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## **The Impact of Welfare Facilities on Job Satisfaction among Team Leaders in Off Road Tyre Manufacturing Industry**

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### **Abstract**

The main focus of this study is on the impact of welfare facilities on job satisfaction among team leaders in Off Road Tyre Manufacturing Industry. The research problem for the study is 'how the existing welfare facilities create an impact on job satisfaction among Team Leaders in Off Road Tyre Manufacturing Industry'. The universal sampling method was used for data collection and the sample consisted of 100 team leaders from the Off Road Tyre Manufacturing Industry. A self-administered questionnaire consisting of 32 statements with 5 point Likert Scale were distributed and the data thus collected were analyzed using univariate and bivariate analysers with the SPSS (Version 16.0). The finding of the study revealed that there is a significant positive relationship between the employee welfare facilities and the job satisfaction. The result of the Pearson correlation between the two variables of non-executive was 0.593 which was positive. Also, all the hypotheses were determined on the analysis data. It is concluded that the welfare facilities are positively correlated with high level of job satisfaction of team leader employees in Off Road Tyre Manufacturing Industry. Further this study supported the view that the welfare facilities help to increase the standard of living of team leader employees.

**Keywords:** Job Satisfaction, Manufacturing Industry, Team Leaders, Welfare Facilities

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### **Introduction**

In the business world today, the human resource is the major resource irrespective of the type of the business., as it has unique values in contrast to other resources. Hence, it is important to manage human resource in a careful manner than any other resource and Human Resource Management (HRM) is the most important functional field in present business world. Further, HRM deals with management of human resource in an organization. Also, it is the "human side of business administration and HRM is effective and efficiently utilization of human resource in order to achieve common goal of organization" (Opatha 2009, p.72). Generally, HRM consists of eighteen functions such as "job analysis, job design, human resource planning, recruitment, selection, hiring, induction, performance management, training and development, pay management, career management, welfare management, grievance management, health and safety management, industrial relation, employee movement management, disciplinary management" (Opatha 2009, P. 83). Among these welfare is one of the most vital functions in any organization.

Employee welfare is the "providing facilities and comforts to employee of an organization so that they will be able to lead a better level of living" (Opatha 2009, p. 614). The concept of employee welfare has broad meaning. Also Employees have enough knowledge about his/her rights. Therefore, today employees are more knowledgeable than past employees. They consider about indirect compensation packages. If an organization intends to acquire and retain efficient and qualified employees within an organization that should provide a large number of welfare facilities in order to increase the satisfaction level of the workers.

According to Spector (1997) [04] job satisfaction is how people feel about their jobs and different aspects of their jobs as well as it is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs. Locke (1976) has mentioned that job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job and job experience. Azeem and Akhtar (2011), have mentioned that, issues such as high turnover rate, absenteeism, role conflict, job stress, burnout etc. resulted by lack of job satisfaction among employees create challenges for the organizations. The progress of any organization and the development of the nation depend to a large extent on the welfare of the workers and their attitude towards work. Thus, the employee welfare facilities and the job satisfaction of employees are of greater importance for organizational effectiveness and efficiency (De Souza 2009). Opatha (2009) states that the welfare facilities lead to improve job satisfaction of employees, through the loyalty of the employees, and then to reduce employee absenteeism and turnover that will positively affect on the employee production. Satyanarayan and Reddy (2012) considers the employee welfare facilities as independent variables to find out the significant of the relationship between the dependent variables of job satisfaction.

### **Problem Background and Problem of the Study**

A welfare facility is a broader area that demands extensive discussions. It varies from organization to organization. Providing of welfare facilities are very important to retain and maintain a contented workforce within the organization and it increases the employee's job satisfaction. According to existing literature, especially in western countries it is explained that there is a positive correlation between the welfare facilities on job satisfaction among employees in different industries (De Souza 2009; Jiskani et al. 2011; Satynarayan & Reddy 2012).

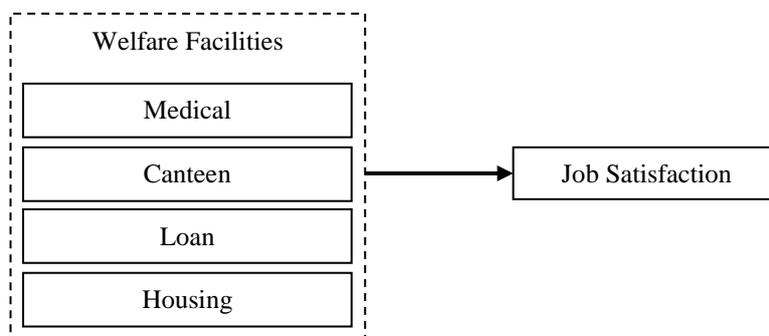
However, there is a considerable gap in the empirical knowledge available especially in Sri Lanka with regard to the impact of welfare facilities on the job satisfaction among employees and this gap exists especially in the Off Road Tyre Manufacturing Industry. Besides the importance of the study, there are hardly any study pertaining to the selected industry in the area of the impact of the existing welfare facilities on job satisfaction of team leaders. As a result, the findings of this study are useful to eliminate the existing gap in the industry up to certain extent. Therefore, the problem of this study is summed up as 'how the existing welfare facilities impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry'

## Research Framework

The research framework of this study mainly highlights the relationship of two variables of employee welfare facilities and job satisfaction. Figure 1 depicts the research framework of the study in which the welfare facilities are identified as the independent variable and the job satisfaction as the dependent variable. Welfare facilities consist of four dimensions as medical facilities, canteen facilities, housing facilities and loan facilities.

Welfare facilities means, “anything done for the comfort and improvement, intellectual and social, of the employees over and above the wages paid, which is not a necessity of the industry” (Punekar et al. 2004, p.24). Gurinder and Gursharan (2010) express job satisfaction as “the positive emotional response to the job situation resulting from attaining what the employee expects from the job”.

Figure 1: Research Framework



According to Satyanarayana and Reddy (2012), there is a positive relation between existence of medical facilities and job satisfaction which indicates a 4.4 weight average mean value and 85%. Further, Salaria and Salaria (2013) explain that medical facilities impact on job satisfaction in auto mobile industry in India. Furthermore, they analyze data and explain that 40% of employees are satisfied with the medical facilities, 56% of employees have moderately satisfied and 4% of employees are dissatisfied. Therefore, the first hypothesis for the study was formulated as follows:

H<sub>1</sub>: Medical facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry.

Srimannarayana and Srinivas (2005) has conducted a study titled Welfare Facilities in a Cement Plant: Employees' Awareness, Utilization and Satisfaction which analyzes the welfare facilities provided by the plant, its administration and examines the extent of awareness, utilization and satisfaction of the employees with the welfare facilities. With respect to the canteen provided, all respondents of the study were happy with its location, ventilations, fans and hygienic conditions of the canteen. Therefore, the second hypothesis was developed as:

H<sub>2</sub>: Canteen facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry.

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According to De Souza (2009), has found out that subsidized loan facilities impact on job satisfaction. It is assumed that there is positive and significant correlation between the subsidized loans facilities and job satisfaction. Therefore, the third hypothesis is developed as:

H<sub>3</sub>: Loan facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry.

Srimannarayana and Srinivas (2005) have pointed out that, with regard to the housing facility, a great majority of the respondents was happy with quarters' allotment policy of the organization (89 percent). Also, Satyanarayana & Reddy (2012) has found out that 80% of target respondents are satisfied with the existence housing facility. Its weight average mean value is 4.4. So the majority of employees are satisfied with the housing facilities provided by the organization. Therefore, there was a positive relationship between housing facility and level of job satisfaction. Thus, the fourth hypothesis for this study is developed as:

H<sub>4</sub>: Housing facilities will impact on job satisfaction of team leaders in Off Tyre Manufacturing Industry.

## **Method**

### ***Study Design***

The main objective of this study is to establish the relationships between the independent (employee welfare facilities) and the dependent variable (job satisfaction). As a result, this study was a correlational study. Further, this study examined four hypotheses. Hence, the type of this study was analytical in nature. This data was collected through the natural environment of the industry. It examines the impact of existence employee welfare facilities on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry. The time of the study was cross-sectional that means that data collection was done once. The population of the study is the team leaders in Off Road Tyre Manufacturing Industry. However, team leader employees were selected from Kotugoda and Ekala factories who are presently working in Off Road Tyre Manufacturing Industry. The total populations of team leaders are 100 from both factories. This study considered the universal sampling method for sample selection and as a result, 100 team leaders are selected as sample.

### ***Measures***

The major source of data collection was through a questionnaire and the researcher gathered first hand data distributing the questionnaire as this is considered to be the best and the most practical method to conduct a survey to collect data from a sample of this size.

The questionnaire was of three parts. The first part contained 07 demographic factors, and the second part contained thirteen statements about employees' welfare facilities constructed and standardized by Srivastava in 2002 (Cited in De Souza 2009). Welfare facilities are operationalized into four dimensions as Medical facilities, Canteen facilities, Loan facilities and Housing facilities. Medical facilities focused on three elements (Medical facilities, Specialist service and First-aid service); Canteen facilities consist of four elements (Variety of food items, Quality of food, Subsidized price and Cleanliness of canteen); The focus of

the Loan facilities was on two elements (Degree of awareness and Speeds of getting approval) and Housing facilities was of two elements (Security and Responsibility of maintain). All statements was scaled according to a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The third part consisted of job satisfaction including twelve questions measured through Shresthya and Ganguli in 1994 (Cited in De Souza 2009) questionnaire. Work itself, rewards, promotions and training opportunities, supervisions, co-worker and company are used to measure the job satisfaction variable. The responses to the questions were elicited on a 5-point scale of ranging from 1 (strongly disagree) to 5 (strongly agree).

### ***Reliability and Validity***

Reliability was examined with Cronbach's Alpha test. The results of Cronbach's Alpha test are in Table 1 that suggest that the internal reliability of each instrument is at a satisfactory level.

Table 1: Reliability

Instrument	Cronbach's Alpha
Employee welfare	0.777
Job Satisfaction	0.803

### ***Techniques of Data Analysis***

The data were analyzed using the computer based statistical data analysis package, SPSS (Version 16.0) for validity, reliability, and relationship testing. The data analysis included univariate and bivariate methods.

### **Results**

To investigate the responses of the team leader employees in Off Road Tyre manufacturing Industry, for independent and dependent variables, univariate analysis was used. The results of the univariate analysis are in the Table 2. The mean value of the distribution of team leader was 3.0482. Then, the employees are satisfied with the existing welfare facilities. The Skewness and Kurtosis of the distribution were 0.110 and 0.225 which indicated that the data recorded for the employee welfare facilities are approximately in normal distribution. The mean value of the distribution of team leader was 2.8308. Then, the job satisfaction level of the respondents is moderated. The Skewness and Kurtosis of the distribution were 0.408 and 0.054 which indicated that the data recorded for the employee welfare facilities were in normal distribution.

Table 2: Univariate analysis

Statistics	Employee Welfare Facilities	Job Satisfaction
Valid	100	100
Missing	0	0
Mean	3.0482	2.8308
Std. Error of Mean	.02217	2.7917
Median	3.0000	2.58
Mode	2.94	.32819
Std. Deviation	.34916	.108
Variance	.122	.408
Skewness	.110	.155
Std. Error of Skewness	.155	.054
Kurtosis	.225	.308
Std. Error of Kurtosis	.308	2.04
Minimum	2.28	3.71
Maximum	3.94	100

According to the results of the Pearson's correlation analysis (Table 3), the value between the employee welfare facilities and the job satisfaction of the team leader employees is 0.593, which is significant at the 0.01 levels (1-tailed) indicating that the correlation is statistically significant.

Table 3: Correlations between Employee Welfare Facilities and Job Satisfaction

Variable		Welfare	Job Satisfaction
Welfare	Pearson Correlation	1	.593
	Sig. (1-tailed)		.000
	N	100	100
Job satisfaction	Pearson Correlation	.593	1
	Sig. (1-tailed)	.000	
	N	100	100

In addition, regression analysis was done to discover the impact of welfare facilities on job satisfaction. According to the Table 4 of model summary, the value of R square is 0.342, depicting that job satisfaction is explained by 34.2% through variation in welfare facilities.

Table 4: Model Summary

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.563 <sup>a</sup>	.342	.476	.48332

- a. Predictors: (Constant), Welfare facilities
- b. Dependent Variable: Job satisfaction

All four hypotheses of the study have explained that there is an impact between the independent variable and the dependent variable (refer Table 5).

Table 5: Summary of Hypotheses Testing

No	Hypotheses	Value	Remarks
1	Medical facilities will impact on job satisfaction of team leaders.	b=0.355,sig=.000	Accepted
2	Canteen facilities will impact on job satisfaction.	b=0.413,sig=.000	Accepted
3	Loan facilities will impact on job satisfaction of team leaders.	b=0.450,sig=.000	Accepted
4	Housing facilities will impact on job satisfaction of team leaders.	b=0.294,sig=.000	Accepted

### Discussion and Conclusion

According to the results gained through the data analysis (Table 3), it was found that there is a positive relationship between the employee welfare facilities and the job satisfaction. The previous findings of De Souza (2009), Madumathi and Desai (2003) and Satynarayan and Reddy (2012) have supported to confirm the findings of the study.

The first hypothesis was that the medical facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry (Table 5). Hence, the findings given by Satynarayan and Reddy (2012) are confirmed by the finding of the study. The second hypothesis was that the canteen facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry (Table 5). As such, the findings given by Corrigan, (2008) are confirmed by the finding of the study. The third hypothesis was that loan facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry (Table 5). This too confirmed the findings given by Madumathi and Desai (2003). The fourth hypothesis was that, the amount of housing facilities will impact on job satisfaction of team leaders in Off Road Tyre Manufacturing Industry (Table 5). It also confirms the findings given by Satynarayan and Reddy (2012).

The study findings make the decision makers aware of the importance of making team leaders of the organization satisfied to enhance their effectiveness. This could be achieved through the optimal provision of welfare facilities to the employees.

This study has contribution to literature. As the study is conducted in the Off Road Tyre Manufacturing Industry, it gives more contribution to both employers and employees to understand the welfare facilities and the job satisfaction. This study helps managers be convinced that how the welfare facilities of an employee may cause the job satisfaction.

### Recommendations

According to the results of correlation analysis, it was proved that there was positive significant relationship between the employee welfare facilities and the job satisfaction of the team leader employees in the Off Road Tyre Manufacturing Industry. However, it was revealed that, this relationship could be improved in future through the introduction of additional employee welfare facilities to employees. It is noteworthy that this study considers only direct relationship between the independent and dependent variables. It is also emphasized here that there may be moderating and intervening variables that may affect the relationships between the dependent and independent variables. Therefore, the same research

could be further expand in order to investigate moderating variables and intervening variables that may produce, to a great extent a contingency effect on the direct relationship between the employee welfare and the job satisfaction.

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