



## IMPACT OF JOB SATISFACTION ON EMPLOYEE RETENTION IN GARMENT INDUSTRY

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### ABSTRACT

As an empirical term, job satisfaction and retention of workers have in recent years drawn widespread interest from the fields of management, social science, and functional operations. Job satisfaction is a strong workforce retention indicator. Focusing on employee retention will have a positive effect on the company as it increases the morale of workers. Retention refers to steps that companies take to enable workers to work for the longest amount of time with their company. Highly skilled workers contribute significantly to the performance of an organisation and thus companies face certain consequences when those core employees leave. The goals of this analysis is to determine the effect of incentives on retention of employees, to establish if there is a relationship between workplace satisfaction and retention of employees. To determine the relationship between work satisfaction and retention of workers and to make recommendations on potential ways/strategies to enhance employee retention based on the results of the analysis to the decision makers in the company. The thesis used a quantitative research methodology and 160 textile workers were randomly chosen as research participants. Participants/respondents were administered self-administered questionnaires. The data was evaluated using version 20.0.0. of the Statistical Package for Social Sciences (SPSS). To evaluate the relations between the independent variable and the dependent variable, theories were formulated. The findings suggest that there is a clear positive and significant association between employment content, career growth, work life balance and job security. The findings also suggest that career growth has a clear and optimistic association with work satisfaction of workers and retention of employees.

**Keywords:** Job Satisfaction, Employee Retention, job content, Work life balance

### INTRODUCTION

In the face of dramatic developments and extreme rivalry, today's businesses also fail to increase results. In a volatile environment, the need to secure competitive advantages has led researchers to study how to build loyalty among employees who can internalise the desires of their company as their own (Rubel, Kee et al. 2017). One of the most studied topics in the field of management in relation to various occupations has been the relationship between employee engagement and job satisfaction at work. In addition, employee engagement is a significant problem in the strategic advantage of an enterprise as it will have an effect on the organization's performance, competitiveness, and profitability. In specific, retention of workers is a mechanism in which staff are encouraged to continue with the company for the longest amount of time or until the job is finished. Even though Job Retention has now been a difficult challenge, it is good for the company as well as for the employee. For several reasons, the reasons for staying or leaving organisations can be personal or technical. Employees who are pleased and fulfilled with their jobs are more committed and work for the success of the organisation. If people are pleased with their employment, they will stick to the company and fight with it. This can be converted into workers sticking with the company who are happy with their work. The purpose of this research is to explore the connection between work satisfaction and the retention of employees.

## I. CONCEPTUAL FRAMEWORK

### JOB SATISFACTION

In business science and organizational behaviour, work satisfaction is the most researched construct. It was assessed in terms of salary and rewards, actions of the supervisor, balance of work life and character of work. If they find that the company is more concerned with pleasing its workers as they perceived, job efficiency in the organisation would increase. In this analysis, it is checked that pay and rewards, the actions of the boss, the work life balance are known to be the dimensions of QWL, the indicator of job satisfaction (Rubel and Kee 2014). Job satisfaction derives from factors of job material such as success, appreciation, development, growth capacity, work itself and accountability; these variables are inherent in nature and are called motivators (Rupande 1976).

As per (Sarker and Afroze 2014) . Every business sector's HRM activities, the role of the person is fascinating, pay is decent, advertising opportunities are good, his or her boss is helpful, and nice employees, so a situational approach leads us to predict that employees are happy with their job. However the latest work organised the deciding factors with two additional elements for assessing workplace satisfaction: quality of work, nature of supervision, working environment, advancement incentive, workgroup, productivity of workers and compensation scheme (Darshan 2011). In order to improve employee work satisfaction, management of the company must conduct effective HRM within the company and further notes that many HRM roles such as training & development, compensation, promotion, employment protection, recruiting & selection, career management, etc should be managed adequately and in an acceptable manner (Piyasena and Kottawatta 2015)

## EMPLOYEE RETENTION

The most valuable resource of any company is human beings. Employee engagement is an important part of the administration of human capital (HRM) (Saravanan). Like any form of company, the acquisition of qualified workers is tougher than recruiting. In reality, several organisations are adopting different techniques to maintain their super performers, such as providing a fair pay plan, a supportive work climate, maintaining workplace stability and ensuring working environments for health and safety, career growth opportunities and more welfare facilities (Weerasinghe, Batagoda et al. 2012) (Mittar, Saini et al. 2014). As a result, a strong retention policy becomes a strong recruitment device. Retention of crucial employees is vital to every agency's long-term health and achievement. Maintaining great workers guarantees customer loyalty, happy peers and reporting personnel, good succession planning, and highly developed operational know-how and study is a known reality. This look at attempts to evaluate the various methods adopted to retain their workers by textile industries. Job satisfaction is the top ranking retention component for employees in their current company (Saravanan).

The most critical aspect is job fulfilment, according to Herzberg's Inspiration Theory. Hygiene considerations were linked to employee feelings of discontent which were extrinsic to the job, such as interpersonal interactions, compensation, boss, and corporate policy (Tan and Waheed 2011).

The variables of the analysis are the HRM activities (career growth prospects, help for managers, working environment, incentives and work-life policies). The analysis ends with a favourable relationship between the above mentioned HRM activities and employee retention on the basis of the data gathered from 101 respondents. They indicated that managers should work on improving HRM activities if companies want to increase employee satisfaction (Azeez 2017).

## II. LITERATURE REVIEW

Job satisfaction is an integral component of organisation climate and an important element in the management employee's relationship. Job satisfaction means individuals emotional reaction to job it. It is a positive emotional state that occurs when a person's job seem to fulfill important job values provided.(Devi and Suneja 2013) Human resources are the life-blood of any organization. Even though most of the organizations are now a days, found to be technology driven, yet human resources are required to run the technology. They are the most vital and dynamic resources of any organization. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the human resources. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role for any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive. Besides, continuously satisfying the employees is another challenge that the employers are facing today.(Das and Baruah 2013)

## III. OBJECTIVE OF THE STUDY

1. The exact aim of the study is to find out the relationship between Job satisfaction and Employee retention.

## IV. HYPOTHESES

H0 : There is no significant difference between the impact of job satisfaction on Employee retention in garment industry.

## V. METHODOLOGY

In this study, a probability sampling technique, stratified random sampling method has been used for selecting the respondents from the 'Universe'. The study, predominantly descriptive in nature, focused on Unit managers from Garment Industry in Tirupur region, India. Foremost, for the study, Tirupur was separated into three regions/strata namely northern region, central region, and southern region. At the next stage, 60 employees of Unit Manager were selected by random sampling from each of the region. A total of 180 employees of Unit manager were surveyed. This study was conducted during September - November 2020.

The survey questionnaire was prepared based on extensive literature review and studied definitions. A final set of 15 items was designed in the questionnaire. The questionnaires were subsequently piloted with 40 different respondents to ensure that items are clear and meaningful. Upon respondents' suggestions, five items were deleted as these items were unneeded. Hence, the final questionnaire consisted of ten items and was divided into three sections. The items were put on a five point scale; 1 being strongly disagree and 5 being strongly agree. In the first section, the items were related with Job satisfaction; in the second section, the items were related to Employee Retention, and in a separate section, kept at the end of questionnaire, there were questions regarding the demographic profile of the respondents.

Thus, the ultimate questionnaires were sent to 180 respondents. But, only 160 completely filled responses were received with a response rate of 79%. In this study, 79 % of the respondents were male and 21% respondents were female participants from various age groups. The participants had different levels of educational qualifications and were engaged in different occupations.

**JS & ER QUESTIONNAIRE Variables** (Training and development, Job Content, job Security, Promotion, Relationship with colleagues, Salary, Career development, Employee Engagement, Work life balance, Work Environment)

**VI. DATA ANALYSIS, RESULTS AND DISCUSSION**

Cronbach's Alpha of the Respondents on the Job satisfaction and Employee Retention Scale Based on Pilot Study

**Table 7.1 Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.746	.747	10

The scale has also been tested for reliability and the value of Cronbach's Alpha is 0.746. The Reliability test is given in the Table 7.1. (Hair et., al 2010).

**Table 7.2 Correlation Analysis**

Correlations											
		JE	JE1	JE2	JE3	JE4	JE5	JE6	JE7	JE8	JE9
<b>JE</b>	Pearson Cor	1									
	Sig. (2-tailed)										
	N	160									
<b>JE1</b>	Pearson Correlation	.273**	1								
	Sig. (2-tailed)	.000									
	N	160	160								
<b>JE2</b>	Pearson Cor	.252**	.285**	1							
	Sig. (2-tailed)	.001	.000								
	N	160	160	160							
<b>JE3</b>	Pearson Cor	.263**	.149	.065	1						
	Sig. (2-tailed)	.001	.061	.417							
	N	160	160	160	160						
<b>JE4</b>	Pearson Cor	.144	.003	.276*	.233**	1					
	Sig. (2-tailed)	.069	.967	.000	.003						
	N	160	160	160	160	160					
<b>JE5</b>	Pearson Cor	.136	.179*	.374**	.241**	.177*	1				
	Sig. (2-tailed)	.086	.024	.000	.002	.025					
	N	160	160	160	160	160	160				
<b>JE6</b>	Pearson Cor	.285**	.269**	.411**	.226**	.088	.282**	1			
	Sig. (2-tailed)	.000	.001	.000	.004	.268	.000				
	N	160	160	160	160	160	160	160			
<b>JE7</b>	Pearson Cor	.336**	.233**	.254*	.196*	.097	.012	.344**	1		
	Sig. (2-tailed)	.000	.003	.001	.013	.222	.876	.000			
	N	160	160	160	160	160	160	160	160		
<b>JE8</b>	Pearson Cor	.212**	.351**	.331*	.215**	.023	.164*	.388**	.215**	1	
	Sig. (2-tailed)	.007	.000	.000	.006	.768	.039	.000	.006		
	N	160	160	160	160	160	160	160	160	160	
<b>JE9</b>	Pearson Cor	.166*	.214**	.387*	.263**	.104	.307**	.234**	.270**	.333**	1
	Sig. (2-tailed)	.036	.007	.000	.001	.190	.000	.003	.001	.000	
	N	160	160	160	160	160	160	160	160	160	160

\*\* Correlation is significant at the 0.01 level (2 tailed).

\* Correlation is significant at the 0.05 level (2 tailed).



## CORRELATION INTERPRETATION

Job Content having high Positive correlation at 1% level of Significance among the variables exists between Training and Development with a Pearson value of 0.273.

Job Security having high Positive correlation at 1% level of Significance among the variables exists between Training and Development and Job content with a Pearson value of 0.252 & 0.285.

Promotion having high Positive correlation at 1% level of Significance among the variables exists between Training and Development with a Pearson value of 0.263.

Relationship with colleagues having high Positive correlation at 1% level of Significance among the variables exists between Job Security & Promotion with a Pearson value of 0.276 & 0.233.

Salary having high Positive correlation at 1% level of Significance among the variables exists between Job security & Promotion with a Pearson value of 0.374 & 0.241. Job content, Relationship with Colleagues having high Positive Correlation at 5% level of Significance with a Pearson value of 0.179 & 0.177.

Career Development having high Positive correlation at 1% level of Significance among the variables exists between Job security & job content with a Pearson value of 0.285, 0.269 & 0.226

Promotion & salary having high Positive Correlation at 5% level of Significance with a Pearson value of 0.411 & 0.282.

Employee Engagement having high Positive correlation at 1% level of Significance among the variables exists between Training & Development, Job content, Job security & Career development with a Pearson value of 0.336, 0.233, 0.254 & 0.344.

Employee Engagement having high Positive correlation at 5% level of Significance among the variables exists between with Pearson value of 0.196.

Work life balance having high positive correlation at 1% level of Significance among the variables exists between Training & Development, Job content, Job security, Promotion, Career Development and Employee Engagement with a Pearson value of 0.212, 0.351, 0.331, 0.215, 0.388 & 0.215.

Salary having high Positive correlation at 5% level of Significance among the variables exists between with Pearson value of 0.164.

Work environment having high Positive correlation at 1% level of Significance among the variables exists between Training & Development, job content, job Security, promotion, salary, Career development, Employee engagement, work life balance with Pearson value of 0.214, 0.387, 0.263, 0.307, 0.234, 0.270 and 0.333.

Work environment having high Positive correlation at 5% level of Significance among the variables exists between Training & Development with a Pearson of value 0.166.

## VII. DISCUSSION

This report aimed to examine the correlation between work satisfaction and the retention of workers. In addition, this research measures the 5 Work Satisfaction Aspects by (Smith, Kendall and Hulin); Preparation & Training, Job Content, Promotion, Pay and Career Development. Which has a great influence on the retention of staff. The first reliability test for 10 item questions was performed using SPSS with a Cronbach Alpha of .746. It was noticed that the instrument was accurate. In addition, descriptive mathematical data analysis was used for the Pay, Work Content, Advancement, Wage and Career Growth Table 7.2 metrics. Summarizes the measured mean and standard deviation, indicating that the 5 metrics, Preparation & Training, Job Content, Advancement, Compensation and Career Development, have a positive effect on employee satisfaction with jobs. Results show that workers are happy with preparation and advancement, work content, compensation, promotion and career progress. There is a favourable relationship between workplace satisfaction and employee retention, according to the findings.

## VIII. CONCLUSION

To conclude, the research results suggest that workplace satisfaction increases the retention of workers. Job satisfaction is an indicator of employee retention that is accurate and appropriate. Employers are recommended to indulge in activities that encourage positive working relationships and benefits; workplace satisfaction increases when staff prefer to feel that the organisation uses its skills and appreciates its support and dedication. In exchange, greater workplace satisfaction typically results in higher levels of retention of workers.

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