

FACTORS AFFECTING TO THE EMPLOYEE SATISFACTION IN TEXTILE INDUSTRIES: AN EMPIRICAL STUDY BASED ON THULHIRIYA BOI AREA

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ABSTRACT

Employee satisfaction has always been an important issue for organizations. Employees are viewed as the greatest strengths and resources of an organization. An organization's success depends on the employees and thus, they should not be deprived of what they deserve in return for their commitment to the organization. The employees of an organization must derive a good amount of satisfaction from the job. However, very few organizations have made employee satisfaction a top priority, perhaps because they fail to understand the significant opportunity that lies in front of them. Many organizations fail to understand the basic meaning of employee satisfaction. Employee satisfaction is more of an attitude – an internal state. The previous studies had identified factors affecting the job satisfaction of employees in the textile industry, excluding the factors of the working environment. Therefore, this study attempted to identify the factors affecting the employee job satisfaction of garment industries incorporating a specific area of working environment conditions of employees. This study was conducted using primary data collected from the Thulhiriya BOI area. Through the random sampling method total of 300 questionnaires were analyzed using Logit model and frequency tables. The findings indicate that variables Health Status, Service Period, Gender, Age of the employee and Wage level are significant variables to determine employee satisfaction in textile industries. In contrast, Education level, Amount of Incentives and Marital Status are insignificant variables to determine employee satisfaction. Based on frequency table analysis, we can conclude that employees are highly satisfied with the planning process, vocational training and their job performance while moderately satisfied with work, supervision and training. Also, they are dissatisfied with the payment scheme and team spirit with co-workers. Results indicate that both employee-oriented and Work environment factors are essential to determine job satisfaction of employees in textile industries. It is supposing that the conclusions of this research can be used in all textile garments in Sri Lanka to identify the most important factors affecting to the job satisfaction of employees in garment industries. It will help to promote the programs that are useful to encourage the performance of employees for the target of company success.

Keywords: *job satisfaction, Logit model and organization*

INTRODUCTION

For almost all organizations, employees are the vital resource and they represent a valuable asset of an industry. Human resource management is concerned with the developing potential of employees so that they get maximum job satisfaction from their work and give their best efforts to the organization. Employee attitude is based on job satisfaction. Job satisfaction is contentment that occurs out of the employee's positive and negative feelings toward his or her work. The consequences of job satisfaction are very much significant to an organization in terms of its efficiency, productivity, employee relations, absenteeism and turnover and to an employee in terms of his health and well-being. There are several human resources problems such as high labour turnover and absenteeism etc., which have made an enormous barricade to minimize the effort of achieving organizational objectives in the apparel industry.

Job satisfaction reduces absenteeism, labor turnover and accidents. Job satisfaction increases employee's morale, productivity, etc. Naturally, it is the satisfied worker who shows the maximum effectiveness and efficiency in his work. Job satisfaction is the overall attitude of well-being concerning job and its environment. The feeling about the job is directly affected by job factors like salary, kind of work performed, supervision, working condition, the opportunity for advancement, etc. Job satisfaction also takes into account the personality, interests, opportunities and capacities of employees.

The garment industry has an essential place in Sri Lanka's economy. It has become Sri Lanka's largest export industry since 1986. It is also the country's largest net foreign exchange earner since 1992. The total value of export earnings in the sector was at US dollars 2,424 million accounting for 52 percent of the overall export earnings in 2002. The contribution to the Gross Domestic Product (GDP) was 5.3 percent in 2002. This industry provides more than 330,000 direct employment or 5 percent of the country's total employment in more than 1,060 garment factories. Sri Lanka's garment exports have been primarily governed by the Multi-fibre Arrangement (MFA) since 1978.

The MFA is a system of export restrictions imposed by developed countries on textiles and garment exports originating in developing countries to protect the garment industry in developed countries. The Uruguay Round Agreement on Textiles and Clothing (ATC) of WTO succeeded MFA in 1995. According to the new rules, the sector is to be fully integrated into standard rules of WTO by phasing out MFA in four phases by 2005. Sri Lanka has already fulfilled its commitments under Phase I and Phase II of the elimination of MFA phasing out procedures. The government submitted to the Textiles Monitoring Body of WTO in 1996 and 1998 lists of items on which Sri Lanka is ready to accept the removal of quota. The third phase of integration became effective in January 2002. The MFA, by

providing a ready market, has restricted Sri Lanka's exports but has protected it from competitors. Phasing out of MFA will open up more markets to Sri Lanka's exports, and at the same time will intensify competition from other developing countries.

The future of the garment industry depends, to a large extent, on the ability to compete in free-market where both garment-producing developed and developing countries in the world will be players in the market. Over the last 20 years, a strong foundation has been laid for the industry, on which the future of this sector could be strengthened further and safeguarded.

LITERATURE REVIEW

The most frequently used definition of job satisfaction has been given by Locke (1976), who defined it as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences." There seems a general consensus that job satisfaction has obtained a recognized position in the literature of industrial and organizational psychology (Maanen and Katz 1976).

Harter, Schmidt and Hayes (2002) mentioned that 7,855 articles having been published between 1976 and 2000, on job satisfaction. Majority of the research examining the employee satisfaction-performance relationship has been conducted on the micro-level of analysis and a handful of studies have explored the relationship between aggregated employee job satisfaction attitudes and organizational (unit level) performance (Ostroff 1992; Ryan, Schmitt and Jonson 1996; Harter, et al. 2002; Schnieder, Hanges, Smith and Salvaggio 2003; Bowen and Ostroff 2004; Wright, Dunfold, and Snell 2001; Wright, Gardner, Moynihan and Allen 2005).

Islam and Swierczek (2003) analyzed the impact of technological change on job satisfaction of women garment workers in Bangladesh. The specific relationship between job satisfaction and the overall impact defined in socio-economic terms shows that fair pay, task significance, bureaucracy, conflicts and information sharing are significantly related. Task significance and information sharing are positively associated with the overall impact. Unfairness in pay, high bureaucracy and a higher level of conflicts cause a limited positive overall impact on women workers. The positive relationships to technological change include improvement of task significance, salary increase, improvement of the quality of supervision, improved quality of relationships and increase benefits. The negative consequences are unfair pay, work dissatisfaction, bureaucracy, conflicts between management and workers, decreased promotion for workers.

Herzberg, et al. (1959) formulated the two-factor theory of job satisfaction and postulated that satisfaction and dissatisfaction were two separate, and sometimes even unrelated phenomena. Intrinsic factors named 'motivators' (that is, factors intrinsic to the nature and experience of doing work) were found to be job 'satisfiers' and included achievement, recognition, work itself and responsibility. Extrinsic factors that they named hygiene' factors were found to be job 'dissatisfies' and included company policy, administration, supervision, salary, interpersonal relations and working conditions. Herzberg and Mausner's Motivation-Hygiene theory has dominated the study of the nature of job satisfaction and formed a basis for the development of job satisfaction assessment.

Robinson (2004) argued that satisfaction with the job of work alone will not produce a satisfied and engaged workforce, but it is contributory to many other factors. This phenomenon is visible in some positions where the actual job itself is intrinsically satisfying. Still, the place of work is not, for example, academics or specialized maintenance trades operating in large organizations. In these situations, the employee feels the organization does not value the job they do. Still, they take great pride in their work, regardless of the company culture and working environment.

Several types of research have studied the relationship between organizational culture and employee satisfaction. Organizational culture has been defined by Schwartz and Davis (1981) as a pattern of beliefs and an expectation shared by the organization's members. It is work-related values, ideologies, philosophies and beliefs. Behery and Paton's (2008) studied selected 200 UAE middle-level managers, from banking, insurance and real estate industries. The study revealed that employee satisfaction reinforces employee commitment and reduces turnover rates. Employees like to continue with an organization, if they are satisfied with the job. Thus the satisfaction depends on organizational control mechanisms.

Recently, Ambuldeniya A. (2017) Conduct a research topic on "The impact of employee job satisfaction on employee productivity in the apparel industry of Sri Lanka." This study is an attempt to find out the impact of employee job satisfaction from different perspectives on employee productivity. 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. Competitor organizations have given the least impact on employee productivity. Finally, this study concludes that management of the organizations included in Apparel Industry of Sri Lanka should be considered about maintaining a healthy relationship between employer and employee as well as employee and employee to ensure employee job satisfaction, which enhances employee productivity that is resulting in success of the organization.

Perera et al. (2014) examine the “Job satisfaction and job performance among factory employees in the apparel sector” using 17 apparel firms situated in free trade zones. A self-developed questionnaire was used to collect data. A total of 383 questionnaires were distributed among respondents and 322 usable questionnaires were returned, yielding a response rate of 84%. The data were analyzed by using descriptive analysis and structural equation methods. The findings show that job satisfaction has a significant positive effect on job performance.

In this environment for employee satisfaction, it is vitally important to know which factors are most affecting the employee satisfaction. This research attempted to fill this research gap.

Statement of the problem

The research questions have addressed in this research are, whether employee-oriented factors impact on job satisfaction on the employee, whether work-related environment factors affect on employee job satisfaction.

Objectives of the study

The following are the objectives of this study:

- to study the factors influencing on the job satisfaction of employees.
- to analyze the worker’s satisfaction level towards various factors of wages and salary, promotion opportunities, working conditions, training and development, company policies and rules, relationship with co-workers, the job security of a textile unit in Sri

RESEARCH METHODOLOGY

The methodology consists 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 determination of employee satisfaction in the textile industry, the study design is a logit econometrics analysis. The econometric model explains the nature of certain relationships between the dependent and independent variables. Therefore, this study is analytical rather than exploratory or descriptive and concerning the following structure.

Conceptual Framework

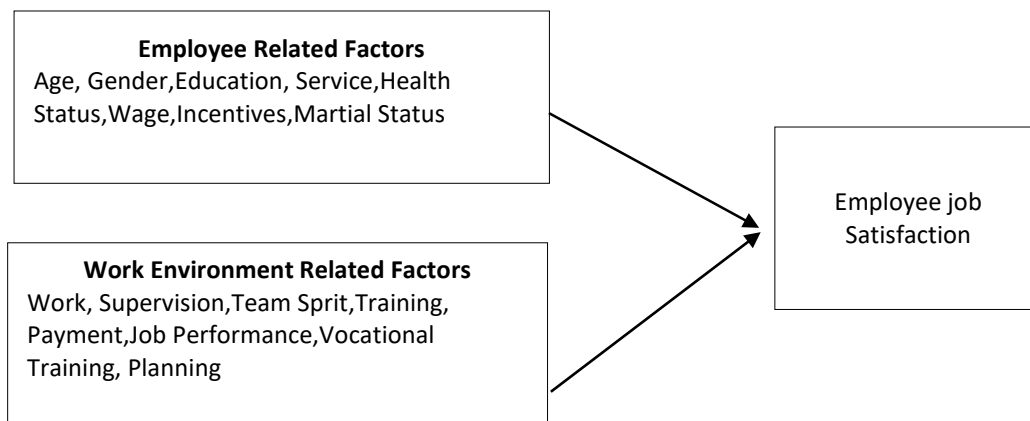


Figure 01: Determinant Factors of Employee Job Satisfaction

Type of investigation

To analyze the worker's satisfaction level towards various factors of wages and salary, promotion opportunities, working conditions, training and development, company policies and rules, relationship with co-workers, the job security of a textile unit in Sri Lanka and provide some suggestions based on the analysis. This research was conducted based on knowledge from previous research done in this field. The previous studies had identified factors affecting the job satisfaction of employees in the garment industry, excluding the situation of the working environment and employee-oriented factors. Therefore, this study attempted to identify the factors affecting job satisfaction of garment industries incorporating a specific area of working environment conditions of employees. For this reason, this research will follow the logit model analysis and frequency table. The aim could be to familiarity with the factors affecting job satisfaction of employees in garment industries and gain a deeper understanding of the topic.

The following model is used to identify the factors of job satisfaction of employees in garment industries.

$$Y_i = \beta_0 + \beta_1 \text{wage} + \beta_2 \text{health} + \beta_3 \text{edu} + \beta_4 \text{age} + \beta_5 \text{service} + \beta_6 \text{incentive} + \alpha_1 \text{married} + \alpha_2 \text{female} + u_i$$

Y_i = probability of employee satisfaction 1 = Satisfied 0 = disdsatisfied

β_0 = Intercept

β_1 = Wage level (per month Rs:)

β_2 = Medical Leaves (Per Month)

β_3 = Educational Level (years)

$\beta_4 = \text{Age (Years)}$

$\beta_5 = \text{Service period (Years)}$

$\beta_6 = \text{Amount of Incentives (Rs. Per month)}$

$\alpha_1 = \text{married} \quad 1 = \text{married} \quad 0 = \text{unmarried}$

$\alpha_2 = \text{Female} \quad 1 = \text{female} \quad 0 = \text{male}$

$u_i = \text{Error term}$

Thus, the data was analyzed using statistical tool called Logit Model .

Data collection

The study was conducted in a Thulhiriya BOI area in Kegalle District. The sample size determined for the study is 300. The primary data was collected through questionnaires. The questionnaire was designed in such a way that it analyses the factors determining job satisfaction of the employees in a garment company. The primary data will collect from the respondent. The research design using in this study is the exploratory research design.

Sample design

The sampling frame is the pool from which the interviewees are chosen. All the items consideration in any field of inquiry constitute a universe of population. In this research, only a few items can be selected from the population for our study purpose. The items selected represent what is technically called a sample. Here sample size is 300 employees from the total population of the employees. Out of 450 total workers in a company, 300 workers are selected based on a random sampling technique.

The Questionnaire survey

Questions are framed in a way that the answers reflect the ideas and thoughts of the respondents about the level of satisfaction of various factors of employee satisfaction. The variables are work profile relationships with immediate supervisors, provide the tools and training an employee needs to succeed, offer a competitive compensation/pay package, management recognition of employee job performance, supportive management style, offers career development opportunities, honest communication and organization culture. The scaling techniques used for designing the questions in the interview schedule are the Likert method.

DATA ANALYSIS

To analyze the data according to objectives, it is crucial to present the mean values of all variables used in the logit model.

Table 01: Mean values of Variables

Variable	Mean Value
Wage Level	27707.86
Medical Leaves	1.12
Education Level	12.66
Age	27.70
Service Period	4.67
Incentives	2788.71

Source: *compiled by the author from field survey*

The mean values of the selected variables are presented by the above table. According to the results, average wage level is Rs: 27707.86 and the average medical leaves of employees is 1.12 days; mean value of education in years is 12.66. It indicates that basically, workers join with this textile factory after finishing their ordinary level education. The mean value of age 27.7 years said that most of the the workers are in their effective age. The average value of the employee service period is 4.67 years and average employer-paid Rs. 2788.71 incentives per month.

Table 02: Identifying the determinant factors of job satisfaction

Variable	P- Value
Wage Level	0.067***
Medical Leaves (Health Status)	0.000*
Education Level	0.478
Age	0.006**
Service Period	0.000*
Incentives	0.296
Gender	0.011**
Marital Status	0.320

*,** and *** represent that significance in 10%, 5% and 1% respectively.

Source: *Compiled by the author from field survey*

According to logit model output results of variables reveals that current health status and service period are significant at the 1% significant level. It shows that these variables are the main determinants of job satisfaction of workers. Also, age, gender variables significant at (5%) lower significant level while wage level is substantial at 10% significant level. It means that age, gender and wage level is not a

predominant determinant of employee job satisfaction. Education level, Incentives and Marital Status variables are not significant variables. It indicates that these two variables do not affect the employee job satisfaction in textile industries.

Table 03: Marginal Effects of Variables

Variable	dy/dx	P-Value	Mean Value
Wage Level	0.0000107	0.060***	27707.86
Medical Leaves	-0.200214	0.000*	1.12
Education Level	.0134041	0.475	12.66
Age	-.0167288	0.005 **	27.70
Service Period	.0840355	0.000 *	4.67
Incentives	-0.0000269	0.292	2788.71
Gender	.1159822	0.008 **	0.36
Marital Status	.0519368	0.319	0.45

*,** and *** represent that significance in 10%, 5% and 1% respectively.

Source: Compiled by the author from field survey

Results of marginal effect analysis of variables on employee job satisfaction present that when their medical leaves increase by one day, the probability of having satisfaction with their job would be decreased by 0.20 when other variables are constant at 10% significance level. If their service period increase by one year, the probability of having satisfaction with their job would be increase by 0.08 ceteris paribus. Also relative to the female worker, the probability of job satisfaction of male workers is increasing by 0.11 at 5% significant level when other variables are constant. Also, when the age of the worker increases by one year, Finally we can say that current health status and age have negative marginal effects with job satisfaction of employees. In contrast, wage level, service period and gender have positive marginal effects. Education level, marital status and incentives have positive and negative marginal effects, but they are not significant at even 10% significant level.

To analyze the workers' satisfaction level towards various factors of wages and salary, promotion opportunities, working conditions, training and development, company policies and rules, relationship with co-workers, the job security of a textile unit, the collected data have been analyzed through the method of Frequency Table:

Table: 04: Measuring Satisfaction Level towards work

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	173	57.6	57
Agree	30	10.0	67
Neither Agree/Disagree	45	15.0	82
Disagree	38	12.7	95
Strongly Disagree	14	4.7	100
Total	300	100	100

Source: Compiled by the author from field survey.

From the above table, it would be said that workers (67%) are moderately satisfied with their works. That Means tasks of employees effects job satisfaction.

Table: 05: Measuring Satisfaction Level towards Supervision

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	82	27.3	27.3
Agree	69	23.0	50.3
Neither Agree/Disagree	65	21.7	72
Disagree	54	18.0	90
Strongly Disagree	30	10.0	100
Total	300	100.0	100

Source: Compiled by the author from field survey

From the above table, we can say 50% of workers are satisfied with their supervision.

Table: 06: Measuring Satisfaction Level towards Training

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	140	46.7	46.7
Agree	64	21.3	68
Neither Agree/Disagree	87	29.0	97
Disagree	9	3.0	100
Strongly Disagree	0	0.0	100
Total	300	100	100

Source: Compiled by the author from field survey

From the above data, we may say that workers (68%) are satisfied with their training because training is the most essential component of their job performance.

Table :07: Measuring Satisfaction Level towards Payment Scheme

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	97	32.3	32.3
Agree	10	3.3	35.6
Neither Agree/Disagree	128	42.7	78.2
Disagree	59	19.7	97.8
Strongly Disagree	6	2.0	100
Total	300	100	100

Source: Compiled by the author from field survey

The table shows that the salary package cannot satisfy the (78.2%) workers because of the increasing cost of living. That means salary does not affect job satisfaction.

Table: 08: Measuring Satisfaction Level towards Job Performance

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	86	28.7	28.6
Agree	139	46.3	74.9
Neither Agree/Disagree	42	14.0	88.9
Disagree	12	4.0	92.9
Strongly Disagree	21	7.0	100
Total	300	100	100

Source: Compiled by the author from field survey

From the above data, we may say that workers (75%) are satisfied with the job performance. That means job performance affects their job satisfaction.

Table: 09: Measuring Satisfaction Level towards Team Sprit

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	28	9.3	9.3
Agree	17	5.6	14.9
Neither Agree/Disagree	52	17.3	32.2
Disagree	164	54.6	86.8

Strongly Disagree	39	13.2	100
Total	300	100	100

Source: Compiled by the author from field survey

The above table shows that there is no good relationship among co-workers.

Table: 10: Measuring Satisfaction Level towards Vocational Training

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	153	51.0	51.0
Agree	78	26.0	77.0
Neither Agree/Disagree	44	14.7	91.7
Disagree	18	6.0	97.7
Strongly Disagree	7	2.3	100
Total	300	100	100

Source: Compiled by the author from field survey

From the above table we can say (77%) of workers are satisfied with their vocational training.

Table: 11: Measuring Satisfaction Level towards the Planning Process

Satisfaction Level	Frequency	Percentage	Cumulative Percentage
Strongly Agree	149	49.7	49.6
Agree	87	29.0	78.6
Neither Agree/Disagree	23	7.7	86.2
Disagree	32	10.6	96.8
Strongly Disagree	9	3.0	100
Total	300	100	100

Source: Compiled by the author from field survey

From the above table, it may be said that most workers (78.6%) are satisfied with their planning process.

Based on the above frequency table analysis, we can conclude that employees are highly satisfied with the planning process, vocational training and their job performance while moderately satisfied with work, supervision and training. Also, they are dissatisfied with the payment scheme and team spirit with co-workers.

CONCLUSION AND RECOMMENDATIONS

Table 2 shows that out of eight variables, regarding only four variables, workers of the garment industry in the Thulhiriya BOI area, Kegalle District. The variables regarding which they have satisfaction are gender, service period Age, present health care facilities and wage level and the variables regarding which workers have dissatisfaction are Education Level, Marital Status and incentives. According to frequency table analysis, employees are highly satisfied with the planning process, vocational training and their job performance while moderately satisfied with work, supervision and training. Also, they are dissatisfied with the payment scheme and team spirit with co-workers. According to Hamdan (2011), highly satisfied employees are motivated to work in the organization, do their work at an optimum level and perform better than less satisfied workers. According to Organ (1977) and Petty *et al.* (1984), job performance is considered as, a satisfied worker who is also a productive employee. Frequency table analysis line in with these empirical results. The study further suggested that working hours, overtime benefits, recognition for good work, management policy, promotional opportunity & good relations with colleagues, working environment, job status, autonomy in work, participation in management, and open communication for their overall job satisfaction. There was no the significant influence of personal factors such as educational level, marital status, income, & skill on overall job satisfaction among the workers of the garment industry

CONCLUSION

According to the results of logit econometrics analysis, it was found that Gender, Wage level and Service period were positively and significantly impact on job satisfaction of employees while the Health status and Age of the employee were negatively and significantly effect on job satisfaction of the employee. Also, results of frequency tables conclude that employees are highly satisfied with the planning process, vocational training and their job performance while moderately satisfied with work, supervision and training. Also, they are dissatisfied with the payment scheme and team spirit with co-workers.

From the above analysis following suggestions for improving the factors of job satisfaction are

- Compensation / Salary & bonus package should be increased according to the cost of living and to be paid regularly at just time.
- Workplace safety net programme to ensure that increasing job satisfaction level.
- Participation in management to be ensured.
- Job security and training facilities to be ensured.

- The promotional opportunities should be increased then the present stage of promotional opportunities.
- Workers are to be awarded for their better performance.

It is supposing that the conclusions of this research will be used to all textile garments in Sri Lanka to identify the most critical factors that are affecting to the job satisfaction of employees in garment industries and promoting the programs that are useful to encourage the performance of employees for the target of company success.

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