662 SJIF Impact Factor :4.924

EPRA International Journal of

Multidisciplinary Research

Monthly Peer Reviewed & Indexed International Online Journal

Volume: 3 Issue: 12 December 2017



CC License





SJIF Impact Factor: 4.924

Volume: 3 | Issue: 12 |December 2017

EPRA International Journal of Multidisciplinary Research (IJMR)

ISSN (Online): 2455-3662

THE IMPACT OF EMPLOYEE JOB SATISFACTION ON EMPLOYEE PRODUCTIVITY IN APPAREL INDUSTRY OF SRI LANKA

Apeksha Embuldeniya¹

¹Assistant Lecturer, Department of Social Statistics, University of Kelaniya, Kelaniya, Sri Lanka

ABSTRACT

Employee Productivity which measures the output relative to the input per person with reference to a point of time is a major dynamic and vigorous concern of any organizations as it is engage in shaping the success of an organization. The organizations in Apparel Industry is highly employee oriented and their employees are the main driving force of the success where the employers pay their highest attention on maintaining job satisfaction on their valuable assets, employees. This study is an attempt to find out the impact of employee job satisfaction by different perspectives on employee productivity. Therefore apparent three perspectives has been chosen for the study at the assumption of other perspectives are been constant where if any. Employee relation which engrosses proper relationship between employer and employee is one of the perspectives emphasized as a sub division of job satisfaction. Organizational culture and Competitor organizations are the perspectives other than employee relations for employee job satisfaction. Organization culture and Competitor organizations refer to peers and subordinates relationships at the organization and attitudes towards competitor organizations or other similar organizations respectively. More specifically this study underscores which perspective has the highest impact on employee job satisfaction in varying employee productivity as a whole. The study was conducted in Colombo District. Both primary and secondary data were used in this study where primary data was collected through questionnaires from the sample of 200 employees selected by the stratified random sampling techniques and secondary data was used to gain information towards dependent variable, employee productivity which measured by the organization specifically. Further descriptive analysis and chi-square analysis were used to analysis of data with the tool of SPSS software. This study came out with the results that employee satisfaction towards employee relations has the highest impact on employee productivity other than the satisfaction towards organizational culture and competitor organizations. The least impact on employee productivity has given by competitor organizations. Therefore the management of the organizations included to Apparel Industry of Sri Lanka should be considered about maintaining healthy relationship between employer and employee as well as employee and employee in order to ensure employee job satisfaction which enhance employee productivity that resulting success of the organization

KEY WORDS: Employee Job Satisfaction, Employee Productivity, Employee relations, Organizational culture, Competitor organizations

INTRODUCTION

An organization is a collection of individual employees who are gathered to attain and accomplish a common goal/ objectives. Therefore, an effective and efficient contribution of each individual employee is energetic to an organisation in order to attain its goal. An employee's satisfaction towards their job is essential to the ones productivity. Tella, Ayeni, and Popoola (2007) stated that job satisfaction is an outcome of the employee's opinion about the degree of doing the job well. Employees are the most important and valuable assets to an organization and specifically to an industry like apparel which relies on human resources. The study focuses on the employee job satisfaction by different perspectives such employee relations. as organization culture, and competitor organizations. The research study on the topic "The impact of employee job satisfaction by different perspectives on employee productivity in Apparel Industry of Sri Lanka" conducted at companies which are including to the apparel industry in Sri Lanka. As for the general idea of the industry, apparel industry is one of major industries in Sri Lanka which has lot of employment opportunities and export earnings to the country. Apparel industry is includes to the Factory industry which recorded an overall growth of 16.0 per cent respectively in 2015 for all textile, wearing apparel and leather products category which is somewhat lower than 19.7 per cent recorded in the previous year. Wearing Apparel sub sector is one of the leading export oriented industry and a dynamic contributor for Sri Lanka's economy, continued its growth momentum. Therefore, the apparel industry is an important industry that should be considered on its sustainability.

STATEMENT OF PROBLEM

According to the secondary data gathered from the company selected for the research regarding their monthly labour turnover (Proportion of a firm's workforce that leaves during the course of a year) for past years shows that there is a gradual increase in year by year and as well as fluctuations through months in each year. Labour turnover and absenteeism have an inverse relationship with job satisfaction of employees. As Luthans (1995) stated that absenteeism and turnover become causes of employee job dissatisfaction. As well as the management of the company have identified the productivity chart of most of individual employee is gradually at a decreasing pattern. The company is interested in finding the factors lead employee dissatisfaction to leave the company and decrease in productivity. Therefore, the statement of problem is "why the employees are dissatisfied and the level of productivity decrease frequently".

RESEARCH PROBLEM

As identified in the statement of problem there is high employee turnover and low employee productivity in year by year in the companies included to the apparel industry while leading its employees to dissatisfaction. Therefore, the research problem is as "What are the factors lead to employee dissatisfaction that decrease employee productivity".

RESEARCH QUESTIONS

The research questions have addressed in this research are, whether employee job satisfaction on employee relations has an impact on employee productivity, whether employee job satisfaction on organizational culture has an impact on employee productivity, and whether employee job satisfaction about the company compared to competitor organizations has an impact on employee productivity.

OBJECTIVES OF THE STUDY

The purpose of this research is to identify the practices in apparel industry and the type of the relationship between above factors towards employee job satisfaction and employee productivity in the industry. Especially this focuses on analyzing the practices in the industry and to identify to which extend they can be used for enhancing their productivity. The general objective of the study is to suggest some ways and means to the management to enhance employee productivity while addressing the significance of employee relations, organizational culture. and attitude towards competitor organizations that drives employee job satisfaction. The specific objectives of the study are to identify the impact of each factor towards employee productivity which leads either to employee job satisfaction or employee dissatisfaction.

METHODOLOGY

The methodology consist of the methods used in designing, sampling, collecting, measuring, analyzing, and presenting the data relevant to this research study. As this research is to identify the factors that contribute to the productivity of employees in apparel industry, the study design is a correlational study. In this research three (3) main hypotheses have been formulated for testing. They explain the nature of certain relationships between the dependent and independent variables. Therefore this study is analytical in nature rather than exploratory or descriptive and with reference to the following main hypothesis each variable has been tested for three sub variables. The main hypotheses are as follows,

 H_1 : There is a significant relationship between employee job satisfaction towards employee relation and employee productivity.

H₂: There is a significant relationship between employee job satisfaction towards organizational culture and employee productivity.

H₃: There is a significant relationship between employee job satisfaction on the company other than competitor organization and employee productivity.

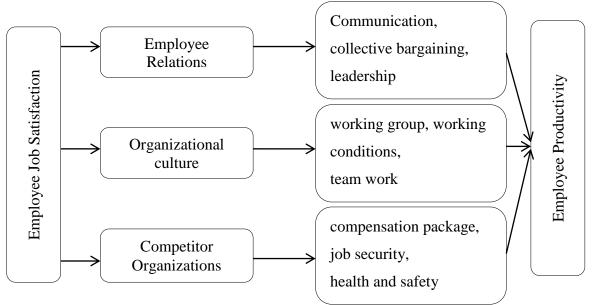


Figure 1: Conceptual framework

Source: Sample Survey, 2015

This study has done as a field study and it examines the relationship between employee relations, organizational culture, and attitude towards competitor organizations on job satisfaction and employee productivity. This research study examines the relationship between above mentioned variables from the perspective of the employees who are working in the apparel industry of Sri Lanka. Therefore the unit of analysis is at individual level, employees of the company. The study is conducted in Colombo District. The population of the study is employees included to the apparel industry and the target population is all the employees in the selected companies with their respective departments. Both primary and secondary data were used in this study where primary data was collected through questionnaires from the sample of 200 employees selected by the stratified random sampling techniques where the departments have identified as strata and secondary data was used to gain information towards dependent variable, employee productivity which measured by the organization specifically. For the measuring purpose five likert scale was used to gather data regarding independent variables such as employee relations, organizational competitor culture. and attitude towards organizations. The data for the dependent variable, employee productivity was gathered as secondary data where the company measures specifically with reference to their own scale. Further descriptive analysis and chi-square analysis were used to analysis of data with the tool of SPSS software.

REVIEW OF LITERATURE Employee Productivity- Dependent Variable

Productivity is the amount of output that is produced per unit of input, usually expressed in terms of output per unit of time. Productivity is a standard measure often used to assess organizational performance. Culnan & Bair (1983) stated that productivity can be delineated in many ways. Productivity is generally defined as increased value over time (Phipps & Nelinguri, 2013). According to Culnan & Bair (1983) productivity has been defined in terms of output, sales, profitability, work quality, and process completed on schedule. As Kyoung, Wilson & Myung (2004) stated another major organizational productivity indicator is absenteeism. However the measurement of productivity is varies based on what is important to the organization. Workforce productivity has become a critical factor in the strength and sustainability of a company's overall business performance (Cheryl, 2002). Also he indicated that absenteeism affects productivity. even when employees are physically present at their jobs, they may experience decreased presenteeism. Employee productivity (sometimes referred to as workforce productivity or labour productivity) is an assessment of the efficiency of a worker or group of workers. Productivity may evaluate in terms of the output of an employee in a specific period of time.

Employee/ Labour productivity

Volume measure of output

Measure of input use With reference to the previous researches, following dimensions will be used in this study, number of working hours during a day, number of days worked during last month, number of scrap units, completed number of units, number of absent days, number of occasions failed to adhere to rules, number of days of late attendance to measure employee productivity.

Employee Job Satisfaction – Independent Variable

Robbins and Coulter (2005) stated that job satisfaction refers to a person's general attitude toward his or her job and Shaw (1991) defined that most employees generally looking for job satisfaction of their job than their revisable income. Locke (1969) stated the pleasurable and positive emotional states resulting from the appraisal of one's job or job experience. As similar Robbins and Jude (2007) positive feelings about job can be evaluate as his/ her job characteristics. Employee job satisfaction is multidimensional approach and it can be defer one to one, because of one's supervisory behavior, employee relations working condition, etc According to the Hersberg (1976) defined that set of factors as salary, statues, job security, working environment, supervision, interpersonal relationships and company policies that can be in influence the employee job dissatisfaction and these factors called as hygiene factors.

Employee Relations –Independent Sub Variable

Employee relations refer to the relationship between the employer and the employees in dealing with terms of the agreement and issues arising in the course of the employment. The employer is represented by the management and the employees are excluding the managerial categories. Therefore internal relations between the management and the employees on individual basis are referred to employee relations. With reference to the previous researchers following factors were identified as employee determinants of relations as communication, collective bargaining, and leadership.

Communication – According to Kathryn and David (2001) communication is the exchange of messages between people for the purpose of achieving common meanings. If the communication not proceeds accordingly the management will fail in managing the organization efficiently and effectively as an organization is a little society and communication is the glue that holds the society together with its functions. One of the commonest methods of transmission is by verbal and the other one is non-verbal or in other words written.

CollectiveBargaining – Collective bargaining is a process of discussion and negotiation between two parties or in other words the method whereby workers organize together to meet, converse and negotiate upon the work conditions with their employers normally resulting in a written contract setting for the wages, hours, and other conditions to be observed for a stipulated period. Collective bargaining can be defined as negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees (Rao, 1999).

Leadership – Leadership is a process of visioning in to the future and exercising influence in transforming the behaviour of the followers towards the vision, through goal setting, guiding and motivating the followers. Brunetto and Farr-Wharton (2002) concluded that supervision of the immediate manager increases the level of job satisfaction of the employees. Leadership has a considerable effect upon the culture of a work group. If the manager is distant towards his/ her subordinates and the attitudes can have negative impact upon the culture as well as the trust in the manager can influence favorably the efficiency of the group.

Organizational Culture - Independent Sub Variable

Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate the dress, actions, and performance of the jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. With reference to the previous researchers following factors were identified as determinants of organizational culture as the working group, working conditions, and team work.

The working group – The working group refers to where an employee is attached with the relevant work and the surrounding including peers and subordinates. Schermerhorn, Hunt, & Osborn (2005) stated that satisfaction with co-workers influences the employee feelings towards job satisfaction. Coworker support has received an increasing amount of attention recently due to the positive effects it can have in the workplace. It can increase job satisfaction and has been found to help reduce work stress (Trenberth, & Bateman, G., 2009)

Working conditions - Working conditions are at the core of paid work and employment relationships. Generally speaking, working conditions cover a broad range of topics and issues, from working time (hours of work, rest periods, and work schedules) to remuneration, as well as the physical conditions and mental demands that exist in the workplace (International Labour Organization (2016).

Team work - Teamwork is defined by Scarnati (2001) as a cooperative process that allows ordinary people to achieve extraordinary results. Harris & Harris (1996) also explain that a team has a common goal or purpose where team members can develop effective, mutual relationships to achieve team goals. The satisfaction towards the teamwork can influence the employee satisfaction towards the job that leads to the productivity of the particular employee.

Attitudes towards competitor organizations - Independent Sub Variable

Employees' attitudes towards the competitor organizations also may lead the employee job satisfaction as an employee is tend to find the characteristics of the similar organizations with compared to their respective organization. According to the previous researchers compensation package, job security, and concern towards health and safety.

Compensation Package Employee Compensation refers to all forms of pay or rewards going to employees and arising from their employment (Dessler, 2006). Different scholars express that there is a significant relationship between compensation practices and employee productivity in different ways as follows. Stajkovic & Luthans, (2006) and Mohrman, & Odden, (1996) stated that good compensation for employees will be able to stimulate the emergence of fresh ideas and employees' innovation. Compensation package is included with direct monetary pay such as base pay, variable pay, bonus, and incentives and as well as indirect non-monetary pay such as benefits, medical insurance, retirement pension, etc.

Job security – Leung (2009) stated that employees with high job security may invest more in their companies out of loyalty or because they view their jobs as long term commitments. Job security is one's expectation about continuity in a job situation. It has to do with employee feelings over loss of job or loss of desirable job features such as lack of promotion opportunities, current working conditions, as well as long-term career opportunities. Job security is an important factor in employee commitment (Akpan, 2013).

Concern towards health and safety Concern of working conditions on health and safety refers to the working environment and to the non-pay aspects of an employee's terms and conditions of employment. It covers such matters as the organization of work and work activities such as training, skills and employability; health, safety and well-being; and working time and work-life balance. Managing health and safety at work is a matter of: developing health and safety policies, conducting risk assessments which identify hazards and assess the risk attached to them, carrying out health and safety audits and inspections, implementing occupational health programmes, managing stress, preventing accidents, measuring health and safety performance, communicating the need for good health and safety practices, training in good health and safety practices (Armstrong, 2008).

DATA ANALYSIS AND RESULTS Correlation Analysis and the chi-square test for hypothesis testing

Pearson correlation computed to identify correlation between employee productivity and employee job satisfaction on employee relations, organizational culture, and attitudes toward competitor organizations.

Dependent Variable	Employee Productivity		
Independent Variables	Correlation	Sig	Chi-square Sig
a. Employee relations	0.968	0.000	0.000
b. Organizational culture	0.814	0.000	0.000
c. Attitudes toward competitor organizations	0.072	0.001	0.002

Table 01: Correlation Analysis for main independent variables and dependent variable

Correlation and chi-square is significant at the 0.01 level

There is a significant relationship between employee job satisfaction towards employee relation and employee productivity.

In Table 01, the significance value of chisquare test for the relationship between employee relations and employee productivity is 0.000 which is less than the chosen significance level of 1 percent (0.01). This means increase in employee job satisfaction with regards to employee relation do significantly relate to increase in employee productivity. Because of that null hypothesis is rejected and the alternative hypothesis is accepted. The correlation between employee job satisfaction towards employee relations and employee productivity is 0.968 which indicates strong positive relationship.

There is a significant relationship between employee job satisfaction towards organizational culture and employee productivity.

In Table 01, the significance value of chitest for the relationship between square organizational culture and employee productivity is 0.000 which is less than the chosen significance level of 1 percent (0.01). This means increase in employee job satisfaction with regards to organizational culture do significantly relate to increase in employee productivity. Because of that null hypothesis is rejected and the alternative hypothesis is accepted. The correlation between employee job satisfaction towards organizational culture and employee productivity is 0.814 which indicates strong positive relationship.

There is a significant relationship between employee job satisfaction towards attitudes of competitor organizations and employee productivity.

In Table 01, the significance value of chisquare test for the relationship between attitudes of competitor organizations and employee productivity is 0.002 which is less than the chosen significance level of 1 percent (0.01). Therefore null hypothesis is rejected and the alternative hypothesis is accepted. The correlation between employee job satisfaction towards attitudes of competitor organizations and employee productivity is 0.072 which indicates weak positive relationship.

Table 02: Correlation Analysis for independent sub variables (employee relations) and dependent
variable

	Dependent Variable	Employee Productivity		ctivity
	Independent sub Variables	Correlation	Sig	Chi-square Sig
	a.1 Communication	0.867	0.000	0.000
Employee Relations	a.2 Collective Bargaining	0.913	0.000	0.000
Relations	a.3 Leadership	0.932	0.000	0.000

Correlation and chi-square is significant at the 0.01 level *Source: SPSS output, 2016*

The above table indicated the relationship of sub variables of employee relations such as communication, collective bargaining, and leadership on employee productivity. All three sub variables are having strong positive correlation to the employee productivity and the significance value of chi-square test for the relationships between these sub variables and employee productivity is 0.000 for each which are less than the chosen significance level of 1 percent (0.01). Therefore there is a significant relationship between employee productivity and communication, collective bargaining, and leadership.

Table 03: Correlation Analysis for independent sub variables (organizational culture) and dependent variable

Dependent Variable		Employee Productivity		
Independent sub Variable	S	Correlation Sig Chi-squ Sig		Chi-square Sig
Organizational Culture	b.1 Working group	0.782	0.000	0.000
	b.2 Wrking conditions	0.796	0.000	0.000
	b.3 Teamwork	0.583	0.000	0.000

Correlation and chi-square is significant at the 0.01 level *Source: SPSS output, 2016*

The above table indicated the relationship of sub variables of organizational culture such as working group, working conditions, and teamwork on employee productivity. Working group and working conditions are having strong positive correlation to the employee productivity while teamwork is having a moderately strong positive correlation with employee productivity. The significance value of chi-square test for the relationships between these sub variables and employee productivity is 0.000 for each which are less than the chosen significance level of 1 percent (0.01). Therefore there is a significant relationship between employee productivity and working group, working conditions, and teamwork.

Table 04: Correlation Analysis for independent sub variables (attitudes of competitor
organizations) and dependent variable

Dependent Variable		Employee Productivity			
Independent sub Variables		Correlation	Sig	Chi-square Sig	
	c.1 Compensation	0.102	0.005	0.002	
Attitude of Competitor Organizations	c.2 Job security	0.098	0.002	0.002	
organizations	c.3 Health and Safety	0.075	0.001	0.000	

21

Correlation and chi-square is significant at the 0.01 level *Source: SPSS output, 2016*

The above table indicated the relationship of sub variables of attitudes of competitor organizations such as compensation, job security, and health and safety on employee productivity. Compensation, job security, and health and safety are having weak positive correlation to the employee productivity. The significance value of chi-square test for the relationships between these sub variables and

employee productivity is 0.000 for each which are less than the chosen significance level of 1 percent (0.01). Therefore there is a significant relationship between employee productivity and compensation, job security, and health and safety.

Multiple Regression results

Employee Productivity					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
Employee Job Satisfaction	0.987	0.973	0.972	0.067	
Source: SPSS Output 2016	0.907	0.775	0.972	0.007	

Source: SPSS Output, 2016

In this research, R = 0.987 indicates a good level of prediction, and the value of R square = 0.973shows that independent variables explain 97.3% of the variability of dependent variable, employee productivity.

CONCLUSION

The research study on "The impact of employee job satisfaction by different perspectives on employee productivity in Apparel Industry of Sri Lanka" concludes that there is a significant relationship between employee productivity and employee relations which represents the influence of the management or the employer on their employees job satisfaction. Among the variables selected for the research study regarding employee job satisfaction employee relation has the highest correlation to the employee productivity while the attitudes towards competitor organiations has the lowest correlation with employee productivity. Therefore the influence of competitor organizations can be neglected as employee relations and organizational culture are having the highest significance towards employee productivity. In this regards the management of the organizations included to Apparel Industry of Sri Lanka should be considered about maintaining healthy relationship between employer and employee as well as employee and employee in order to ensure employee job satisfaction which enhance employee productivity that resulting success of the organization.

RECOMMENDATION

When considering the employee relations, the management should ensure the proper communication from all upward, downward, lateral, and informal ways which impact on employee job satisfaction if lack of communication is exists in the organization. As well as the employers' policies and procedures regarding collective bargaining which allow their employees to be free to negotiate with the employers is also highly emphasized in considering employee job satisfaction. On the same time the leadership of the organization should be able to determine goals, organize tasks, coordinate activities,

motivate employees, represent all, and initiate changes to the success which lead an employee to be satisfied on ones leadership and enhance employee productivity. The relationship of employer and employee is at a highly important stage and as well as the relationship of employee and employee or in other words the relationship of an employee with his/ her peers or colleagues and subordinates is also important. Therefore it is one of responsibilities of the management or the employers to ensure the healthy relationship among employees too. An employees' working group plays a significant role on employee job satisfaction as the working group is the people who deal with an individual for the entire day. The responsibility for creating favourable atmosphere to each employee is with the management of the organization. An organization should ensure these factors are at accordingly to make decisions on employee job satisfaction and employee productivity.

REFERENCES

- 1. Akpan, C. P. (2013). Job Security and Job satisfaction as determinants of organizational commitment among university teachers in cross river state, Nigeria. British Journal of Education, 1(2), 82 - 93.
- 2. Armstrong, M. (2008). Human Resource Management Practices. Kogan Page Publishers.
- Brrunetto, Y., & Farr-Wharton, R. (2002). Using 3. Social Identity theory to explain the job satisfaction of public sector employees. Public Sector Manage, 15 (7), -534 – 551.
- Cheryl, K. (2002). Stanford Presenteeism Scale: 4. Health status and Employee Productivity. Journal of Occupational and Environmental Medicine/ American College of Occupational and Environmental Medicine, 44(1), 14 - 20.
- Culnan, M., & Bair, J. (1983). Human 5. Communication needs and organizational Productivity: The Protential Impact of Office automation. Journal of the American Society for Information Science, 34(3), 215 - 221.
- 6. Dessler, G. (2006). Human Resource Management. India: Prentice Hall.

- Harris, P. R., & Harris, K. G. (1996). Managing effectively through teams. Team Performance Management: An International Journal, 2(3), 23-36.
- Herzberg, F., Mausner, B., & Snyderman, B.B. (1976). The motivation to work. New York: Wiley.
- Kathryn, M. B., & David, C. M. (1991). Management, New York: Mc-Graw Hill.
- Kyong, O. K. P., Wilson, M., & Myung, S. L. (2004). Effects of Social Support at work on depression and Organizational Productivity. American Journal of Health Behaviour, 28(5), 444 – 455.
- 11. Leung, W. (2009). Job Security and Productivity.
- Locke, E.A. (1969), What Is Job Satisfaction? Organizational Behaviour and human performances: PP 309-336.
- Luthans, F. (1995). Organizational Behaviour, 7(1), MsGraw-Hill.
- Mohrman, M. & Odden, P. (1996). Motivating employees in a new governance era: the Performance paradigm revisited, Public Administration Review, 66.
- Phipps, S. A. L. C., & Nedinguri, E.N. (2013). Understanding the Impact of Employee Involvement on Organizational Productivity: The Modern Role of Organizational Commitment. Journal of Organizational Culture, Communication & Conflict, 17 (2), 107 – 120.
- 16. Rao, S. 1991. Essential of Human Resources Management, Oxford: Blackwell.
- Robbins, S. P., & Jude, T. A. (2007). Organizational Behaviour. 12th ed. New Delhi: Prentice Hall.
- Robbins, S. R & Coutler, M., (2012) Management. 11th ed, Upper Saddle River, NJ 07458: PEARSON, Prentice Hall.
- Scarnati, J. T. (2001). On becoming a team player. Team Performance Management: An International Journal, 7(1), 5 – 10.
- Schermerhorn, J., Hunt, J., & Osborn, R. (2005). Organizational Behaviour, New York: John Wiley.
- Shaw, J. (1991). Office Management. 5th ed, London: Pitman Publishing.
- 22. Stajkovic, O. F. and Luthans, S. R., (2006). Show Me the Evidence Proven and Promising Programs for America's Schools, Thousand Oaks, CA: Corwin Press.
- 23. Tella, A., Ayeni, C. O., & Popoola, S. O. (2007). Work Motivation, Job Satisfaction, and Organizational Commitment of Library Personnel in Academic and Research Libraries in Oyo State. Library Philosophy and Practice, Nigeria.
- 24. Trenberth, L., & Bateman, G. (2009). Employee Perceptions of Co-workers support and its effect on job satisfaction, work stress and intention to quit.