

ANALYSIS OF FACTORS AFFECTING TO EMPLOYEE TURNOVER IN MEDIUM SCALED APPAREL INDUSTRY IN SRI LANKA

Rajapaksha, U. G.

Department of Management and Finance, Kotelawala Defence University, Ratmalana, Sri Lanka

Abstract

The topic of this research is the factors affecting employee turnover in medium scaled garment industry in Sri Lanka. There were three research objectives; first objective is to identify the factors affecting employee turnover in medium scaled garment industry in Sri Lanka, second objective is to examine the impact of socioeconomic factors on employee turnover and third objective is to examine the impact of organizational factors affecting on employee turnover intention. Literature indicates employees are influenced by pay as the economic variables; age, marital status, sex, education as the demographic variables; upward mobility, integration, occupation, formal and instrumental communication, community participation is the organizational variables to influence on labour intention to leave the organization. As the sample 280 operators were selected from ten garment factories within the Colombo district. As the base of selection of the sample, operators within the factory was selected using simple random sampling method while factories were selected using purposive sampling method. Semi structured questionnaire was used as the quantitative data collection tool and interview also used as the qualitative data collection tool. Collected data was estimated using multi-variate logit model. As the statistical tool, SPSS AMOS (version 22) was used. As the dependent variable, 'intention to leave' is used while as the intervening variable 'employee satisfaction' is used. As the moderating variable 'distributive justice' is used while independent variables employee social economic variables, organizational variables were used. Finally study conclude that work life balance, upward mobility and routinization become the core factors while pay does not become a core factor to set a felling in the mind of employees to leave the job.

Keywords: Education, Distributive Justice, Labor Turnover

1 INTRODUCTION

1.1 Study Background

The Sri Lankan apparel industry has begun in 1960s, manufacturing garment for home country market. But in 1970, the export leaning manufacturing of readymade garments has begun in the industry and it did spread out swiftly following liberalization of Sri Lankan economy during 1977. Throughout 1980s apparel exporting was developing speedy, consequently in 1986, the textile "selling overseas" became the biggest portion which is 27 percent by all exports of Sri Lanka. Garment industry has become the biggest foreign swap earner (US\$400Mn) in 1992 which has overtaken the tea trade of the country. Within 1992, the Board of Investment presented the "Two Hundred Garment Factory" program which was a tempting package for all clothing manufactures. This made producers shift to rural regions in the country and this is known as the 'turning point' of Garment industry of Sri Lanka. And the program tended to establish 163 factories by the year 1995. Local producer is supplying

a broad global brand range inclusive Pierre Cardin, Gap, Victoria's Secret, Nike, Liz Claiborne etc. It developed to a main contributor of export revenue of Sri Lanka. Sri Lankan garment industry is the prime employer of the manufacturing sector of the country and it's providing nearly 75 percent occupations straight and circuitously. And the industry is having a quite upright position in worldwide market (Kelegama 2005). The researcher has identified that the medium scaled industry has been suffering from higher labor turnover since year 2000. Labour turnover is a movement of individuals in to jobs and out of jobs over a particular period. In the periods of 2000 to 2012, the average monthly labor turnover rate is 6.6 percent. This situation is a problem to survive the organization. Actually it is a considerable barrier to the succession of the garment factory.

1.2 Research problem

Employee turnover has become a burning issue in Sri Lankan apparel industry. Therefore it would be significant to do research on this topic. It was observed since 2000, the garment industry suffered by a high labor turnover rate. No study has been conducted in the industry to identify the impact of it. Therefore, it is intended to study what are the factors influencing on medium scale apparel industry in Sri Lanka to increase its Labor Turnover?'

1.3 Research Objectives

The core objective of the study is to analyze the factors affecting employee turnover of medium scaled garment industry in Sri Lanka. And the researcher would like to study the following secondary objectives.

- i. To analyses the factors affecting employee turnover in medium scaled apparel industry in Sri Lanka.
- ii. To see the impact of socio-economic variables on employee turnover.
- iii. To see the impact of organizational factors on employee turnover.

1.4 Research question

Followings are the research questions.

- i. What are the factors affecting employee turnover in medium scaled apparel industry in Sri Lanka?
- ii. What is the impact of socio-economic variables on employee turnover?
- iii. What is the impact of organizational factors on employee turnover?

2. LITERATURE REVIEW

2.1 Theoretical Review

As Nawaz (2009) indicates that there are two types of employee turnover happen in companies, voluntary and involuntary. Voluntary employee turnover involves employee's intention to quit the job or decide to give resignation from job. It can be due to better opportunity, job **dissatisfaction**, supervisor's bad behavior, less chances of growth etc. And involuntary employee turnover is that when an organization fires employees by itself. It can be like retirement cases, organization needs to cut cost, restructure or downsizing, low performers firing from the job or dismissals, permanent disability or employee death case etc.

2.1.1 Employee Turnover (ET)

Employee turnover is widely considerable issue for the organizations. It means when a person quit from the given job for any reason. It is called as "employee turnover". According to Nawaz (2009) "A permanent movement beyond the boundary of an organization" (p. 142). Employee turnover is not calculated in a very complicated way to show discrimination between voluntary or involuntary turnover. Most of the time organizations relatively simple formula of turnover such as the equation below (Marchington and Wilkinson 1996, 97).

$$\frac{\text{Leavers in Year}}{\text{Average Number of Staff in Post during Year}} \times 100$$

This equation does not differentiate between people who left because of dissatisfaction, due to illness or retirement case etc. in this current era mostly people decide to leave the job because they already have better offer from another employer. Better opportunity creates willingness to leave the job. According to Nawaz (2009), under nearly all conditions the most accurate single predictor of labor turnover is the state of the economy. When jobs are plentiful, voluntary movement is high; when jobs are scares, voluntary turnover is small (1958. p. 100).

"Employee turnover" has got a substantial attention from organizational management, HR professionals and industry psychologists and it's been a most stubborn issue which is costly for an organization. An organization's productivity and endurance can be critically affected by general labour turnover rates of labour force of the organization (Sigma assessment systems inc 2012). The term "employee turnover" can be mentioned as "overall/crude employee turnover" too. "Overall/crude employee turnover" represents all leavers together voluntary and involuntary which include the workers who resign, retire or made redundant. With turnover data, the special breakdowns like redundancy-related turnover or resignation levels are calculated which are helpful to evaluate effectiveness of people management in an organization. And the employee turnover rate is high when there is miner unemployment rate (CIPD 2012). "Employee turnover refers to the proportion of employees who leave an organization over a set of period (often on a year-on-year basis), expressed as a percentage of total workforce numbers" (CIPD 2012).

2.1.2 Voluntary Employee Turnover (VET)

Voluntary Employee Turnover means when an employee leaves the company with his own intension. It might be due to better job opportunity, existing job dissatisfaction, bad working conditions or negative behavior of supervisor etc. high level of voluntary turnover seems to be negative for the organizational growth. According to (Nawaz. 2009). 'explanation of voluntary employee turnover has important implication for organizational manpower planning. It is widely believed that a high amount of VET adversely influences organizational effectiveness; that is the degree to which organizations achieve their goals'

As highlighted by Nawaz, the factors affecting to labour turnover as shown below;

A Job Satisfaction (JS)

Job satisfaction is more about happiness on the work place. It creates interest in the job. We can define job satisfaction as 'A pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences' (Spector, 1996)

B Organizational Commitment (OC)

Organizational commitment plays an important role in restricting an individual's mind toward resignation. Committed employees always have better attendance record and stay for long period of time in an organization as compared with non-committed employees (Nawaz 2009).

C Work Environment / Supervisor Behavior

Working conditions play very crucial role to increase job satisfaction and organizational commitment in the workforce community. The work environment includes factors or features that have all work conditions and situations for employees (Dawson, 1986).

D Less Career Growth

Textile industry in Pakistan has less potential for low class workers to grow and make career for long run. There are certain reasons involved in this particular factor for instance ninety percent workers are uneducated, lack of proper skills, less personal relations in the industry, a large amount of textile workforce belong to rural area and even some of them don't have enough sense to grow or develop their self. This is a true fact that all the textile workers belong to poor families and have responsible for bread & butter for whole family. In this situation workers never argued to promote on higher designation and by this employer get benefit.

E Monetary Reward

Monetary reward has been defined in such a way like cash or equivalent that an employee receives against his services from the employer. Here equivalent reward includes fringe benefits, medical facilities and provident fund etc. Monetary rewards have negative effect on VET.

F Better Employment Opportunity

Better opportunity for the labour force reflects the employment available in another organization but in the same industry. It is clear that a skilled worker of textile sector cannot join agriculture sector because it requires some other skills that majority of workers don't have. So their area of getting opportunity is only the same sector. It might be possible that this opportunity is better because of improved designation, salary increment, better working condition or good behavior of Manager etc. normally it has been seen the new entrants have more intension to leave the job after short period of time in comparison with five or seven years old employees.

G Employee Age Factor

From the study this concept comes out that workers age also contribute towards the decision to stay or leave the job. It is crystal clear: age has positive relation with organizational commitment (OC) and job satisfaction. A mature person has more confidence and patience on the work place than a younger one. According to Wright and Hamilton (1978), with increase in age a person has greater level of prestige and confidence. Just like the same age has direct relation with OC, if a worker is getting older then he supposes to be more committed with the organization.

H Employment Tenure

AS per Nawaz (2009), employment tenure is time period that a person spent on the job in an organization. It has negative relation with voluntary employee turnover (VET). When an employee getting older in a company and promoted on senior designation then he/she has less willingness to quit or leave the job. According to Becker's (1960) long period of employment increases organizational commitment (OC) that reflect maximum investment had made in the company. Employees who had great relationship with colleagues and emotional attachment with company, they have too much to lose while leaving the organization. This type of cases is very rare in textile industry of Pakistan. It is theorized that workers who spent longer time, normally they get a supervisory position where they feel comfort or satisfaction so that turnover rate automatically remain in acceptable level.

As Dheerasinghe (2003) indicates that most of the female workers leave the industry after marriage while a considerable number of trained workers leave the industry for foreign employment. The average labour turnover worked out per factory is about 60 per cent per annum. Taking the labour migration within the industry into account, the net number of persons leaving the industry each year is estimated as 25 per cent. As per Dheerasinghe (2003), there is the problem of maintaining a stable work force and much effort required to maintain quality and productivity in the labour force.

As Ahamed, F (2013) points out according to his study on, *Improving Social compliance in Bangladesh's Ready-made Garment Industry*, many have investigated that working conditions in the apparel sector are below standard and do not meet the ILO standards. Labour standards and rights are commonly ignored in the apparel factories in Bangladesh: poor practices include the absence of trade unions, informal recruitment, and irregular payment, sudden termination, wage discrimination, excessive work, and abusing child labour. Moreover as Ahamed (2013) points out that workers suffer various kinds of diseases due to the unhygienic environment and a number of workers are killed in workplace accidents, fires and panic stampedes. Absence of an appropriate mechanism to ensure the enforceability of the available laws for protecting workers' rights and maintaining workplace safety continues to be a concern in the Apparel sector. As the sector is an important foreign exchange earning component, some changes are required.

In addition to that even Kumar (2006) focusses; that garments workers are concerned with long working hours or double consecutive shifts, personally unsafe work environment, poor working conditions, wage and gender discrimination. Indeed, employers treat the apparel workers as slaves, exploiting workers to increase their profit margins and keep their industry competitive in the face of increasing international competition (Kumar A., 2006).

2.2. The Factors Affecting Employee Turnover

According to Thomas and Martin (1979) there are bunch of variables which does affect the employee turnover in organizations. They are inclusive of 10 determinants as pay, integration, centralization, instrumental communication, formal communication, routinization, upward mobility, and distributive justice, length of service, age, education, occupation, marital status, and sex. Other than centralization, routinization and education as they indicates all other variables shows a positive impact on labour turnover intention.

According to Thomas and Martin, 'Pay' means salary of employees which is given for their service. And Porter and Steers (1972) have stated that the employee turnover is influenced by pay. Accordingly in Sri Lankan garment industry there are poor incentive structures. Poor Incentive Structures mean the poorly prearranged inducements and pay systems which have set up by employers. Kelegama and Epaarachchi (2003) have mentioned that the employees are not considered when making allowances in most factories and Employer is only attentive for the productivity and mostly to improve productivity only, they are making productivity payments. But even in that, though owners supposed to make inducement schemes, the payments only will be 'flat rate' (Kelegama and Epaarachchi 2003). This is a major reason for the workers to leave jobs at this type of factories. Leavers have too negative attitude towards 'pay' than staying workers (Hellriegel and White 1973). And they tend to go for better careers with fair salary systems. As Thomas and Martin (1979). 'Integration' is the involvement of organizational associations such as having good friends at work. When employees are having good friends at work they feel happy at the workplace and they tend to like the career life at the job place. Even in garment factory also the employees' negotiation with each other is much more. As the Sri Lankan culture, even at job place, the 'friends' is something they just want. Therefore when they do not find friends at work they get unhappy in career life and start to have turnover intentions. Even Porter and Steers (1972) have stated that employee turnover is influenced by co-worker relations factor. Thomas and Martin (1979) stated "Instrumental Communication" means extend of transmitting of information for every employee about their job role that they have to play or about their duty they have to do. Also According to Porter and Steers (1972) employee turnover is influenced by nature of job requirements. Then if employer is not giving guidance to employees of what role they have to play in their jobs then employees are not aware of job requirements and will feel lost and get fear about current working place and tend to leave the organization. "Formal Communication" does mean extend of officially transmitting of information to the members of the organization according to memos. Formal communication is very important among employees to make them aware of meetings, assemblies, work orders, etc. but when employees are not informed what they are supposed to do next and what the organisation is up to, they will get surprised with each company movements, get inconvenient with company procedures and try to find a transparent work place.

'Centralization' is to what extend is the power concentrated in the organization like contribution to make decisions. When making decisions employer should consider all employees of organisation too. When employers think only about enhancing productivity employees might have inconvenience and tend to leave. 'Routinization' does mean extend of repetition of performance of the particular job. There is a high volume repetitive environment in export garment industry and employees in apparel industry in Sri Lanka are involved in routine labour (Wickramasinghe and Wickramasinghe 2010). Same repetitive work is something which make worker fed up about his/her work and the employee does try to resign the job. "Distributive justice" means extend of following the conformity of norms by sharing

optimistic sanctions by the organization itself. When this reduces turnover rate does increase. "Upward Mobility" is the possibility of moving through different levels of organization for its employees such as promotions and progressions. According to Porter and Steers (1972) employee turnover is influenced by promotion policies. Even persons who were paid more for their brilliant performance were less probable to give up their career (Sujeewa 2011). As Thomas and Martin (1979) among these 8 determinants, 2 variables do interfere and make the intention to quit the career and it primarily shows the motivational procedure of intent to leave of the employee. And the authors mention, the first interfering variable is 'Job Satisfaction', it means extend that positive and touching orientation in the direction of membership in the organization. Further they emphasise that, the firstly discussed 8 determinants act first on "Job Satisfaction" and produce a roundabout collision on intention and influence the motivational procedure to quit or to stay. Here Organization needs to consider exact requirements of employees for benefits to be perceived positively by them (Warnasooriya and Jayawardena 2011). In other words companies should make employees satisfied to make them stay. Even people do involve on the job, if they are satisfied with the job only. When it comes to apparel industry (Sri Lankan) It was verified that, there is a optimistic relationship between job involvement with job performance and job performance is having a significant and positive relationship with job satisfaction in all type of employees (kottawatta 2007). But according to Michaels and Spector (1982) total satisfaction contribute turnover slightly only.

The next arbitrating variable is 'Opportunity'; it means extend of availability of substitute occupations in the environment (Thomas and Martin 1979). According to Michaels and Spector (1982) when there is a good job market, there are plenty of job opportunities. The job searching behaviour can get as an enhanced predictor of actual turnover (Chen et al. 2008). In such conditions employee turnover is encouraged (Thomas and Martin 1979). As said by Thomas and Martin (1979) the next 2 determinants do motivational impact directly on intention to leave other than circuitous motivation via 'satisfaction' and one of them is "Community Participation" which means involvement in communal life of a society. As an example Sri Lankan garment factories involve the employees in social works such as blood donations and conduct talent shows and competitions for employees. Other one is "Work Commitment" and means, extend which the career position constitutes middle life attention of employees (Thomas and Martin 1979). Job commitment is having a positive relationship with job performance in garment factories (kottawatta 2007). Therefore it can be mentioned as the lower the work commitment is higher the employee turnover. But Michaels and Spector (1982) stated that commitment does not affect much on turnover.

'Age', 'Sex', 'Education', 'Marital Status', 'Occupation' & "Length of Service" are the other 6 demographic variables and they motivate both "Job Satisfaction" and "Intent"(intention to leave or to stay) directly (Thomas and Martin 1979). According to Porter and Steers (1972) employee turnover is influenced by age. Michaels and Spector (1982) said that 'age' lead to whole satisfaction and commitment. In the sense, there is negative relationship between age and turnover (Mobley et al. 1979). Cohen and Golan (2007) have mentioned that, an individual intention to turnover can be seen by personal absenteeism. And further they mention, as **demonstrated** here in the strong and negative effect of age on turnover intentions, this purpose might be stronger in youthful workers. According to Kelegama and Epaarachchi (2003) In Sri Lanka, by manufacturing sector labour force, a considerable amount is employed in garment industry and its one prominent characteristic is that the Female dominance by gender composition is very high. 85% (350,000) of industry labour force were women during 2010 (BOI Sri Lanka 2013). The issue which occurs with that

characteristic is many women employees resign the job after marriage (Dheerasinghe 2003). Therefore sex is a directly affecting factor to employee turnover in garment factories. Education will be described under the "socioeconomic factors impacting employee turnover". According to Dheerasinghe (2003) many women employees resign the job after marriage. But Mobley et al. (1979) has said that Family responsibility and marital status are decreasing employee turnover. Occupation will be clarified in socioeconomic factors part. And as said by Mobley et al. (1979) length of service is one good predictor of employee turnover.

2.2.2 Impact of Socioeconomic Variables on Employee Turnover

As the socioeconomic factors, the 'Education', 'Income', and 'occupation' are used in the report. Therefore the impact of education, income and occupation on employee turnover will be examined in this part. An individual's educational level has an important inverse correlation or else a direct correlation on that person's level of career satisfaction. Education makes a portion of a person's entire human assets. And it has a major effect on that person's degree of career satisfaction. Education makes direct impact on career satisfaction via expectations & indirect impacts via other determinants of satisfaction such as income and additional job features. Therefore the job becomes a channel to indicate the effect of education. Individuals with more elevated levels of learning are much more convinced to get safe employment/careers with improved degrees of payments plus bigger talent levels. When all impacts of education on career satisfaction are considered, it can be concluded that investments in education/learning produce many financial and nonfinancial benefits. Accordingly, people who **have** higher degrees of education/learning, generally indicate higher career satisfaction degrees (Fabra and Camisón 2009).

According to the above model hourly wages, characteristics of worker and characteristics of employee's job are affecting job satisfaction. And educational level and career characteristics do impact on hourly wages. Also education does impact on job characteristics. Finally the individual characteristics (marital status, age & gender) are the variables which describe/explain hourly salary, career characteristics plus educational levels (Fabra and Camisón 2009). When individuals or the employees are having career satisfaction, they tend to like the organization they work in. when the employees tend to like the organization they naturally become loyal for the company and those individuals do not get the intention to leave the organization. But they get the need of stick in to their company further or forever. Therefore if the employees are satisfied with the organization the employee turnover of an organization does decrease. Accordingly in an organization when there is a higher level of education then the level of employee turnover is low. In Sri Lankan garment industry, a significant amount of associates who are educated and skilled with training do fly abroad for jobs (Dheerasinghe 2003). But according to Joo and Park (2010) offering training programs (a sort of education) does help to reduce the employee turnover rate by making the worker confident, skilful and getting promoted in their career life. It means education level does collision turnover.

Same time employees who are having low occupational status are more towards leaving job than high occupational status employees (Thomas and Martin 1979). Accordingly the occupation status impacts for employee turnover. Occupation vice, tenure is another big factor of turnover. Tenure is the extent to which a career of an employee is stable. According to Porter and Steers (1972) employee turnover is influenced by tenure. There is a negative relationship between tenure and employee turnover (Mobley et al. 1979). When discuss about the factor 'occupation', Job stress means harmful bodily and emotional reactions that happen

when needs of career do not equivalent with worker's capabilities, resources, or needs (Rode 2004 cited in Bemana et al. 2013). Job stress happens when persons face with works which they are inadequate in intervening and their minds are incapable to adapt (Bemana et al. 2013). Job stress is impacted by motivation among employees (Bemana et al. 2013). The highly motivated employees are willing more to work (Bemana et al. 2013). And job stress influence employees' satisfaction and overall performance of work (Bemana et al. 2013). Stress is indicated by absents and the rate of absenteeism does indicate turnover signs of future time periods (Cohen and Golan 2007).

Bakan and Buyukbese (2013) revealed that the employees' income level is having a significant relationship with job satisfaction. According to two authors, for this 'job satisfaction' there were five specific factors as: satisfaction with compensation, social satisfaction, work satisfaction, satisfaction with supervisor and satisfaction with promotion. Further they emphasized all these aspects of job satisfaction are having a positive relationship with the employee income level. Also they have clarified, employees with high income levels indicated significantly superior/higher level of satisfaction and employees with low level of income have indicated comparatively lower level of satisfaction. Consequently the lower levels of income of worker do lead to employee turnover in organizations. Work-family conflict is "a form of inter-role conflict in which the role pressures from the work and family domains are mutually incompatible in **some** respect". Therefore work/occupation does make turnover by conflicting with family condition (Good, Page and Young 1996).

2.2.3 Impact of Working Environment on Employee Turnover

Working condition is indicated as a connected factor to employee turnover and productivity as well (Sujeewa 2011). Kelegama and Epaarachchi (2003) state that small to medium garment factories which are having a risky factory layout with overcrowded workspace are not favourable for workers for their factory life and mainly quantities of garments do not have the essential amenities like cafeterias and lavatories. Further they clarify that, also breaking times are not given for essential needs and especially widespread problem for the female workers within the factory itself is 'harassment' which is 'sexual harassment' in particular. At the same time disparity of allowance and facilities lead to continual movement of personnel for companies with better working conditions (Kelegama and Epaarachchi 2003).

For the working environment, human resource practices also inclusive. According to Sujewa (2011) many human resource practices are impacting on employee turnover of an organization, some of them are selection realistic job **previews**, selection procedures, socialization programs, promotion opportunities and compensation practices. Grievance handling is the degree to which current grievance handling practice is accepted as justice and fair enough (sujeewa 2011). Turnover intention means when a worker intends to leave his/her current job and intention to leave is a strongest predictor of employee turnover (Wickramasinghe and Wickramasinghe 2011). According to Sujewa (2011) it has made sure that deprived grievance handle exercises lead to high employee intentions to turnover. Employee career development practices in Sri Lankan garment industry were confirmed as relate to the turnover negatively (sujeewa 2011). In the sense when there is career development practices are exercised among employees of factories then those employees are not getting intention to leave the current working place.

Kelegama and Epaarachchi (2003) have mentioned that social embarrassment of the garment worker is another factor and In Sri Lanka since poor functioning surroundings and female

abuse/harassments, the image of the garment worker is having in the society is not so good. Because of that people who work at garment industry do have communal disgrace about working in garment factories. Therefore they are **pulled** by careers which they can attend proudly without embracement in the society and they just leave the job at garment factory.

Worker-stress is another basic factor of working environment and when 'Stress' move up to high level then the performance of the worker get weaken. Working environment with unhealthy career stress will lead to problems especially in performance of employees (Bemana et al. 2013). Also poor reactions will be developed which leads to psychological stress if not controlled. The deprived relationships between people in the office, despotic manner of managing, low diversity of occupation, lack of using talents and deprived paying are other causative factors of stress. The little worth giving toward garment workers including female in particular is another factor. Therefore the workers tend to search for other jobs which provide them peaceful and pressure free conditions in their working life (Kelegama and Epaarachchi 2003). Leadership performance is a factor which is also relevant to the working environment. According to Porter and Steers (1972) employee turnover is influenced by supervision. And leadership is significantly associating with turnover (Mobley et al. 1979). Also Michaels and Spector (1982) said that perceived consideration of the supervisor/leader leads to satisfaction and commitment. And they have further emphasised the 'supervisor's consideration' affects satisfaction of employee which leads to their intention that can cause turnover. Leadership performance has a straight negative correlation with labour turnover intent (Malik, Danish, and Munir 2011). In the sense the Strained Employer-Employee Dialogue is another constrain which deficiently effects for the worker turnover. It indicates the poor relationship between the employer and their employee which make the stressed relationships. These tensed relationships are indicated while the management formulates demands upon workers such as impracticable targets. Workers will be forced in carrying out work further than the own capability. Absences, being short of sufficient preparation of managers in central and higher ranks and broke professionalism will be created with this type of situations and the associate just get frustrated with the company.

Since local apparel industry faces an elevated worker turnover, lot of clothing companies suffer from direct labour scarcity. This problem mainly happens due to macro environment aspects. But still the problem can be solved for an extent by positively changing the leadership approaches and human resource of working atmosphere (Jayakody 2008). In a considerable scale, regulations ensuring constitutional rights of the workers are avoided. Several owners are likely to assume as, if they are providing careers, the employee should obey whatever the action they take and the systems they practice. As an example by listed owners, merely 35% do accept the stipulation of EPFA (Employment Provident Fund Act). Current society and especially many employers have the attitude that a trade union is a problem for the business. Therefore the employers have a negative thinking about influencing the trade unions to rise for the development of business's efficiency. When it comes to free trade zones, by many industrial units, the employee regulations are buried sake of keeping factory's issues within factory borders. With all these dominance of the owners, Trade Union formation is discouraged (Kelegama and Epaarachchi 2003). In such situations the frustrated worker does leave the job for jobs which they have freedom to speak, which gives the supposed respect and funds and which they can complain and fight for their rights. Working group's unit size is also a factor which predicts the employee turnover. According to Porter and Steers (1972) employee turnover is influenced by working group unit size. Shim (2010) stated that organizational culture and climate are considerable interpreters of employees' purpose to quit their jobs. Workers with lower values of company's climate and culture are

more intended to quit than workers with high values. Also culture and climate of organizations influence existing employees' labor behaviors and new employees' labor attitudes (Shim 2010).

3. RESEARCH METHODOLOGY

3.1 Conceptual framework of the study

Under the here, the researcher has developed a clear picture by using possible factors which are directly related to emerge this issue. The researcher has indicated how to emerge this issue in that framework by using influencing factors to labor turnover.

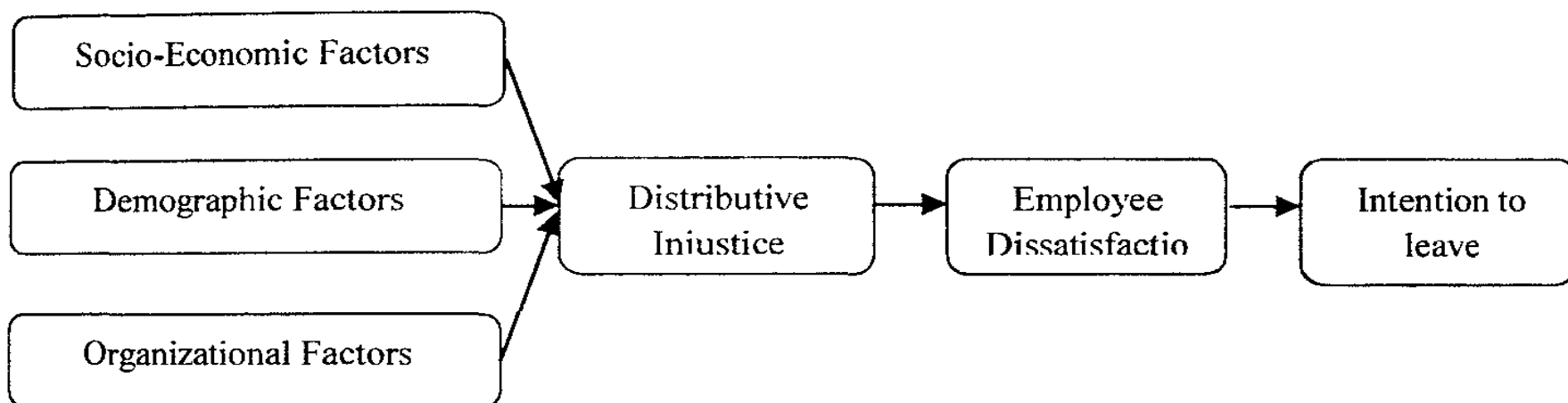


Figure: 3.1: The Relationship between the factors affecting to Employee Dissatisfaction and Intention to Leave

Source: Developed by the Author

3.2 Formulation of Empirical Model

$$Z=f(Y_{ij}) \dots\dots\dots(1)$$

$$Y=f(X_{ij}) \dots\dots\dots(2)$$

$$X=f(S_{ij},T_{ij},W_{ij}) \dots\dots\dots(3)$$

Where: Z_{ij} stands for Intension to leave. Y_{ij} indicates for Employee Dissatisfaction, X_{ij} shows Distributive Justice and vectors S_i , T_i , W_i , stand respectively, Economic Factors (S_1), Demographic Factors and ($T_{1.5}$) Illustrates Occupational Factors ($W_{1.9}$). Further Table 3.1 shows the data and variables.

3.3 Operationalization

Table 3.1: Data and Variables

Variables		Indicators	Measurements
S 1	Pay	Monthly Salary and Allowance	Continuous variable
T 1	Age	Age of the employee	Continuous variable
T 2	Education	Level of Education	Continuous variable
T 3	Length of Service	Years of Service	Continuous variable
T 4	Marital Status	Whether Married or Single	0=single, 1= for married
T 5	Sex	Whether Male or Female	0= females, 1= males
W 1	Centralization	Whether decision making is centralized or not	5 Point Lickert Scale
W 2	Community Participation	Level of Teamwork	5 Point Lickert Scale
W 3	Formal Communication	Level of Official Communication	5 Point Lickert Scale
W 4	Instrumental Communication	Level of communication of job roles and expectations	5 Point Lickert Scale
W 5	Integration	level of friendships and social interactions they have	5 Point Lickert Scale
W 6	Occupation	level of responsibilities and work pressure	5 Point Lickert Scale
W 7	Routinization	How far the job is repetitive or not	5 Point Lickert Scale
W 8	Upward Mobility	Level of Promotions and Progression	5 Point Lickert Scale
W 9	Work Life balance	How far they can balance their employment life with personal life	5 Point Lickert Scale
X	Distributive Justice	The level of their perception of just and fair treatment for their expectations	5 Point Lickert Scale
Y	Employee Satisfaction	Level of employee satisfaction	5 Point Lickert Scale
Z	Labour Turnover Intention	Whether the employees are ready to leave or not	0=Intention to Leave, 1= Otherwise

Source: Developed by Researcher (2015)

Table 3.1 shows how the variables recognized in the literature is operationalized.

3.4. Sample Profile

Out of 2760 employees who left within last five years, a sample of 280 employees is selected. Simple random sampling will be used by the author to select the sample. Even Mani (2012) has also used the sampling method. This sample includes factory operators from 10 medium scaled garment factories in Sri Lanka.

3.5. Data Collection Methods

Researcher has selected semi-structured questionnaires to collect the data. This is consistent with even Mani (2012) and Tabassum (2011). They also have used semi-structured questionnaires method as the primary data collection technique in order to collect the data.

3.6. Data Analysis methods

All collected data will be statistically analyzed by using the support of SPSS (AMOS) statistical software. The validity and reliability of the data and sample are made sure by the use of expert reviews and SPSS software respectively. As the statistical model, Multi-Variate Logit model is used.

4. DATA ANALYSIS

4.1 Model Fit and Reliability of the Data

The study has used SPSS AMOS (ver. 21) to analyze the model fit of the research. Additionally Goodness of Fit Index (GFI), Parsimony Goodness of Fit Index (PGFI) and Root Mean Square Error of Approximation (RMSEA) also have been used. Usually, GFI should be less than one but close to one in order to have a better model fit. The current study has GFI of 0.812 and it is known as the close fit. Also in the research, PGFI of 0.588 and RMSEA of 0.0740 reported as a close fit in the conducted research model. In the case of RMSEA as per the norm, the figure should be less than 0.08 in order to have a better fit. '0' indicates a better fit. In order to make sure the reliability of the data, SPSS was used. Cronbach Alpha, being the indicator of reliability of the data was 0.63.

4.2 Model Estimation

The model estimation focuses on the quantitative analysis of the gathered data. Under this section, the researcher analyzes and interprets the research objectives which have been identified in the section 1.3 and the equations made in the section 3.2.

Table 4.1 Coefficients

Variable/s	Standardized Total Effects			Standard Errors			Two Tailed Significance		
	Distributive Justice	Employee Satisfaction	Labor Turnover Intention	Distributive Justice	Employee Satisfaction	Labor Turnover Intention	Distributive Justice	Employee Satisfaction	Labor Turnover Intention
S1 Pay	0.3661	0.0501	-0.0153	0.0467	0.0266	0.0085	0.008***	0.035**	0.0257**
T1 Age	0.0335	-0.0046	-0.0014	0.034	0.0057	0.0018	0.4275	0.3221	0.3215
T2 Education	0.0839	-0.0115	-0.0035	0.0457	0.009	0.0028	0.0392	0.0466**	0.044**
T3 Length of Service	0.0169	-0.0023	-0.0007	0.0325	0.0051	0.0015	0.6191	0.4093	0.3954
T4 Marital Status	0.041	-0.0056	-0.0017	0.0282	0.0047	0.0015	0.1403	0.1006	0.0854*
T5 Sex	0.0249	-0.0034	-0.001	0.031	0.005	0.0015	0.4342	0.239	0.2389
W1 Centralization	-0.0123	-0.0033	0.120	0.023	0.0043	0.0032	0.2321	0.123	0.0912*
W2 Community Participation	0.3019	0.0413	-0.0126	0.0423	0.0219	0.007	0.0051***	0.0375**	0.0314**
W3 Formal Communication	0.0833	-0.0128	-0.0039	0.0569	0.0113	0.0031	0.0304**	0.088*	0.0671*
W4 Instrumental Communication	0.1719	0.0098	-0.003	0.0282	0.0068	0.002	0.0212**	0.0473**	0.0351**
W5 Integration	0.0475	0.0065	0.002	0.0375	0.0068	0.002	0.231	0.1013	0.1257
W6 Occupation	-0.0082	0.0011	0.0003	0.0606	0.0092	0.0028	0.9756	0.8508	0.8508
W7 Routinization	-0.2541	-0.0348	0.0106	0.0574	0.0186	0.0057	0.0001***	0.050**4	0.0083***
W8 Upward Mobility	-0.2404	0.0329	0.0101	0.0394	0.0173	0.0053	0.0124**	0.0444**	0.0292**
W9 Work Life balance	-0.3964	-0.0543	0.0166	0.0724	0.0281	0.009	0.0006***	0.0898*	0.0081***

Variable/s	Standardized Total Effects			Standard Errors			Two Tailed Significance		
	Distributive Justice	Employee Satisfaction	Labor Turnover Intention	Distributive Justice	Employee Satisfaction	Labor Turnover Intention	Distributive Justice	Employee Satisfaction	Labor Turnover Intention
X	0	-0.1369	0.3054	0	0.0678	0.0488	.	0.0035***	0.008***
Y	0	0	-0.0418	0	0	0.0214	.	0	0.0605**

Notes: Moderating variable: Distributive Justice; Intervening Variable: Employee Satisfaction; Dependent Variable: Labor Turnover Intention
Source: Survey Data (2015)

For the study, the independent variables such as Pay (Monthly Salary and Allowance), Age (Age of the employee), Education (Level of Education), Length of Service (Years of Service), Marital Status (Whether Married or Single), Sex (Whether Male or Female), Centralization (Whether decision making is centralized or not), Community Participation (Level of Teamwork), Formal Communication (Level of Official Communication), Instrumental Communication (Level of communication of job roles and expectations), Integration (level of friendships and social interactions they have), Occupation (level of responsibilities and work pressure), Routinization (How far the job is repetitive or not), Upward Mobility (Level of Promotions and Progression), and Work Life balance (How far they can balance their employment life with personal life) were used. As the moderating variables, Distributive Justice (The level of their perception of just and fair treatment for their expectations) is used while Employee Satisfaction (Level of employee satisfaction) is used as an intervening variable. Finally Labor Turnover Intention (Whether the employee is ready to leave or not) is used as the dependent variable.

As per the Table 4.1, other than the variables such as centralization, occupation, routinization, work life balance and upward mobility, all other variables show a positive relationship with distributive justice. In the case of whether they are treated justly and fairly through centralization, occupation, routinization, work life balance and upward mobility are negatively perceived by them. Out of that routinization and upward mobility is significantly influential under 99 percent confident interval to create a perception on their mind that they are being treated badly.

However, the variables like Pay and community participation shows a positive significant effect on distributive justice under 99 percent confidential interval while instrumental communication and formal communication show a positive significant effect on distributive justice under 95 percent confidential interval.

Regarding the employee satisfaction, while the variables such as pay, community participation, formal communication, instrumental communication, occupation and integration show a positive relationship, the other independent variables show an inverse relationship with employee satisfaction. However the variables such as education, upward mobility, work life balance and distributive injustice are significant in making employee dissatisfied. Although, all other independent variables with inverse relationship are related with employee dissatisfaction, they are not significant. The positive variables such as pay, community participation, formal communication and instrumental communication show significant influence on employee satisfaction.

The variables such as integration, occupation, routinization, upward mobility and work life balance have a positive relationship with labor turnover intention. out of this routinization, upward mobility and work life balance has a significant effect on employee labor turnover intention under 99 percent confident interval while upward mobility is significant under 95 percent confident interval. Other variables show an inverse relationship with the labor turnover intention. However the variables such as pay, education, employee satisfaction, community participation, and instrumental communication show a significant effect on labor turnover intention under 95 percent confident interval while formal communication and marital status shows a positive impact under 90 percent confident interval.

5. DISCUSSION

As per the above table 4.1, the employees feel negative in distributive justice, in case of routinization, upward mobility, work life balance, centralization and occupation. Garment Factory is a place where a higher routinization and poor upward mobility are continuously practicing. If an employee is recruited as an operator, most of the time, the same employee leaves the organization being in the same capacity. Throughout his/her career, he/she must have done the same job. This pattern of career has made them negative to perceive the organization has treated distributed the justice well. However this is par with the principles of scientific management. As per the father of management, FW Taylor articulates that higher productivity comes through specialization where specialization comes through routinization. However it is only a one-sided thinking, because it does not concern the perspective of employees. Moving to the current study, the study finds that they are negatively responded to routinization. The problem of routinization should have been overcome, if they have well-structured promotional plan. However, application of promotional plan to a factory operators is a hard concept as per the opinion of factory management. In the case of work life balance, employee's perception on the just and fair treatment by the organization on that is highly negative. The reason could be; most of the employees comes from the rural sector. Most of them are females. Once they get married, they cannot go home as they want. They find difficulties to balance their personal life. This become a major factor for them to think the organization on pessimistic mind.

Further Occupation (work pressure, work load and work responsibilities) and centralization (centralized decision making) are the second set of variables which shows a negative

relationship with the perception of just and fair treatment made by the factory. Most of garment factories have set target to its operators to achieve within a course of a particular period. This target has made them more pressure to balance the mind. The pressure can come in two ways: absolute pressure and relative pressure. Absolute pressure comes, if they could not meet the target, they themselves would be under pressure. Relative pressure means if others meet the target rather than them, again even though they have achieved the target or not, still they get the pressure. Further, setting target to employees is negatively realized even by Deming. However most of the conventional organizational psychologist believe that the work pressure can enhance the organizational productivity, but modern psychologist believe, work pressure enhance only short term productivity, not the long term productivity. In the case of centralization, always decisions are set by the higher authority, no decision making power is given to employees. Still, employees perceive it as pessimistic mind, because they can enjoy the independence of managing the job rather than just doing the job. Finally the employees those who are fed up with lack of promotions (upward mobility), routinization, lack of decision making ability (centralization) has made them more negative with the way of distributive justice that organization can do for them.

The employees with better pay, those who have opportunities to make community participation, those who can have instrumental communication & formal communication, integration (level of friendship) and education show positive feeling in the employees' mind towards the way organization treat them. Every employee works with lots of commitments. If they are given a better rewards for the commitment, they become optimistic with the organization: that is how pay and distributive justice are related. Further, the result obtained for the integration and community participation are highly important in practical aspect in the garment factories. The integration is always there. If employees has the ability get-together as a team, everybody stands as one figure in any case. Usually they themselves makes informal groups in such way that they can share the things with others. However, in negative aspect is, if one dominant member perceive the organization does not treat them well for their satisfaction, all other members would stand in the same direction. Moving to marital status, age and education; those who are married, old, males, with better education are optimistic with the organization the way it does for them. They feel organization is just and fair (Distributive Justice).

In the case of reasons for labor turnover intention, Table 4.1 indicates that intention to leave from the organization is significantly influenced by employee's dissatisfaction. It is highly significant. Further the employee dissatisfaction is mainly influenced by distributive justice where employees perceive whether they are being treated fairly and justly. Based on their judgment, level of employees' satisfaction is depended on. The study indicates that employees are dissatisfied as they feel they are not being treated justly and fairly by means of independent variables.

When employees believe that the job is routinized and as they get bored as they do the same thing all the doing, they feel unjust and unfair treatment. This cause to employee dissatisfaction and finally it direct to be a reason to leave the job. Further when employees feel that they cannot balance their personal life and work life, they tend to make a perception that that the organization does not do anything to balance their work and personal life but only the work: hence they perceive organization is unjust and unfair. This cause again to dissatisfy with the organization and decides to leave the organization, if the things proceeds again and again like this. Employees are more positive on the pay and they trust the pay is

adequately distributed fairly and justly. Therefore as they satisfied with the salary, and hence their intention to leave the garment factory is low. Employees believe they are not given much opportunities to get promoted and hence their upward mobility is limited. This results to set them dissatisfied and finally this itself makes them leave the organization, because they feel they are too much burdened with the routinization and not having adequate liberty to get promoted. They have the opinion that, only the salary increases would be variable but no any career advancements. This makes them disappointed and decides to leave the organization when and wherever the opportunity comes. Further, community participation and instrumental communication are also important two aspects of employees to set them disappointed to leave the organization. They need social contact, social behavior, social relationship and better informal communication in order to get them motivated. This is further consistent with Hawthorne Study conducted by the management philosophers after scientific management. Even the Hawthorne study also indicated that employee are motivated and increased their productivity not by financial benefits but by human relationships. Therefore, findings from Hawthorne study and the current study is consistent with. Finally, changes of education and being married are inverse with the labor turnover intention. Educated employees tends to go for better jobs than non-educated employees. Those who are married need to get settled. As such, they do not try to go for new jobs. Therefore they're inverse with the turnover. Concluding, not only economic variables makes huge impact on employee turnover as felt in the conventional arena, but in the contemporary arena more than economic variables intrinsic factors such as integration, upward mobility, communication, community participation and work life balance of which comes from employees themselves decides to leave the jobs or not.

6. CONCLUSION

This research's topic is 'factors affecting employee turnover in medium scaled apparel industry in Sri Lanka. Employee turnover is playing a significant role in an organisation. And Sri Lankan apparel industry is facing the burning issue of high rate of employee turnover. The research objectives were identifying the factors affecting employee turnover in medium scaled apparel industry in Sri Lanka, examining the impact of socioeconomic environment for the employee turnover and examining the impact of working environment to the employee turnover. Employee turnover means, the percentage of leaving employee amount, out of working employee amount during a particular time period in an organisation. There are number of factors which cause employee turnover and those factors are education, income, occupation, working environment etc. and the impact of socioeconomic factors and impact of organizational factors on employee turnover has been discussed. Collected data was estimated using multi-variate logit model. As the statistical tool, SPSS AMOS (version 22) was used. As the dependent variable, 'intention to leave' is used while as the intervening variable 'employee satisfaction' is used. As the moderating variable 'distributive justice' is used while independent variables employee social economic variables, organizational variables were used. Finally study conclude that work life balance, upward mobility and routinization become the core factors while pay does not become a core factor to set a felling in the mind of employees to leave the job. According to the results of the analysis, the best and most effective way to reduce employee turnover is to enhance the working environment of organizations. In order to improve the working surroundings, working on the issues such as job stress, organizational culture, and climate may come in handy. In the study of Jou et al. (2013) the job stress is broken down into four main categories. Those are workload,

working environment, role conflict and family factor. The results of that study shows that only the workload and family factor are positively related to the turnover tendency of certain employees. Furthermore, other two determinants of job stress are not directly related to turnover tendency. Therefore, it is predictable that reducing the heavy workload experiencing by employees, advancing the family factor and uplifting the values of organizational culture and climate may result in the reduction of employee turnover. In terms of reducing the workload there should be a matching of the shift schedule to reflect the increased need for workers. The family factor could be developed to a better degree via adopting policies that attempt to relieve the work family conflict such as flexible working hours, day care facilities and parental leaves. Considering the organizational culture and climate, improvements could be implemented by encouraging the emphasis of rewards and reducing emotional exhaustion (Shim, 2010). Moreover, the author emphasizes that the organizational leadership should take relevant steps to promote positive organizational culture and climate via cleverly managing key organizational factors such as strengthening reward systems and providing various supervisory and practice supports which mitigates the employee's emotional exhaustion. These results have important implications that the reduction of the employee turnover can indeed be implemented to a better degree via working on the most influential factor revealed in this study.

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