Impact of Quality of Work Life of Employees on Employee Turnover in Engineering Sector

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Abstract: Current business environment has numerous challenges in front of employers due to high employee turnover when workers working in various sectors such as IT, textile, telecommunications or manufacturing sector leave the current employer and join another organization. When these experienced staff or people holding important roles in the organization leave the organization it creates an adverse effect on the ongoing projects, meeting the requirements of clients, fulfilling the demands of regular customers, delivering of various goods and services on time, even sometimes it can reduce the total units produced, total sales or the overall revenue generated in that particular year, reduce effective customer service, reduce quality control of an organization's products or services. The industry again have to incur various cost and their time in the recruitment and training process of employees, it often leads to decreased morale of present employees within the organization. It creates a negative impact on the organization as the organization performance, productivity and the overall profitability of the industry is reduced. There are various reasons causing the employee turnover such as job dissatisfaction, improper working environment or working conditions, less salary or benefits, more working hours. All these work dimensions are associated with the concept of QWL. This paper focuses on the QWL, their attributes and their effect on the rate of employee turnover in various engineering sector. The results indicated a significant association between respondent's demographic factors such as gender, age, qualification, marital status and QWL. In the present study, some recommendations are made to reduce employee turnover in industry.

Keywords: Quality of work life (QWL), Employee turnover, Engineering sector, Employees.

I. INTRODUCTION

QWL has been defined by many researchers in different ways, Attewell & Rule, 1984 explained QWL as quality of work, Kraut, Dumais, & Koch, and 1989 explained it as employment quality, Davis (1983) has defined QWL as "the relationship between employees and their work environment. QWL is usually associated with balance of employees in their work and personal life, productivity, performance appraisal, job satisfaction, health and well being, job security, work ethics, working conditions, and employee's welfare.

Hence from the above definitions the concept of QWL can be described as the quality of relationship that exists between the employer and its employees and its total work environment. The success of each industry very much is dependent on the achievement of organizational goals. But it can be achieved through competent and dedicated employees. Such employees can be created if each industry takes the responsibility to provide a better work environment to its employees, which in turn results to improved employee performance. QWL is a philosophical phrase which is based on the principle that the most important asset that an organisation has are its human resource as only they have the potential that can make an organisation a success or a failure. In layman's language it is the extent of favorable working conditions prevailing within the organization.

Employee turnover is the number of employees that leave their job during that year. High turnover rates are bad, because losing efficient and experienced employees creates a negative impact on the organizations. Turnover wastes valuable organizational assets and increases the recruitment and training cost, and decreases the industry productivity and profitability. Therefore, worker turnover is a significant problem, costing organizations time and money. Companies that can recruit and retain competent personnel have an advantage over organizations that cannot retain their personnel (Cho, Son, 2012). While it is important to hire personnel to meet the organization's needs, it is equally important to retain them because employee turnover is not only costly, it impacts organizational stability.

The present research sheds light on Quality of work life and employee turnover of professionals in engineering sector in Madhya Pradesh. In order to retain their old employees, It is important for industry to focus on improving the QWL of its employees. If employee's quality of work life gets improved they will not only stay longer with the same industry but their performance and job commitment will also improve. This will in turn increase the ability of the industry to face its competitors and meet all requirements of its customers. As an organization with satisfied employees provides a better QWL which in turn results in more productivity and lower rate of turnover? Through this research an effort is made to identify the effect of demographic factors on QWL and to analyse the impact of QWL on turnover of employees in engineering sector in Madhya Pradesh.

II. REVIEW OF LITERATURE

The concept of QWL was introduced by Walton in 1975. He categorized QWL into eight different aspects.

Taylor (1979) recognized the crucial attributes of quality of working life as fundamental extrinsic work variables. According to him QWL can be associated with employee participation in the organisation, individual supremacy, fairness and equity, social support, meaningful prospects in the job, self-development, and use of one's present skills, results of extra work performances, and social significance of the work or goods.

Alireza in the year (2011) explored the relationship between QWL and the Demographic characteristics of IT Staffs. The dimensions of QWL used in his study were gender, income, growth, security, equal remuneration, work environment, work experience, and social significance. Data was collected from five IT companies with sample size of 292 employees and One Way ANNOVA was used for analysis in SPSS. Result indicated that no significant relation existed between gender and QWL, but a positive significant relationship was found between QWL and work experience and income. A Study was conducted in Tamilnadu **by Mrs. M. Jeyarathnam; Mrs.V.R.Malarvizhi in the year (2011)** on QWL among Sugar Mill Employees. They analyzed the relationship between the productivity and quality of work life. Research was also conducted **by Md. Zohurul Islam, Sununta Siengthai in (2011)** on Dhaka Export Processing Zone to identify the factors of QWL that are associated with organization performance and job satisfaction of employees. **A Stephen, D Dhanapal in the year (2011)** conducted a study on Small Scale Industrial Units to analyse the employer's perception on QWL in Small Scale Industrial Units. **Indumathy.R, Kamalraj.S (2012)** conducted a research In Textile Industry in Tirupur District on QWL of workers and gave some useful recommendation to improve their QWL. **P Aranganathan (2012)** in his study measured the level of quality of work life among the employees in the Private manufacturing companies in Tamil Nadu. They identified the association of QWL of workers with their work related factors and demographic variables. Nine work related factors were recognized in the study. The study also recommended essential measures like employee welfare programs, and proper pay scale with respect to the employee performance.

Nanjundeswaraswamy & Swamy conducted a study in (2013) on QWL Of Employees in Private Technical Institutions. They found that job satisfaction of male employees was more than female employees. On the other hand research findings of S.Subhashini1, **C.S. Ramani Gopal in (2013)** on QWL among women employees. In Garment Factories In Coimbatore District revealed that women workers are more satisfied with the work atmosphere and job security measures of the factory as compared to their male counterpart and are not much satisfied about the available leaves. The study also indicated that increase in QWL of workers leads to better productivity. A study was conducted **by R.Gayathiri, Lalitha Ramakrishnan in (2013)** in service organizations to analyse the linkage between QWL of workers with their job satisfaction and Performance. They found that industry with more QWL of their employees had better sales growth, asset growth, and return on asset growth.

Research conducted by **Jerome. S in (2014)** at Jeppiaar Cement Private Ltd at Perambalur, found that the QWL positively contributes to the workers' performance. This research study also explored the basic necessity provided to workers by the company and how they are treated by the management. A Study on Garment Industries in Dhaka City was conducted by **Md. Enamul Haque, Md. Sohel Rana & Md. Zainal Abedin in the year (2015).** They observed the sociodemographic profile of the workers and its effect on the QWL of Garment Workers in Bangladesh. **Prem Singh Khetavath in the year (2015)** conducted a study on factors which have effect on QWL of Employees in Indian Private Sector. He found that working environment, interpersonal relations, employee involvement and commitment, and growth opportunities had significant impact on QWL of the employees. **Dr K Srinivasa Krishna (2015)** conducted his study on QWL amongst the textile manufacturing workforce in the east Godavari district. He examined the association of the work related factors and demographic factors with the quality of work life .The study incorporated 422 employees from the five textile manufacturing units using the stratified random sampling method. The work related factors were assessed using the six factors. The findings revealed that the demographic factors like age, education and income were significantly related to the perception on quality of work life while factors like wealth, experience and family size were not related to the quality of work life.

Prem Singh Khetavath (2015) conducted a study on the attributes that can affect the work life balance of the employees working in Indian private sector. The results showed that employee attachment and commitment, growth feeling, work state and complexity, future prospects, organizational and interpersonal associations have a significant effect on WLB of the employees. **Shweta Pandey & M. S Khan in their study (2016)** concluded that Organizations that have better qwl of employees can attract and retain employees. This research supports the association between QWL, employee performance and career growth opportunities. **Iwanenko (2011)** stated that turnover leads to decreases in productivity which results into employment separation. Turnover eliminates a return on investment of human capital, increase the costs in employee recruiting and training (Cho, Son, 2012). The issue of employee stability is bothering employers the most because through previous researchers it was found that low QWL can lead to more employee turnover in any industry. For many years, there has been much research into job satisfaction, organisational commitment of employees in engineering sector but in recent times there is a need to focus on factors that can control employee turnover and to further frame policies that can help to attract and retain competent employees. Hence it is the need of the hour to identify various organizational factors that can affect employee turnover and designing some measures is important so that the problem of employee turnover can be controlled and managed by the industry as increasing productivity and decreasing turnover is a strategic goal of all organizations (Sutarjo, 2011).

Purpose and objectives

a) To Study the impact of demographic factors such as age, experience, marital status, occupation, education of the respondent on their QWL.

b) To find out the effect of Quality of work life of employees on turnover in engineering sectors of Madhya Pradesh.

c) To analyse the impact of QWL of employees on employee turnover in various engineering sectors in Madhya Pradesh.

III. RESEARCH METHODOLOGY

A. Design

The study is descriptive in nature and utilized survey method with the help of a self designed Questionnaire.

B. Population and sample

The Population taken consisted of the professionals working in various engineering sector in Madhya Pradesh. The sample consisted of employees of manufacturing, textile, IT telecommunication industry, located in different industrial areas of Madhya Pradesh.

C. Instrument

Through intense Literature review, attributes of QWL were gathered and a questionnaire consisting of 23 questions was designed covering all the variables. The responses were measured on five point scale, ranging from strongly agree to strongly disagree. Turnover intension was measured through a separate self designed questionnaire consisting of 15 questions.

D. Dependent and Independent Variables

For measuring hypothesis 1, demographic variables such as age, experience, marital status, organisation and education were taken as independent variable and QWL as dependent variable. For hypothesis 2, QWL was taken as independent variable and turnover as dependent variable.

E. Reliability

Cronbach's alpha was calculated for each scale using SPSS 16 to check the reliability of the research instrument, the reliability coefficient was found to be .848 for QWL and .703 for Turnover which are > .7. Hence, the Scale is considered to be quite reliable for the study.

Table 1. Reliability Statistics

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
QWL	0.848	0.848	23
Turnover	0.703	0.703	15

F. Data Collection

200 Questionnaires were distributed among the respondents physically and mailed as Google Form. Around 192 responses were received in which 4 forms were incomplete, so they were discarded making the sample size of 188 respondents.

G. Data Analysis

Table 2 presents the demographic profile of the respondents. For analyzing the effect of demographic factors on Quality of Work Life of the employees one way ANOVA was applied and the summary of the results is shown in table 3. For finding the impact of QWL on turnover of the employees Linear Regression was applied using SPSS 16 and the results are shown in table 4.

H. Hypothesis of the Research

H1. There is no significant effect of demographic factors of the respondents on their QWL.

H2. There is no significant impact of QWL on employee turnover of employees.

IV. RESULTS AND DISCUSSION

H1. There is no significant effect of demographic factors of the respondents on their QWL.

The results of the ANOVA shows that marital Status, age, occupatio and experience has a significant effect on QWL as the Sig. values are <.005 whereas education depicted no significant effect on QWL. Employees who are single showed better QWL as they have no other responsibilities whereas married employees showed lesser values for QWL as they have to see their spouse, children and other family members. Employees who are young showed better QWL as compared to older ones as with the increase in age, the responsibilities keep on increasing demanding more time and energy. Employees in telecommunication sector showed highest mean for QWL as compared to employees of textile industry, followed by manufacturing and IT companies employees making it difficult for them to have good quality of work life. Experienced employees depicted less value for QWL as with the increase in designation there is an increase in workload since one has to manage the employees working under them and also they are considered to be answerable to the higher authority. So they are under very high pressure as compared to less experienced employees who just have to finish the work assigned to them. Education was found to have no significant impact on QWL.

Table2. Summary of the Demographic Profiles of the Respondents

Demographic variables	Category	Frequency	Percentage
Marital Status	Married	119	63.3
	Single	69	36.7
Age	< 25 years	11	5.9
	25-30 years	74	39.4
	31-40 years	65	34.6
	41-50 years	31	16.5
	>50 years	7	3.7
Education	< UG	0	0
	UG	56	29.8
	PG	86	45.7

	PhD	33	17.6
	Any other	13	6.9
Organisa tion	Manufacturing	45	23.9
	Textile	33	17.6
	IT	52	27.7
	Telecommunica tion	39	20.7
	Others	19	10.1
Experien ce	< 3 years	45	29.9
	3-6 years	46	24.5
	7-10 years	41	21.8
	11-15years	37	19.7
	>15years	19	10.1
Total	Respondents	188	100

Table 3.Summary of the Results of ANOVA (Hypothesis 1)

Demog raphic Variab le	Test of homogeneit y of variance			Mea n squ are	F	Si g.
	Leve ne Statis tic	Sig.				
Marital Status	.179	.673	Betwe en Groups	309 9.24 9	21.0 43	.0 00
			Within groups	147. 287		
Age	16.35 5	.000	Betwe en Groups	127 5.93 2	9.19 6	.0 00
			Within Groups	138. 743		
Educati on	6.239	.000	Betwe en Groups	210. 240	1.29 5	.2 77
			Within Groups	162. 298		
Occupa tion	4.233	.003	Betwe en Groups	266 1.52 8	24.5 40	.0 00
			Within Groups	108. 456		
Experie nce	3.799	.005	Betwe en Groups	105 3.26 6	7.33 4	.0 00
			Within Groups	143. 610		

H2. There is no significant impact of QWL on employee turnover in engineering sector.

For the analysis of hypothesis 2, Linear regression was applied in SPSS and the results show that the sig. level is (p=.000) which is (p<.001) stating that there is a significant impact of QWL on turnover thus rejecting the null hypothesis and accepting the alternate hypothesis. The correlation coefficient was found to be (p=-.443) in table 4,

showing that there is a negative correlation between QWL and turnover. If the work life of the employees is balanced and satisfactory then the rate of attrition is less and vice versa. The model summary shown in table 5 clearly depicts that the value of R square is (.296) this means that there is around 30% variations in turnover due to QWL of the employees. In table 6, the Unstandardized coefficient of regression Beta is (-.859) showing a strong negative impact of QWL on turnover. Married people were found to have a higher level of QWL as compared to the singles; this is in contrast to the present study. A statistical significant association was not found between employees' QWL and their area of work (P=0.73). Quality of work life depends on many factors such as management support, relationship with manager and peers, autonomy, job proud, flexibility in timings, job security, job enrichment, family support, fair compensation and reward system, participation in decision making, job stress etc.

Table 4. Pearson's Correlation

		turnover final	Quality of work life final
Pearson Correlati on	turnover final	1.000	.443
	Quality of work life final	.443	1.000
Sig. (1-tailed)	turnover final	.	.000
	Quality of work life final	.000	.
N	turnover final	188	188
	Quality of work life final	188	188

Table5. Model Summary

Mo del	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.443[a]	.296	.292	11.48114

a. Predictors: (Constant), turnover final

b. Dependent Variable: Quality of work life final

Table6. Coefficients of Regression

	Unstanda rdized Coefficie nts		Stan dard ized Coe fficci ents			Correlations			Collinear ity Statistics	
Mo del	B	Std. Erro r	Bet a	t	Sig.	Zer o-orde r	Part ial	Part	Tol eran ce	VIF

1 (Constant)	90.134	3.209		28.088	.000					
turnover final	-.859	.128	.443	-6.733	.000	-.443	-.443	-.443	1.000	1.000

a. Dependent Variable: Quality of work life final

V. CONCLUSION

This study emphasized on understanding the impact of demographic factors on QWL and the effect of QWL on turnover. The results of the present study revealed that marital status, age, occupation and experience had a significant effect on QWL whereas education had no significant effect on QWL. It was found that there is a significant impact of QWL on turnover as a negative correlation was found between QWL and turnover. That means if QWL of employees will be high then employee turnover in that industry will be low. The results of this study suggests that the most important factors influencing to leave the job was found to be low career growth opportunities followed by relationship with supervisors and peers along with family issues.

SUGGESTIONS

Managers must identify the factors to make employees favorable towards the organization. They must design some employee friendly policies. Industry must take steps to improve the working environment and working conditions of all employees. Conducting exit interview with the departing employees will also help the management to understand the major reasons of employees leaving their organization. This will help the organization in acquiring and retaining the most powerful and dynamic work force in order to flourish in this busy competitive world.

LIMITATIONS AND IMPLICATION FOR FUTURE RESEARCH:

The findings were very particular as the respondents chosen for study were employees of engineering sector of Madhya Pradesh only. More research in this field is needed before generalizing the interpretations. Other sectors such as education, medicine could also be involved along with employees working in engineering sector so that better and generalized results can be obtained along with increase in sample size. Interview survey can also be used to gather more clear and accurate responses. This study may serve as a foundation for future studies in other sectors also as only industry of engineering sectors of Madhya Pradesh were involved in this study.

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