

# **Employee Happiness Heals the Turnover Intention: A Study of the Machine Operators of a Leading Apparel Company in Sri Lanka**

**Abstract:** Happiness is a highly valued goal for most inhabitants as identified in most cultures. Feeling fulfilled is essential to social existence, and most people appear to be fairly content most of the time. A high rate of turnover among employees signals a major weakness in achieving organization's goals. This is because employees are the key players in determining organizational performance and survival. In ABC Apparel Company, it was identified that the employees who were machine operators' position have resigned frequently due to several reasons related to work. As a result of preliminary research, researchers identified several factors that make employees unhappy resulting in intention to leave their job. The main objective of the study was to find the impact of employee happiness on turnover intention. The research study was conducted in ninety (90) samples using simple random sampling among one thousand five hundred sixty (1560) employees in the machine operator position. A self-administered questionnaire was distributed randomly to a sample of ninety (90) employees who were in the machine operator position used in this study, and data was collected accordingly. Findings proved that employee happiness impact on turnover intention and a relationship exists between employee happiness and turnover intention. The importance of having employees happy within an organization was highlighted from this study.

**Key Index:** *Apparel Industry, Employee Happiness, Turnover Intention*

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## **1. Introduction**

Highly happy employees are more productive, engaged and loyal to the company. In general, if employees in any company are satisfied, then their intention to leave is low. Therefore, when employees are satisfied with their jobs, they perform better and are less inclined to leave the job remain relatively longer in their jobs than their unhappy counterparts. This means that employee happiness is an important goal for organizations.

Moreover, employee turnover intent refers to the probability of an employee in abandoning his/her current job (Ngamkroekjoti, Ounprechavanit, & Kijboonchoo, 2012). Therefore, the employee turnover is the process in which employees leave an organization and these

position become vacant and have to be replaced. This scenario can affect business productivity, expenses and overall performance. Many firms have shown a major consideration about the employee turnover of the staff member, regardless of the location, size or type of business etc (Long et al.,2012). If employee turnover intention can be measured, then organization can determine the likelihood of their employees to leave their organization. This type of investigation helps an organization to determine where organization can find opportunities to reduce the overall employee turnover. Nevertheless, turnover intention is a measurement of whether an organization's employees plan to leave their positions or whether that organization plans to remove employees from positions like redundancies, downsizing etc.

## 2. Research Problem

In this study, researchers identified that there is an issue in organization with regard to turnover intention. Turnover is a common issue in HR field and national level. Rajapakshe (2017) mentioned that the issue of employee turnover is linked to a national issue such as unemployment. According to available data in the apparel business, their turnover intention is larger than projected, and it has become a big danger to the industry's survival (Rajapakshe, 2017). In this research, researchers are trying to figure out whether the employee happiness factors effect on turnover intention of machine operators at ABC Company. It is existing issue in the factory and whole HR department as well as production department is experiencing a problematic situation due to the issue.

## 3. Literature Review

### 3.1 Employee Happiness

Employee happiness is a mindset which enables employees to improve their performance and achieve their potential in the job or career. Employee happiness is not just feeling happy all the time. It is feeling positive about employee work, about being enthusiastic to fix difficulties rather than complaining; it is about accepting constructive criticism and frequently trying to improve oneself without feeling pressurized. Happy employees are creative and enhance the overall productivity of their employer organizations. When an organization keeps their employees happy, their happiness will lead to increased organizational productivity.

Happiness has been studied extensively across cultures to explore factors that causes happiness. Argyle (2013) described

happiness as positive feelings experienced by an individual such as joy and pleasure. Myers and Diener (1995) and Fisher (2010) described workplace happiness as positive attitude, pleasant experiences of an employee. According to Gavin and Manson (2004), happiness is not just about acquiring money, honors or sensual pleasure but a holistic state of well-being. It entails doing well and being well.

Happiness may be defined as the experience of frequent positive affect, infrequent negative affect, and an overall sense of satisfaction with life as a whole. Being happy is of great importance to most people, and happiness has been found to be a highly valued goal in most societies (Diener et al., 2000).

Happiness is basically two types i.e. hedonic happiness and eudaimonic happiness. Hedonic happiness is defined as subjective wellbeing. According to Opatha (2019) affective hedonic happiness refers to the degree to which people can enhance pleasure over pain in their lives while cognitive hedonic happiness refers to the degree to which people are satisfied with their overall life (Global Life Satisfaction) and degree to which people have positive feelings about various domains (work, family, social, educational, religious etc.) of their lives (Dimensional Life Satisfaction).

Eudaimonic happiness derives from one's living according to virtues and self-fulfillment (Opatha, 2019). These are explained under the conceptualization of constructs. Further he has mentioned that hedonic happiness is represented by pleasant life (devoted to pursuit of positive emotions) while eudaimonic happiness is represented by good life (devoted to pursuit of

engagement) and meaningful life (devoted to pursuit of service to others).

### **3.2 Turnover Intention**

Turnover intention is a common and popular issue almost in all industries. In the competitive business climate, employees are increasingly becoming important assets in the organization. When employees are happy, they contribute with their best efforts to their job. Employees are expected to fulfil organizations' objectives. Employee turnover intention is also defined as "individuals' own estimated probability that they are permanently leaving the organization at some point in the near future (Gouthier & Rhein, 2011). According to Tett and Meyer (1993), turnover intention is the final step in the withdrawal cognitions process; a bundle of thoughts that includes thinking about leaving and the purpose to look for alternatives. Employee turnover was described as the rotation of workers in the labour market, between organizations, within different jobs and careers. However, the most important factor is that employee turnover directly influences on employee productivity. Therefore, it leads to economic losses and considerably reduces job efficiency.

Every organization faces the turnover of employees, some of them leave the organization voluntarily while the organizations fire some of their employees from the organization. As per Rajapakshe (2017), the issue of employee turnover is linked to a national issue such as unemployment. As a result, addressing the issue of employee turnover will aid in the resolution of this social problem.

The potential adverse impact of attrition on corporations may be attributed to high

recruitment costs, training and retention of new workers, replacement search and retention for productivity losses, loss of high performing or highly qualified workers, and disruption of the social and communication system. The effect of turnover towards the organization is not only in terms of cost of terminations, recruitment, selection, and advertising but also reflects the ability of remaining employees to compete their mounting duties or accumulated works in the organization (Abbasi et al., 2008). Employee turnover will have a negative influence on an organization, especially in terms of expenses. Employee turnover means that, organization should set up a new replacement, time management, training, selection, and recruitment. All these variables cause a massive cost to an organization.

### **3.3 Employee Happiness and Employee Turnover Intention**

When employee is privileged to higher level of happiness at work place, then employee turnover intention is reduced. Happy employees are positively related with job and reduce turnovers for better future.

Every business owner, manager and supervisor in the country wants to keep their employees' happiness. But, it's not as straightforward and smooth as it sounds. According to Foster et al., (2011), unsatisfied and frustrated individuals in an organization are more likely to experience career plateaus and quit than satisfied ones. Same authors concluded that employees are unlikely to be dedicated and loyal to their employers. Hellman (1997) agreed that increased employee unhappiness leads to a larger likelihood of investigating other work opportunities.

Employee turnover intention occurs when employees are unhappy with their job. Regardless of internal and external factors that drive turnover intention, organization should have the best remedy to reduce the number of people leaving (Santhanam & Srinivas, 2019). Employee happiness has the potential to have a direct impact on employee motivation as well as productivity and there is a chance that employee turnover has an impact. Staff turnover can have an impact on an organization's recruitment costs .

#### 4. Objective

- ❖ To find the impact of employee happiness on turnover intention.

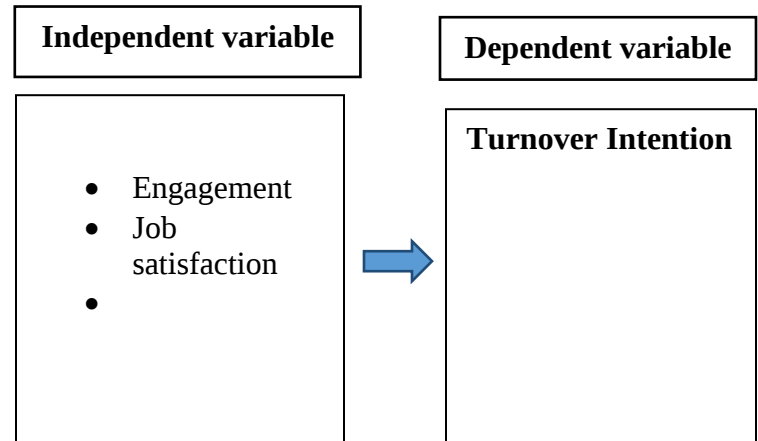
#### 5. Significance of the Study

Since employee turnover is a concern within the organization, top management of the ABC Company frequently inquire from the HR department regarding the high rate of employee turnover and pressurizing them to take necessary actions to lower the employee turnover. Therefore, this research is mainly focuses on investigating the impact on employee happiness and Employee Turnover Intention within the ABC company.

#### 6. Conceptual Framework

A theoretical structure of assumptions, concepts, and rules that ties together the ideas that make up a wide notion is known as a conceptual framework. This can be used to discover numerous correlations between and among variables. As a result, the aforementioned conceptual framework is constructed in accordance with the current study.

**Figure 1: Conceptual Framework**



#### 7. Methodology

The researchers adopted quantitative study method to achieve research objectives of the study. According to Sekaran & Bougie (2010), there are six elements in research design. These are purpose of the study, type of investigation, extent of researcher interference with the study, study setting, unit of analysis, and the time horizon of the study. This study can be considered as hypothesis testing as it aims to clarify the links between the independent variables and the dependent variable. Sekaran & Bougie (2010) stated that a manager or researcher should decide whether a causal or correlational study is needed to find a solution to the issue at hand. Therefore, the type of investigation in this study was a correlational. This research study was arranged in non-contrived setting with minimal disturbance of the researcher. In the view of Sekaran & Bougie (2010), unit of analysis can be segregated into individuals, dyads, group, organizations and cultures. The researchers interested in individual employees (machine operators) in the selected organization and the unit of analysis was individual in this study. As the last

element of research design, this is a cross sectional study.

Workforce of the ABC Company consists 2,180 employees and the female to male ratio is 95:5. However, all machine operators are female. This research covers the machine operators in the sewing department of ABC Company and their intention to leave. There are 1,560 machine operators in the floor. The researchers utilized unrestricted sampling (simple random sampling), with a total of 90 respondents, and followed Roscoe's (1975) criterion, as mentioned in Sekaran (2003). This means that for majority of studies, a sample size of greater than 30 but less than 500 is suitable.

This research study used two types of data, i.e. primary and secondary. Structured questionnaires were distributed among the respondents to collect primary data regarding this particular research study. There are three sections to the questionnaire. The section A consists questions with regard to the demographic characteristics of respondents.

The researchers based their study on standardized, validated assessment scales that have previously been used by other researchers. As a result, the survey questionnaire's reliability and validity have been repeatedly demonstrated to be reliable and valid.

The researchers of this study used sixteen (16) items on five-point Likert scale adopted from Salas-Vallina, Alegre & Fernandez, (2017) to measure independent variable. This scale consists with three dimensions: engagement, job satisfaction

and affective organizational commitment. The researchers included seven (07) statements to measure the dependent variable. Adopting the measurement scale developed by Kumar & Govindarajo (2014), employee turnover intention was assessed by the researchers. This is a five-point scale with two dimensions (job hopping and perceived alternative employment opportunities).

The collected responses were analyzed by using Statistical Package for Service Solution (SPSS) and performed descriptive statistics and simple regression analysis as data analysis methods.

## 8. Findings and Discussion

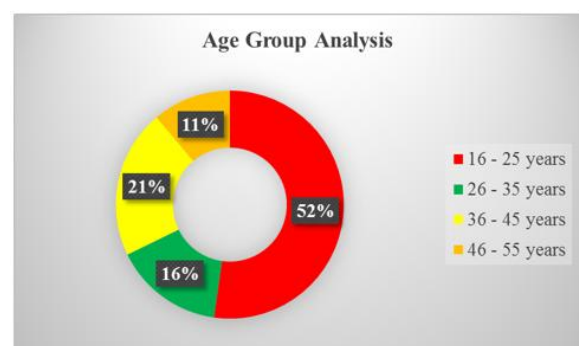
### 8.1 Reliability Analysis

Internal consistency statistics were utilized to confirm the accuracy of measurement scales. The Cronbach's Alpha coefficient was used to measure both construct and dimension reliability, as recommended by Nunnally (1978).

Cronbach's Alpha values of all the variables [ $\alpha$  of employee happiness = 0.892 and  $\alpha$  of employee turnover intention = 0.733] are greater than 0.7 indicating that the multi item scale is reliable. All the variables have played a significant role in constructing the respective variable.

### 8.2 Demographic Analysis

Figure 1: Age Analysis



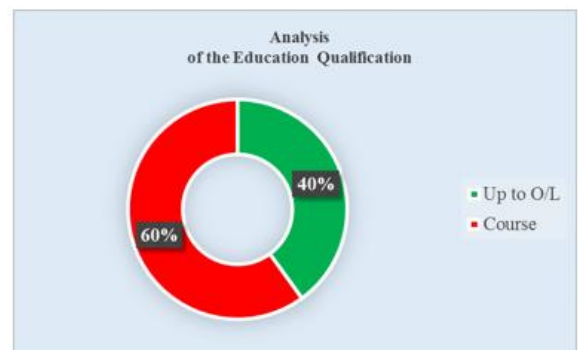
The above figure shows the age category of the respondents of this study. From the sample obtained, 52.20% of the respondents fall under the 16-25 year age range, which means that most of the machine operators for the ABC Company are too young. As per the results, 21.10% belong to the 36-45 year age range, which means that this category of employees plays an important role in the ABC Company. Also, 15.60% of employees were in the 26-35 year age range and the remaining 11.10% were in the 46-55 year age range. Anyone whose age is more than 49 years cannot be found; this highlights that mature and older employees are relatively few in the ABC Company. The overall picture shows that young employees are relatively more important than mature and old employees in the ABC Company.

The below figure shows the marital status of the respondents sampled for this study. From the responses obtained, 70% of the respondents are unmarried and the remaining 30.00% of workers are married. However, divorced or widowed apparel employees are not in the sample.

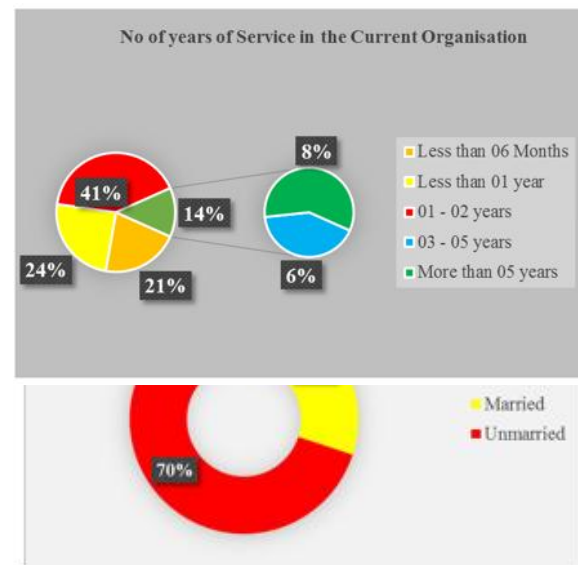
*Figure 2 :Marital Status Analysis*

*Figure 3: Analysis of Educational Level*

The above figure shows the level of education of the respondents of this study. From the responses obtained, 60.00% of the respondents were educated up to G.C.E. (O/L) and the remaining 40.00% of workers have completed a professional course. But G.C.E. (A/L) or degree holding apparel employees were not included in the sample. This is due to the fact that sewing department machine operators do not need a higher level of education background.



*Figure 4: No of years in Service*



The above figure shows the evaluations in the service period of machine operators of the ABC Company. From the responses obtained, 41.10% of the respondents have 01 – 02 years of service experience. Also, 24.4% of the respondents have less than 1

year of experience (06 Months – 01 Year) and 21.10% of the respondents have less than 06 months' service experience. The remaining 7.80% and 05.60% of the respondents have more than 05 years and 03 – 05 years of service experience respectively. This picture highlights that most of the machine operators have relatively low working experience and to a certain extent, this is due to high employment turnover.

### 8.3 Regression Analysis

As per the model summary, the specified independent variable describes the total variance of the ABC Company's Employee Turnover Intention by 01.60%, resulting in an overall significance of less than 0.05 due to the P-value of the ANOVA table (0.037). Furthermore, for one unit of change in the independent or predictor variable, regression coefficients reflect the mean change in the response variable while holding other predictors constant in the model. Nevertheless, employee happiness has an effect on the ABC Company's employee turnover intention at a 05.00% significance level, according to the regression outcomes. Researchers can conclude that there is an impact of employee happiness on employee turnover at the ABC Company.

*Table 01 Regression Analysis*

| Model Summary                                 |                   |          |                   |                            |
|-----------------------------------------------|-------------------|----------|-------------------|----------------------------|
| Model                                         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1                                             | .126 <sup>a</sup> | .016     | .005              | .635                       |
| a. Predictors: (Constant), Employee Happiness |                   |          |                   |                            |

| ANOVA <sup>a</sup>                            |            |                |    |             |       |                   |
|-----------------------------------------------|------------|----------------|----|-------------|-------|-------------------|
| Model                                         |            | Sum of Squares | Df | Mean Square | F     | Sig.              |
| 1                                             | Regression | .572           | 1  | .572        | 1.416 | .037 <sup>b</sup> |
|                                               | Residual   | 35.516         | 88 | .404        |       |                   |
|                                               | Total      | 36.088         | 89 |             |       |                   |
| a. Dependent Variable: Turnover Intention     |            |                |    |             |       |                   |
| b. Predictors: (Constant), Employee Happiness |            |                |    |             |       |                   |

| Coefficients <sup>a</sup>                 |                    |                             |            |                           |       |      |
|-------------------------------------------|--------------------|-----------------------------|------------|---------------------------|-------|------|
| Model                                     |                    | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|                                           |                    | B                           | Std. Error | Beta                      |       |      |
| 1                                         | (Constant)         | 3.930                       | 1.041      |                           | 3.775 | .000 |
|                                           | Employee Happiness | -.336                       | .282       | -.126                     | -     | .037 |
| a. Dependent Variable: Turnover Intention |                    |                             |            |                           |       |      |

## 9. Conclusion

The primary purpose of the research study was to determine the impact of employee happiness on employee turnover intentions among those who were machine operators in the sewing department at the ABC Company. In order to gather information, a questionnaire was prepared and administered to 90 machine operators in the sewing department. Researchers selected 90 machine operators by using a simple random sampling technique.

Researchers concluded that there is an impact between employee happiness and the intention of turnover based on the analysis. The selected independent variable explains the total variation of the Employee Turnover Intention of the ABC Company by 01.60%, which results in overall significance because the P-value of the ANOVA table is less than 0.05. According to the regression results, employee happiness has a significant impact on the employee turnover intention of the ABC Company at a 05.00% level of significance.

## 10. Recommendations

Happy employees are more creative, innovative and dedicated than their unhappy counterparts. Moreover, these employees are more likely to remain with the organization (employer) around long-term. The benefits of having a happy workplace is linked to the overall improvement in coworkers' lives and the organization's ability to transform to an employee-friendly organizational culture. Generally when employees are happy, their intention to leave the job (employer) is less and they aim to stay with their organization as long as possible.

According to the analysis, a significant impact of employee happiness on turnover intention is evident. There are various practices that can be implemented to maintain employee happiness and that can minimize employee turnover intention. Organizations can develop employee happiness programs that involve benefits for both employees and employers.

To enhance employee happiness, organizations can measure the happiness of the workplace through surveys. Organizations can implement job satisfaction surveys to identify what the areas of employee dissatisfaction and how organizations can devise proper solutions to deal with these issues. Additionally, organizations can get a pulse of their employee population and the current climate. Through thorough surveys, organizations can have a better idea about the level of employee happiness and take the necessary actions to improve employee happiness.

Enhancing a good organizational culture is essential to keep employees happy. For this, organization can implement various measures, even at no cost. A little hello goes a long way in the workplace. Giving employees of organizations a little push in the morning with a big smile, they will be motivated to do their job and feel their worth to the organization. This, employees are motivated to stay in the organization. Delivering praise and recognition is also important to make employees happy. By offering consistent praise and recognition, employees will be excited and eager to contribute to company-wide initiatives. Another aspect that makes employees happy is making work-life balance a priority. Make it known as a company policy that work/life

balance is a priority by offering unlimited vacation days, discounts on surrounding health and wellness programs, or childcare options is vital. Offering incentives that improve an employee's overall quality of life shows that the employer care about their wellbeing. Encouragement of workplace wellness is also important. As "living a well life" has become integrated into people's daily lives, working professionals are not just hoping but expecting that their employers to provide wellness practices in the workplace. Whether through food, physical exercise or mindfulness tactics, incentivizing wellness is a brilliant idea. The leadership of top and corporate management need to resemble a happy working culture. Hiring happy personalities is also important to cultivate an organizational culture favorable for employee happiness. It's important to create a happy workplace to bring laughter to the workplace. These conditions will improve productivity and motivation of the whole office as that happy, optimistic outlook is contagious.

Salary is an important factor to make employees happy. Every employee should be paid a fair salary to commensurate with their skills, experience and qualifications. Organizations should consider the salaries of employees and, as a recommendation, modify the current salary scale plan to align with the market rates, as well as implement a salary grading system according to the service period. Furthermore, organizations can introduce a monthly-based performance allowance for all employees. Those all lead to employees becoming happy employees in the organization.

Another thing is to become happy employees, considering their health. It is critical to retain employees for a long time,

considering their health. Healthy employees are beneficial to any organization. As a recommendation, organizations can implement a health camp programme on a monthly basis. In today's fast-paced corporate world, there is virtually no organization free of stress or stress-free employees. The employees can be stressed, depressed, suffering from too much anxiety arising out of workplace related issues like managing deadlines, meeting targets, lack of time to fulfill personal and family commitments, or bereaved and disturbed due to some personal problems. Organizations can introduce a counseling system within the company to offer guidance to employees on stress related matters. Employees like to be rewarded for their work. They are motivated to perform their work well if the organization reward their performance. This can be another incentive to uplift the happiness factor of employees and motivate them to perform better in future.

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