

**Impact of Attitudinal Factors on Job Performance of Executive
and Non-Executive Workers in Apparel Industry in Sri Lanka**

By

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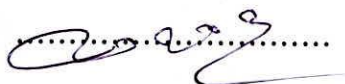
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Candidate's Declaration

The work described in this thesis was carried out by me under the supervision of Mr. K. H. Hemantha Kottawatta and a report on this has not been submitted in whole or in part to any university or any other institution for another Degree/Diploma




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CERTIFICATION

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the University for the purpose of evaluation.


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**Impact of Attitudinal Factors on Job Performance of Executive and Non-Executive
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R.R.M. Amaratunga

ABSTRACT

Even if applying highly procedural aspects in the apparel industry at present, human involvement is up till now to be considered as a noteworthy organizational element in Sri Lankan setting. In the apparel industry, the quite a few problems associated with human resources such as high labour turnover (around 55% per annum) and high absenteeism (7.4% per month) make huge hurdle to minimize the effort of achieving organizational objectives. The person who is managing the workers in the apparel industry, executive has a gigantic and significant role to play for keeping the highest organizational performance. In addition to the executive, non-executive's role also plays significant role to the successes of the organization. Therefore, this study was focused to find out how attitudinal factors (job satisfaction, organizational commitment and job involvement) affect job performance of the executives and non-executives in the apparel industry in Sri Lanka.

This study empirically investigated four variables, which could influence on the job performance of the executives and non-executives in the apparel industry in Sri Lanka. The independent variables were job satisfaction, organizational commitment and job involvement. The research model is conceptualised as that there are positive relationships between three independent variables (job satisfaction, organizational

commitment and job involvement) and the dependent variable of job performance of the executives and non-executives.

The study was conducted using a sample of 410 (160 of executives and 250 of non-executives) in the apparel industry (who were randomly selected out of 856 organizations). The data were collected through a questionnaire and analysed using the software SPSS version 15.0. The data analyses included the univariate (descriptive), bivariate, and multivariate analyses. The frequency distribution analysis was done for all variables as the descriptive analyses. The bivariate analysis included the simple correlation and simple regression analyses. As a multivariate analysis, the multiple regression analysis was carried out.

The result of correlation analysis indicated that four independent variables (job satisfaction, organizational commitment and job involvement) were positively correlated with job performance of the executives as well as non-executives in the apparel industry. The relationships between all independent variables with the dependent variable were significant and were strongly positive and highly significant. Above finding was verified again by the results of multiple regression analysis. 86% and 91% of the variance in the job performance of executives and non-executives were accounted for by the three independent variables respectively.

The conclusion of the study was that the attitudinal factors were the significant factors for job performance of the executives and non-executives in the apparel industry.

Chapter One

INTRODUCTION

1.1. Introduction

This chapter explains the background of the study, the problem statement, the research questions, objectives of the study, scope of the study, methodology, significant of the study and the organization of the study.

1.2. Background

Saxena and Raj (1997) said that the success in industrially advanced countries gained the success basically based on two factors, namely advanced technology and synergetic human resources. Synergetic human resources require a high motivation & productivity, quality, team working, cooperation and the willingness to learn new knowledge, attitude and skills. For an organization to work efficiently, organization should make its people work as together, as a whole, as a human team, as a complete, sturdy and strong chain (Saxena & Raj, 1997). It becomes competencies of organizations. Core competencies are complex, multidimensional, interrelated and interdependent knowledge systems. According to Brooklyn et al in 1993 (Armstrong, 1996), the European Association for Personnel Management and the International Institute for Management Development had done a research and found out that competitive advantage is achieved by developing core competencies in the workforce through traditional services (recruitment, reward, career pathing, employee development) and by dealing effectively with macro concerns such as corporate culture, management development and organizational structure (Armstrong, 1996).

Enhancing the core competencies of the workforce is obviously important in the Strategic Human Resource Management scenario. Subsequently organizations that seek to gain competitive advantage through their workers must be able to manage the behavior and result of all employees (Noe, Hollenbeck, Gerhart & Wright, 1996). In the endeavor of practicing Strategic Human Resource Management, the significance of environmental and contextual factors has been long acknowledged in shaping human resource strategy, and in the ability of the company to realize these strategies (Gratton, Hailey, Stiles & Truss, 1999).

In other way, Tyson (1985) came to the conclusion about to what extent does the personnel function contribute to organizational success in the article, titled on “Is this the vary model of a personnel manager” as below:

It is difficult to establish the linkage between the activities of the personnel department and the organization's business performance. In the survey there was little support for the notion that there is a direct link, although two strong sources of influence on business strategy were observed. First, employee skills, abilities and competences are seen to be source of competitive advantage. Second, the personnel function's contribution to development of these competencies is perceived at the “tactical” level of recruitment, training and development practices (Armstrong, 1996, pp. 106 - 107).

As pivotal role of transferring business strategies into tactical decisions, any individual personnel or HR director, manager or officer will play any of the roles that will be dependent partly on the type and structure of the organization, its culture and the environment in which it exists (Armstrong, 1996). Therefore, unique talents among employees, including superior performance, high productivity, flexibility, innovation and the ability to deliver high level of personal customer service are ways in which people provide a critical ingredient in developing an organization competitive position (Armstrong, 1996). Over the last two decades, as others attest, the managing employee human beings came to represent one of the most contentious signifiers in the managerial disclosure (Storey, 1989). Therefore, the employees' job performance is mainly important to keep the workforce of the organization in the organizational strategic direction/track. Then the superb HR practices in an organization are always created through the performance of employees' performance. This research is aimed to discuss the employee job attitudes and its impact to the job performance of employee.

1.3. Good HR Practices leading to Business Improvement

Excellent HR practices (created by HR Managers) influence the business growth and development (Rao, 2000). Huselid and Becker (1997) found that a one standard deviation improvement in HR system index was associated with an increase in shareholder wealth of \$ 41,000 per employee. The study done by Bilmes, Linda and Xhonneux (1997) in Germany found that a strong link between investing in employees and the stock market performance of the corporation. Companies that laced workers at the core of their strategies shaped higher long-term returns than those who did not. Arthur (1994) studied the impact of two dissimilar approaches on the productivity of steel mills. This study was done

covering the 33 of the 44 existing steel mills in US at that time differentiated the “control” approach to human resource management from that of the “commitment” approach. The goal HRM of control approach was to reduce the labor or improve efficiency by enforcing employee compliance with specified rules and procedures and based on employees’ rewards on some measurable criteria. In the commitment approach, the HR system is intended to shape desired employees behavior by forging psychological links between organizational goals and employee goals. The result was to develop employee commitment. The result of the HR approach was that a commitment strategy was significantly related to improved performance in terms of labor hours and scrap rate. Mini-mills using the commitment approach required 34% fewer labor hours to produce a ton of steel and showed a 63% better scrap rate (Rao, 2000).

Pfeffer (1998) said that there are many research studies that provide evidences for positive relationship between employee attitudes, customer services & satisfaction and profits. Schneider and Bowen (1985) reported in a study of bank branches that when the branches had sufficient number and quality of people to perform its tasks customers reported receiving higher levels of service. The study done by Schneider in 1991 founded that customer perceptions and attitudes were affected by what employees experienced. Johnson, Ryan and Schmit in 1994 did the research in Ford Motor Credit and found that attitudes concerning workload, teamwork, training and development, satisfaction with the job and satisfaction with the company were all related to customer satisfaction. Delery and Doty (1996) in a study of nearly 200 banks found that different in HR practices accounted for large difference in financial performance. Huselied (1995) concluded that prior empirical