

JOB SATISFACTION AND JOB PERFORMANCE AMONG FACTORY EMPLOYEES IN APPAREL SECTOR

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ABSTRACT

This paper aims to examine the job satisfaction on job performance of factory employees in the Sri Lankan large apparel sector. It had been previously reported that job satisfaction had a significant relationship with the job performance of employees in various business sectors. In view of the importance of the apparel sector in the economic development of Sri Lanka, hence the focus of this study is to analyze the effect of job satisfaction on job performance of factory employees in 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 was analyzed by using descriptive analysis and structural equation methods. The findings show that job satisfaction has a significant positive effect on job performance.

Keywords: Apparel sector, Job performance, Job satisfaction, Structural equation methods

INTRODUCTION

Job satisfaction of employees plays a crucial factor in determining job performance. Highly performing individuals will be able to assist organization to achieve its strategic aims thus sustaining the organization competitive advantage (Dessler, 2010). Therefore, human resource managers in the apparel sector attempt to hire and retain satisfied employees. The managers are aware of the role of job satisfaction for the improvement of job performance of the organization. Previous studies (Hamdan 2011; Organ, 1977; Petty, *et al.* 1984) had revealed strong linkage between job satisfaction and job performance. Further, these studies have been established that satisfied employees show higher performance than others. Consequently, employees' satisfaction leads to delivering better products for their customers which contributes to achieving customers' loyalty, and having a loyal base of satisfied customers within such a competitive environment, increases revenues, decreases costs and builds market share.

Today, the Sri Lankan apparel industry is confronted with a serious problem. Factory employees do not stay in one organization in the long term. Reasons are attributed to the cost of living which increases time to time due to the global economic situation and employees demand higher salaries (Fernando, *et al.* 2010). Due to cost cutting, organizations cannot afford the higher pay. However, benefits of low hourly wages are quickly negated by high absenteeism (5 percent monthly), high labor turnover (about 5 percent monthly), persistent vacancies (10 percent of total workforce), costly and lengthy labor disputes, and low adaptation of modern technology all contribute to low labor productivity and performance (Wijesinghe, 2009) as well as it creates employee dissatisfaction within the system.

Based on availability of existing literature, emphasis there is a relationship between job satisfaction and job performance among the people in the given population. The subject,

effect of job satisfaction on job performance has been widely studied in other countries. The purpose of the present paper is to reexamine the state of the literature concerning the relationship between job satisfaction and job performance among factory employees in the Sri Lankan apparel sector.

LITERATURE REVIEW

Job Satisfaction

Job satisfaction is described as the feelings of employees resulting from the assessment of their job. It can be negative, positive, or moderate. Edwards, *et al.* (2008, p 442) refers to job satisfaction as "an evaluative judgment about the degree of pleasure an employee derives from his or her job that consists of both the affective and cognitive components". Aamodt, (2009) defines job satisfaction as "the attitude an employee has toward his job." Moser and Galais (2007) highlighted that employee's ability and opportunities aid to improve their satisfaction of the job level.

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 which 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.

There are different models developed in the job satisfaction field. Namely, the questionnaire - Minnesota Satisfaction (MSQ) developed by Wawis, *et al.* in 1967, Job Descriptive Index (JDI) developed by Smith *et al.* 1969, Job Characteristics Model (JCM) explained by Hackman and Oldham, 1976 (Edward, *et al.* 2008).

Job Performance

Job performance of employees is an important issue for any organization and refers to whether an employee does his job well or not. Job performance consists of behaviours that employees do in their jobs that are relevant to the goals of the organization (Campbell, *et al.* 1993). Motowidlo (2003) define job performance as based on employee behavior and the outcome is vital for the organizational success. Muchinsky (2003), explained job performance as a combination of employee's behaviors. Further he described that it can be monitored, measured and evaluated as outcomes at employee level and linked with the organizational goals. Therefore job performance is a vital determinant for organizational success.

There are different dimensions relating to job performance. According to Blumberg and Pringle (1982), three factors affect job performance. Namely ability variables (the requirement that helps to achieve the job performance), motivation variables (linked with employees to determine the job performance) and opportunity variables (work environment (temperature, noise level) group and leadership characteristics of the job) jointly affect performance. Schermerhon, *et al.* (1998) described performance as a reflection of three characteristics. Which are, performance related to capacity of an employee to perform, employees' willingness to perform and organization support. According to Acton (2001) five factor models' linkage between the personality and job performance in the organizational context. They are emotional stability, openness, conscientiousness; agreeableness and

extroversion affect job performance. Considering the Cox and Nkomo (1986) theory, job performance is classified as performance traits, task performance, and social behavior. According to Cox and Nkomo (1986), task performance as a plan for the target achievement, achieve all organizational goals, optimize the use of resources; social behavior is relations with others, always helpful to others; performance trait is a maximum effort of extension and work in a methodical way.

RESEARCH DESIGN

This study is descriptive in nature, and attempts to examine effects of job satisfaction on the job performance with special reference to the factory employees in Sri Lanka. A single cross sectional design was employed to collect data through a self administered questionnaire. The unit of analysis was factory employees.

The standard statistical analysis of structural equation modeling recommended sample between 300 to 400 is more sufficient (Weston, *et al.* 2006). Considering the above factor this study used sample size as 383. The selection of sample was carried out on a random sampling method. Stem and leaf plot, box plot and whisker diagram methods were used to check the outliers in the data set (Chinna, *et al.* 2012) and all six outliers were removed before conducting the analysis. However, 322 usable questionnaires were received and the analysis was done by using them.

OPERATIONALIZATION OF VARIABLES

Job Performance

The job performance was considered as a multidimensional construct. Performance trait, task performance and social behaviour are the dimensions of the job performance (Cox & Nkomo, 1986) and considered as first order factors while the job performance itself was considered as a second order factor. To capture the domain of the job performance an initial set of 17 items (6 for performance trait, 6 for task performance and 5 for social behaviour) were generated by reviewing the prior research on job performance. All the indicators were measured by using a four point Likert scale ranging from 1(strongly disagree) to 4 (strongly agree).

Job Satisfaction

The job satisfaction was also considered a multidimensional construct. Work itself, pay, supervision, co-worker and working conditions are the dimensions of the job satisfaction (Wawis, *et al.* 1967). Therefore, the dimensions of the job satisfaction were considered as first order factors while the job satisfaction itself was considered as a second order factor. The job satisfaction domain consists of 22 items (5 for work itself, 4 for pay, 4 for supervision, 5 for co-worker and 4 for working condition). All the statements are measured through four point Likert scale ranging from 1(strongly disagree) to 4 (strongly agree).

Assessment of Normality

Descriptive statistical analysis used the mean score of components of second order factors to check the normality of the main data. Mainly considered were the skewness and kurtosis values (Chinna, 2013) for the assessing of normality. According to Kline (2005) skewness and kurtosis values should not exceed three and ten respectively. The skewness and kurtosis values of this study are within the recommended levels (Table 1) indicating univariate normality of the data.

Table 1. Assessment of normality

Variable	Minimum	Maximum	Skewness	Kurtosis
JS	1	4	.785	.761
JP	1	4	1.479	2.237

VALIDATION OF MEASUREMENT PROPERTIES

This study employed the measurement (confirmatory factor analysis) model in structural equation modeling (SEM) to evaluate the measurement properties of the job satisfaction and job performance using Analysis of Moment Structures (AMOS). According to Garver and Mentzer (1999) SEM is a statistical tool that together the measurement model and the structural model into a simultaneous statistical test.

Before testing the Confirmatory Factor Analysis (CFA), the Cronbach's alpha (which is more than .70) and inter item correlation (desired cutoff.30) calculated to identify the consistency among the items in a construct (De vellis, 2003).The results are presented in Table 2. Scales that receive alpha score over .7 are considered to be reliable (Hair, *et al.* 2010).

Table 2. Reliabilities for first order factors

	Cronbatch Alpha	No. of items
Pay	.768	4
Supervision	.782	4
Coworker	.832	5
Work itself	.801	5
Working condition	.780	4
Performance trait	.816	6
Task performance	.801	5
Social behavior	.791	6

Then developed the CFA for job satisfaction and job performance factors. Accordingly, 1 item each from co-worker, performance trait, task performance and 2 items from social behavior were removed from the analysis and 34 items were used for development of measurement models by the AMOS program. Then developed the structural model based on the measurement model results.

The chi-square to degree of freedom (χ^2 /df), Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Comparative Fit Index (CFI), Tucker-Lewis Index(TLI) and Root Mean Squared Approximation of Error (RMSEA) were employed in this study for ensuring the overall measurement model fit. These results also demonstrate that structural model is the best of the data (Hair, *et al.* 1998; Kline, 2005). Fit indices in Table 3 shows good fitness of both variables, proving that the selected indicators are good representatives

for each dimensions of job satisfaction and job performance; which indicate that all scales demonstrated good validity.

Table 3. Model fit indices-job satisfaction and job performance

	Job Satisfaction	Job Performance	Accepted Value
Chi-square/df	2.17	2.21	< 3
GFI	.911	.908	>.9
AGFI	.931	.912	>.9
CFI	.965	.941	>.9
TLI	.942	.933	>.9
P-value	.001	.004	>.000
RMSEA	.068	.057	<.08

The results of the relationships between variables in the final structural model (Figure 1).

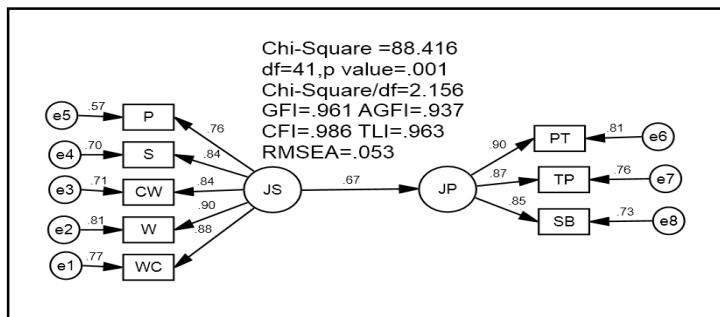


Figure 1. Final structural model

All the relationships were statistically significant ($p<.05$). The regression weights for the final structural model presented in Table 4.

Table 4. The regression weights and reliabilities of the final structural model

Path	Unstd. Estimate	S.E	C.R.	P	Std. Estimate	AVE	CR
JS → JP	.694	.071	9.725	***	.668		
P → JS	1.052	.058	17.841	***	.756		
S → JS	1.000			***	.835		
CW → JS	1.045	.042	24.922	***	.844		
W → JS	1.066	.050	23.214	***	.899		
WC → JS	1.078	.048	22.333	***	.876	.711	.907
PT → JP	1.040	.043	23.802	***	.900		
TP → JP	.867	.039	21.842	***	.874		
SB → JP	1.000			***	.855	.768	.909

***P<.001

The multivariate normality for the job satisfaction and job performance items were then tested. The critical ratio value for multivariate kurtosis was more than 5. Hence the assumption of multivariate normality is not met. Therefore testing on 1000 bootstrap resample the Bollen-stine p value was .131, which is more than .05. Thus the model 'correctness' is acceptable. According to Kline (2005) standardized residual co variances have less than two in absolute value and the model is correct. Examining the Mahalanobis distance (Table 4) p1 is more than .001 the observation is not an outlier and the highest distance is 16.121.

Table 5. Mahalanobis distance

<i>Observation No.</i>	<i>Mahalanobis d-squared</i>	<i>p1</i>	<i>p2</i>
214	16.121	.001	.005
208	15.051	.002	.003
220	15.051	.002	.000
231	15.051	.002	.000
13	14.718	.002	.000
192	14.718	.002	.000
262	14.718	.002	.000
320	14.718	.002	.000
230	9.619	.022	.104

The Composite Reliability (CR) and Average Variance Extracted (AVE) for the final structural model items were more than .6 and .5 respectively (Table 4).According to Hair, *et al.* (2010) convergent validity exists when the AVE value is greater than .5 and CR value is greater than AVE.

Further Table 6, provided the AVE is greater than all corresponding construct correlations (R^2), which is an evidence of discriminant validity of the construct (Fornell and Larcker ,1981; Chinna, 2013).

Table 6. Discriminant validity

	<i>JS</i>	<i>JP</i>
<i>JS</i>	.711*	
<i>JP</i>	.446**	.768*
*AVE	**R ²	

Table 7 illustrates the descriptive statistics of the respondents.

Table 7. Demographic profile

<i>Item</i>	<i>Description</i>	<i>Frequency</i>	<i>Percentage</i>
Gender	Male	91	28
	Female	231	72
	Below 30	206	65
Age	31-35	71	22
	Above 35	45	13
Experience	1-3 years	232	72
	3-5 years	74	23
	More than 5 years	16	5

The composition of sample indicated that 72% of respondents are represented by female while remaining 28% are represented by male respondents (refer Table 7). More female workers are employed in the apparel sector. The reason being that sewing is the main occupation for female workers due to the nature of the industry.

Further, Table 7 reveals that the largest group of respondents fell into the below the 30 year age group (65%). Of the rest 22% are between the 31-35 year age group and 13% are above the 35 year age group.

Table 7 shows the work experience of the 322 respondents, 23% have 3-5 years' experience and 5% have more than 5 years' experience. Out of the total respondents 72% had less than 3 years' experience in the existing organization.

CONCLUSION AND RECOMMENDATIONS

Results of the objective showed that job satisfaction is positively affects job performance. Hence, results of this study show that when the factory employees are satisfied, they like to provide effective works which will improve the job performance in the organization. According to Hamdan (2011) highly satisfied employees are motivated to work in the organization, do their work at optimum level and perform better than less satisfied workers. According to Organ (1977) and Petty, *et al.*(1984) job performance considered as, a satisfied worker who is also a productive employee.

COMMENTS FOR FUTURE RESEARCH

The study was limited to only 17 large apparel sector firms. It would have been useful if all the apparel firms were covered. A clear idea could have been arrived at if the small, medium and large apparel firms were evaluated separately. Then the differences of each segment could have been justified clearly.

The study can be expanded to other professions as well in order to increase their performance level as well since the performance of organizations is indispensable in the development of the country.

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