

IMPACT OF EMPLOYEE JOB ATTITUDES ON ORGANIZATIONAL PERFORMANCE: A STUDY BASED ON CO-OP CITY MANAGERS OF MULTIPURPOSE CO-OPERATIVE SOCIETIES, NORTH CENTRAL PROVINCE, SRI LANKA


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Abstract: Co-operative society businesses are one of the major contributions to the Sri Lankan economy. The multipurpose co-operative societies provide several services to people. The study was based on the managers of the retail stores of multipurpose co-operative societies in the northern central province of Sri Lanka, as they have suffered losses for several years. The study assessed the impact of employee job attitudes on organizational performance with selected managers as a study sample. A survey questionnaire was used as an instrument to collect data. The study was conducted to measure and identify variables. The data collected were fitted to the created model. Model validation was assessed using the validity test of Cronbach's alpha. Descriptive statistics and inferential statistics were used in the analysis. A correlation coefficient and a regression analysis were used to analyze the dependencies between employee job attitudes and organizational performance to evaluate the hypotheses. All the hypotheses developed in the study were positively confirmed. The results of the study confirmed that managers have negative attitudes towards their employment, which has an impact on organizational performance. The study recommends that co-operative societies should have mechanisms to assess employee job attitudes and improve the quality of work-life to enhance organizational performance.

Keywords: co-operative societies, co-op cities and mini co-op cities, employee job attitudes, organizational performance

JEL classification: M10, M12

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Introduction

Today, business organizations face competition when managing their organization towards organizational performance. Organizational performance is a major aspect of any organization, and performance can be achieved strategically. Organizational performance is the process that measures the implementation of an organization's strategy. It is also a management tool for planning, monitoring, measuring, and reviewing performance indicators to ensure the efficiency, effectiveness, and impact of the organization's service provision and the performance of the organization integrally linked to the personnel (Bireswari, 2013).

Organizations tend to manage their human resources strategically to achieve organizational goals and objectives. Memon et al. (2015) state that the human factor has long been ignored in organizational strategies, and recently, the management of the organization has begun to realize that human resources are of key importance for gaining a sustainable competitive advantage. In an organization, managers play a key role in the success of any business. Top managers develop the organization's strategy and middle managers implement this strategy, but the employees who produce the services or goods are ultimately responsible for the success of the strategy (Harris et al., 2009). Organizations at all levels try to involve their employees in the best possible way.

Employee attitudes towards organizations are more important as they create value for an organization. One of the most noticeable behaviors in any workplace is the employee attitude towards any situation or performance. Employee attitudes can be identified as one of the main influencing factors in achieving distinctive competencies in business-oriented organizations.

Many authors have defined attitudes based on the way people behave or react. Robbins and Judge (2013) illustrates that an attitude is an evaluative feature, and they can be either favorable or unfavorable concerning objects, people, or events. The three main job attitudes are job satisfaction, job participation, and organizational commitment. In this study, the impact of managers' attitudes (co-op cities and mini co-op city retail shops) on organizational performance has been assessed.

There are three categories of co-operative societies in Sri Lanka: primary-level, secondary-level, and tertiary level. Multipurpose co-operative societies (such as banks, fuel stations, and retail shops) are primary-level societies that provide different services to people. Co-op cities and mini-co-op cities are their retail stores. MPCSS were established in 1943 to distribute essential goods in Sri Lanka during the period of World War II. There are 303 Multipurpose Co-operative Societies (MPCS) in the island (Statistics Report, 2017). There are 1,547 co-op cities and mini-co-op cities all over the island and 107 co-op cities located in the Northern Central Province (NCP) and Table 1 presents data on the number of retail stores generating profits and losses.

There is a significant employee turnover rate, as employees are not satisfied with their rewards. Retail stores suffer losses of 10.37 million Sri Lankan rupees above the losses generated by cooperative mini-cities in the NCP in 2017 (Statistics Report,

2017). The situation with the training and development of employees is also problematic. In this study, attempts are made to identify the problematic situation resulting from the attitudes of employees. In the Sri Lankan context, Velnamby (2008) suggests in his study for the public sector that job satisfaction and involvement are correlated with performance. Hettiarachchi (2014) identified that work attitudes consist of three sub-variables named job satisfaction, organizational commitment, and job participation, and concluded that there is a significant impact of employee-related work attitudes on employee job performance. In this organizational context, this problematic situation has not been studied before. Therefore, by identifying this gap, the researcher tries to determine whether managers' attitudes affect organizational performance in the organization.

Table 1. Profit and non-profit Co-op Cities and Mini Co-op Cities of NCP

Description	Mini Co-op Cities		
	Profit	Non-profit	Total
NCP	29	51	80
Mega Co-op Cities / Co-op cities			
NCP	17	10	27

Source: (Statistics Report, 2017)

Performance is a contextual concept related to the studied phenomenon (Hall & Hofer, 1993). When considering the concept of organizational effectiveness, it should be defined as a measure of the change in financial results arising from management decisions and the implementation of these decisions by members of the organization. Performance is a function of individual abilities, skills and effort in a given situation (Steers & Lawler, 1974). Organizational performance is the measure of how well an organization achieves an appropriate goal (Kim & Stoner, 2008). Organizational performance refers to the cumulative results of all work activities in the organization (Robins, 2013).

According to Fishbein and Ajzen (1974), attitude is a positive or negative feeling or mental state of readiness, learned and organized through an experience, that has a specific effect on a person's response to people, objects, and situations. Paauwe and Richardson (1997) recognized that employee attitude and behavior play a significant role in explaining the function of employee perceptions as a key construct in explaining the link between organizational performance and employee attitude and behavior. Most of the research on organizational behavior has focused on three attitudes: job satisfaction, job involvement, and organizational commitment. Attitudes create value for an organization and enhance organizational performance. In an organization, managers often rely on job satisfaction to maintain motivation and enthusiasm for the organization's high performance (Bireswari, 2018). Investigations are being conducted to identify the relationship between employee job attitudes and organizational performance. This research is quantitative – in other terms, this research adopts a quantitative methodological approach. This is because the research measures or quantifies every element of the model's construction and uses statistical methods for analysis.

Literature

The retail industry mainly comprises establishments ranging from small-scale grocery shops located throughout the country to supermarkets that are gradually consolidating the retail business. Much of the market has been taken over by supermarkets, especially in urban areas. The supermarket industry in Sri Lanka has seen rapid growth in recent years, which is associated with the western lifestyle of modern Sri Lanka, where convenience is a key desired benefit (Perera et al., 2006). The traditional grocery store concept has evolved into a ‘mega store’ and a heavy discounter concept, which carries all the goods shoppers want (Stanton, 2007). In the Sri Lankan retail context, the supermarket business unit is becoming increasingly attractive as a popular shopping destination where shoppers can enjoy self-service as opposed to traditional retail stores (Karunaratna, 2021). By analyzing the drivers of the evolution of modern supply chains or “modern trade”, the demand for value-added consumer products such as convenience foods, beverages and frozen confectionery is steadily increasing. In the contemporary marketplace, evaluating the nature of customer behaviour has attracted renewed interest compared to the past few decades (Seng, 2019; Slack et al., 2020; Kanakarathne et al., 2020; Karunaratna, 2021).

Rishi and Singh (2012), rising incomes, multiple income households, exposure to international lifestyles and media, easier financial credit, and an upbeat economy are identified as enhancing aspirations and consumption patterns. The emergence of supermarkets based on lifestyle changes, increased female labor force, urbanization, income level enhancements, high quality of retail, high quality of wholesale purchases, trade agreements with other countries of Sri Lanka have created a new way of demand, supplying high quality value-added products which better meet the needs of customers in a competitive market thanks to appropriate packaging and advertising labels. The supermarket chain introduced several strategies to gain a competitive edge with more profits in the changing nature of the environment. In the current society, the needs of consumers have drastically increased more than ever in history, where their thinking patterns, decision making, and behavioural styles as a consumer have significantly changed. Many consumers have shifted from their traditional consumption pattern to the new economic system in the 21st century (Karunaratna, 2021).

The Sri Lanka co-operative system was started in 1906 during the period of British rule to meet the economic needs of rural farming by granting loans. Sri Lanka is an agricultural country and much of the population lives in rural areas. The culture of cooperatives is based on the members of the organization, lifting their spirits and positively influencing their lives. Since the establishment of co-operative societies culture, it helps in upgrading living standards of the rural mass. The activities of the co-operative sector in Sri Lanka have been closely linked up with the daily life of the majority of the population over a half-century in the country. Cooperative organizations/enterprises are actively engaged in multiple economic and social activities. Co-operative societies have been organized as multipurpose societies (ICA Committee on Consumer Cooperation for Asia and the Pacific, 2012). Today there are provincial-level co-operative societies, island-wide co-operative societies, secondary-level co-operative societies, and tertiary-level co-operative societies in Sri Lanka.

Co-operative societies are monitored by the department of co-operative development at a provincial level. In 2017 there were 14,003 registered co-operative societies (Statistics Report, 2017). Co-operative societies provide vast services, such as providing essential foods to rural consumers, distributing goods throughout the island, providing financial facilities to members through their banks and thrift and credit societies, working as a social reformer with education and training to the members and employees of co-operative societies, providing employment facilities to rural mass and uplifting living standards of people, as well as helping to cope with natural disasters in the country – these are just some of the advantages that co-operative societies provide to the people of Sri Lanka. The co-operative sector is one of the main contributors to the Sri Lankan economy in every way and helps to improve the quality of life of the rural public and is considered one of the main contributors to national income.

An organization can be defined as any group of large or small entities that work together under the leadership of management to achieve specific objectives (Beer, 1964). Retail shops are large- and small-scale organizations made up of individuals who carry out a series of activities within the organization to achieve its goals and objectives. Co-op cities and mini co-op cities are retail shops of multi-purpose co-operative societies. When forming co-op cities, the government considers it important that there should be fair competition among private, public and co-operative sectors, so that the private sectors would not be able to monopolize the market and the price of products would be stable (ICA Committee on Consumer Cooperation for Asia and the Pacific, 2012). Co-op cities and mini co-op cities are differentiated with scale, product variety, and customer shopping experiences.

Methodology and Instrument

The methodology is based on how the problem can be measured with several tools. Therefore, the researcher identified methods with several concepts and tools.

This study has continued as a correlation study and has not been controlled in the study setting. A research strategy consists of a research plan, the nature of this research is based on a survey strategy. A simple random selection of the research group was used in this study, which means that everyone in the target population had an equal chance of being part of the sample. The theoretical population consists of the managers of the co-op city and the mini co-op city retail stores in North Central Province, Sri Lanka. There are 107 co-op city and mini co-op managers in NCP. For this study, all managers have been considered as a sample of this study. Primary and secondary data were collected for the study. The primary data were gathered through a questionnaire. It consists of 32 items on the scale, measured by a five-point Likert scale from 1 to 5, and the secondary data was collected during discussions with managers. Secondary data information was used when developing the questionnaire. To ensure the validity of this study, the researcher collected data from reliable sources and developed survey questions. Data collection methods ensure consistency of results, similar observations and consistent conclusions from other researchers, and transparency of inferences from raw data (Villegas et al., 2011). The value of

the Cronbach's alpha coefficient in the study exceeds the value of 0.7 both for all questions in the questionnaire and at the level of individual groups of research variables analyzed for validity. To test the normality and linearity of the data, a correlation analysis and a regression analysis were performed to measure the dependence and influence of the variables according to the objectives of the study.

General Objective

The main objective of the study is to identify the impact of employee job attitudes on organizational performance.

Specific Objectives

- To identify the impact of employee job satisfaction on organizational performance.
- To identify the impact of employee job involvement on organizational performance.
- To identify the impact of organizational commitment of employees on organizational performance.
- To analyze the overall relationship between job attitudes and organizational performance.

Results and Discussion

The variables were operationalized, and indicators of employee job satisfaction include rewards, interpersonal relationships, and working conditions. The indicators of work commitment include caring for work, personal involvement in work, tendencies to avoid work; whereas indicators of employee involvement include affective commitment, commitment to continuity, and normative commitment.

Table 2. Cronbach's Alpha level of variables

Variable	No of Items in Instrument	Cronbach's Alpha
Job Satisfaction	10	0.887
Employee Job Involvement	08	0.807
Organizational Commitment	06	0.745
Organizational Performance	08	0.904

Source: Own research

Cronbach's alpha values greater than 0.7 in the statistical package illustrate that the data have satisfactory reliability for internal consistency. The data were plotted and it was found that the cases for the normal distribution are satisfied. Graphical and numerical methods are used to check the normality and linearity of the data. The research data were analyzed using descriptive statistics (mean, standard deviation, skewness, kurtosis). Pearson's correlation analysis was used to find the relationship

between the variables. Pearson's correlation values were interpreted with a value close to 0 to show that the independent variables are not linearly related to the dependent variable. Pearson's correlation values show strength and direction between two variables. The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all (Norusis, 2002). The correlations between the independent and dependent variables are presented below.

Hypothesis Confirmation

Based on the research, the initial hypotheses were confirmed as follows:

H1: The dependent variable of organizational performance and the independent variable of job satisfaction have positively affected each other (Pearson correlation coefficient = 0.663, $p < 0.01$). Therefore, employee job satisfaction affects organizational performance.

H2: The dependent variable of organizational performance and the independent variable of job participation have positively affected each other (Pearson correlation coefficient = 0.571, $p < 0.01$). Therefore, employee job involvement affects organizational performance.

H3: The dependent variable of organizational performance and the independent variable of job commitment positively affected each other (Pearson correlation coefficient = 0.669, $p < 0.01$). Therefore, the commitment of employees to their work affects organizational performance.

Table 3. Correlation among variables

		JS	JI	JC	OP
JS	Pearson Correlation	1	.638**	.664**	.663**
	Sig. (2-tailed)		.000	.000	.000
JI	Pearson Correlation	.638**	1	.696**	.571**
	Sig. (2-tailed)	.000		.000	.000
JC	Pearson Correlation	.664**	.696**	1	.669**
	Sig. (2-tailed)	.000	.000		.000
OP	Pearson Correlation	.663**	.571**	.669**	1
	Sig. (2-tailed)	.000	.000	.000	

** The correlation is significant at the 0.01 level of p value (2-tailed).

Source: Own research

It should be noted that there is no problem of multicollinearity problem in the use of these independent variables in the regression analysis to prove the hypotheses, as all values of the variance inflation factor are below ten.. All three dimensions of employee attitudes are strongly correlated with organizational performance. The correlation values between employee commitment dimensions and organizational performance ranged from 0.571 to 0.669; this is why all alternative hypotheses are

accepted while null hypotheses are rejected. Accordingly, $H = \mu$ ($r > 1$) are accepted and $H \neq \mu$ ($r = 0$) are rejected. All three dimensions of employee job attitudes are strongly associated with organizational performance. The employee job attitudes model, developed by the author, fits the data very well and the multiple regression model with all three predictors produces a value of $R^2 = 0.73$ – (adjusted $R^2 = 0.53$) and significant level is below 0.05 for all variables. All explanatory variables were significant, suggesting that employee attitudes impact organizational performance.

Conclusions

The most important asset of any organization is human beings. Their work performance strategically correlates with the management of the organization to achieve a competitive advantage in the market. In turn, employee mental and physical well-being directly influences organizational performance. The general conclusion of this study is that employee job satisfaction increases organizational performance. Employee satisfaction is a key area to consider in an organization, as the organization's future depends on its employees. Satisfied employees put the greatest effort into the organization and are a key factor that, thanks to their core competencies, contributes to gaining a strategic advantage in the market. To increase employee satisfaction, an organization may implement benefit packages, such as a salary increase, as an immediate measure to contain employee layoffs. In addition, organizations can introduce some incentive schemes, medical and insurance facilities to satisfy employees. Reducing employee rotation will also increase organizational performance. Improving working conditions is also very effective in improving employee job satisfaction. Organizing a retail store to provide a better working environment to improve the quality of working life benefits both employees and the organization. In addition, indispensable tools, such as adequate workspace and appropriate equipment to perform their duties, effectively motivate them to work. Providing better guidance and support also increases employee satisfaction.

Job involvement shows how much an employee is dedicated to work. Motivational factors tie employees to work. Employee involvement in work can be increased through flexible work schedules and teamwork to achieve goals and tasks, which are also very important factors. Building trust among employees and building sincere relationships are also very effective methods.

Employee commitment can be increased through tools and activities such as mentoring, employee involvement in the company's vision and mission, building a people-centered culture, prioritizing feedback, improving mental and physical health by focusing on health and safety rules, and supporting innovation through training and development – these are very effective tools to increase employee commitment.

The findings of the present research would help management take necessary actions to change employee attitudes, as they are the main strategic asset in any organization. As a limitation, this study was done with only selected variables, and should be extended to other areas as well.

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WPLYW POSTAW PRACOWNIKÓW NA WYNIKI ORGANIZACJI: BADANIE NA PRZYKŁADZIE MENEDŻERÓW WIELOZADANIOWYCH SPÓŁDZIELNI MIEJSKICH W PÓŁNOCNO-ŚRODKOWEJ PROWINCJI SRI LANKI

Streszczenie: Działalność biznesowa spółdzielni stanowi jeden z głównych wkładów do gospodarki Sri Lanki. Spółdzielnie wielozadaniowe świadczą szereg usług na rzecz ludzi. Badanie zostało oparte na menedżerach sklepów detalicznych wielozadaniowych spółdzielni w północno-środkowej prowincji Sri Lanki, ponieważ od kilku lat ponoszą one straty. W badaniu oceniono wpływ postaw zawodowych pracowników na wyniki organizacji na próbie badawczej, którą stanowili wybrani menedżerowie. Jako instrumentu do zbierania danych użyto kwestionariusza. Badanie zostało przeprowadzone w celu zmierzenia i identyfikacji zmiennych. Zebrane dane zostały dopasowane do stworzonego modelu. Walidację modelu oceniono za pomocą testu rzetelności Alfa Cronbacha. W analizie wykorzystano statystykę opisową oraz statystykę inferencyjną. Do analizy zależności pomiędzy postawami zawodowymi pracowników a wynikami organizacyjnymi wykorzystano współczynnik korelacji oraz analizę regresji w celu oceny postawionych hipotez. Wszystkie hipotezy postawione w badaniu zostały potwierdzone. Wyniki badania potwierdziły, że menedżerowie mają negatywne postawy wobec swojego zatrudnienia, co ma wpływ na wyniki organizacji. Badanie rekomenduje, aby spółdzielnie posiadały mechanizmy oceny postaw zawodowych pracowników i polepszenia jakości życia zawodowego w celu poprawy wyników organizacyjnych.

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Słowa kluczowe: towarzystwa spółdzielcze, miasta spółdzielcze i miasta minispółdzielcze, postawy pracownicze w pracy, wyniki organizacji

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