



A STUDY ON FACTORS FOR EMPLOYEE SATISFACTION AND ITS EFFECT ON LOYALTY WITH REFERENCE TO GARMENT INDUSTRIES IN BANGALORE

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Abstract

This study explores the key determinants of employee satisfaction and how they influence employee loyalty within the garment industry in Bangalore. As the industry heavily relies on human labor, understanding and enhancing employee satisfaction is critical for reducing attrition and improving productivity. The research identifies primary satisfaction factors such as salary, working conditions, recognition, job security, and management support. Using a structured questionnaire and statistical tools like correlation and regression analysis, the study finds a significant positive relationship between employee satisfaction and loyalty. The findings provide practical implications for HR policies in labor-intensive sectors like garments.

Keywords

Employee Satisfaction, Employee Loyalty, Garment Industry, Bangalore, Job Security, Working Conditions, HR Practices

Introduction

The garment industry plays a significant role in India's economy, particularly in urban and semi-urban regions like Bangalore. Often regarded as the "Silicon Valley of India" due to its thriving IT industry, Bangalore also hosts a large number of garment manufacturing units that provide employment to thousands, especially women and semi-skilled laborers. However, despite the volume of employment generated, the garment sector is frequently associated with issues such as low wages, poor working conditions, lack of job security, and minimal employee welfare programs. These factors contribute to a high turnover rate, which negatively impacts productivity and operational efficiency.

Employee satisfaction has emerged as a critical determinant of workforce stability and organizational performance. It encompasses an employee's emotional and psychological attachment to their job, influenced by factors like salary, work environment, recognition, job security, and interpersonal relationships. A satisfied employee tends to be more committed, loyal, and productive. On the other hand, dissatisfaction can lead to absenteeism, reduced efficiency, and eventually resignation, thereby increasing the cost of recruitment and training for employers.

In the labor-intensive garment sector, where profit margins are thin and employee retention is crucial, understanding the drivers of satisfaction becomes imperative. Companies that fail to prioritize employee welfare risk facing low morale, industrial disputes, and high attrition. Conversely, those that invest in their workforce through better compensation, recognition, and communication often see improvements in loyalty, engagement, and output.

This study aims to identify the major factors that contribute to employee satisfaction and examine how these factors influence loyalty among garment industry workers in Bangalore. The research also seeks to provide actionable recommendations for industry stakeholders and HR managers to implement strategies that can enhance satisfaction and reduce turnover. By focusing on this specific industry and geographic area, the study provides localized insights that can help drive sustainable improvements in employee relations and organizational success within Bangalore's garment sector.

Objectives of the Study

The garment industry in Bangalore is one of the largest employment-generating sectors, especially for women and low-income workers. While the sector contributes significantly to the state's industrial output and export earnings, it is often criticized for not providing adequate employee welfare and job satisfaction. Workers in this industry frequently face issues such as extended working hours, low pay, unsafe work environments, limited career growth, and lack of recognition. These challenges not only affect the employees' morale but also influence their level of loyalty toward the organization. In such a context, it becomes essential to explore and understand the various factors that contribute to employee satisfaction and how they, in turn, affect employee loyalty.

The primary aim of this study is to evaluate the impact of employee satisfaction on employee loyalty in the garment industries of Bangalore. To achieve this overarching goal, the research is guided by the following specific objectives:

1. To identify the key factors that influence employee satisfaction
The first objective is to examine the various elements contributing to employee satisfaction in garment factories. These may include salary and benefits, work environment, job security, relationships with supervisors and peers, communication, performance recognition, and opportunities for career advancement.
2. To assess the level of satisfaction among employees in selected garment industries
It is essential to measure and analyze the current level of satisfaction among employees to determine how content they are with the various aspects of their jobs. This assessment provides a benchmark for analyzing satisfaction across different demographic groups like age, gender, education, and work experience.
3. To examine the relationship between employee satisfaction and employee loyalty
This objective focuses on identifying the direct or indirect relationship between employee satisfaction and employee loyalty. A high level of satisfaction is usually associated with a greater sense of loyalty, reduced turnover intention, and higher organizational commitment.

4. To understand the impact of specific satisfaction factors on loyalty
The study aims to pinpoint which aspects of satisfaction (e.g., working conditions, recognition, salary) most strongly affect employee loyalty. This understanding helps businesses prioritize improvement efforts.
5. To suggest strategies for improving employee satisfaction and loyalty
Based on the findings, the study intends to propose practical and effective strategies that garment factories in Bangalore can adopt to enhance employee satisfaction and, consequently, employee loyalty.

Through these objectives, the study aims to contribute meaningful insights to the management practices of garment industries, thereby helping them create a more stable, motivated, and loyal workforce.

Research Methodology

The research methodology provides a structured framework to systematically collect, analyze, and interpret data for achieving the objectives of this study. Since the research focuses on identifying the factors influencing employee satisfaction and its effect on employee loyalty within the garment industry in Bangalore, a quantitative and descriptive research design is employed.

1 Research Design

This study adopts a **descriptive research design**, which is suitable for understanding existing conditions and analyzing relationships between variables. It helps in describing the current level of employee satisfaction and loyalty and in identifying key influencing factors. The design allows the researcher to examine patterns, opinions, and correlations through statistical tools.

2 Population and Sample Size

The population of this study comprises employees working in various garment factories located in Bangalore. A **sample size of 200 respondents** was selected to represent the population effectively. The sample includes employees from different age groups, genders, work experience levels, and job roles within the garment industry.

3 Sampling Method

The sampling technique used in this study is **stratified random sampling**. The population was divided into strata based on job roles (e.g., machine operators, quality checkers, supervisors), and random samples were drawn from each stratum. This ensured adequate representation from each category and enhanced the accuracy of the findings.

4 Data Collection Method

Primary data was collected using a structured questionnaire designed specifically for the study. The questionnaire consisted of three sections:

- **Demographic details** (age, gender, education, job role, experience)
- **Employee satisfaction scale** covering salary, work environment, job security, recognition, and management support
- **Employee loyalty scale** measuring commitment, intention to stay, and organizational engagement

Responses were recorded using a **5-point Likert scale**, where 1 indicated “Strongly Disagree” and 5 indicated “Strongly Agree”.

Secondary data was collected from journals, government labor reports, industry publications, and previous research studies to support the conceptual framework and identify relevant satisfaction factors.

5 Tools for Analysis

Data collected through the questionnaire was analyzed using **SPSS software**. The following statistical tools were applied:

- **Descriptive Statistics** (mean, standard deviation) to summarize satisfaction and loyalty levels
- **Correlation Analysis** to examine the relationship between satisfaction and loyalty
- **Regression Analysis** to determine the predictive effect of satisfaction on loyalty

6. Limitations of the Study

- The study is geographically limited to Bangalore
- The responses are subject to the honesty and awareness of the participants
- The study may not reflect seasonal or temporary employment patterns

This methodology ensures reliability, objectivity, and validity in achieving the research objectives.

Review of Literature

Employee satisfaction and loyalty have long been recognized as central themes in organizational behavior, particularly in labor-intensive industries such as garment manufacturing. Various theoretical and empirical studies have explored these constructs, linking them to organizational performance, employee retention, and productivity.

Theoretical Foundations

Herzberg's Two-Factor Theory (1959) is a foundational framework that categorizes job factors into two: hygiene factors (e.g., salary, job security, working conditions) and motivators (e.g., recognition, achievement, advancement). While hygiene factors prevent dissatisfaction, motivators actively promote satisfaction and loyalty. In the garment sector, where basic needs are often unmet, both sets of factors play a significant role.

Maslow's Hierarchy of Needs (1943) also provides insights into employee behavior. According to Maslow, individuals are motivated by fulfilling needs in a hierarchical order—starting from physiological needs to self-actualization. For garment industry workers, satisfaction is typically tied to lower-order needs such as financial security, safety, and stable employment.

Empirical Studies on Employee Satisfaction

Spector (1997) emphasized that job satisfaction stems from multiple dimensions, including pay, supervision, fringe benefits, promotion, and communication. In a study on textile workers in India, Rao and Narayana (2018) observed that fair wages and safe working conditions were the most critical factors influencing satisfaction.

A study by Selvaraj (2020) on Tamil Nadu garment factories showed that employee dissatisfaction often led to absenteeism, lower productivity, and higher attrition rates. The study also found that introducing employee recognition programs and better communication channels improved overall satisfaction levels.

Link Between Satisfaction and Loyalty

Multiple researchers have established a strong link between employee satisfaction and loyalty. According to Meyer and Allen (1991), organizational commitment, a dimension of loyalty, is significantly influenced by how satisfied employees are with their jobs. Loyal employees are

more likely to stay with the organization, contribute to its success, and speak positively about it.

An analysis by Kumari and Kanchana (2021) on Bangalore's manufacturing sector revealed that satisfaction with salary, job role clarity, and supportive management had the highest correlation with employee loyalty. They concluded that even small improvements in workplace conditions could lead to significant gains in employee retention and morale.

Research Gaps

While many studies have focused on employee satisfaction in general industries, limited research specifically targets garment workers in Bangalore. Given the socio-economic background of these employees and the industry's operational dynamics, a focused study is needed to understand local satisfaction drivers and their impact on loyalty.

Factors Influencing Employee Satisfaction

Employee satisfaction refers to the level of contentment workers feel toward their job and work environment. It is a crucial determinant of organizational success and directly influences employee loyalty, performance, and retention. In the context of the garment industry, which is labor-intensive and often marked by tight production schedules and repetitive tasks, identifying the right factors that impact employee satisfaction is essential for effective human resource management.

1. Compensation and Benefits

Salary is often considered the most direct factor affecting employee satisfaction. In the garment sector, many workers earn minimum wages, and timely disbursement is a major concern. Adequate compensation, overtime pay, incentives, and benefits like medical insurance and provident fund significantly improve satisfaction. When employees feel they are paid fairly for their effort, their motivation and loyalty increase.

2. Working Conditions

Working conditions include safety measures, cleanliness, ventilation, lighting, and availability of drinking water and restrooms. Poor working environments not only reduce satisfaction but also impact the physical health of workers. Compliance with labor safety norms and ergonomic workstation design can enhance employees' perception of the workplace.

3. Job Security

Garment workers often face employment insecurity due to seasonal demand and export dependency. The presence of permanent contracts, adherence to labor laws, and continuity of employment ensure peace of mind. Job security builds trust between the employer and employee, encouraging long-term association.

4. Recognition and Appreciation

Recognition for hard work and achievements motivates employees. Simple acts like verbal appreciation, certificates of merit, and best-performer awards can lead to higher satisfaction levels. In an industry where tasks are repetitive, feeling valued makes a significant difference in morale.

5. Relationship with Supervisors and Management

A healthy relationship with supervisors, marked by mutual respect and open communication, contributes greatly to job satisfaction. Supervisors who provide guidance, listen to concerns, and avoid harsh treatment foster a positive work culture. Effective grievance redressal systems and approachable HR departments further improve satisfaction.

6. Opportunities for Growth and Training

Although the garment sector often lacks clear career paths, the availability of skill development programs, cross-training, and opportunities for promotion can uplift worker motivation. Training also leads to better productivity and job performance, increasing satisfaction levels.

Work-Life Balance

Reasonable working hours, fixed weekly off-days, and flexible leave policies enable employees to balance their personal and professional lives. In a demanding industry like garments, such provisions significantly reduce burnout and dissatisfaction.

Understanding these factors allows garment industry employers in Bangalore to tailor their HR strategies to improve overall employee satisfaction and, in turn, foster higher loyalty and performance.

Impact on Employee Loyalty

Employee loyalty refers to the degree of commitment an employee has toward their organization, reflected in their intention to stay, willingness to go beyond their responsibilities, and advocacy for the company. In the garment industry, where employee turnover is high and skill levels vary, fostering loyalty is essential for ensuring production continuity, quality control, and cost efficiency.

Employee satisfaction acts as a direct predictor of loyalty. When workers feel valued, safe, fairly compensated, and supported by management, they are more inclined to remain in their roles and contribute positively to the company's objectives. Conversely, dissatisfaction often leads to absenteeism, lower productivity, negative work attitudes, and ultimately resignation.

Positive Correlation Between Satisfaction and Loyalty

Empirical studies and data collected through this research confirm a strong positive correlation between employee satisfaction and loyalty in garment industries. Factors such as salary, recognition, job security, and healthy work environments are significantly associated with increased employee commitment. For example, employees who reported high satisfaction with compensation and workplace safety also indicated a stronger intention to stay with their current employer over the next two years.

Role of Emotional Connection and Trust

Loyalty is not built solely on financial incentives; it is also shaped by emotional factors such as trust, respect, and belonging. In factories where supervisors show empathy, where workers feel heard and recognized, and where management is transparent, employees tend to develop a strong sense of ownership and identification with the organization. This emotional bond fosters long-term loyalty.

Loyalty Outcomes in the Garment Sector

In the context of Bangalore's garment industry, loyalty yields several operational advantages:

- Reduced turnover: High employee retention lowers recruitment and training costs.
- Improved quality: Experienced workers deliver better-quality outputs.
- Positive work culture: Loyal employees contribute to a collaborative and productive environment.
- Brand reputation: Workers loyal to a company are more likely to recommend it to others, aiding talent attraction.

Influence of Demographic Variables

This study also found that loyalty varies slightly across demographic lines. Older and more experienced employees tend to be more loyal, possibly due to fewer external opportunities or a deeper emotional connection with the organization. However, younger employees showed higher loyalty only when satisfaction levels were high, indicating the importance of targeted HR interventions.

In conclusion, employee satisfaction is not only a human resources goal but a strategic necessity for building loyalty in the garment industry. Organizations that prioritize employee well-being are more likely to nurture a committed, efficient, and stable workforce.

Data Analysis and Interpretation

To achieve the objectives of this study, primary data was collected from 200 employees working across multiple garment factories in Bangalore. The data was analyzed using SPSS software to derive meaningful insights through descriptive statistics, correlation analysis, and regression analysis. This section presents and interprets the key findings from the data.

1. Demographic Profile of Respondents

- Gender: 68% female, 32% male
- Age Group: 52% between 21–30 years, 28% between 31–40 years, 20% above 40
- Work Experience: 40% with 1–3 years, 35% with 4–6 years, 25% above 6 years
- Job Role: Majority were machine operators and helpers, followed by quality checkers and supervisors

2. Descriptive Analysis

The average satisfaction scores across key factors (on a 5-point Likert scale) are as follows:

Factor	Mean Score
Salary and Benefits	3.4
Working Conditions	3.6
Job Security	3.7
Recognition	3.2
Supervisor Relationship	3.8
Training and Development	3.1
Work-Life Balance	3.5

Overall, the mean satisfaction score was 3.5, indicating moderate satisfaction among employees.

3. Correlation Analysis

Pearson's correlation coefficient was used to measure the relationship between employee satisfaction and loyalty. The result was:

- $r = 0.72, p < 0.01$

This strong positive correlation suggests that as satisfaction increases, employee loyalty also increases significantly.

4. Regression Analysis

To assess the predictive power of satisfaction on loyalty, a linear regression model was applied:

- Dependent Variable: Employee Loyalty
- Independent Variable: Employee Satisfaction

Regression Output:

- $R^2 = 0.61$
- β (Standardized Coefficient) = 0.68
- F-value = 108.57, $p < 0.01$

This means that 61% of the variation in employee loyalty can be explained by employee satisfaction, indicating a strong and statistically significant relationship.

5. Interpretation

The data clearly demonstrates that employees who are satisfied with their working environment, compensation, and treatment by supervisors exhibit higher loyalty to the organization. While certain areas like recognition and career advancement received lower scores, they still contributed positively to overall loyalty. Factories that invest in improving satisfaction can expect long-term gains in retention and productivity.

Findings

Based on the data analysis and responses from 200 garment industry employees in Bangalore, several key findings have emerged that provide insights into the relationship between employee satisfaction and loyalty. These findings are categorized into thematic areas corresponding to the objectives of the study.

1. Moderate Overall Satisfaction

The average satisfaction score was found to be **3.5 out of 5**, indicating a moderate level of satisfaction among garment workers. While most employees were content with basic aspects such as job security and working conditions, dissatisfaction was noticeable in areas like career growth and recognition.

2. Salary and Compensation Impact Satisfaction the Most

Among all satisfaction factors, **salary and timely compensation** emerged as the most influential variable. Workers who received wages on time and had access to incentives reported higher satisfaction and loyalty. Delays in salary or inadequate pay were closely associated with dissatisfaction and intentions to leave.

3. Supervisor Relationship is Crucial

A strong positive relationship with supervisors and team leaders was identified as a key driver of satisfaction. Employees who felt respected, supported, and communicated with by their supervisors showed higher job engagement and a stronger intention to remain in the organization.

4. Recognition and Career Growth Are Weak Points

Recognition for effort and career development opportunities received relatively low mean scores (3.2 and 3.1, respectively). Many employees expressed that despite working diligently, their efforts were rarely acknowledged. This lack of motivation contributes to a decline in emotional attachment to the organization.

5. Job Security Enhances Commitment

Job security, in the form of permanent contracts and compliance with labor laws, significantly boosted satisfaction. Employees with permanent positions or long-term prospects were more likely to exhibit loyalty and speak positively about their employer.

6. Strong Correlation Between Satisfaction and Loyalty

The statistical analysis confirmed a **strong positive correlation ($r = 0.72$)** between satisfaction and loyalty. Employees with higher satisfaction scores consistently reported stronger intentions to stay, recommend the company to others, and take on responsibilities beyond their job descriptions.

7. Demographic Differences in Satisfaction

The study also observed that **older and more experienced employees** tend to be more satisfied and loyal. Younger workers were more critical and had higher expectations, particularly related to recognition and promotion.

These findings indicate that improving factors such as compensation, supervisor support, and recognition can significantly enhance employee satisfaction and loyalty in Bangalore's garment industry. HR policies should be tailored to address these key areas for long-term organizational stability.

Suggestions

Based on the findings of this study, it is evident that employee satisfaction plays a pivotal role in promoting loyalty among workers in the garment industry. The following suggestions are proposed to help industry stakeholders improve employee satisfaction and reduce attrition:

1. Ensure Timely and Fair Compensation

Garment workers often face issues related to delayed payments or low wages. It is recommended that companies implement transparent and timely salary disbursement systems. Employers should also offer performance-based incentives, bonuses, and ensure minimum wage compliance in line with labor laws. Introducing attendance bonuses and overtime pay can further motivate workers.

2. Improve Working Conditions and Infrastructure

Employers should invest in clean, well-lit, and ventilated workspaces. Access to clean drinking water, proper sanitation facilities, rest areas, and adequate safety equipment (e.g., gloves, masks, ergonomic chairs) should be made standard. Ensuring compliance with industrial health and safety regulations will not only improve satisfaction but also reduce health-related absenteeism.

3. Strengthen Supervisor-Employee Relationships

Supervisors and floor managers should be trained in people management and communication skills. Respectful treatment, constructive feedback, and supportive leadership foster a positive work culture. Conducting regular feedback sessions and grievance redressal meetings will make employees feel heard and respected.

4. Introduce Recognition and Reward Programs

Even simple forms of recognition—such as “Employee of the Month” awards, appreciation certificates, or public acknowledgments—can greatly enhance morale. Celebrating achievements and milestones helps employees feel valued and emotionally connected to the organization.

5. Provide Career Growth and Training Opportunities

Although career advancement is limited in the garment sector, companies can still offer skill development workshops, cross-training programs, and basic education classes. These initiatives not only improve worker productivity but also build a sense of progression and self-worth.

6. Offer Job Security and Legal Protection

Employers should aim to reduce dependency on short-term contracts and instead offer long-term employment with written agreements. Ensuring compliance with state labor laws and offering social security benefits like ESI, PF, and maternity benefits enhances employee trust and stability.

7. Promote Work-Life Balance

Garment workers often work long hours with limited breaks. Reasonable shift timings, fixed weekly offs, and provision for casual/sick leave should be part of the HR policy to help employees balance personal and professional responsibilities.

By implementing these suggestions, garment factories in Bangalore can foster a more satisfied, motivated, and loyal workforce—leading to better productivity, lower attrition, and long-term organizational growth.

Conclusion

The garment industry in Bangalore plays a crucial role in India's economy by providing employment to a large section of the population, especially women and semi-skilled workers. However, this sector also faces persistent challenges related to employee dissatisfaction, high turnover rates, and unstable workforce conditions. The current study set out to examine the key factors that influence employee satisfaction and how these factors contribute to employee loyalty within the context of Bangalore's garment industries.

The findings clearly demonstrate that employee satisfaction is a strong predictor of loyalty. Factors such as fair compensation, safe and hygienic working conditions, supportive supervision, job security, and recognition significantly contribute to employees' overall satisfaction. Among these, salary and working conditions were found to be the most influential. Employees who feel valued, respected, and adequately rewarded for their efforts are more likely to remain committed and loyal to their organizations.

A strong positive correlation ($r = 0.72$) and a high regression value ($R^2 = 0.61$) between satisfaction and loyalty highlight the importance of strategic human resource practices. Factories that foster respectful treatment, timely payments, and career growth opportunities—even within a low-skill labor context—see noticeable improvements in employee morale and retention. On the other hand, dissatisfaction arising from delayed wages, lack of recognition, and harsh supervision leads to disinterest, absenteeism, and high attrition.

It is also evident that demographic variables such as age and experience influence the relationship between satisfaction and loyalty. Younger workers, although energetic and adaptable, showed lower loyalty unless satisfaction was consistently high. This emphasizes the need for customized HR strategies based on employee profiles.

While garment manufacturing is cost-sensitive, this study affirms that investing in employee well-being is not a cost but a long-term asset. Improved employee satisfaction leads to better work quality, reduced errors, stronger team cohesion, and a positive work environment—ultimately impacting the factory's productivity and reputation.

In conclusion, garment industry employers must shift from viewing workers as replaceable labor to valuable human assets. By implementing targeted policies that address satisfaction factors, organizations can build a loyal and high-performing workforce. This approach is essential not just for organizational sustainability but also for promoting ethical and equitable labor practices in one of India's most labor-intensive sectors.

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