

HRM PERSPECTIVES

Insights on Human Resource Management Practices



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Contents

Editorial

Research Papers

- The Impact of Job Satisfaction on Employee Intention to Remain in an Organization 01
 - Dulanga Hewamanage
- Factors Affecting the Academic Performance of Undergraduates in University of Peradeniya 19
 - M P J Ruklantha & L N A C Jayawardena
- Being Universally Unique: Towards Understanding the Buddhist Perspective of Human Resources 38
 - H R N Peiris & A S Dharmasiri
- Critical HRM Result Areas for Effective Knowledge Sharing in Organizations: An Empirical Study 54
 - S M Mahawatta
- The Impact of Employee Engagement on Employee Performance in an Apparel Company 74
 - D Malika M Perera
- The Influence of Rewards Systems on Employee Performance of Sri Lankan Financial Institutions 90
 - D M Dinusha Dissanayake
- Impact of Organizational Factors to the Work Life Balance Of Academics: Evidence from a Sri Lankan State University 102
 - G S Malalage

Editorial

I heartily welcome the readers and the contributors of the '*HRM Perspectives*' July, 2019 Issue of the Human Resource Management Perspectives peer reviewed journal published by the Chartered Institute of Personnel Management (CIPM) of Sri Lanka. A sound academic culture with a well-defined level of discipline is required to materialize the academic efforts of CIPM community in fulfilling the aspirations of the public at large. Disseminating research and development findings, creativity and innovations in Human Resource Management (HRM) and related areas is a must for the benefit of students, academia, researchers, industrialists, government and non-government officials and the public. CIPM, Sri Lanka intends to achieve this goal by developing regular compilation of publications making them accessible, transparent, lucid and defensible.

'*HRM Perspectives*', the journal of CIPM, Sri Lanka, has the potential of epitomising the growth of HRM research in Sri Lanka and the region. During its over decade long journey, the acceptability of the '*HRM Perspectives*' journal has shown some of that promise, which needs to be nurtured and enhanced. CIPM envisions to improve '*HRM Perspectives*' to be a highly sought after indexed journal locally and internationally. CIPM has redesigned the annual research symposium in 2019 with an improved focus on HRM research having understood its enhanced reputation and responsibility in leading the nation with research based HRM initiatives. With the improved focus on research '*HRM Perspectives*' has received an increased number of articles from HRM practitioners and CIPM Members, Scholars, and students of CIPM, Universities, and higher educational institutes. Seven deserving articles have been selected for July, 2019 issue representing CIPM stakeholders. We intend to gradually increase the number of issues of the journal per year with latent HRM research studies and findings.

Articles in this issue not only characterize their intellectual curiosity, but also possess diverse methodological approaches, consisting of contributions that impact profoundly on the theory and practice of HRM. We have also provided opportunities for our own members, students, and employees to publish their scholarly work in the journal. We firmly believe that great things start from inside and that charity begins at home. It is note-worthy to mention that there are many research articles already available for the next issue of the journal.

I take this opportunity to express our gratitude to all who supported to make this issue a success. I thank the panel of eminent reviewers, and the editorial assistants for their commitment to enhance the standards, which the journal aspires. I heartily thank all the authors and writers, who submitted their research manuscripts. I must comment the foresight and encouragement received from the President of CIPM, SL, Mr Dhammika Fernando, and the learned council, and the support of Dr N T Bogahalande, Chairman of the Research and Publication Committee of CIPM. My sincere thanks go to all CIPM staff members who supported wholeheartedly in numerous ways for the publication of this issue.

I am very confident of transforming '*HRM Perspectives*' as a premier HRM journal in the near future with successful indexation depicting the progress of the journal. We very much look forward to your support for a productive and challenging future ahead realizing the promise of '*HRM Perspectives*' to all stakeholders. Let us move forward in this journey of exploration and continuous improvement!

Dr L N A Chandana Jayawardena
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THE IMPACT OF JOB SATISFACTION ON EMPLOYEE INTENTION TO REMAIN IN AN ORGANIZATION

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ABSTRACT

The domain, Human Resources is a critical area in every organization globally. In this regard, turnover intention, enhancing retention and factors influencing them are dominant research areas. But within the selected context (ABC Company), it does not provide an adequate background on the current labour force issue: turnover. However, it clearly shows that the staff within ABC Company have left the organization within short periods. Hence a vacuum of knowledge gap was identified on a problematic area within the organization. This was a reason to investigate reasons for this due to the level of satisfaction of employees and whether job satisfaction influences them to retain or leave the company and the impact generated through Job Satisfaction. In achieving these objectives, a quantitative methodology was employed with self-administered questionnaires. The sample of the study was selected based on the simple random sampling approach and consisted of 75 employees but based on the response rate, the final sample was limited to 68 QAT level employees. Analysis was done using SPSS 21.0 and MS Excel 2016. To answer the research questions, regression analysis and the correlation of variables were employed. Findings show that there is a significant impact of job satisfaction on employee intention to remain within the company. From the dimensions

used within the study, only salary and work environment were considered as significant variables and the rest, career development and supervision were considered as insignificant variables with a negative impact within the considered sample. This research contributes to the existing literature as it modifies/ redefines the dimensions of job satisfaction and has created new knowledge within the selected company as this was the first time that this subject has been researched within the company. In discussing policy implementations, the way in which the HR department should react on reducing employee turnover intention and enhancing employee intention of retaining was suggested.

Keywords: Job Satisfaction, Intention to Retain, Salary, Work Environment

Introduction

Human resource management ensures that the right people have been allocated to the right position at the right time with proper investigation of their competencies. Human resource is the key subject, which engages all other resources in achieving organizational goals and objectives. In this context, identification, development and retention of human capital plays a vital role. The volatility and uncertainty in the business environment has created a challenge in retaining the talented workforce (Pfeffer, 1994). In doing so, psychological factors have a significant impact. At this juncture, the management should concentrate on formulating and implementing strategies to reduce turnover same as they pay attention to overall business strategies (Ghosh, Satyawadi, Joshi, & Shadman, 2013). Thus, it is clear that there is a huge responsibility for an organization towards retaining their employees.

When managers understand that they are responsible to retain the staff and clarify issues, they will be more involved in initiating solutions and

will take a more aggressive role to ensure that considered solutions are successful (Phillips & Connell, 2003). Currently, most of the talent was acquired through head hunting. In such a situation, companies will not be able to retain their developed talent within them. Therefore, the employer should be able to psychologically motivate employees to retain within the company, where the manager has a significant role. The literature also mentioned that it is important to retain employees in order to create a stable workforce. In that regard, it was mentioned that companies should focus on formulating and implementing retention strategies to effectively reduce employee turnover. Thus, employee retention strategies have gradually become an important part of an organization's overall business strategy (Ghosh, Satyawadi, Joshi, & Shadman, 2013).

Justification of the study

ABC Company was a BPO Company engaged in the IT Sector in Sri Lanka. The basic function of the organization was to validate product availability within the market. In Sri Lanka, the IT Sector is a fast-growing industry which holds 14th place as per 2016 statistics. There were two levels of employment within the organization: management staff and operational staff. Operational staff validate the availability of products whilst the management staff provide supporting services. Although the company was in a fast-growing industry and can take care of their operating staff, it has not performed as others in the same sector. Besides, there is a growth in the turnover rate and new recruitments in 2017 when compared with 2016 (table 1).

Table 1 - Employee Turnover Rate

Year	2015	2016	2017
Turnover	8.79%	21.44%	41%
Recruitment Rate		11.10%	27%

Source: Organizational Records

However, due to poor performance and high turnover level, the company has been unable to grow itself into a large-scale organization. As such, factors that have caused slow growth of the organization have been identified.

Conceptualization and Objectives of the Study

Based on the research problem, the study focuses on the Intention of employees on the retention of Staff. It thoroughly studies on the impact generated by Job Satisfaction on employees' intention for retention. Intention on staying or retaining of staff in a particular company for a considerably long time is influenced by many factors. These can be found in literature conducted by different experts. According to Ghosh, Satyawadi, Joshi, & Shadman (2013), the factors can be goal clarity, autonomy, affective commitment, compensation and benefit, organization culture and normative commitment. Apart from the above Moncarz, Zhao, & Kay (2009), have identified organizational mission, goals and directions, corporate culture and communication, work environment and job design, hires and promotions, customer centeredness, training, employee recognition, rewards and compensation, employee performance, assessment and development and leadership and human resource management partnership. organizational commitment, job satisfaction, training, perceived organizational support, perceived supervisor support, organizational climate, employee Benefit and opportunities, and organizational justice too have been identified as factors that have a direct influence on employee intention to retain within a particular company for a considerable time frame (Alkahtani, 2015).

The general objective of the study was to identify the impact of Job Satisfaction on Employee Intention to Retain within the ABC Company. The specific objectives were: to identify the most prominent dimension of Job Satisfaction among employees, and to identify the role of the organization in retaining the employees.

Employee Turnover

Turnover can be defined as the movement of labour out of and into a working organization (Lashley, 2000). In other words, turnover is the tendency of employees leaving the organization. Aksu (2004), has stated that turnover takes several forms such as voluntary or involuntary, functional or dysfunctional, avoidable or unavoidable. In voluntary turnover, an employee leaves the organization of his own free choice with some of the possible reasons being: low salary, job dissatisfaction or better job opportunities elsewhere, whereas involuntary turnover takes effect when the organization makes the decision to remove an employee due to poor performance or economic crisis. In addition, as per Price (2001), voluntary turnover can be termed as “avoidable” turnover and involuntary turnover as “unavoidable” turnover. However, most studies have focused on voluntary rather than involuntary turnover (Wright, 1993). Hence, voluntary turnover has been identified as a critical issue for both employees and organizations.

Employee Retention

The ability of a company to retain their employees within the organization is known as employee retention. Previous studies have proven that when having a stable workforce, employees tend to work productively and with proper focus. Also, this stability leads to improve

the quality of work, organizational memory and is able to achieve competitive advantage by retaining the well experienced work force. Apart from this, the organization is also able to reduce the cost of advertising, recruiting and training (Jones & Gates, 2007). Therefore, retaining employees is critical for maximizing employee productivity and the overall competitive advantage of the organization.

Intention to Retain

Literature has defined Intention in different perspectives. Retention is a decision an employee take upon his or her career. In this regard, the intention acts as a strengthening power. According to Fishbein & Ajzen (1975), intention is a theory of reasoned actions. Within this theory, it has been mentioned that a person's intention has two dimensions as to natural factors and influences through society. As such, retaining within a company for a considerable time will also be influenced by those two dimensions. An employee's intention to stay or retain can be defined as, 'the perception of the likelihood of staying in his/ her present job' (Wang, Tao, Ellenbecker, & Liu, 2011). According to him, there is a similarity between retain/ stay and intention to retention/ stay. Hence intention to stay is an important predictor of retention.

Conceptual Framework

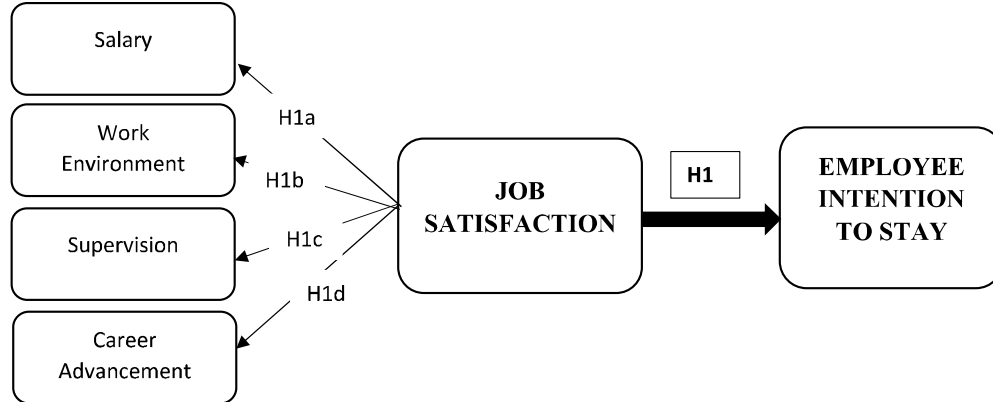


Figure 1. Conceptual Framework

As depicted in Figure 1, the two major variables identified from this model were, job satisfaction and employee intention to stay. Job satisfaction was considered as the independent variable and employee intention to stay within ABC Company was considered as the dependent variable. In analyzing job satisfaction, it was measured under four dimensions as salary, work environment, career advancement and supervision.

Development of Hypothesis

Job Satisfaction

Armstrong M. (2007), has defined job satisfaction as ‘the extent to which an individual’s needs are satisfied and the extent to which the individual perceives that satisfaction as stemming from his (sic) total work situation’ and mentioned that it generates the same meaning of morale. Glimmer in 1961, had opposing views, and defined morale as ‘a feeling of being accepted by and belonging to a group of employees through adherence to common goals.’ Job satisfaction is a widely used variable as it influences the quality of working context. In this regard,

emphasis job satisfaction links to important organizational variables such as productivity, absenteeism and turnover. The study of Terera (2014) tested the relationship between job satisfaction and employee retention. The results show that high levels of job satisfaction often result in improved employee retention. This shows that employers have to keep their employees satisfied if they want to keep their highly qualified and valued staff. Job satisfaction has proved to be a very crucial factor in employee retention. Also reported a statistical significant relationship between job satisfaction and turnover intentions.

H¹: There is no significant relationship between Job Satisfaction and employees Intention to retain at ABC Company.

Salary

Employees' are more satisfied when they feel that they are being paid adequately for their work. Employees are concerned on the salary scales and promotion policies which they perceive as being just, unambiguous and in line with their expectations. When remuneration is seen as fair, based on the demands of the occupation, individual skill level, and community pay standards, the satisfaction of employees gradually increases. However, not everyone seeks financial rewards. Many willingly accept less pay to work in a preferred location or in a less demanding job or to have greater discretion in the work they do etc. The key in linking pay to satisfaction is not the absolute amount one is paid; rather it is the perception of fairness. Similarly, individuals who perceive that promotion decisions are made in a fair and just manner are likely to experience satisfaction from their job. (Kumari, 2011).

H_{1a}: There is no significant relationship between salary and employees Intention to retain

Work Environment

A conducive work environment ensures the wellbeing of employees which invariably will enable them to apply themselves with increased interest that may translate to higher productivity. Further Kumari's (2011), findings indicate that there is a significant positive relationship between work environment and job satisfaction. The two variables, job design and working condition are significant and have a positive correlation. The provision of a workplace which is cooperative and where employees are appreciated, is essential for job satisfaction. This includes the prevention of harassment, involvement of employees in real goal setting, planning, problem solving, showing respect for diverse ideas and opinions, giving and taking honest and constructive feedback, arranging for mentoring facilities, and sharing as much information as possible with employees. In the organization, employees are satisfied with the working conditions which encourages them to retain.

H_{1b}: There is a significant relationship between Work Environment and employees Intention to retain

Supervision

Supervision and type of leadership are important factors in determining job satisfaction. Generally, employee centered supervision style enhances a great amount of job satisfaction as the supervisor oversees the subordinates professionally, they display friendship, respect and at the same time provide warmth towards subordinates. On the other hand, only task-oriented supervisors may cause low job satisfaction to the subordinate and may affect the turnover and absenteeism adversely (Kumari, 2011). She also emphasized that communication plays an important role in building a cordial relationship which leads to the satisfaction of employees, where those who have positive interactions with their superiors are generally more satisfied. Positive supervisory relationships are also those that treat employees with respect, fulfill employee functional and interpersonal needs. Apart from the above

Armstrong, Hawley, Lewis, Blankenship, & Pugsley (2008), mentioned that the work settings of supervisor and subordinate also impacted the employees to stay long within the same company.

H_{1c}: There is a significant relationship between Supervision and Intention to retain

Career Advancement

As per Kumari (2011), career advancement can be measured through Job Design and Commitment. The two variables career development and opportunities are significant and have a positive correlation. The opportunities provided to the employees in the organization lead to the development of the career of the employees. Employees feel that the organization is providing them opportunities for growth in their careers and hence they feel more satisfied with their jobs. Hence the literature shows that career advancement leads to improve job satisfaction. Career advancement in Managerial and Operational positions react independently in evaluating job satisfaction. Managerial career advancement is usually conceived of as promotions in managerial ranks and attainment of high managerial levels and pay (Tharenou, 1997).

Methodology

This was a quantitative study, which used both primary and secondary sources to collect data for analysis. Primary data sources such as structured questionnaire in the 5 point Likert Scale was used to build up direct contact with the sample of the study. The questionnaire consisted of 28 questions out of which 4 were based on demographic factors (gender, civil status, age and education). Ethical assurance of the research study has been taken prior to data collection. Secondary data sources were collected from the HR Department of the company. Employee records such as employee register, exit interviews and turnover reports were considered as secondary data sources of this study.

In order to measure the concepts or variables of the study, operationalization was done through constructs. In general, constructs can be defined as the building blocks of theories, which helps to explain how and why certain phenomena behave the way they do. It can simply be defined as concepts or ideas that may exist in abstract nature (Laerd Dissertation, 2012). The nature behind constructs is that, it may or may not be measurable. In the process of operationalization, researchers make these constructs meaningful. In order to do so, researchers use variables and measurements. Simply, operationalization of variables refers to how we define and measure a specific variable, either independent or dependent (McLeod, 2008). This helps the researcher to reduce the abstract level of the concepts or variables.

Table 2 - Operationalization of Variables

Variable	Dimension	Measurement
Job Satisfaction	Salary	Extent to which employees are satisfied with their pay
		Extent to which the organization assures internal and external equity
	Work Environment	Ventilation Conditions
		Grievance Handling
		Health and Safety Practices
	Supervision	Supervisory Support
		Extent to which employees are satisfied by the supervision
	Career Advancement	Provision of Training and Development
		Extent to which the organization provides growing opportunities
Employee Intention to Retain		Further career plans in the same organization
		Searching of new jobs

The study population comprised of operational level employees, of which Validation QAT Staff which comprised of 626 employees in total (Table 3). Only 150 employees of this had been with the organization the longest whilst the rest were recruited within the considered research period.

Table 3 - Employee Breakdown

Year	2014	2015	2016	2017
Validation Quality Assurance Technicians	512	443	492	626

Source - Organizational HR Records

On the impact of Job Satisfaction on Employee Intention to Retain within the organization for a considerable time, attention was paid to those who have been employed at least one year. Based on the above, the sample of the study was derived from the 150 employees who were in the organization from 2014 to November 2017. The sample framework of the study were HR records which were available in the HR department. The Probability Sampling method was used to derive the sample, within which, the Simple Random Sampling was applied. The sample size of the study was 75 employees which represent 50% of the population. In analysing the collected data, SPSS version 21.0 and Microsoft Excel were used. Reliability, Validity, Descriptive Statistics and Multiple Regression Analysis have been used in analysis.

Results and Discussion

The composition of sample by different demographic factors such as gender, age, education and experience are given in table 4. Considering gender distribution, many QAT employees represented Male (N=68) and by age distribution 45.6% were between the age of 25 - 30. Further, more than 60% of the population had qualified the Advanced Level examination and obtained a professional qualification. Moreover 55% of the sample had gained more than 2 years of experience in a similar capacity.

Table 4 -Sample Composition

		Frequency	Percentage
Gender	Male	36	52.9
	Female	32	47.1
Age	<24	6	8.8
	25-30	31	45.6
	31-36	16	23.5
	37-42	11	16.2
	>43	4	5.9
Education	Up to AL	2	2.9
	Professional Qualification	46	67.6
	Undergraduate/ Graduate	20	29.4
Experience	Above 2 years	40	58.8
	2 Years	4	5.9
	More than 1 year	20	29.4
	1 year	4	5.9

Source – Survey Data

In the analysis of the Reliability, Cronbach’s Alpha was used, and the results implied that, the Alpha values lie between 0.704 to 0.923 (Table 5). Although the Intention to Retain (DV) carries the lowest Alpha value, it is still within the range of Adequate. The Alpha Value of Work Environment is above 0.8 and the Alpha Value of other variables are above 0.9.

Table 5 – Reliability of research scales

Variable	Cronbach’s Alpha	Number of Items
Intention to Retain	0.704	4
Job Satisfaction	0.902	20
Salary	0.923	5
Work Environment	0.801	5
Supervision	0.917	5
Career Advancement	0.915	5

Source – Research Findings

In analysing the validity of the study, KMO and Bartlett's test was employed. The results indicated KMO Value as 0.500 and Bartlett's test value as 0.000. Hence it was concluded that the validity measure was significant for this study.

Analysis was done according to two models. One, between the independent variable and dependent variable (first model) and the other, between dimensions and dependent variables (second model) to be in line with the hypotheses developed at the start. In identified Multiple Regression analysis, multiple correlation coefficient between IV and DV is more than 66% and between Dimensions and DV it was 72.3%. The R Square Value is 43.6% under the first model and it's 52.3% under the second model. This implies that the Dependent Variable explained around 50% by the considered variables of the study. The key finding of this implies that there are other factors that affect employee intention to remain within an organization.

The F test shows that the model was significant ($p < 0.05$). Based on Unstandardized B values, the regression formula for the first model was Intention to Retain = $0.733 + 0.826$ Job Satisfaction. For the second model, the Intention to Retain = $0.607 + 0.596$ Salary + 0.516 Work Environment. As per the analysis, supervision and career advancement were considered as insignificant variables ($p > 0.05$). Salary and work environment were considered as significant variables ($p < 0.05$) (Refer Table 6).

Table 6 – Summary of Hypothesis Testing

		Significance of Hypothesis		Hypothesis supported/rejected
		Sig.	Significance at 5%	
Salary	H_{1a}	0.001	0.05	Supported
Work Environment	H_{1b}	0.050	0.05	Supported
Supervision	H_{1c}	0.965	0.05	Rejected
Career Advancement	H_{1d}	0.382	0.05	Rejected
Job Satisfaction	H₁	0.000	0.05	Supported

Conclusion

Study found Salary, Work environment, and Job satisfaction of the employees as the major factors contributing to the employee retention at the ABC organization. Supervision of employees and opportunities for career advancement have not contributed to the employee retention in the organization. This may be due to limiting this study only among the operational employees of the organization. It can be concluded that job satisfaction has been an influence in framing the employees' mindset to retain within the company. In this context, it was proven that Job Satisfaction is a major factor to retain the employees in an organization. Findings also indicated salary as the prominent factor which improves the employee intention to retain within the company.

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ABSTRACT

Academic Performance reflects how students manage their studies. It plays a major role in university education. Identification of the reasons for academic success would directly help improve undergraduates' academic performance. The general objective of this study was to examine the factors influencing the academic performance of undergraduates at the University of Peradeniya. Multi-stage stratified random sampling method was used. The sample consisted of 610 final year undergraduates from six faculties viz: Agriculture, Arts, Science, Management, Engineering, and Allied Health Sciences. The study was conducted using a deductive approach and quantitative analysis was employed in a cross-sectional survey. Twenty independent variables

were identified after an extensive literature review process. The conceptual framework was developed using empirical findings under four major categories such as socio-demographic factors, psychological factors, educational factors, and lifestyle factors. The dependent variable of the study was academic performance. Primary data was collected using self-administered questionnaires and analyzed using descriptive statistics. Inferential statistics such as independent sample t-test, ANOVA, Chi-square test, Correlations, and Regression tests were conducted. Academic performance had a significant relationship ($p < .005$) with gender, age, academic stress, academic satisfaction, English language proficiency, father's educational level, self-study, library usage, involvement in extracurricular activities, and classroom interactions of undergraduates. However, they did not have a substantial impact on academic performance of undergraduates. There were no significant relationships ($p > .005$) between academic performance with respect to the relationship status, impact of social media, and expenditure on education of undergraduates.

Keywords: Academic Performance, Undergraduates, Gender, Study Programme

Introduction

Education is an essential factor required to accomplish dynamic and challenging future employment opportunities. Sri Lanka's education structure is divided into three tiers: primary, secondary and tertiary. Tertiary education is provided by universities in Sri Lanka. Admission to this university system is based on the highly competitive GCE Advanced Level examination. On successful completion of the secondary exams, students can move on to tertiary education. The higher education system plays a significant role to fulfil social expectations in Sri Lanka. The University Act of Sri Lanka has mentioned that "University is established for the purpose of providing, promoting and developing higher education." Academic Performance refers to how students manage their studies and cope with or

accomplish different tasks given to them by their teachers (Banquil, et al., 2009). Undergraduates are an important resource of universities. Hence, the administrators, educators, policy makers and corporations in the labour market pay more attention to the performance of undergraduates. Employers consider academic performance as one of the key factors in recruiting employees; especially fresh graduates. Thus, students have to pay attention to obtain good results in order to fulfill employer requirements. (Ali, et al., 2009)

The university is a high level educational institution in which students study for degrees and research is done. (Oxford Dictionary,2018). Success in examination is a crucial factor that a student has to benefit from a course of study. Examinations should cover the student's academic aptitude and skills in applying practical abilities. Academic performance is used to label knowledge, skills, concepts and understanding ideas (Tuckman, 1975). Many researchers try to identify the determinants of undergraduates' success at examination using the Grade Point Average (GPA) as a measure.

The University System of Sri Lanka was formally commenced in 1921 with the establishment of Ceylon University College established in Colombo as an affiliated institution of the University of London (Tilakarathna, 1995). The First Autonomous Degree Awarding University in Sri Lanka (University of Ceylon) was established in July 1942 (Tilakarathna, 1995). The government raised Vidyodaya and Vidyalankara Piriven to the status of universities in 1959. University System in Sri Lanka was expanded further and another new campus; namely "Jaffna Campus" was established in 1974. After the formulation of the University Act No. 16 of 1978, six independent universities were established at Colombo, Peradeniya, Sri Jayewardenepura, Kelaniya, Moratuwa, and Jaffna. The University Act of Sri Lanka mentioned that the "university is established for the purpose of providing, promoting and developing higher education".

Justification of the Study

University of Peradeniya whose vision is to be a “center of excellence in higher education with national, regional and global standing”, is keen on quality assurance and the maintenance of standards. The leading beneficiaries are undergraduate students of this university. Identification of the reasons for the academic success of students would directly facilitate improving their academic performance. Secondly, these research findings were expected to also assist academics and administrators to improve efficiency of the academic schedules of the nine faculties within the university. Thirdly, policy makers would also benefit from these research findings as they would be able to ensure that limited public resources are utilized effectively and efficiently. Finally, this research study was expected contribute to the knowledge of academic performance of Higher Educational Institutions and also aid in designing and managing of higher educational programmes.

Objectives of the Study

General Objective of the study was to examine the factors influencing academic performance of undergraduates in University of Peradeniya. Specific Objectives of the study were to identify the major factors influencing academic performance of undergraduates, to examine the impact of socio-demographic factors on the academic performance of undergraduates, and to analyse the relative impact of different factors on the academic performance of undergraduates.

Conceptual Framework

Twenty independent variables were identified after an extensive literature review process. The conceptual framework was developed using empirical findings under four major categories such as socio-demographic, psychological, educational, and lifestyle factors. The dependent variable of the study was academic performance.

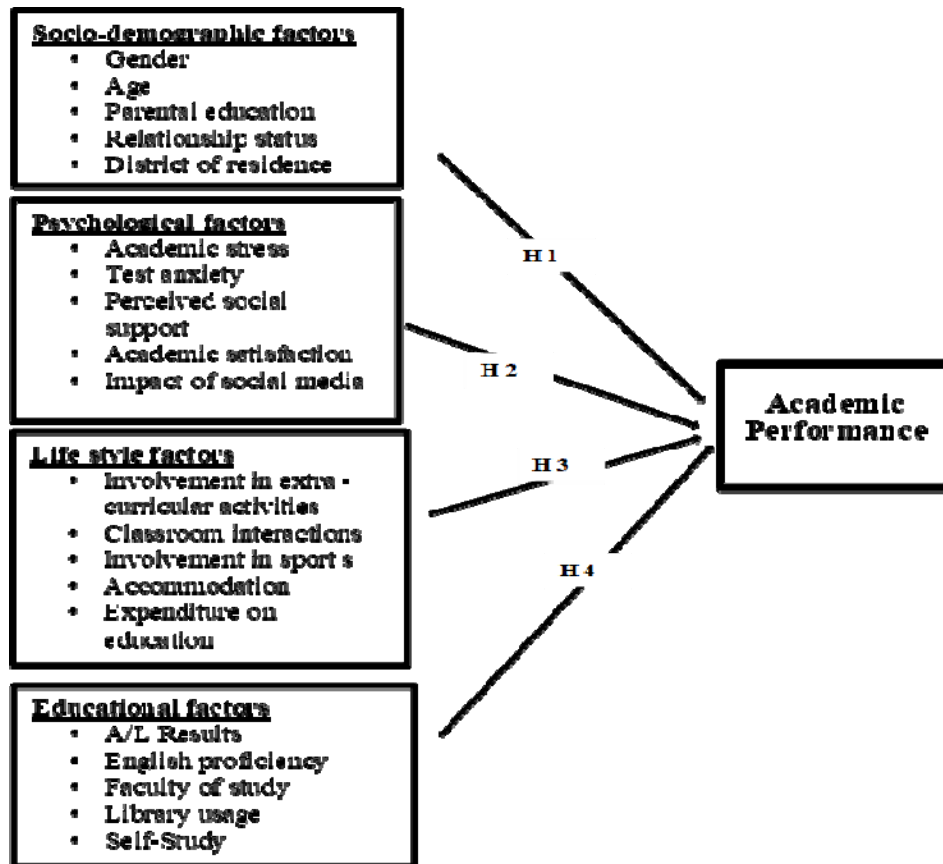


Figure: Conceptual Framework of the study

Main Hypothesis of the study

- H1:** There is no significant relationship between socio demographic factors and academic performance of undergraduates
- H2:** There is no significant relationship between psychological factors and academic performance of undergraduates
- H3:** There is no significant relationship between lifestyle factors and academic performance of undergraduates
- H4:** There is no significant relationship between educational factors and academic performance of undergraduates

Methodology

The selected study design was based on a positivistic paradigm and deductive approach. Quantitative analyses and a cross-sectional survey design was used to achieve the study objectives. The total number of respondents were 610 final year undergraduates from six faculties including 70 from the Faculty of Agriculture, 136 from the Faculty of Arts, 100 from the Faculty of Science, 100 from the Faculty of Management, 138 from the Faculty of engineering, and 66 final year undergraduates from the Faculty of Allied Health Science. The sampling frame comprised of undergraduates of the six faculties who had registered for the final year academic programme in 2018/2019. Validity of key research instruments were ensured by using established constructs. Primary data was collected using a self- administrated questionnaire survey, which was prepared in both Sinhala and English.

Operationalization of Key variables

Validity of key research instruments were achieved using establish constructs and measurement for each variable was identified as depicted in Table 1 below.

Table 1: Operationalization of Key variables

Variable	Definition	Scale of Measurement
Academic Performance	Performance outcomes that indicate the extent to which a person has accomplished specific goals that were the focus of activities in instructional environments, especially in school, college and university. (Oxford Dictionary 2018)	Cumulative Grade Point Average (CGPA)
Academic stress	Academic stress is conceptualized as a state of distress induced by a student's appraisal of excessive academic demands (e.g., overload of homework, examinations; Lee & Larson, 2000; Lou & Chi, 2000),	Academic Stress Scale (Kohn and Frazer,1986)
Test anxiety	Test anxiety is widely accepted as a situation-specific trait that predisposes the individual to respond with elevated anxiety in response to a test (Hodapp, Glanzman, & Laux, 1995)	Test Anxiety Inventory (Spielberger,1980)
Perceived Social Support	Flow of emotional concern, instrumental aid, and/or appraisal between people (House,1981)	Multi-dimensional Scale of Perceived Social support (Zimet, Dahlem, Farley,1998)
Academic satisfaction	Attitude resulting from an evaluation of students' educational experience, services and facilities.	Student University Satisfaction Scale (SUSS), Shelina Bhamani (2013)
Impact of Social Media	Websites and software programmes used for social networking (Oxford Dictionary, 2018)	Social media impact on academic performance (Zahid,Ahamed, Syed & Faisal, 2016)

Given above in Table 1 are the operational definitions and measurements of the major study variables. Establishes measurement scales were adopted to ensure validity and reliability in

operationalization of them. Other variables included socio-demographic characteristics of respondents and related factors.

Sampling Procedure

Of the nine faculties in the University of Peradeniya six were selected for the study. Four of them were science-based faculties: Faculty of Agriculture, Faculty of Science, Faculty of Engineering and Faculty of Allied health sciences, which have different degree programmes. Seventy students were selected for data collection, from the Agriculture Faculty including final year undergraduates of Agricultural Technology and Management (ATM), Animal Science and Fisheries (ASF), and Food Science and Technology (BFST). One hundred students from the Faculty of Science, consisting of final year students from Computer Management (CM) and SOR degree programs were selected as respondents. Another 100 final year undergraduates from the Faculty of Management, consisting of Bachelor of Business Administration, Bachelor of Commerce, Business Finance, Marketing, Human Resource Management (HRM) & Operations Management were also selected. Sixty six final year students from the Faculty of Allied Health Sciences including B.Sc. Nursing, B.Sc. Physiotherapy, Bachelor of Pharmacy, B.Sc. Radiotherapy, B.Sc. Radiography degree and B.Sc. Medical Laboratory Science degree programs were selected for the study. One hundred and thirty-eight students were also selected from the Engineering Faculty and 136 undergraduates from the Faculty of Arts. A total of 610 students from six faculties were selected for this study. Multi-stage stratified random sampling was conducted to obtain a representative sample. Gender, Faculty of study, and Degree Programme were the defined strata.

Results and Discussion

Descriptive statistics and inferential statistics were used for data analysis. Descriptive statistics were mean, standard deviation (SD) and frequency distributions. Inferential statistics correlation was conducted

to test the relationship between variables, and independent sample t-test to compare means of academic performances between males and females. Analysis of variance (ANOVA) was conducted to compare the means of academic performance among different group variables. Multiple regression analyses were conducted to predict the relationship between independent and dependent variables.

A) Gender distribution among faculties

Respondents from all four faculties consisted of males and females. Among the 70 respondents from the Faculty of Agriculture, 40 were females (57.1%) and 30 were males (42.9%). Of the 66 respondents of Faculty of Allied Health Sciences, 36 were females (54.5%) and 30 males (45.5%). Of the 100 respondents from Faculty of Science 56 were females (56%) and 44 were males. Among the 100 undergraduates from the Faculty of management, 47 (47%) were females and 53 were males. Of 138 undergraduates from Faculty of engineering 30 (21.7%) were females and 108 (78.3%) were males. Among the 136 undergraduates from faculty of Arts 98 (72.1%) were females and 38 (27.9%) were male students.

B) Correlation matrix of academic performance and socio demographic factors

The correlation between academic performance of students and their socio-demographic factors were analyzed. Results are indicated in Table 2 below. Under socio demographic factors, gender, age, parental education, relationship status, and district of resident were considered. Literature indicates a relationship between academic performance and socio demographic factors. Hypotheses built on these factors were tested with correlation analyses as depicted in Table 2 above. Gender and academic performance of undergraduates has a significant negative correlation ($r = -0.353$ $p < 0.01$), which means that female undergraduates have higher academic performance than their male

counterparts. Age and academic performance also have a significant negative correlation ($r = -0.138$ $p < 0.01$).

Table 2: Academic performance and socio demographic factors

	CGPA	Gender	Age	Father's education	Mother's education	Relationship Status	District
CGPA	1						
Gender	-.353**	1					
Age	-.138**	.070	1				
Father's education	.136**	-.159**	-.112**	1			
Mother's education	.111**	-.134**	-.052	.705**	1		
Relationship Status	.030	-.082*	.084*	.034	.042	1	
District	.007	-.026	.089*	-.025	-.009	-.083*	1

** Correlation was significant at the 0.01 level (2-tailed)

C) Results of chi-square test between gender and classroom interactions

The relationship between the gender of respondents and their classroom interactions was examined. Results are depicted in Table 3 below.

Table 3: Gender and Class room interactions

		Class room interactions			Total	
		Poor	Limited interactions	High interactions		
Gender	Female	Count	5	64	238	307
		Expected Count	13.6	88.6	204.8	307
Gender	Male	Count	22	112	169	303
		Expected Count	13.4	87.4	202.2	303
Total		Count	27	176	407	610
		Expected Count	27	176	407	610

A Chi-square test was done to compare gender and class room interactions. Table 3 shows that female classroom interactions are higher than male class room interactions according to the Chi square test. $X^2(2) = 35.47, p < 0.05$.

D) Academic performance of students based on six study faculties

The academic performance of students in the aforementioned six faculties were examined and results are indicated below. Table 4 indicated that a higher mean of CGPA 3.20 was shown in the Faculty of Science and lowest of CGPA 2.86 in the Faculty Engineering. The dispersion of academic performances (CGPAs) were similar in the six faculties. Results of ANOVA indicated that there is a significant difference ($p < 0.01$) in the academic performance of students among the six faculties of study. $F(6, 604) = 15.03, p < 0.01$.

Table 4 Faculty-wise Cumulative Grade Point Average of Students

Faculty	N	Mean	Std. Deviation
Faculty of Agriculture	70	3.07	.36
Faculty of Allied Health Sciences	66	2.94	.35
Faculty of Science	100	3.20	.42
Faculty of Engineering	138	2.86	.39
Faculty of Arts	136	3.18	.35
Faculty of Management	100	3.09	.35
Total	610	3.06	.39

Results of ANOVA indicated a significant difference ($p < 0.01$) in the academic performance of students among the six faculties of study with $F(6, 604) = 15.03$, $p < 0.01$.

E) Academic performance among different accommodation methods of undergraduates

Table 5: Descriptive statistics of accommodation method Cumulative Grade Point Average

	N	Mean	Std. Deviation
Home	40.00	3.17	.38
University Hostel	530.00	3.04	.39
Private Boarding	40.00	3.18	.47
Total	610.00	3.06	.40

Results of ANOVA indicated that there is a significant difference ($p < 0.01$) in the academic performance of students' relative to their accommodation. $F(6, 607) = 3.91$, $p < 0.01$. Table 5 indicated that a higher mean of CGPA 3.18 were students who stayed at private boarding and the lowest mean of CGPA 3.04 were students who resided in university hostels.

Relationship between academic performance and psychological factors

Table 6: Academic performance and Psychological factors

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error			
(Constant)	2.55	.10		25.23	.00
Academic Stress	.01	.00	.10	2.11	.04
Test Anxiety	.01	.01	.05	1.15	.25
1 Perceived Social Support	.00	.00	.06	1.39	.17
Social media	.00	.00	.01	.13	.89
Academic Satisfaction	.01	.00	.16	3.69	.00

a. Dependent Variable: Cumulative Grade Point Average

Relationship between students' academic performances and psychological factors are shown in Table 6 above. Regression results predicting the relationship between academic performance and psychological factors indicated a change of only 6.1%, among which, psychological factors, academic stress and academic satisfaction were significant ($p < 0.1$). Table 6 indicates the results of the regression of psychological variables and academic performance. Among all factors, academic stress and academic satisfaction were significant ($p < 0.1$). Therefore, these factors have a significant impact on academic performance of undergraduates. However, these factors did not have a substantial impact on academic performance. Regression results show that changes in academic performance of undergraduates is predicted by psychological factors by 6.1%. Literature indicates that social media and perceived social support also affect academic performance.

The impact of gender had an impact on the academic performance of students. Females recorded superior academic performance with a CGPA mean value of 3.19 (0.32) over male students' CGPA mean

value of 2.92 (0.42). Results of the t-test indicated a significant mean difference ($p < 0.01$) in academic performance between males and females' $t(608) = -9.30, p < 0.01$. In addition, the Chi-square test was done to compare gender and class room interactions. Results indicated that female students' classroom interactions are higher than that of male students. $X^2(2) = 35.47, p < 0.01$. Class room interactions ($r = 0.15, p < 0.01$), self-study ($r = 0.16, p < 0.01$), library usage ($r = 0.16, p < 0.01$), academic satisfaction ($r = 0.20, p < 0.01$) and academic stress ($r = 0.15, p < 0.01$) indicate a positive impact on the academic performance of undergraduates in Peradeniya University. However, many of these factors did not have a substantial impact on the academic performance of undergraduates. According to findings of this research study, there were no significant relationships ($p > 0.01$) between academic performance with respect to the relationship status, impact of social media, perceived social support, and expenditure on education of undergraduates.

Findings and Conclusion

It showed that males and females have a different level of academic performance based on the gender of the students. Female students have recorded better classroom interactions. Many studies have reported that the quality of relations between teachers and students have been associated with students' academic performance. Research indicates that teacher directed rather than student directed activities facilitate an effective educational experience that is more likely to improve a student's achievement (Nowacek, Nowacek, McKinney, & Hallahan, 2001). Results of this study indicated that class room interactions are positively correlated with academic performance of students. By increasing class room interaction by one-unit, academic performance can be increased by 0.15 units of SD. (Lefrancois, 1983) stated that older students do not seem to perform well in timed tasks due to extra caution taken not to make mistakes as compared to their younger counterparts. Study results also show that the age of undergraduates had a negative correlation ($r = -0.138, p < 0.01$) with academic

performance. Older undergraduates showed academic performance of a lower range. Most significant factors with a positive effect on academic performance had been proficiency in English (Harb, Nasri, & El-Shaarwi). The study results showed that academic performance also had a positive correlation with English proficiency ($r = 0.12$, $p < 0.01$) of undergraduates. English proficiency has seemingly had a spiral effect on the academic performance of students. A previous study conducted by the Faculty of Agriculture, University of Peradeniya had revealed English language proficiency and self-study as the main components of academic performance at any level of an undergraduate degree program. (Weerahewa, Bulathwela, Silva, & Perera, 2012) Findings of this study verified the same. Based on the above findings the importance of providing English language proficiency and self-study support will contribute to improving the study environment of undergraduates. This study also confirmed a relationship between the place of accommodation and students' academic performances. A study (Araujo & Murray, 2010) among students in United States established that living on campus increases GPA by between 0.19-0.97. The degree of improvement to student performance caused by living on campus ranges between one-fifth and one full-letter grade (Araujo & Murray, 2010).

Early studies by (Grinder, 1966), (Larson, Spreitzer, & Snyder, 1976), and (Simmons, Blyth, Van Cleave, & Bush, 1976), found that romantic relationships during high school were linked to lower GPAs or standardized test scores. (Shambare, 2012) conducted a study on social networking habits among students which indicates that such media, most commonly used by youth and a large number of communities, have multiple effects on a student's life. (Malecki & Elliot, 1999) investigated the relationship between social support and grade point average (GPA) in a sample of seventh through 12th graders. They found a small but significant relationship between the students' perceived support and their overall GPA. Literature points out that poor financial status affects academic performance, mental and physical well-being, and even their ability to find employment after graduation

(Bodvarsson & Walker, 2004). Additionally, they also found a significant relationship between teachers' support and GPA.

Age had a negative impact on academic performance, whereas it had a positive relationship with gender (females), father's educational level, extracurricular activities, and classroom interactions of undergraduates. A previous study conducted by the Faculty of Agriculture, University of Peradeniya had revealed a relationship between family background and academic performance at any level of an undergraduate degree program (Weerahewa, Bulathwela, Silva, & Perera, 2012). Findings of this study also verified the same. There were no significant relationships of academic performance with respect to relationship status, impact of social media, perceived social support, and expenditure on education of undergraduates. However, study indicated a relationship between students' perceived support and their overall GPA. Encouragement of students to become more involved in classroom interactions while studying is expected to improve their academic performance according to research findings. A longitudinal (Shambare, 2012) study can be conducted to understand the changes in academic performance of undergraduates during university whilst this can be extended to other universities as well.

This study was limited to final year students of six faculties. As it was a cross sectional survey, changes of academic performance during university could not be identified. Generalizing the study findings to the undergraduates of other Sri Lankan universities is not possible since the study was limited to one university.

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**BEING UNIVERSALLY UNIQUE: TOWARDS
UNDERSTANDING THE BUDDHIST PERSPECTIVE OF
HUMAN RESOURCES**

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ABSTRACT

This paper attempts to study the Buddhist perceptive of Human Resources (HR). Documentary study of Buddhist and modern Human Resource Management concepts is the method used for data collection of this study. Buddhist teaching recommends self-awareness as a means of understanding HR. The Buddhist approach on managing HR is based on the concept that, use the service of the employee harmlessly as the bee takes honey from a flower. Therefore, it focuses on the satisfaction of HR as a whole, moving beyond the expectations of modern management. The Buddhist approach to HR considers the individual as a whole and offers comprehensive explanations, in being universally unique.

Key Words: Human Resource, Buddhist Perspective, Part vs. Whole, Uniqueness

Introduction

Human Resources (HR) is the most important resource in any institute, as it manages all other resources, such as financial, physical and information. From Fredrick W. Taylor and Frank Gilberth to the modern world, many scholars try to define the HR in order to manage them more effectively. During the last century, scholars, specialists in management and psychologists introduced several theories to understand and manage HR. Kandula (2014), in his book *Human Resource Management in Practice* summarizes three hundred models, techniques and tools which have been introduced by many scholars during the last century to manage HR. Despite the presence of hundreds of theories to analyse the human mind, there is no single theory that analyses the human being as a whole. Thus, psychologists and other scholars continuously study and search for an ideal theory to successfully manage HR.

Buddhist teachings extensively discuss human behavior with much relevance to HR in work organizations. The analysis of HR in Buddhist teachings goes beyond the time one spends in the work organization in identifying the individual as a whole. The role one plays in the work organization is only a part of it.

Approach

A documentary study of Buddhist scriptures and modern Human Resource Management (HRM) has been simultaneously conducted as a way of data collection and analysis. The scientific method, primarily used in modern HRM theories and psychological theories, are based on three aspects, viz. *investigation*, *observation* and *conclusion*. Therefore, modern psychological and human nature-analysing theories have the common character of *observation*. Hence, these theories are based on

the facts collected by studying others and their behaviour as an outsider.

When considering the nature of the human psyche, the difficulty of comprehension like other resources is evident. *Sappta Jatila Sutta* in *Samyutta Nikaya* says that one cannot judge a person just by observing him, because man is not easily known by outward form, nor should trust by quick appraisal. This is because individuals, who behave in the guise of the well-controlled, can be quite uncontrolled. In this sutta, Buddha says to king Kosala, that one that who is attentive, and wise, can be understood by one's virtue, purity, knowledge, and wisdom in the following manner:

- *Virtue – by living together with one for a long time*
- *Purity – by dealing with one for long time*
- *Knowledge – by being with him for a long time when he is in difficulties*
- *Wisdom – by discussion with one for a long time*

This sutta clearly explains that only those who are wise and attentive can understand human nature, after studying a person for a considerable length of time. Nonetheless, modern theories and concepts developed by scholars, based on either a qualitative or quantitative or mixed research approaches are not the outcome of such a long-term study of an individual. Therefore, these research outcomes are not accurate when compared to the Buddhist teachings.

Difficulty in identifying human nature is also discussed in the *Kandaraka Sutta* in *Majjima Nikaya*. In that sutta, Pessa the elephant driver's son explains his experience of man and animal to the Buddha: "*Human kind is in a tangle but the animal is open enough*".

He explains it further by stating that 'if he is taming a wild elephant to take it to the Camp and back, he knows that the elephant will show every kind of deception, duplicity, crookedness, and fraud it is capable of before it has been tamed. However, those who are called human - slaves, messengers, and servants:

1. Behave in one way with the body,
2. In another way by speech,
3. While their minds work yet some other way.

In such a context, the Buddha provides a methodology to identify human nature, by categorizing personality types or personality traits. The Tripitaka analyses personality types in detail. *Puggalapaññattippikarana* in *Abhidamma Pitaka*, which summarises most of the personality type analysis of *Sutta Pitaka*, provides one hundred and thirty-two categories of analyses. There are some more analyses in *Sutta Pitaka*, which are not included in *Puggalapaññattippikarana* also. This shows the complexity of understanding human nature.

Catutta Nipāta of *Ānguttara Nikāya* gives many examples to demonstrate that people cannot be judged by their appearance. *Valahaka Sutta* uses the metaphor of a cloud to describe four types of persons.

1. The cloud that thunders and does not rain – certain person talks and does no work.
2. The cloud that rains but does not thunder – certain person does the work but does not talk.
3. The cloud that neither thunders nor rain - certain person neither talks nor does the work.
4. The cloud that thunders and brings the rains - certain person talks and also does the work.

In a similar fashion, pot is used as a metaphor.

1. The pot that is empty and covered - a person who is shallow and unnoticeable.
2. The pot that is full and manifest - a person who is full and noticeable.
3. The pot that is empty and manifest - a person who is shallow and noticeable.
4. The pot that is full and covered - a person who is deep and noticeable.

Udakarahada Sutta compares four types of people using the metaphor of a pond.

1. A shallow pond that looks deep - a narrow person who seems broad-minded
2. A deep pond that looks shallow - a broad-minded person who seems narrow
3. A shallow pond that looks shallow - a narrow person who looks narrow
4. A deep pond that looks deep - a broad-minded person who seems broad-minded

The above examples also show the deceptive nature of appearance in making it difficult to understand the true nature of people.

According to Buddhist teachings, there are three basic mental components, namely: Passion, Hate, and Delusion. All of the above-mentioned personality traits can be summarized under these three mental components. Therefore, Buddhist tradition uses a personality type theory based on these three mental components to understand human nature. Further, observing one's self is the best way to understand human nature. Because one who observes one's self can observe the relationship between his/her *behaviour with the body*, *behaviour with the speech* and *the way his/her mind works*. One who observes him/herself can understand the concept of him/her as well as others, as composition of all human beings are of common elements. Therefore, it is clear that self-awareness is the best method to understand human nature or HR.

Towards Understanding HR

According to modern definitions, HR is endowed with the following characteristics:

- Potentially creative and complex
- Behaviour is influenced by many diverse factors originating from either the individual or surrounding environment
- Varying degrees of abilities as aptitudes, skills and knowledge and attitudes can influence the productivity, quality and profitability

- Personality traits
- Differences in gender, role perception and experience
- Variations in motivation and commitment
- Ability to evaluate and to question the management
- Capacity to organise and form groups (Bratton & Gold, 1994.)

Of the above characteristics, it is obvious that HR differs from other resources essentially because of its thinking ability, thus making it a difficult task to manage. Ironically, the main focus of modern HRM approaches appears to get maximum output from employees. Dharmasiri (2015), argued that HR should be viewed as the most alive and vibrant resource in any organization that can command and control the other resources.

It is interesting to investigate whether the theories of HR consider only the work aspect of employees, with less emphasis on family and society interactions. This is evident when considering the early development of motivational theories such as Maslow (1967). Whether a holistic approach was taken in approaching and appraising HR by management scholars needs a detailed investigation.

In contrast, a comprehensive holistic approach can be found in Buddhist literature in seeking answers to fundamental questions related to the origins of HR. It directly focuses to analyse why people become employees or why they want to earn money and how they can become successful and satisfied with their lives. *Kāmahōgini Sutta* in *Aṅguttara Nikāya* explains ten types of persons who earn and spend their money according to the following characteristics:

- Earns money righteously or un-righteously, considerately or inconsiderately.
- With that money enjoys sensuality or not
- Sharing or not sharing the money with others
- Doing or not doing meritorious acts with the money.
- Partakes the money, not enslaved, not bound, not swooned, seeing the danger and adhered to it.

Buddha praised the last type as the best, one who has the following five qualities.

- Earning money righteously and considerately
- Using the money for one's benefit
- Using the money for others' benefit
- Doing merit with it
- Understand the nature of money and using it with detachment

Patatakamma Sutta in *Aṅguttara Nikāya* explains an individual who earns rightfully with his effort and skills and should have four things to become satisfied in his life.

1. Pleasing him/herself and enjoying pleasure with what he earns. Pleasing parents, wife, children, slaves and workmen and friends and co-associates, and making them enjoy life with what he earns.
2. Protecting his/her earned wealth from natural disasters, government, robbers, unwelcome inheritors, or such disasters
3. Making fivefold offering, to relations, guests, the departed, the king and the gods with what he earns.
4. Making the highest offerings to clergies with what he earns.

According to above suttas, if an individual wishes to be satisfied with his/her life he/she should have the following aspects:

1. Earn rightfully with his/her own effort and skills
2. Use what he/she earns for,
 - a. Pleasing him/herself and enjoy life
 - b. Fulfilling social and religious responsibilities including pleasing parents, wife, children, slaves and workmen and friends, co-associates, clergies, relations, guests, the departed, the king and the gods.
3. Protecting his/her earned wealth from natural disasters, government, robbers, unwelcome inheritors, or such like disaster
4. Understand the nature of the wealth he/she earns and uses it with detachment.

The above four aspects are directly related to one's career life as they focus on (a) the way one should earn wealth, (b) how to spend what he/she earns (c) how to protect the wealth, and (d) the mentality one should have on his/her wealth.

The first thing an individual should have in his/her life for the satisfaction of him/herself is to earn rightfully with his/her own effort, skills and capabilities. This means earning the wealth without harming others. According to Buddhist teachings, each person loves him/herself the most. In *Mallika Sutta* in *Kosala Samyatta*, Buddha says to King Kosala: “Having traversed all directions with the mind, one finds none anywhere, dearer than oneself. Likewise, each person holds himself most dearer. Hence one who loves himself should not harm others.”

Therefore ‘taking oneself as an example’, he/she should understand others who love themselves the most. As a member of society, he/she should have the responsibility to protect the rights of the other members. For this reason, Buddhist teachings introduce five precepts, by observing which, the individual protects the rights of others:

1. Freedom to live
2. Freedom to keep possessions
3. Freedom to maintain a good family life
4. Freedom of not being cheated
5. Freedom to live with a clear conscious mind

As a result, Buddhist teachings advice individuals to choose a profession which does not go against the five precepts. If an individual wants to be satisfied with his/her life, he/she should spend wealth righteously. Firstly, one should use the wealth for his/her own benefit. As *Mallika Sutta* mentions, dearest to individual is oneself. If an individual does not treat him/herself well means that he/she does not understand the true meaning of treating others well. Buddhist teachings say that all actions of an individual are taken physically, verbally, and mentally, having a positive or negative outcome. Whether the action is positive or negative can be decided according to its nature, which means that thoughts, words and physical actions of an individual

directly affects him/her. Therefore, if a person who loves him/herself, will never commit a negative act on him/her self or others. Hence, the first thing an individual should do with his/her earnings is using it for one's own benefit.

After making oneself happy and satisfied, he/she should focus on fulfilling the social and religious responsibilities he/she has. First, the individual should focus on his/her family or household responsibilities, parents, spouse and children, and the workforce of the household. When it comes to relatives, individual's responsibility does not end after they depart from this world. He/she should engage in meritorious deeds in honour of departed relatives. Then he/she should use his/her earnings for the betterment of friends, co-associates, relatives and guests. Serving the clergy and making their life comfortable is also a responsibility of the individual. Because, the clergy are role models and coaches who guide an individual to achieve undisturbed happiness in life. Bestowing merit to gods is also the responsibility of an individual and he/she pleases the gods, they will provide him/her a positive living environment. According to Buddhist teachings, responsibility of the government is to maintain law and order of the country, which provides a secure social environment. To contribute to this service, an individual should pay due taxes to the government. (*Dīga Nikāya, Aggañña Sutta*)

In many suttas, the Buddha explains how the individual should protect his wealth, which he/her earns with effort. According to them he/she should be aware of the threats to his/her wealth and take precautions to protect it, from the government, robbers, unwanted inheritors, or natural disasters. Also, he/she should know to balance his/her income and expenses, like one holding the balance. (*Āṅguttara Nikāya, Wyaggapajja sutta*).

An individual should develop an understanding of the true nature of the world. Buddha teaches that everything in this world is impermanent and beyond one's control. Earnings of the individual is also a worldly thing. Therefore, one should develop the skills to accept eight occurrences in life: gain and loss, honour and dishonour, happiness and

misery, praise and blame, in equanimity. If an individual develops his/her mentality to view the world as it is, he/she may not suffer from uncontrolled happenings in the world.

The above analysis shows that Buddhist teachings focus on understanding the reasons for an individual to become an employee, to become a successful person in society, who can live a comfortable and happy life, and fulfil social responsibilities. If he/she cannot achieve the above needs he/she may feel unsatisfied with his/her career life, which will lead to mental stress and inefficiency. In considering all the above, it is clear that Buddhist teachings guide an individual to fulfil his/her expectations.

Managing HR

Singalovadha Sutta in Dīga Nikāya, summarises all kinds of relationships one can have in life, to six categories as follows:

1. Parent - child relationship
2. Teacher - student relationship
3. Husband - wife relationship
4. Friend - friend relationship
5. Employer - employee relationship
6. Layman - clergy relationship

According to the above categorization, work aspect of an individual is one out of six relationships. The purpose of maintaining Employer - employee relationships is to harmonize the other five relationships and social responsibilities in a satisfactory manner. Therefore, Buddhist teachings advice the employer to accept the service of the employee in without aggression, as the bee takes honey from a flower (*Dīga Nikāya*,, *Singalovadha Sutta*). The employer should be able to take the service of the employee, without harming his/her individuality, and personal life, for which, Buddhist teachings advice that the employer fulfil the following responsibilities. (*Dīga Nikāya*,, *Singalovadha Sutta*)

1. Assign work according to abilities
2. Supply food and wages
3. Attend to sickness
4. Share any delicacies
5. Grant leave at proper times.

The first responsibility of the employer mentioned above, summarizes the modern HR function, staffing and recruiting in one sentence. For the success of an organization, and the satisfaction of the employee, the employer should assign duties according to the competencies of the employee. For this, the employer should have a clear knowledge of the capabilities and skills of his/her employees. Only then can the employer decide to assign work to the right person, at the right time, right place, and in the right capacity. If this happens the employee can be satisfied. If the employer assigns work without considering the skills and capabilities of the employee he/she may feel frustrated. Assigning work, which the employee is unable to fulfill, or lesser than the capacity and skills, may leads to frustration.

Other four responsibilities explain the functions discussed in Compensation and Benefits in HR. Food is the most important physical need. It is the base of physical health. Therefore, during working hours, nutrition needs of the employee should be taken care of. According to Buddhist teachings, food and wages both become payments for service. The employer should also provide a salary which suits the service he/she is obtained from the employee. Reasonable wages may help the employee fulfill his/her main purpose of becoming an employee and satisfactorily leading his personal and social life.

It is the responsibility of the employer to care for the employee when he/she falls sick as it directly effects the physical and mental health of the employee. Sharing the benefits gained by the organization with employees makes the employee feel that he/she belongs to the organization he/she works at. Providing leave whenever necessary is also a responsibility of the employer. Providing freedom whenever necessary to fulfill personal and social requirements, is required to

satisfy the employee and helps the individual to balance his work and personal life.

According to Buddhist teachings, when the employee is satisfied with his/her employment he/she will show his/her gratitude by doing the following:

1. Works more time than the employer.
2. Takes only what is given.
3. Performs duties well.
4. Upholds employer's good name and fame.

The above four outcomes are the expectations from the employee even in the modern management world. Management scholars have an incessant search towards a perfect model to develop the exemplary employee who contributes most to an organization. Buddhism, as it is already seen, offers much valued insights in order to understand employee behavior with deep interrelated motives.

Conclusion

Based on the discussion so far, it is evident that the Buddhist approach towards understanding HR is holistic and deep with an understanding of multiple inter-connected realities. This is in contrast to some scientific tools where an isolated fraction of human behaviour is analysed without due reference to the overall context.

Modern day Managers can broaden their horizons of understanding HR, by way of intellectually and insightfully analysing Buddhist literature with a view of appropriately adopting them to the current context. It is not only a timely need but also an acutely needed contribution to the existing body of knowledge in the realm of Management.

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CRITICAL HRM RESULT AREAS FOR EFFECTIVE KNOWLEDGE SHARING IN ORGANIZATIONS: AN EMPIRICAL STUDY

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ABSTRACT

Study investigated the association between Human Resource Management practices and knowledge sharing in private sector banking organizations in Sri Lanka. The method of exploratory factor analysis and confirmatory factor analysis were employed to evaluate the reliability and validity of the measurement model. The structural equation modeling (SEM) method was applied to examine the theoretical framework. Overall empirical findings indicate that HRM practices with the moderate impact of organizational culture and organization-based trust have a significant positive impact on knowledge sharing as perceived by the executive and above grade employees of private sector banking organizations in Sri Lanka. The sample data collected for this study have only focused on private sector banking organizations. Future research may consider collecting data from different industries in both service and manufacturing sectors for a more comprehensive study. Findings from this study should be beneficial for HRM managers in developing countries such as Sri Lanka, who plan to develop competitive knowledge sharing competencies through the adoption of HRM practices.

Keywords: Human resource management (HRM), Knowledge sharing, Organizational culture, Organization-based trust, private sector banking organizations.

Introduction

The knowledge economy has made drastic changes in employment by transforming labor-intensive jobs into knowledge-intensive ones. Employment in the knowledge economy is characterized by excessive demand for high-skilled and more knowledgeable workers (Hamid, 2008; Majeed, 2009). With widespread recognition of people-embedded knowledge as the most distinctive resource available to organizations, recent focus has been on the role that people and HR functions can play in advancing organizational knowledge (Sánchez, Marin, & Morales, 2015; Findikli, Yozgat, & Rofcanin, 2015; Fong, Ooi, Tan, Lee, & Chong, 2011). This necessitates a drastic change within human resource management in order to respond to the challenges and demands of the knowledge economy. Many scholars have highlighted the importance of a fit between Knowledge Management and HRM initiatives. However, they have not successfully specified which HR practices affect employee attitudes for active participation in knowledge sharing (Edvardsson, 2007; Hamid, 2008). With the aim of providing a practical guide to manage HRM and its associations with organizational knowledge sharing, the core objective of this study was to investigate the association between HRM practices and knowledge sharing behavior perceived by employees of executive and above grades in Sri Lankan private sector banking organizations. This study has two primary objectives: to identify essential HRM practices which influence effective knowledge sharing, and to assess the moderating effect of organization-based trust and organizational culture on the relationship between HRM practices and knowledge sharing.

Conceptualization

Based on the principles of high-performance work system (HPWS), five constructs were added to the study under the title of HRM practices (Figure 01). HPWS can be defined as the right combination of HR practices, work structures and processes that maximize the knowledge, skills, commitment, flexibility and resilience of employees (Bohlander & Scott, 2013). These HRM practices include recruitment and selection, compensation and reward management, training and development, performance management and teamwork. In this study, the direct influence of each of these human resource management practices against knowledge sharing was tested. Knowledge sharing can be defined as the fundamental means through which employees can contribute to knowledge application, innovation and ultimately the competitive advantage of the organization. Besides, knowledge sharing among employees as well as within and across the teams allows organizations to enhance and capitalize knowledge-based resources (Davenport & Prusak, 1998). Apart from the above, two other additional variables, organizational culture and organization-based trust were identified as significant factors for employees' knowledge sharing behavior. Therefore, the study tested the moderating effect of organizational culture and organization-based trust on the relationship between each HRM practice and knowledge sharing behavior separately.

Organizational culture can be defined as the shared policies, procedures, practices and basic assumptions that an organization learnt while coping up with the environment and solving problems of external adaptation and internal integration (Islam, Ahmed, Hasan, & Ahmed, 2011). Studies affirm the supportive organizational culture as a key prerequisite for effective knowledge sharing (Al-Alawi, Al-Marzooqi, & Mohammed, 2007; Ardichvili, Page, & Wentling, 2003).

In an organization, members need to have trust for the integrity of the organization as a whole. This is called 'institution-based trust' (Ardichvili et al., 2003). Hereafter in this study, it will be referred to as

‘organization-based trust’. Many studies have highlighted that organization-based trust has a significant impact on knowledge sharing (Pangil & Chan, 2014)

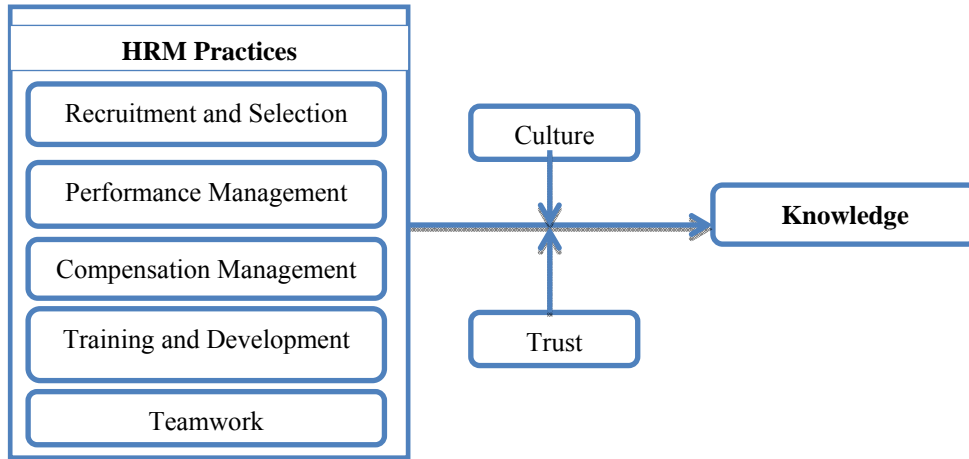


Figure 01: Conceptual Framework

Table 01 presents the formulated hypotheses for the study based on the findings of past literature.

Table 01: Formulated Hypotheses

No	Hypotheses
H1	Recruitment and selection practices have a significant positive impact on knowledge sharing
H2	Compensation and reward management practices have a significant positive impact on knowledge sharing
H3	Performance appraisal practices have a significant positive impact on knowledge sharing
H4	Training and development practices have a significant positive impact on knowledge sharing
H5	Teamwork has a significant positive impact on knowledge sharing
H6	Organizational culture has a significant impact on knowledge sharing
H7	Organization-based trust has a significant impact on knowledge sharing
H8	Organizational culture has a moderating effect on recruitment and

	selection practices and knowledge sharing.
H9	Organizational culture has a moderating effect on compensation and rewards management practices and knowledge sharing.
H10	Organizational culture has a moderating effect on performance appraisal practices and Knowledge sharing
H11	Organizational culture has a moderating effect on Training and development practices and knowledge sharing
H12	Organizational culture has a moderating effect on teamwork and knowledge sharing
H13	Organization-based trust has a moderating effect on recruitment and selection practices and knowledge sharing
H14	Organization-based trust has a moderating effect on compensation and rewards management practices and knowledge sharing.
H15	Organization-based trust has a moderating effect on performance appraisal practices and knowledge sharing
H16	Organization-based trust has a moderating effect on training and development practices and knowledge sharing
H17	Organization-based trust has a moderating effect on teamwork and knowledge sharing

Methodology

The unit of analysis of this study were individuals, who are employed in executive and above grades in private sector banking organizations in Sri Lanka. The first five private banks, which were ranked under the “Business Today Top 30 best performing corporate of the year 2015-2016”, were selected for this study. The stratified random sampling method was employed and the final sample for the study was derived by adding 2% of the total staff belonging to executive and above grades in each bank selected for the study. Accordingly, the sample size for the study was 221 individuals. A Self-Administered questionnaire based on the five-point Likert-scale was used to collect data. Two hundred and twenty one pre-tested questionnaires were distributed and out of these, only 189 questionnaires were used for the analysis. Therefore, the response rate for this study was 86%. The collected data were analyzed using SPSS and AMOS 25 data analysis software. Structural Equation Modeling (SEM) methodology was employed to

analyze the research model. The Two-Stage model building process was used to conduct SEM and the Exploratory factor analysis was used to identify the underlying relationships between measured variables and Confirmatory factor analysis was used to test whether the collected data fit with the hypothesized measurement model.

Data Analysis

In the analysis of reliability and consistency, a composite reliability has been declared for all the constructs assuming that every item was equally weighted in the composite load determination and none of the items shows negative values in the internal correlation matrix so that it does not show multi-collinearity. Table 02 shows the results of the Reliability and Consistency Analysis.

Table 02: Reliability & Consistency Statistics

Reliability Statistics of Independent variables (HRM practices)					
HRM practice	Average /composite Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	Mean	Standard deviation
Recruitment and selection	0.777	0.777	4	2.35	0.694
Compensation and rewards	0.704	0.707	3	2.38	0.788
Performance appraisal	0.838	0.839	4	2.41	0.768
Team work	0.715	0.717	3	2.34	0.691
Training and development	0.857	0.858	3	2.11	0.791
Reliability Statistics of Dependent variable					
Knowledge sharing	0.879	0.879	7	2.22	0.652
Reliability Statistics of Moderate variables					
Organizational culture	0.874	0.876	8	2.29	0.649

Organization-based trust	0.842	0.849	3	2.32	0.886
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(Source: survey data, 2018)

The cross-tab analysis results show strong positive relationships among all the independent variables: recruitment and selection ($\rho= 0.706$, $p=0.000$), performance appraisal ($\rho= 0.717$, $p=0.000$), compensation and reward ($\rho= 0.665$ $p=0.000$), teamwork ($\rho= 0.683$, $p=0.000$) and training and development ($\rho= 0.640$, $p=0.000$) with the dependent variable: knowledge sharing. Further, the moderate variables; organizational culture ($\rho= 0.841$ $p=0.000$) and organization-based trust ($\rho= 0.711$ $p=0.000$) also show a positive strong relationship with knowledge sharing.

Effect of Demographic on Variables

The demographic characteristics of the research participants: Gender, Age, Education, Experience and Management level were tested against dependent, independent and moderate variables to observe significant variations among the categories. The analysis results demonstrate that, knowledge sharing is only affected by age ($\chi^2=22.102$, $p=0.000$). Out of the selected HRM practices, recruitment and selection ($\chi^2=9.11$, $p=0.028$), performance appraisal ($P=0.004$, $\chi^2=13.4$), compensation and reward management ($\chi^2=9.9$, $P=0.019$) are affected by age, while teamwork is affected by experience ($\chi^2=10.30$, $p=0.036$).

In the analysis of moderating variables against demographic characteristics, results show that organizational culture is only affected by age ($\chi^2=18.6$, $p=0.000$), whilst, organization-based trust is affected by the age ($\chi^2=19.4$, $p=0.000$) and education qualifications ($p=0.012$, $\chi^2=11.00$). Structural Equation Modeling (SEM) was employed in the regression analysis and the required assumptions (multivariate normality, multicollinearity, sample size, and positive definiteness) were tested before using the model. Since the sample size of this study is $N=189$, it meets the requirement that is desirable to examine using a SEM method. Furthermore, the skewness and kurtosis are within

acceptable ranges (+/_1), thereby fulfilling the basic assumptions of the multivariate model, it can be considered that there is no statistically significant violation.

Assessing Overall Measurement Model Fitness

The process of establishing the structural model’s validity follows general guidelines adopted for the measurement model. In order to measure the goodness of fit of the measurement model, nine common measures were used. Common measures used were: the ratio of χ^2 statistics to the degree of freedom (df), Comparative Fit Index (CFI), Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), Normed Fit Index (NFI) and Root Mean Square Error of Approximation (RMSEA), Root Mean Square Residual (RMR), Tucker-Lewis Index (TLI), and Relative Fit Index (RFI). The overall results of the structural model analysis are shown in the Table 03. As shown in the table, the structural model has a good fit as all the model-fit indicators exceeded their respective common acceptable levels.

Table 03: Fit Statistics of the Measurement Model

Fit statistic	χ^2	df	χ^2/df	GFI	AGFI	NFI	RFI	CFI	TLI	RMSEA	RMR
Recommended	-	-	<5.0	>0.9	>0.9	>0.9	>0.9	>0.9	>0.9	<0.05	<0.02
Obtained	0.082	1	0.082	1.000	0.992	1.000	0.997	1.000	1.035	0.000	0.000

Structural Model Hypotheses Testing

Here, the full structural equation model was considered and the hypotheses to be tested were related to the design of the causal structure. The hypothesized research model shows a good fit with observed data as mentioned above. To detect the validity of the hypothesized paths, the statistical significance of all the structural parameter values was examined. The following section presents the hypothesis testing results of this study in three different angles as: Direct impact of HRM practices on knowledge sharing, impact of organizational culture as a moderator on HRM practices and knowledge

sharing and the impact of organization-based trust as a moderator on HRM practices and knowledge sharing.

Direct impact of HRM Practices; Organizational Culture and Organization-Based Trust on Knowledge Sharing

Standardized regression weights of the output and result of hypotheses testing indicate that Performance Appraisal (path coefficient = 0.14; $p < 0.01$) and Teamwork (path coefficient = 0.166; $p < 0.01$) were significantly and positively related to knowledge sharing. Hence hypothesis Ha3 and Ha5 were supported. On the other hand, Recruitment and Selection (path coefficient = 0.091; $p > 0.05$), Compensation and Reward (path coefficient = 0.015; $p > 0.00$) and Training and Development (path coefficient = 0.043; $p > 0.05$) had no direct significant association with knowledge sharing. Hence, Ha1, Ha2, and Ha4 were not supported.

Hypotheses testing result for direct effects of organizational culture and organization-based trust on knowledge sharing indicate that the organizational culture (path coefficient = 0.331; $p < 0.001$) had a highly significant positive impact on knowledge sharing while Organization-Based Trust (path coefficient = - 0.541; $p < 0.05$) showed a significant negative impact on knowledge sharing. Thereby hypotheses Ha6 and Ha7 were supported.

Moderating Effect of Organizational Culture on HRM Practices and Knowledge Sharing

Hypotheses testing result for the moderating effect of organizational culture on HRM practices and knowledge sharing indicates that Training and Development practices with the moderating effect of Organizational Culture (path coefficient = 0.111; $p < 0.05$) become significantly and positively related on knowledge sharing. Hence Ha11 was supported. Further, other HRM practices with the moderating effect of Organizational Culture did not show any significant impact on knowledge sharing therefore Ha8, Ha9, Ha10, Ha12 were not supported.

Moderating Effect of Organization-Based Trust on HRM Practices and Knowledge Sharing

Hypotheses testing result for the moderating effect of organization-based trust on HRM practices and knowledge sharing indicates that compensation and reward management practices with the moderating effect of organization-based trust (path coefficient = 0.024; $p < 0.01$) had a significant positive impact on knowledge sharing. Hence, hypothesis Ha14 was supported. Other HRM practices with the moderating effect of Organization-Based Trust did not show any significant impact on knowledge sharing, therefore hypothesis Ha13, Ha15, Ha16, Ha17 were not supported.

Results and Discussion

According to the statistical findings among the tested HRM practices, teamwork has shown direct strong positive significant impact on knowledge sharing. Many studies support this finding (Jimenez & Valle, 2012; Ardichvili et al., 2003). Teamwork is crucial for knowledge distribution and provides opportunities for employees to work closely by improving work relationships, trust among employees, and communication and collaboration which support positive attitudes towards knowledge sharing (Jimenez & Valle, 2012). Tacit knowledge sharing can be best established through teamwork (Suppiah & Sandhu, 2011). Providing more opportunities for employees to contribute their valuable ideas and determine required action, may increase the diversity and richness of knowledge exchange and will facilitate the discovery and utilization of dispersed knowledge and expertise in the organization. Effective sharing and use of the knowledge depend on a team's ability to create and manage its combination of knowledge possessed by each member with a collective awareness of "who knows what" (Tung & Chang, 2011). Thus, it serves as one critical HR practice to enable wider sharing of knowledge among members of cohesive teams with similar norms and values. Team building initiatives such as cross-functional teams, cross-designation teams, self-managing teams and social network development initiatives play a vital

role in the knowledge sharing context. Therefore, the management should design and execute teamwork practices in a way that encourages knowledge sharing within the organization.

Performance appraisal has a direct, strong significant positive relationship on knowledge sharing and is supported by many studies (Sánchez et al, 2015; Jimenez & Valle, 2012). Performance appraisal plays an important role in knowledge acquisition and distribution. Positive pressure generated by performance appraisal and continual feedback as a result of the appraisal process, creates a sense of accomplishment and encourages employees in knowledge sharing behavior. Group-based performance appraisal is widely recommended since it is more suitable for enhancing knowledge-sharing behavior. Performance appraisal with moderating effect of organization-based trust demonstrated a significant inverse relationship on knowledge sharing. This result can be explained through the concept of social dilemma. When employees have high trust about performance management practices, it leads to social dilemma since they perceive knowledge as a private good. In such a context, employees hoard their knowledge rather than sharing it, believing it is beneficial for career advancement. Result indicates that, managers should thoroughly consider the level of trust employees have on performance management practices and the use of systematic performance appraisal systems which is associated with knowledge sharing and reinforced by benefits. Further, if the performance appraisal is shown to be properly administered, it could result in great enthusiasm among employees on knowledge sharing behavior. Many studies have found direct significant impact of training and development practices on knowledge sharing (Sánchez et al, 2015; Jimenez & Valle, 2012). But in this study, the findings indicate that training and development practices have a significant positive impact on knowledge sharing with moderating effect of organizational culture. It determines that, in order for training and development practices to be significant on knowledge sharing, it should be supported by a strong sharing culture. This outcome is supported by (Findikli et al, 2015), who in their study stated that “basic

competencies and intellectual assets can only be improved by training with a positive organizational culture”.

In banking sector, internal training and development methods are widely used to train employees. Since this takes place within the organization, the organizational culture has a potential ability to influence training and development practices. Knowledge sharing goes beyond that stage of merely learning activities required to perform a job. A supportive, positive, sharing culture is crucial. Training enables employees’ skills to be transformed into organizational routines. Moreover, the career systems, which concern systematic training and education for employees and how to retain good employees and their knowledge when they leave the organization, help to enhance the organizational knowledge base (Wong, 2005). In that case, both internal and external training and development methods are important in knowledge sharing. External methods which prevail in knowledge sharing between organizations and external boundaries, help to bring new knowledge to organizations from the outer world to expand the organizational knowledge base. Internal methods help to retain and improve the existing knowledge base of the organization (Lendzion, 2015). With this finding, it can be suggested that the management should identify and analyse the organizational culture when deciding, developing and implementing training and development practices to enhance knowledge sharing in the organization.

Studies have found a positive relationship among compensation management on knowledge sharing (Fındikli et al, 2015; Sánchez et al, 2015) and some indicate the absence of significant impact of compensation and reward practices on knowledge sharing (Fong, Ooi, Tan, Lee, & Chong, 2011; Islam et al, 2011). Findings of this study show compensation and reward management practices with the moderating effect of organization-based trust have a significant positive impact on knowledge sharing. It demonstrates that compensation and reward management practices with transparent and fair compensation management practices that are linked with knowledge sharing have the potential ability to enhance knowledge sharing in the organization. It

could overcome social dilemma associated with knowledge sharing. Scholars have identified that both intrinsic and extrinsic rewards are important in increasing employees' willingness to share their knowledge and have noted that the absence of significant direct impact of compensation and rewards on knowledge sharing was due to the failure of firms to provide good organizational support through compensation management practices to encourage people to share their knowledge (Fong et al, 2011). Hence, managers must consider transparent and fair compensation management practices which link with knowledge sharing initiatives to enhance knowledge sharing commitment among employees.

The association between recruitment and selection practices on knowledge sharing was weak and insignificant. This result is opposed to many past studies (Sánchez et al, 2015; Fong et al, 2011). Even though recruitment and selection show an insignificant relationship on knowledge sharing, it has contributed to the overall model fitness through significant correlations with other HRM practices. This can be explained through the partial contribution that recruitment and selection practices can provide to enhance the knowledge sharing culture. Recruitment and selection activities act as the building blocks for the recruiting function of HRM. A main objective of recruitment and selection is to select suitable employees with desired knowledge, skills, and fair attitudes. Recruitment and selection supports to make available new knowledge for the purpose of sharing by hiring people to the organization with the right knowledge and skills. Ultimately that will be able to create a better organizational environment and culture for knowledge sharing. Thereby, the management should pay attention to developing recruitment and selection practices so as to support suitable knowledge, skills, and attitudes to enrich a knowledge sharing culture.

Organizational culture shows a high strength positive significant impact on knowledge sharing. This finding is supported by many past studies (Al-Alawi et al, 2007; Suppiah & Sandhu, 2011). Organizational culture represents the contextual background for knowledge sharing. The strong collaborative and cooperative culture encourages employees

to share their knowledge, and then in turn contributes to develop organizational knowledge by aiding knowledge dissemination through their own knowledge (Al-Alawi et al, 2007). Cultural fit in-between employee and the organization enrich the loyalty of employees towards the organization that helps retain them. An organizational culture that encourages knowledge sharing can be developed with the right incentives, such as; interpersonal trust, communication, information systems/ technology, rewards, flexible organization structure, and leadership and opportunities to share knowledge (Riege, 2005; Lin, 2007). It can be concluded that people and the culture of the workplace are driving forces that determine the success or failure of knowledge management initiatives. In such a context, knowledge sharing can only work well if the culture of the organization promotes it. Therefore, the management should take necessary steps to promote a culture that encourages individuals to share their knowledge. The result of the study demonstrated the significant inverse impact of Organization-Based Trust on Knowledge Sharing. The result can be supported by the concept of Social Dilemma in knowledge sharing (Edvardsson, 2007; Lam & Ford, 2010).

Social Dilemma in knowledge sharing is when employees perceive knowledge as a private good and hoard knowledge rather than sharing. Employees believe that by sharing knowledge they may diminish their own opportunities for advancement or enhance the advancement opportunities of others, thus losing their internal competition. This is referred to as “fear of losing one’s unique value”. Social Dilemma in knowledge sharing is a major obstacle to establish an effective knowledge sharing culture (Lam & Ford, 2010; Riege, 2005). A majority of the executives are well educated and experienced. Moreover, in the private banking sector, internal competition among employees can be seen in relation to career advancement opportunities. Hence, the only conspicuous factor for them to successfully face internal competition is knowledge and experience. In this study, it can be concluded that the above factors have shown results in Social Dilemma in knowledge sharing. Majority are willing to bear the cost of contributing to a public good and receive its benefits, as long as there is

“an assurance that everybody else is going to pay his or her share”. Therefore, make available quantifiable motivators to share knowledge, providing suitable incentives for doing so and changing the perception of knowledge as a public rather than private good may enhance knowledge sharing propensity amongst individuals in an organization (Cabrera & Cabrera, 2002, p. 693 cited in Lam & Ford, 2010). These changes can be achieved by rearranging the appraisal and reward systems, as well as inculcating values aligned with acceptable and encouraging practices and providing a setting where knowledge sharing can occur. Restructuring of payoff function should be done in a way that the organization and/or the team are encouraged in cooperative action, resulting in peer pressure. Further, knowledge sharing literature stresses the importance of socialization, common understanding and trust building in stimulating knowledge sharing through promoting the similarity between individuals and the organizations to overcome the social dilemma in knowledge sharing (Lam & Ford, 2010; Riege, 2005). Finally, the challenge for an organization is to balance the application of HRM practices to achieve a suitable mix for individuals in order to overcome situations of social dilemma in order to promote knowledge sharing within the organization.

Conclusions and further research

Study has investigated the association between HRM practices and knowledge sharing among employees of executive grade and above in Sri Lankan private sector banking organizations. Overall empirical findings have shown that HRM practices with the organizational culture and organization-based trust as moderators, have a significant positive impact on knowledge sharing. Further it indicates that some individual HRM practices do not directly impact on knowledge sharing but partially provide their contribution. Therefore, without operating individual HRM practices in an isolated manner, forming stable HRM practices while they are adopted together as a system, will foster knowledge sharing in an organization. Findings also highlight the importance of identifying and adapting a better working culture and the importance of maintaining an appropriate level of transparency and fair

treatment in dealing with HRM practices so as to encourage knowledge sharing in an organization. The implications of these findings indicate an organization hoping to enhance its organizational knowledge sharing should pay attention to HRM practices. In particular, organizations should emphasize on designing HRM practices in a way that they discourage the social dilemma to promote knowledge sharing. Further, HR practitioners should pay attention to the implementation of HRM systems that enhance individual motivation for sharing and transferring knowledge within the organization through transparent and fair treatment of management practices and positive culture. Study has focused only on private sector banking organizations. Future research may consider different industries in both service and manufacturing sectors, thereby conducting a more comprehensive study. Secondly, HRM and knowledge sharing methods used in the present study have been extracted from previous research studies. Further improvements are necessary for HRM key dimensions such as employee empowerment, degree of participation and freedom in decision making; job satisfaction etc., which may have a positive effect on employee's knowledge sharing.

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THE IMPACT OF EMPLOYEE ENGAGEMENT ON EMPLOYEE PERFORMANCE IN AN APPAREL COMPANY

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ABSTRACT

This study explores the impact of employee engagement on employee performance. The business context of an apparel company was selected in order to study the variables that determine engagement variability. Subsequently, the study explored how engagement relates to employee performance. The main study variables were employee engagement and performance. Job characteristics, leadership, salary and benefits, and recognition were selected as independent determinants of engagement. Whereas, in assessing performance variability, employee engagement served as the independent variable. The relationships between independent and dependent variables were tested mainly through correlation and regression analysis. Apart from the above, binary data analysis, and narrative/content analysis (qualitative analysis) were done to draw a connection between the independent and dependent variables. The overall research findings present that there is a positive relationship between employee engagement and employee performance. Moreover, the relationships between respective determinants and employee engagement too are positive. Thereby, it is concluded that the determinants are decisive factors of engagement, and engagement has an impact on performance variability. Perhaps, it is considerably useful to design mechanisms to improve employee

engagement to have desirable effects in enhancing employee performance.

Key words: Employee engagement, Employee performance, Job characteristics, Leadership, Salary and benefits, Recognition.

Introduction

The study explored the impact of selected employee engagement variables on performance of sewing machine operators in the context of an apparel company. It intended to study factors that affect employee engagement and their level of influence on employee performance variance. Moreover, the study provided indications for enhancement of employee performance through engagement. Among many explanations regarding the relationship between employee engagement and performance, it is interesting to note how they show affinity to each other. Employee engagement serves as one of the decisive factors determining employee performance variance (Mone & London, 2010). Research findings have established that a high level of engagement has a direct impact on improved performance (Armstrong, 2010).

Justification of the Study

The research is of academic, organizational, and industrial significance, which conveys specific contextual findings that are related to the discipline of Human Resource Management. The study provides a thorough comprehension on subject areas of employee engagement and performance that provoke a pragmatic approach in addressing human related issues at the workplace. Thus, researchers and scholars may enrich their knowledge through the study and utilize the research efforts to generate more researchable areas. The study may also present useful indications for organizations, especially operating in the apparel sector, in investigating opportunities and formulating strategies related to employee performance efficiency, reducing rework percentages (referring to sewing errors and quality defects), and

mitigating absenteeism issues. In fact, efficiency of workers, quality of the output, and attendance on the job have implications for determining employee engagement level, which is linked to performance (Mathis, Jackson, & Tripathy, 2012). Since the apparel industry renders a significant contribution to national economic growth, the study conducted with regard to the business context of an apparel company has industrial significance, especially in relation to people related practices that have an impact on production. Statistics revealed that wearing apparel denoted the highest composition (32%) of the Factory Industry Production Index (FIPI) in Central Bank of Sri Lanka, 2016). Whereas, in 2017, Index of Industrial Production (IIP) affirmed that wearing apparel division had the major contribution to the growth of industrial production. (Central Bank of Sri Lanka, 2017).

Conceptualization

The major study variables were derived prominently through review of literature in order to test the relationships between independent and dependent variables. The determinant factors of employee engagement were identified as job characteristics, leadership, salary and benefits, and recognition. Considering the determinants as independent variables, they were tested to determine the relationship with the dependent variable, employee engagement. Employee engagement is considered as one of the decisive factors of employee performance (George, 2011). In the study, it was taken as the independent variable to test its impact on performance (dependent variable). Accordingly, the following figure depicts the conceptual framework of the study:

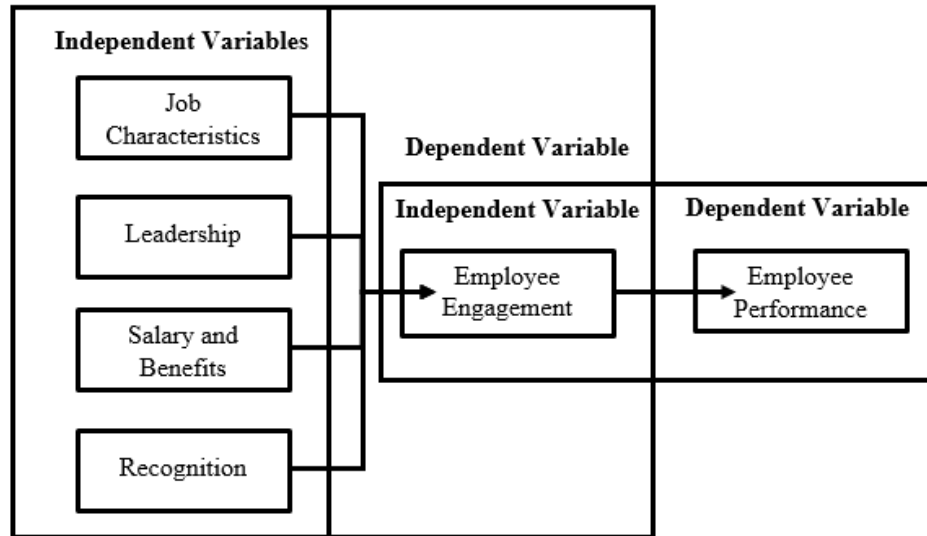


Figure 1: Conceptual framework of the study

Source: Developed by researcher through review of literature

Based on the aforementioned conceptualization of the variables, statements for null and alternative hypothesis were generated to test the relationship between the four determinants and employee engagement, and thereby employee engagement and performance. Accordingly, following were the hypothesis statements:

- H0^a:** There is no relationship between job characteristics and employee engagement.
- H0^b:** There is no relationship between leadership and employee engagement.
- H0^c:** There is no relationship between salary and benefits, and employee engagement.
- H0^d:** There is no relationship between recognition and employee engagement.

H0^e: There is no relationship between employee engagement and employee performance.

The specific objectives of the study were;

1. To examine the presence of determinants that foster an engaging environment, which has implications for employee performance.
2. To examine the relationship status between determinants and employee engagement, as well as between engagement and employee performance.
3. To explore the extent to which the determinants influence employee engagement variability.
4. To determine the impact of employee engagement on employee performance variability.

Methodology

The study is conducted by using mixed method, in which both quantitative and qualitative data are gathered, analyzed, and interpreted to generate research findings. The population of the study are sewing machine operators who belong to the category of non-executive employees. Further, the study adopted the stratified random sampling technique, so that the number of respondents were conveniently reduced from 310 to 100 randomly selected sewing machine operators, representing 32% of the study population.

Data Collection

Primary data collection was conducted through a pre-tested structured questionnaire and interview. The questionnaire was designed to gather both quantitative and qualitative data from the sample. And, it includes scale-based questions to collect quantitative data, whereas, open-ended questions were incorporated to gather qualitative data. The structured interview was formulated with open-ended questions and conducted face-to-face with 10 randomly selected sewing machine operators. The interviews were intended to gather qualitative data. Relevant secondary

data was gathered by referring company records and reports maintained by production and human resource departments. The scale-based responses were analyzed using the SPSS software version 23, through which demographic variable analysis, binary data analysis, Cronbach's Alpha test, correlation analysis, regression analysis, and ANOVA test were conducted to generate findings through quantitative data. Data gathered through open-ended questions in the structured questionnaire and interview were assessed by using narrative and content analysis to produce qualitative findings of the study.

The following table presents operationalization of selected variables. Each variable is assessed by using four indicators. They are used to generate binary data findings through nominal scale questions, and inferential data findings through Likert scale questions.

Table 1: Operationalization of Major Study Variables.

Variables	Dimensions	Indicators	Questions and Measurements
Independent variable	Job characteristics	Nature of the job (including task identity). Meaningfulness of the job. Skill variety. Autonomy.	Q6-Q7 (Nominal scale – Yes or No) Q8-Q11 (Likert scale – five points, 1 = Strongly Disagree to 5 = Strongly Agree)
Independent variable	Leadership	Employee-supervisor relationship. Leadership skills of supervisors. Motivation/encouragement by supervisors. Concerns for employee welfare, Guidance/ support.	Q12-Q13 (Nominal scale – Yes or No) Q14-Q17 (Likert scale – five points, 1 = Strongly Disagree to 5 = Strongly Agree)
Independent variable	Salary and benefits	Transparent pay system. Satisfaction with benefits and fulfillment of necessities through	Q18-Q19 (Nominal scale – Yes or No) Q20-Q23

		pay. Fair allocation of benefits. Flexible benefits.	(Likert scale – five points, 1 = Strongly Disagree to 5 = Strongly Agree)
Independent variable	Recognition	Expectation for recognition. Recognition programs. Frequency of recognition. Adequacy of recognition.	Q24-Q25 (Nominal scale – Yes or No) Q26-Q29 (Likert scale – five points, 1 = Strongly Disagree to 5 = Strongly Agree)
Independent variable/ Dependent variable	Employee engagement	Job satisfaction. Commitment level. Willingness/ passion for work. Organizational citizenship/ “go the extra mile”.	Q30-Q31 (Nominal scale – Yes or No) Q32-Q35 (Likert scale – five points, 1 = Strongly Disagree to 5 = Strongly Agree)
Dependent variable	Employee performance	Performance objectives and KPIs (includes maintaining attendance). Complaints regarding quality/ damages. Feedback/ appraisal. Timeliness in achieving targets/ efficiency.	Q36-Q37 (Nominal scale – Yes or No) Q38-Q41 (Likert scale – five points, 1 = Strongly Disagree to 5 = Strongly Agree)

Source: Developed by researcher through literature review.

Indicators are extracted from: (Wan, 2018), (Wilson Learning Worldwide Inc., 2018), (Loyaltyworks, 2018), (Irvine, 2016), (Griffin & Moorhead, 2014), (Mathis, Jackson, & Tripathy, 2012) (Armstrong, 2011), (Alfes, Truss, Soane, Rees, & Gatenby, 2010), (Armstrong, 2010), (Balain & Sparrow, 2009), (Phillips & Connell, 2003). In addition, gender, age, skill level, service experience, and monthly salary were identified as the demographic variables of the study.

Data Analysis

Demographic variable analysis reveals the bias of the responses, and the specifics of the selected sample of the study. The majority of participants are female operators (86%); and are 30 years or below (59%); able to perform either up to four simple operations, four semi-skilled operations or two difficult operations, and handle two machines while maintaining 75% efficiency level (71%); have experience for one to two years (62%); and are entitled to Rs. 21,000 - Rs. 25,000 monthly salary (68%). Hence, these specifications define the majority of the sample, which also affect factors that foster an engaging environment. This in turn, has implications for performance of sewing machine operators. However, binary data analysis shows that the selected workplace fosters a positive employee engagement environment. The results are recorded in Table 2 as follows:

Table 2: Summary of the Results of Binary Data Analysis

Variables	Indicators	Yes (%)	No (%)
Job characteristics	Awareness of nature of the job	100	0
	Sense of meaningfulness of the job	82	18
Leadership	Good employee – supervisor relationship	86	14
	Availability of leadership skills in supervisors	62	38
Salary and benefits	Availability of a transparent pay system	88	12
	Satisfaction with benefits	66	34
Recognition	Expecting recognition	95	5
	Availability of recognition programs	81	19
Employee engagement	Job satisfaction	66	34
	Availability of engaging environment	86	14

Employee performance	Awareness of performance objectives	73	27
	Awareness of KPIs	96	4

Source: Developed by using the results of statistical data analysis.

Accordingly, the revelation is that, the majority of the respondents are aware of the nature of the job that they are engaged in, find their work meaningful, have good relationships with the immediate supervisors, believe that supervisors have sufficient leadership skills, perceive that their company has a transparent remuneration system, are satisfied with the benefits offered, expect recognition for work efforts, find that there are several programs designed to appreciate work efforts, are satisfied with the work they perform, believe that the company implements a sufficient range of programs to improve engagement at work, and are well aware of the objectives and standards related to their work performance. Through evaluation of the percentage values of the aforesaid indicators, it is understood that the selected workplace stimulates engagement factors that eventually have an impact on the performance of operators.

Cronbach's Alpha test is conducted to check the reliability and consistency of results across the data collected for the analysis. The test is conducted to check the reliability of data collected through the Likert scale questions designed for each variable. All the variables (Job characteristics, Leadership, Salary and benefits, Recognition, Employee engagement, and Employee performance) have alpha values greater than 0.60. Therefore, it is understood that the data collected for the study were reliable to continue with the analysis. The correlation results of the independent and dependent variables indicated that job characteristics, salary and benefits, and recognition have a moderate degree of positive correlation with the dependent variable – employee engagement respectively. Hence, it is understood that when job characteristics, salary and benefits, and recognition are improved, there is moderate improvement in employee engagement. Whereas, leadership has a marked degree of positive correlation with employee

engagement ($r=0.609$), as when leadership is improved there is higher or greater improvement in engagement. Hence, when comparing the degree of influence of all independent variables on the dependent variable – employee engagement, it can be understood that leadership has more weight in improving employee engagement than others. Employee engagement recorded a moderate degree of positive correlation with the employee performance ($r = 0.414$). When engagement is improved, there is moderate improvement in employee performance. Regression analysis of the data shows to what extent the independent variables have influence on variability of dependent variables. Results reveal that variations in employee engagement can be described up to 25.5%, 37.1%, 26.7%, and 35.7% by the measure of the independent variables, respectively. Similarly, employee performance can be described up to 17.1% by the measure of employee engagement. The ANOVA test reveals the relationship status between independent and dependent variables. According to the test results, all corresponding significant values are less than both 5% (0.05) and 1% (0.01) significance levels. Therefore, each of the null hypotheses related to corresponding independent and dependent variables could be rejected. Therefore, it can be concluded that each independent variable has a relationship with respective dependent variables. Hence, the dependent variables improve with the enhancement of independent variables. Based on ANOVA test results, the conceptual framework can be demonstrated with the proven relationships between independent and dependent variables as follows:

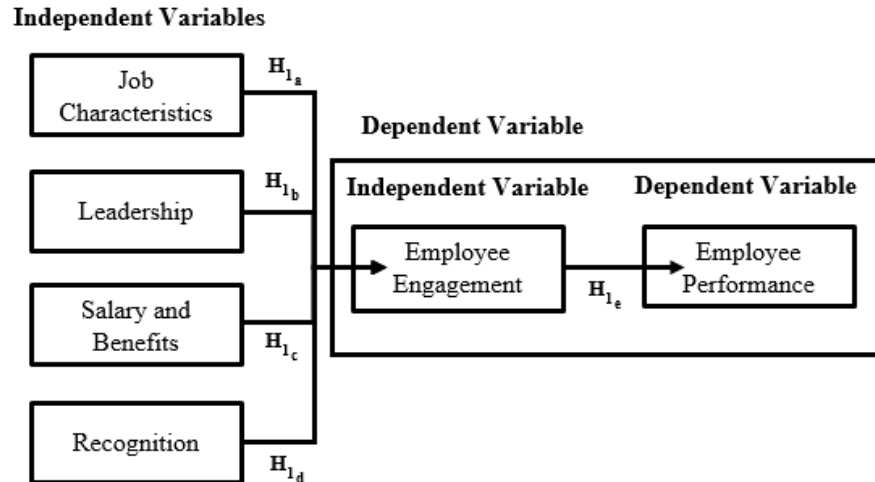


Figure 2: Summarized conceptual framework based on hypothesis test results

Table 3 reveals a summary of specific results of the narrative and content analysis conducted for qualitative data gathered through the open-ended questions in the questionnaire as well as interviews. The specifics reveal general views regarding the relationship between the determinants and engagement, and how engagement relates to employee performance.

Table 3: Summary of the Key Results of Narrative and Content Analysis

Variables	Key findings
Job characteristics and employee engagement	Enhanced job characteristics improve engagement at work. Prefer variation in tasks and on-the-process feedback from supervisors.
Leadership and employee engagement	There is a good relationship between supervisor and subordinate. Having good and friendly supervisors help make operators become more engaged in work.
Salary and benefits and employee engagement	Generally satisfied with the pay. More focus is on incentives, and prefer individual rewarding than team rewarding. Prefer

	welfare benefits and loan facilities. Having increments and benefits make the operators more eager to work.
Recognition and employee engagement	There is a sufficient range of recognition programs conducted by the company. Recognition motivates employees to actively engage in work.
Employee engagement and employee performance	Generally, there is positive engagement at work and with the company. The company has several engagement initiatives focusing on individual sewing machine operators. Individuals feel connected to the company as a result of engagement programs. When operators are engaged, they tend to perform well.
Employee performance	Generally satisfied with performance amidst all work pressure. Main focus is on achieving targets that create concerns for engagement. It becomes a decisive factor for better performance.

Findings and Conclusions

Findings and conclusions are derived from the results of data analysis. They are catered to meet the objectives that are designated at the beginning of the study. Awareness of nature of the job, sense of meaningfulness of the job, good employee – supervisor relationship, availability of leadership skills in supervisors, availability of a transparent pay system, satisfaction with benefits, expecting recognition, availability of recognition programs, job satisfaction, availability of an engaging environment, and awareness of performance objectives and KPIs help to foster an engaging environment that relates to employee performance. According to correlation and regression analysis, and hypothesis test (ANOVA), there are positive relationships between the determinants and engagement, as well as between engagement and employee performance. Therefore, it is revealed that, when determinants are enhanced, there is improvement in engagement. Similarly, when engagement levels are increased, there is improvement in employee performance.

Job characteristics, salary and benefits, and recognition as determinants have moderate influence on variability of employee engagement. Yet, leadership has comparatively greater impact on engagement. With the enhancement of determinant factors, employee engagement too can be improved. Variations in employee engagement can be explained up to 25.5%, 37.1%, 26.7%, and 35.7% by the measure of determinants: job characteristics, leadership, salary and benefits, and recognition respectively. There is a moderate relationship between employee engagement and performance. The employee performance level reasonably increases with the enhancement of employee engagement. Variations in employee performance can be predicted only up to 17.1% by the measure of employee engagement. Enhanced job characteristics, having just and fair supervisors, increments and benefits, and recognition at work, improve employee engagement. As a result of that operators are motivated to actively engage in work. When the operators are sufficiently engaged, they tend to perform efficiently. Therefore, engagement becomes a decisive factor for better performance.

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THE INFLUENCE OF REWARDS SYSTEMS ON EMPLOYEE PERFORMANCE OF SRI LANKAN FINANCIAL INSTITUTIONS

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ABSTRACT

Rewards systems of a company is a key factor that affects employee performance. According to the literature review, different individuals have different perceptions of rewards. A brief analysis of the economy in any country shows that financial institutions play a significant role in the financial system and the economy as a whole. The main objective of this study was to examine the influence of rewards systems on employee performance in financial institutions in Anuradhapura, Sri Lanka. Independent variables of this study were extrinsic rewards, social rewards and intrinsic rewards. Employee performance was the dependent variable. The researcher developed three hypotheses in order to achieve research objectives. Samples of 100 respondents were selected and primary data was collected using a standard questionnaire. Regression was used to test the hypothesis and statistical analysis was performed with the assistance of SPSS 21.0. The research concluded that extrinsic rewards, social rewards and intrinsic rewards have a significant positive influence on employee performance in financial institutions in Anuradhapura, Sri Lanka.

Key Words: Rewards system, Employee performance, Extrinsic rewards, Social rewards, Intrinsic rewards

Introduction

This study investigates the influence of reward systems on employee performance in financial institutions in Anuradhapura, Sri Lanka. The effective-functioning of an organization to achieve its goals and objectives depends to an excessive extent, on the organization's human resources. According to (Opatha, 2012), Human Resource Management (HRM) is the efficient and effective utilization of human resources to achieve the goals of an organization. It forms a substantial need for identifying employees' behavior and their needs to maintain or develop other functional areas of the organization. According to (Koopmans, 2014), "Individual work performance is a hot issue. It plays an important role in our day today workplace". When considering the contemporary corporate world where dynamic organizations try to compete with their rivals, human capital can be considered the most valuable and important asset of any organization.

Financial institutions play a significant role in the financial system and economy of a country. It has evolved over centuries to perform functions desired by the general public, the corporate sector, and the government. The Sri Lankan financial system consists of private sector banks, which engage in providing loans and taking deposits, and the creation of new money (i.e. bank deposits, as the general public regards deposits as the means of payments). In any country the Central Bank has a vital role to play in the growth rate by regulating bank credit extension and money creation via interest rate control. Investment vehicles, such as retirement funds, collective investment schemes, and long-term insures, are the custodians of the public's savings, and the drivers of investments in the economy.

Influence of Reward Systems on Employee Performances

According to Irshad (2016) “rewards are a great way to boost employee performance. In today’s world, many people have what’s-in-it-for-me mentality that affects their work. Rewards are an important motivational factor for everyone.” Kahn (2017) mentioned that “individuals enjoyed the payment given security and the environment in the work place including the relationship among employees which at the same time may enhance their performance.” Performance management helps employees to understand and improve their performance by imparting knowledge and information. Reward management influences performance by recognizing and rewarding good performance. Literature indicates that different individuals have different perceptions of rewards. For instance, some employees consider being recognized by their leader to be more rewarding than financial incentives. Herzberg believes that such factors are the main driving force of satisfaction which help boost the employee to work harder, due to the motivation that is created. Motivators are able to increase internal happiness (intrinsic rewards) whereas, hygiene factors are only able to boost external happiness (extrinsic rewards). If there are missing factors (whether they may be hygiene factors or motivation factors), it is possible for the employee to be dissatisfied and not able to perform at their best. If sufficient hygiene factors are present, it is possible that the employee would still not be motivated. Thus, in order for managers to successfully motivate their employees, there is a need to determine the appropriate and sufficient motivation factors to employ.

Justification of the Study

Purpose of this research was to examine the influence of reward systems on employee performance in financial institutions in Anuradhapura, Sri Lanka. An attempt was made to understand and investigate the employee’s point of view towards rewards as to whether or not it enhances their performance level. The study also points out the importance of rewards and its long-term benefits for an organization in

the form of more interest of employees in the organization's operations which leads to retaining loyal employees of the company. Retention of experienced and qualified personnel is a challenge for an organization over time. Employee turnover is very costly for an organization as it incurs a cost on developing those employees. However, forced retention can result in either absenteeism or demotivation which can retard organizational performance.

Objective of the Study

The main objective of this study was to determine the impact of an organization's rewards system on employee performance. Specific objectives of the study were to examine the influence of extrinsic rewards on employees' performance, to assess the influence of Social rewards on employees' performance, and to assess the influence of intrinsic rewards on employees' performance.

Main hypotheses of the study were:

- H¹-** There is a significant relationship between extrinsic rewards on employees' performance.
- H²-** There is a significant relationship between social rewards on employees' performance.
- H³-** There is a significant relationship between intrinsic rewards on employees' performance.

Methodology

Two types of variables were identified for this study: Employee Performance as the dependent variable and Extrinsic rewards, Social rewards, Intrinsic rewards as independent variables. Based on these variables, the study was conducted in finance companies in Anuradhapura.

Conceptual Framework

Based on the review of literature, the following conceptual framework was developed.

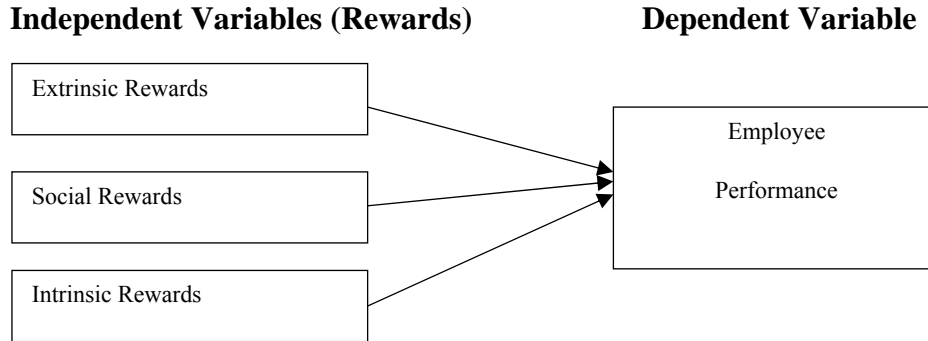


Figure 1 - Relationship between rewards system and employee performance

Population of this research was five finance companies operating in Anuradhapura district of Sri Lanka. The sample of 100 employees were selected from five finance companies based on stratified random sampling. The survey was employed for data collection using a questionnaire. The second part of the questionnaire consisted of measuring instruments to evaluate employee performance and reward systems. Questions were tested for reliability.

Data Analysis

Descriptive statistics were used to obtain frequency distribution, central tendency measurements and dispersion. Frequency distribution was obtained for all the personal data or classification variables and descriptive statics like maximum, minimum, mean, standard deviation and variance were obtained for the interval scaled independent and dependent variables. Study used correlation analysis to measure the relationship between dependent and independent variables.

Furthermore, Multiple Regression Analysis was conducted Statistical Package for Social Science (SPSS) version 21.0 software was used to analyze the collected data.

Demographic Factors

The demographic variables of the sample are briefly explained below. The age and gender distribution of the sample, which consists of 60% male and 40% female respondents. A majority of both male and female owners belonged to the age category of 36-60 of which 23 are male and 23 females. 32% respondents indicated that they were between 18 to 35 years of age and this category consisted of 21 male and 11 female respondents. There were 6 female respondents above 61 years.

Table 1- Educational Attainment and Position of the Respondent

		Position of the Respondent		Total
		Manager	Other	
Educational Attainment	G.C.E Ordinary level	0	8	8
	G.C.E Advanced level	0	32	32
	Diploma	4	17	21
	Graduated	1	38	39
	None	0	0	0
Total		5	95	100

Source – (2018), Survey Data

As indicated in table 1, 95 respondents belong to the category of non-managers (Other) and 05 respondents were managers. A majority of respondents, which was 38 of the ‘Other’ category were degree holders whereas, 6 other respondents were ordinary level qualified and 17 respondents had diplomas. All manager respondents had at least a diploma. The analysis revealed that a majority (43%) of employees have been working for 0-5 years, 25% for 6-10 years, 11% for 11-15 years, 1% for 16-20 years and 20% for over 20 years.

Reliability Analysis

The reliability and validity of the constructs that were used to measure the key variables of the study prior to further analysis were also tested. For this purpose, Cronbach's alpha test was performed, and the following table shows the results of the analysis.

Table 2- Reliability of Research Variables

Variable	Cronbach's alpha	No of items
Extrinsic rewards	0.972	06
Social rewards	0.945	06
Intrinsic rewards	0.971	06
Employee performance	0.879	18

Source – (2018), Survey Data

According to the results, Cronbach's alpha value for all variables were more than 0.7 therefore the collected data can be used for further analysis.

Descriptive Analysis of Variables

Descriptive statistics were calculated in the study. It showed mean values of data, which provides an idea about the central tendency of the values of a variable.

Table 3- Descriptive Statistics for Variables

Variable	Minimum	Maximum	Mean	Std. deviation
Extrinsic rewards	2.00	5.00	4.1050	0.65506
Social rewards	1.83	5.00	4.1200	0.60954
Intrinsic rewards	1.83	5.00	4.1100	.66042
Employee Performance	1.84	4.84	4.1184	0.59218

Source – (2018), Survey Data

The above table shows descriptive statistics of responses related to the reward system (independent variable) and employee performance (dependent variable). According to the above table, mean values for the all variables are significantly high, which means that employee performance of most respondents is at a level higher than moderate.

Regression Analysis

Regression analysis was used to examine the impact between reward system (independent variable) and employee performance (dependent variable). Employee performance was measured based on following three aspects. 1.) Task performance, 2.) Contextual performance, 3.) Counter productive work behavior

Table 4- Model Summary of Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Significance
1	0.871 ^a	0.759	0.751	0.295	0.000

Source – (2018), Survey Data

As indicated in Table 4 above, R^2 value of 0.759 means 75.9% of employee performance can be explained by the predictions of extrinsic rewards, social rewards and intrinsic rewards. The model was significant and can be used to measure the influence between employee performance and reward system.

Table 5- Coefficient of Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	Beta	Std. Error			
(Constant)	0.484	0.213		2.269	0.025
Extrinsic rewards	0.222	0.070	0.246	3.168	0.002
Social rewards	0.339	0.083	0.349	4.133	0.000
Intrinsic rewards	0.323	0.078	0.360	4.087	0.000

Source – (2018), Survey Data

As per table 5, Beta values show the positive influences between extrinsic rewards ($\beta=0.056$), social rewards ($\beta=0.339$) and intrinsic rewards ($\beta=0.323$) on employee performance. All variables recorded a significant positive relationship with employee performance ($p < 0.05$).

All 4 null hypotheses of the study could be rejected based on above analyses. The summary of hypothesis testing can be shown in table 6 below.

Table 6- Hypothesis Testing

No	Hypothesis	Regression results	Null hypothesis
H1	There is a significant influence between intrinsic rewards on employee's performance.	$\beta=-0.222$ P=0.002	rejected
H2	There is a significant influence between intrinsic rewards on employee's performance.	B=0.339 P=0.000	rejected
H3	There is a significant influence between intrinsic rewards on employee's performance.	B=0.323 P=0.000	rejected

Source – (2018), Survey Data

Findings and Conclusions

The main objective of this study was to examine the influence of reward systems on employee performance in financial institutions in Anuradhapura, Sri Lanka. The sample consisted of 60% male and 40% female respondents. According to the demographic factor analysis, a majority of both male and female owners belong to the age group of 36-60 years which represent 46% of the sample. Based on the literature review, three independent variables - extrinsic rewards, social rewards and intrinsic rewards which affect employee performance, were selected. Employee performance was tested using three dimensions which refers to task performance, contextual performance and adoptive performance. According to the regression analysis results, all variables have a significant positive influence on employee performance in financial institutions in Anuradhapura, Sri Lanka

As per the literature survey, (Koopmans, 2014) notes that “individual work performance is a hot issue. It plays an important role in our day today workplace”. According to (Opatha, 2012), “Performance Evaluation is the function that measures degree of effectiveness and efficiency of employees in performing their jobs.” (Nosheen Khan^{1*}, 2017) Khan (2017) mentions that “individuals enjoyed the payment given security and the environment in the work place including their relationship among employees and at the same time may enhance their performances. When an individual’s basic needs are fulfilled, there is always the tendency for the individual’s needs to rise up to another level to achieve their aims in life”.

The study has identified that the reward system of a company is a key factor that affects employee performance. The study has revealed that the level of employee performance of respondents is at the moderate level. According to the regression analysis, extrinsic rewards, social rewards and intrinsic rewards have a significant positive influence on employee performance. The study has finally concluded that that reward systems of a company can improve the performance of their employees.

Managing the reward system of a company is a difficult task, but it will be extremely helpful in increasing employees' performance. The following recommendations were derived from the analysis of collected data and from the literature review. Production incentive is an effective way to increase employee performance. In following this framework, the conclusion that the employee will contribute more if the production incentives are increased was established. In addition, they prefer to be informed about the calculation of production incentives and increased pay during festival season. Employees who are not committed to their work do not offer their maximum efforts for organizational growth to be realized. The management should set career advancement paths through a training and development policy which does not seem to exist in the company. It should set aside funds for training of employees. The company's training policy should be aligned to its business strategy.

Suggestions for Future Research

This study has only taken into consideration financial institutions incorporated in Anuradhapura. Therefore, it is recommended to increase the geographical coverage of companies in future studies. Data was collected using a sample of 100 respondents, which should be increased in future research studies.

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IMPACT OF ORGANIZATIONAL FACTORS TO THE WORK LIFE BALANCE OF ACADEMICS: EVIDENCE FROM A SRI LANKAN STATE UNIVERSITY

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ABSTRACT

Work life balance refers to practices at the workplace that appreciate and support the needs of employees in achieving a balance between the demands of their work and their personal life. Work life balance of academics is different to other areas of employment and not always how it is perceived. The modern academic has to consider the priorities of teaching, research and administration, working long hours. Many academics suffer from imposter syndrome and increasingly feel under pressure to deliver excellence in everything they do. This study intended to analyze the organizational level factors that affect work life balance of academics in a selected Faculty of a University. There were three objectives of the study. They were to identify the organizational level factors for academics to achieve work life balance; to find out the relationship between factors and work life balance of academics; and to understand the reasons for work life balance of academics. Using simple random technique, 100 members were chosen among 150 academics in the selected faculty. There was a positive relationship of work environment, leadership style and employee benefits with work life balance of academics in the selected faculty of the university.

Keywords: Work life balance, Work environment, Leadership style, Employee benefits, Employee wellbeing

Introduction

Work life balance is an important concept among employees and employers in each and every organization. In the fast growing, global market, it is essential for organizations to consider their foremost and highly valuable asset known as employees. According to Allen (2006), work life balance can be described as what is achieved with practices at the workplace that appreciate and support the needs of employees in achieving the balance between the demands of their work and their lives. This concept emerged from the realization that an individual's work life and personal life may have conflicting demands. Work life balance has been identified as an important aspect by experts of Human Resource Management (HRM). An HRM department can assist the organization's workforce by contributing to better work life balance using mobile technology. Organizations can survey employees to discover their needs, institute a flex-time policy for the workforce and also integrate work life balance into the company culture throughout the year. According to Jim Bird (2006), work life balance can be referred to as meaningful achievement and enjoyment in everyday life. He emphasizes the importance to make a point to seek achievement and joy in both your work and personal life each day. Studies have shown that, around the world, employees invest most of their time and energy at work to achieve what they aspire for. It has therefore become inevitable for millions of people to lose the balance between work and personal lives. In the rapidly changing modern work environment, new technology allows work to be conducted in a flexible manner. The difficult task for working men and women is to integrate both work and personal life. There is a need to find solutions to manage the work and home equally (Brough & Kelling, 2002).

Surveys show that low morale among the academic workforce, with reports of working in excess of 60 hours per week have resulted in unacceptably high levels of stress related illness. Although the universities have developed strategies and policies to encourage the work life balance of academic staff, the process had been slow

therefore this study aimed at investigating the organizational factors which affect the work life balance of academics.

Justification of the study

Having control over their work, schedule flexibility and support from their institutions lead to a better work-life balance. These factors, however, failed to moderate the relationship between work demands and perceptions of conflict between work and home. Research findings from several countries suggest that academic work has become comparatively stressful, with potentially serious consequences for the workforce and the quality of higher education (Kinman & Jones, 2008). Mounting stress, pressure and organizational change in universities has led to increased importance for research in the area of job stress on work life balance and work life conflict amongst academics. In the last fifteen years, work pressure has been constantly rising within the global academia. It has been argued that rising stressors in academia are 'eroding' the operating capabilities of universities (Perry et al., 1997). This suggests that increasing levels of stress in university staff may be causing universities as institutions to not function as well as they might have in the past. A preliminary study was carried out and it was understood that academics had very limited time away from work. Many lecturers, especially junior members of the staff, report that they have to work long hours to compete with senior staff members. Since administrative tasks increasingly becoming the responsibility of lecturers, the working day expands instead of contracting. Many academics report working ten hours a day as well as on weekends. Although some of the work can be done from home, it means that family life and self-improvement can take a distant second place, which certainly distracts the aims of the work life balance ideal. Another problem is simply with the nature of academic work itself. Scholars are dedicated to broaden their knowledge in their area of specialization and as such it is difficult to switch off from work. There is never a time when they are not researching on a new idea or approach. A dedicated scholar finds it very difficult to balance work and their personal life at certain times as academic work does not fit neatly into the normal work

week. Most studies on work life balance have been focused on the factors affecting work life balance of employees whilst a few studies have been done on the organizational factors that impact specifically academics, which is the main focus of this research study. Research problem was to identify factors that affect work life balance of academics in a selected Faculty of a University.

According to Munn (2009), work life balance is defined as a person who prioritizes their work, family, individual, and community responsibilities. The means and ways to prioritize individual work, family, personal and community responsibilities are influenced by the availability and knowledge of work life initiatives as well as the organizational culture. Academics are driven and committed individuals. They strive to help their students and feel compelled to make a difference in the world, either through the pursuit of their original research or through inspiring and educating young people. So, the scope of the job is so broad and the demands of the job are so high (Langley-Evans, 2018). Previous publications by several authors have shown that work life balance bears little relationship to employees' engagement and intention to stay with organizations (Parkes & Langford, 2007). Studies have identified several variables that influence the level of work family conflict and family work conflict. Variables such as the work environment, leadership style, employee benefits and employee wellbeing have impacted the experience of work life balance. Work environment can be defined as the location where a task is completed. It can be measured using construct elements including transparent and open communication, flexible working arrangements and sound working process (Poh, 2018).

Staines (1980), defines spillover as a positive relationship between work and family, whence positive work experiences would be associated with positive family experiences and negative work experiences would be associated with negative family experiences. As per Newstrom & Davis (1993), leadership style is the manner and approach of providing direction, implementing plans, and motivating people. Leadership style can be measured using construct elements

including power, influence and leader follower relationship (Ebrary.net, 2018). The Path-Goal model is a theory based on specifying a leader's style or behavior that best fits the employee and work environment in order to achieve a goal. In general, indirect and non-cash compensation paid to an employee indicates employee benefits. Employee benefits were measured using constructive elements including benefits mandated by law and benefits not mandated by law (The Balance Careers, 2018). Lambert (1990) highlighted a theory which underpinned that employee benefits with the compensation theory. The Compensation theory proposes that workers try to compensate for the lack of satisfaction in one domain (work or home) by trying to find more satisfaction in the other. Wellbeing is essentially how a person feels about various aspects of their life – their home life, health, relationships with others, their job and other activities. It's about whether they feel well and happy (Pingboard, 2018). Employee wellbeing can be measured using the above constructive elements such as physical and mental wellbeing (Lovell, 2018). Conservation of resources theory has been applied to describe employee wellbeing and work life balance. As such, work has the ability to tax an individual's resources interfering with one's ability to perform in other areas of life. This model also assumes that individuals are sensitive to resource loss due to interference of work. The process of reacting to and dealing with work interfering with personal life consumes resources and it can lead to adverse consequences for personal well-being (Grandey & Cropanzano, 1999). Maintaining this helps reduce stress and prevents burnout in the workplace.

Study focused on the underlying research questions. They were; what are the factors affecting work life balance of academics; what is the relationship between each factor and work life balance of academics; and why do academics have inadequate work life balance? The objectives of the study were; to identify the factors affecting the work life balance of academics, to explore the relationship of each factor and the work life balance of academics, and to analyze the reasons behind inadequate work life balance of academics.

Conceptualization & Operationalization of the Study

The independent variables of the study were work environment, leadership style, employee benefits, employee wellbeing and the dependent variable was work life balance of academics.

Study considered variables such as the work environment, leadership style, employee benefits and employee wellbeing that impacted the experience of work life balance.

According to Business Dictionary.com (2018), work environment can be defined as the location where a task is completed. Work environment can be measured using construct elements including transparent and open communication, flexible working arrangements and a sound working process. As per Newstrom & Davis (1993), leadership style is the manner and approach of providing direction, implementing plans, and motivating people. Leadership style can be measured using construct elements including power, influence and leader follower relationship.

Indirect and non-cash compensation paid to an employee indicated employee benefits. Employee benefits were measured using constructive elements including benefits mandated by law and benefits not mandated by law. Wellbeing is essentially how someone feels about various aspects of their life – their home life, their health, their relationships with others, their job and other activities (Pingboard, 2018). It is about whether they feel well and happy. Employee wellbeing can be measured using the above constructive elements such as physical and mental wellbeing.

Work life balance can be measured by using two constructive elements such as multiple roles and its satisfaction. Following hypotheses were identified in the study.

Hypothesis 1: Work environment has an influence on academics' work life balance. Leaders have an impact on the stress levels and work life balance of those they lead.

Hypothesis 2: Leadership style has an influence on academics' work life balance.

Hypothesis 3: Employee benefits have an influence on academics' work life balance.

Hypothesis 4: Employee wellbeing has an influence on academics' work life balance.

Methodology

The population included 150 academics of the selected faculty of the university of which a sample of 100 academics were selected for the study through simple random sampling technique. Collection of data has been conducted by questionnaires which were distributed among academics. This research was conducted as a quantitative study. Further regression analysis, coefficient of correlation and correlation of determination were calculated on these variables by considering two variables at once. Reliability and construct validity were ensured by reliability analysis with Cronbach's alpha. Cronbach's alpha values were above 0.7 for all constructs indicating sufficient internal consistency of the items in the scale.

Results and Discussion

The response of sample academics depicted negativity. Interpretation of respondents' opinion was in between Neutral and Disagree. The correlation coefficients between work environment, leadership style, employee benefits, employee wellbeing and work life balance were statistically significant and were also indicated a strong positive linear

relationship ($r=0.852$, $p<.000$) ($r=0.921$, $p<.000$) ($r=0.950$, $p<.000$) ($r=0.944$, $p<.000$).

The effect of independent variables on the dependent variable has been tested using the regression model. The predictor variables of the study were work environment, leadership style, employee benefits and employee wellbeing and the outcome variable was work life balance of academics. Multiple correlation coefficient (R) was 0.961, which shows that there was a strong positive linear relationship between the individual variables and work life balance. R-square is 0.924. This indicated that 92.4% of dependent variable has been described by the independent variables. As the value was more than 60%, the regression model was a fit. Durbin-Watson value of 2.043 means that there was no autocorrelation in the test model. The significance (p) value of the regression model showed a value of 0.000 which is <0.05 . Based on these values the model was significant. Further all the independent variables such as work environment, leadership style, employee benefits and employee wellbeing significantly affect work life balance of academics. As shown in Table 1, Beta values of the four independent variables were positive. These values indicated that all four of these variables positively influenced the work life balance of academics.

Table 1: Coefficients of Independent Variables

Coefficients^a

Model	B	Sig	VIF
1 (Constant)	.056	.001	
Mean Work Environment	.017	.002	4.660
Mean Leadership Style	.112	.003	10.454
Mean Employee Benefits			
Mean Employee Wellbeing	.510	.000	10.979
	.359	.252	12.802

a. Dependent Variable: Mean Work Life Balance

(Source: 2018, data)

But the regression coefficient of employee wellbeing was not insignificant ($p > 0.05$). As per the collinearity statistics above, leadership style, employee benefits and employee wellbeing had higher VIF (Variance Inflation Factors) (10.454), (10.979) and (12.802) respectively and confirmed the multicollinearity effect in the model. It was essential to omit one of the independent variables from the regression equation to rectify multicollinearity. Employee wellbeing was taken out of the model and the regression equation was conducted again.

Table 2: Coefficients of Independent Variables (after dropping employee wellbeing)

Coefficients^a

Model	B	Sig	VIF
1 (Constant)	.097	.001	
Mean Work Environment	.057	.002	4.519
Mean Leadership Style	.265	.003	8.261
Mean Employee Benefits	.684	.000	8.176

a. Dependent Variable: Mean Work Life Balance

(Source: 2018, data)

As shown in table 2 below, after eliminating the variable of employee wellbeing, multicollinearity issue has been corrected. The VIF values of the other variables namely leadership style and employee benefits showed lesser VIF values (less than 10).

Based on the regression results the hypotheses were tested. Hence, work environment, leadership style, and employee benefits had a significant impact on work life balance of academics. But the correlation coefficient between employee wellbeing and work life balance was not statistically significant. Hence the hypotheses **H₁**, **H₂**, **H₃** were not rejected and hypothesis **H₄** was rejected as shown in table 3 below.

Table 3: Hypotheses testing

H ₁	There is a relationship between work environment and work life balance of academics.	Not rejected
H ₂	There is a positive relationship between leadership style and work life balance of academics.	Not rejected
H ₃	There is a significant relationship between employee benefits and work life balance of academics.	Not rejected
H ₄	There is a relationship between employee wellbeing and work life balance of academics.	Not rejected

Findings and Conclusions

The reliability coefficient in all constructs supporting each variable and none of the variables have been rejected. The correlation coefficient between work environment and work life balance was significant and there was a strong positive linear relationship ($r=0.852$). Strength was strong, where 72.6% of the criterion explained by the predictor. The correlation coefficient between leadership style and work life balance was significant and also there was a strong positive linear relationship ($r=0.921$). Strength was strong, where 84.9% of the criterion was explained by the predictor. Employee benefits indicated a strong positive linear relationship ($r=0.950$) with the dependent variable of work life balance. Strength was strong, where 90.3% of the criterion was explained by the predictor. The strongest predictor of work life balance of academics was employee benefits and the weakest predictor was work environment. The Beta values of the three independent variables positively influence the work life balance of academics. As per the collinearity statistics, leadership style, employee benefits and employee wellbeing were having higher VIF and confirmed the multicollinearity effect in the model. Employee wellbeing was excluded from the model and the regression equation run again to rectify multicollinearity. Therefore, the work environment, leadership

style, and employee benefits had a significant impact on work life balance, hence the hypotheses H₁, H₂, H₃ were not rejected. The correlation coefficient between employee wellbeing and work life balance was statistically insignificant making hypothesis H₄ rejected.

Work environment, leadership style and employee benefits can be considered as significant factors that measure the work life balance of academics. Therefore, the University needs to pay attention to improve the work environment to help all academics achieve work life balance by facilitating work style reforms and offering flexible working options, maintaining a close relationship with senior academics and providing both mandatory and non-mandatory benefits to the academics. According to the study, it was revealed that employee wellbeing cannot be considered a significant factor to measure the work life balance of academics, which indicated that academics primarily considered the factors of work environment, leadership style and employee benefits over the wellbeing initiatives provided by the university when determining their level of work life balance.

Recommendations and further research

University needs to pay more attention to uplift the work environment, maintaining proper senior junior relationship and providing adequate benefits to improve the level of work life balance of academics. University must ensure to enhance and maintain sound benefits to improve work life balance. In order to enhance employee benefits. the university needs to analyze current employee benefits, the benefit packages of competing universities and adjust employee benefits to suit their needs. Offering employee benefits is a smart move from a talent acquisition and retention standpoint. University can simplify employee benefits and ensure that academics get the coverage they need. In order to enhance the work environment so as to achieve the work life balance, it is important to maintain transparent and open communication, flexible working arrangements and maintain a sound working process. In this regard, the university can enable online platforms to lecturers to connect with students, so that, they are not

required to physically be at work from 8am to 5pm all working days. It is important to maintain a sound leader follower relationship by effectively managing power and influence in order to enhance leadership style. In addition, Heads of Departments should delegate the necessary authority to academics to decide when to travel to conferences or workshops, providing a certain degree of autonomy to academics.

Future studies should also continue to refine the methodology used in the area of work family balance. In order to attain an in-depth understanding of one's work and family life, researchers who study work family roles should include multiple perspectives such as work stress, quality of life, mental health, and demands of work. In addition, it is necessary to explore multiple waves of data collection over a longer period of time to better understand the changing nature of work family roles over time. Longitudinal studies need to be conducted to examine how the stages of life (e.g., marriage, child birth, and child rearing) affect work and family concerns. (Reddy et al., 2010). Studies have focused the relationship between interpersonal and societal factors that affect work life balance. Areas such as the effect of work life balance on the retention of female employees and results of related policies on employee productivity needs to be explored further. Studies should also measure stress experienced by individuals in relation to the success or otherwise of work life balance programs in particular cultural settings.

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