

An Assessment of Factors Affecting Voluntary Labor Turnover Intention in Apparel Industry

(with special reference to MAS Holdings (Pvt) Ltd;Mihintale)

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Introduction

Today it is widely accepted in the business world that human resources are a valuable asset to companies. The flow of this valuable asset, employee turnover, plays a crucial role in firm performance. The garment industry is more labour oriented than other firms because it cannot survive in the competitive global market without good and strong workforce. Turnover intention is a continuous issue that has affected organisations today. When considering the Sri Lankan context the apparel sector is the highest industrial employment generator and the highest foreign exchange earner. Kelegama (2005) emphasised that the garment industry in Sri Lanka has been contributing to the livelihood of nearly 1.2 million people.

Labour turnover is common to all companies in all industries. However, in some companies or in some industries there can be a huge turnover. There may be different factors or a background causing this huge turnover rate. In the Sri Lankan garment industry the average labour turnover per factory is about 60 percent per annum and the net number of persons leaving the industry is nearly 25 percent per annum (Dheerasinghe, 2009). Voluntary employee turnovers result in significant costs for an organisation. Thus it is important to identify turnover intents and findings of the study would be important to human resource managers in the apparel industry particularly in designing effective management programs to retain employees while achieving organisational expectations (Fernando, 2010).

Objectives

The aim of this study is to assess the factors which lead to voluntary labour turnover intention in apparel industry. There will be an attempt to determine the most important factors which cause voluntary labour turnover intention and to find the impact of demographic factors on labour turnover in Sri Lanka's apparel industry.

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Hypotheses

- H1:** There is a positive relationship between stress on the job and labour turnover intention.
- H2:** There is a negative relationship between salary and labour turnover intention.
- H3:** There is a negative relationship between social image and labour turnover intention.
- H4:** There is a negative relationship between supervisory support and labour turnover intention.
- H5:** There is a negative relationship between job security and labour turnover intention.

Methodology

This research measures factors affecting voluntary labour turnover intention in the apparel industry. In this research, the researcher has selected a sample from MAS Holdings, Mihintale. The study was based on the primary data gathered through questionnaire and from a sample of 100 operational level employees (n=100). When the respondents were selected, this was done with respect to two categories: those who came from another garment factory to MAS Holdings (Pvt) Ltd and those who joined MAS Holdings as their first job. Random sampling technique has been used to select the sample. The data was collected by pilot survey.

The data gathered were analysed by using Non-Parametric test in Statistical Package for Social Sciences (SPSS) software version 21. All the values of Cronbach's alpha were greater than 0.7. Correlation analysis was used to identify the two measurement variables and to quantify the strength of the association or relationship between the 'five factors' (independent variables) and 'turnover intention' (dependent variable). Factor analysis using Principal Component Analysis (PCA). It enables the distribution of resulting factors to be determined.

Results and Findings

All the values of Cronbach's alpha are greater than 0.7 and all the factors are reliable. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett's test of sphericity results indicated that factor analysis was appropriate for this data. Kaiser recommends accepting values greater than 0.5 as acceptable, values between 0.5 and 0.7 as mediocre, values between 0.7 and 0.8 as good, values between 0.8 and 0.9 as great and values above 0.9 as superb. For these data the values are 0.775 for the first group and 0.799 for the second, which falls in the range of being good hence the researcher was confident that factor analysis was

appropriate for this data. Barlett's test was also highly significant ($p < 0.001$), and therefore factor analysis was appropriate ($P = 0.000$).

Key findings of the study indicate that among five hypotheses, salary, supervisory support, social image and job security have a negative relationship with turnover intentions of operation level employees in apparel industry. Considering employees who are working in the company as their first job, it has correlation levels of (-0.483), (-0.556), (-0.270) and (-0.623) respectively. Among employees who have come from another factor, the correlation levels are (-0.528), (-0.336), (-0.225) and (-0.444) respectively. Job stress has a positive relationship with turnover intentions of operation level employees in apparel industry. It has correlation level $(+0.5) \leq r < (+1)$. Its (0.566) and (0.577) among employees who are working in the factory as their first job and the employees who have come from another factory respectively. According to findings of the researcher, all the hypotheses could be accepted.

Demographic factors such as age, gender, tenure, educational level, position of organization, civil status, and family background are also important factors in arriving at an intent to quit. There is a higher probability of female employee turnover intention in apparel industry. In here femaleness is one of major reason to increase turnover intention. Considering age variance, there is a higher probability for labour turnover intention among the middle aged employees (18-25) for labour turnover intention. There is a higher probability of unmarried employees for intending to quit. Considering tenure, there is a higher probability of labour turnover intention among those who had been employed for less than one year or one to three years. Considering education level, 60 employees have studied up to GCE O/L. 19 employees have studied up to Grade Nine or 10. There is a higher probability of labour turnover intention among employees educated up to GCE O/L in the apparel industry.

Conclusions, Implications and Significance

Considering all these factors, it is apparent that they affect for the labour turnover intention. Considering those who are working in the garment as their first job, the greatest effect is exerted by job stress, followed by salary, supervisory support, security and social image respectively. Considering those who have come from another garment factory, the salary is most impactful followed by job stress, supervisory support, security and social image. On comparison of the two groups, the researcher noted that those who are working in a garment factory as their first job have a higher intention of turnover than those who come from another garment.

Industrial Development

According to this study, factors such as job stress, salary, and supervisory support seem to have the strongest impact on turnover intent. Security and social image seem to somewhat impact turnover intent, with demographic determinants providing important evidence for the research.

These findings highlight the necessity of an appropriate retention policy formulation process for managers.

Keywords: Apparel industry, Voluntary labour turnover intention, , Factors

References

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