The Relationship between Quality of Work Life and Performance of the Managers of SMEs of Kerman Industrial Town: Case Study in Iran

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Abstract
Nowadays, according to the importance of human resources in advancing the goals of the organization, improving the quality of work life has become one of the main goals of the organizations. Main purpose of this study is to determine the relationship between the quality of work life (fair and sufficient payment, secure and sanitary working environment, supplying growth opportunity and continuous security, law observance in organization, social attachment of working life, general atmosphere of work life, social union and integrity in work and development of human capabilities) and performance of managers of Kerman industrial town. Method of this study is descriptive and of correlation type. Statistical society consists of all managers of Kerman industrial town in year 2013 who are 500 people, out of this number, 196 people were selected through hierarchical random sampling in proportion with society volume and questionnaires were distributed amongst them. The research results show a positive and significant relationship between components of quality of work life and managers performance.

Keywords: Quality of work life, Performance, SMEs of Kerman industrial town

1. Introduction
Human resource is considered as the most basic strategic resources of every organization. Nowadays, success of any organization or work environment is directly dependent on efficient using of human resources based on behavioral science for certain. Dealing with this challenge reveals the need of more comprehensive recognition of concepts and structures related to human resources and its specific tools. Having achieved these concepts and tools, the necessity of the related skills to use these structures is undeniable (a Hersey and Blanchard, 1998).

The improvement of quality of work life has captured the imagination of managers and researchers alike. A number of researchers have tried to identify the kinds of factors that determine and their effort has resulted in different perspectives (Kahn, 1981; Kalra & Ghosh, 1984). Given the diversity in perspectives two questions remain: what constitutes a high quality of work life? How its impact can be measured? Researchers observed that a high quality of work life (QWL) is essential for organizations to achieve high performance and growth in profitability. Though in the earlier stages, QWL was focused on objective criteria like attracting talent, job security, earnings and benefits; its focus has gradually shifted to job satisfaction and commitment (Elizur & Shye, 1990). Quality of work life is a comprehensive program that increases employee’s satisfaction; reinforce their learning in the working environment and also help them in the regard of management and changes. Employees dissatisfaction with the quality of work life is a problem in capable of damaging all employees regardless of their position and level. Increasing the employee’s satisfaction at all levels is accounted as a goal of high importance for many organizations. But this is a very complex issue since determining and separating the features related to quality of work life, is really difficult. Walton(1998), as the first person who raised the quality of work life approach, categorized the quality of the work life’s features in eight categories including: “fair pay, Law partisan, growth opportunity and permanent security, developing individual capabilities, social affiliation, environment safety, social integration (Kasai, 2004). On the other hand, human resources productivity and a deep review of it, is one of the priorities for progression and development of every organization. Productivity is defined as taking advantage of the efficient use of human resources including their powers, talents and skills (Soltani, 2006). Generally it can be stated here that human resources is the most important resource of every organization. Therefore organizations will be able to increase their productivity by improving the quality of their employee’s work life.

2. Literature
The quality of work life (QWL) as a human resource intervention has gained significance in the USA and Scandinavia during the 1960s -1970s. The impact of computer technology and increased automation led to a greater de-skilling, dehumanization, and alienation at workplace. Though developed economies and their industrial organizations have become affluent, the benefit of such affluence was not passed on to the working class. Instead, measures like outsourcing were adopted to reduce reliance on domestic labor and reduce costs in the name of gaining competitive cost advantage. As a result, the workers faced heavy workloads, significant stress for meeting targets and deadlines, greater control, less autonomy and less job security than ever before. Also the emergence of
high tech jobs and the employment of 24/7 knowledge workers in IT sectors, has drawn the attention of researchers from various disciplinary backgrounds to explore ways to create better work life conditions. The objectives of such exercise was finding ways of motivating workers towards achieving high performance, enhancing job satisfaction and reducing threat of employee attrition (Hannif & et.al, 2008, 272).

The concept “quality of work life” was first discussed in 1972 during an international labor relations conference. It received more attention after United Auto Workers and General Motors initiated a QWL program for work reforms. Robbins (1989) defined QWL as “a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work” (p. 207). In other words, it refers to the relationship between a worker and his environment, that can be broken down into different dimensions like the social, technical and economic, in which the work is normally viewed and designed. It is a complex, multidimensional, generic concept (Hsu & Kernohan, 2006). Most literature on the QWL originates from the discipline of Industrial Labor Relationships (Hsu & Kernohan, 2006). QWL has been defined by researchers in different ways, which has brought about certain equivalents such as work quality, function of job content, employee’s well-being, the quality of the relationship between employees, working environment, and the balance between job demands and decision autonomy or the balance between control need and control capacity (Korunka, Hoonakker, & Carayon, 2008; Lewis, Brazil, Krueger, Lohfeld, & Tjam, 2001; Schouteten, 2004; Van Laar, Edwards, & Easton, 2007) QWL is thus recognized as a multi-dimensional construct and the categorization is neither universal or eternal. Different researchers have come up with different categories and factors to define and measure quality of life. Walton (1980) divided QWL main components into four categories. According to him, the affecting factors on QWL include: work meaningfulness, work social and organizational equilibrium, work challenge and richness. Klatt, Murdock and Schuster (1985) have identified eleven dimensions of QWL in the year. They are: pay, occupational stress, organizational health programmes, alternative work schedule, participate management and control of work, recognition, superior-subordinate relations, grievance procedure, adequacy of resources, seniority and merit in promotion and development and employment on permanent basis. Winter et al., (2000) viewed QWL for attitudinal response among the employees which includes role stress, job characteristics, and supervisory, structural and social characteristics to directly and in directly shape academics’ experiences, attitudes and behaviors. Mosharraf (2000) analyzed the security of employment, job/role clarity, understanding supervisors, work not stressful, access to relevant information and social and welfare facilities to measure the QWL in banks. According to Nadler & Lawler the types of QWL activities can be listed as (i) Participative problem solving, (ii) Work restructuring, (iii) Innovative rewards systems and (iv) Improving the work environment. Bhanugopan & Fish (2008) suggested indicators like lack of job stress, lack of job burnout, lack of turnover intentions and job satisfaction. They included measures like job satisfaction, earning money, membership in successful teams, job security & job growth. Connell & Hannif (2009) reported three factors: (i) Job content; (ii) Working hours and work-life balance; and (iii) Managerial/ supervisory style and strategies. They believe key concepts tend to include job security, reward systems, pay and opportunity for growth among other factors. Measures of Quality of Work Life according to Adhikari & Gautam (2010) are: adequate pay and benefits, job security, safe and health working condition, meaningful job and autonomy in the job. Measures of Quality of Work Life include - (i) increased worker involvement, participation and power, (ii) Increased emphasis on employee skill development, (iii) Increased autonomy for action and decision making at worker level and (iv) Reduced status distinctions among levels in hierarchy. Mirsepasi, (2006), having examined the different views and observed that QWL is explained by the following factors: (i) Fair and proper payment for good performance (ii) Safe and secure work situation, (iii) The possibility of learning and using new skills, (iv) Establishing social integration in the organization, (v) Keeping individual rights, (vi) Equilibrium in job divisions and unemployment and (vii) Creating work and organizational commitment. According to Casio (1998) quality of work life comprises both the mental and objective aspects of work life. The objective ones emphasize the circumstances and procedures relating to promotion policies, participatory supervision, and safe working conditions, whereas the subjective relate to supervision, communication, leadership etc. He identified 8 factors that determine quality of work life as given under. Communication, employee involvement, desire and motivation to work, job security, career progress, solving problems, salary, and pride of a job. Schermernrnhorn & John (1989) opined that the following factors must exist in the organization - fair and adequate pay, health and safety of working conditions, creating opportunities to learn, growth in the Quality of Work Life – Linkage with Job Satisfaction and Performance professionalism path, professional integrity in the organization, support of individual rights and proud of the job. Hsu and Kernohan (2006) carried out a descriptive study with a convenience sample. They selected 16 focus groups, each containing 3-5 registered nurses with at least 2 years of experience in one medical centre and five regional hospitals. They identified 56 QWL categories and fitted into 6 dimensions namely, socio-economic relevance, demography, organizational aspects, work aspects, human relation aspects and self-actualization. Major issues emphasized by focus groups are managing shift work within the demands of family life; accommodation; support resources; and nurses’ clinical ladder system and salary system.

were important indicators of QWL. They found vagueness in defining QWL indicators and they suggested increased HCO resources, integration of HCO management systems will help to access the relevant information. Zare, Hamid, Haghgooyan, Zolfi and Asl, Zahra Karimi (2012) undertook a study on quality of work life to identify its dimensions Library method was used to gather information on theoretical basics, literature and to identify aspects and scales. Field study method was used to gather information through questionnaires distributed among 30 experts. The data so collected was analyzed using Analytical hierarchy process (AHP); it is found that QWL can be explained by four factors as given under.

1. Work life balance - Fair working hours, Work-life atmosphere, Opportunity for doing religious ceremonies, Ergonomics, No physical and mental damages, Distance between workplace and home
2. Social factors - The importance of work in the society, social integration in organization, Social networks in work, Respecting employees, Self-esteem feeling in the organization, Good colleagues
3. Economic factors - Salary, Health service, Insurance, Retirement, Job security
4. Job content - Team working, independence, meaningful work, rich and challenging work, ownership feeling in work, the need of creativity in work, growth opportunity

From the above expositions, we can arrive at two conclusions.

(i) QWL is a multi-dimensional concept. (ii) Due to its multi-dimensional nature, it is a relative concept which cannot be precisely defined and measured. When it comes to categorization, the following classifications can be found - (i) the mental and objective aspects of work life (Casio, 1998), (ii) lower- and higher order needs (Sirgy and et al, 2001) and (iii) job characteristics, and supervisory, structural and social characteristics (Winter et al., 2000). The factors that were stated by different researchers are grouped and stated in Table 1. The key concepts captured and discussed in the existing literature include job security, better reward systems, higher pay, opportunity for growth, and participative groups, among others (Havlovic, 1991; Straw and Heckscher, 1984; Scobel, 1975). Researchers and practitioners found a significant correlation between measures of QWL and business performance in terms of market performance, stakeholder value, and business sustainability as well as differentiating competitive capabilities in terms of service quality, delivery, employee knowledge, flexibility, and technological leadership. Positive results of QWL reduced absenteeism, lower turnover, and improved job satisfaction. A large body of prior research supports the service profit chain concept. Lau (2000) used an ad hoc approach to study two key elements of the service profit chain model, namely QWL and performance. The study showed that service organizations that emphasized QWL for their employees tended to have better sales growth, asset growth, and return on asset growth (ROAG) over a five-year period when contrasted to other S&P 500. Najafi (2006) examined the relationship between quality of work life and profit of middle managers of Iranian Companies using Casio’s components and found a positive and significant correlation between them. According to him, about 20% of profitability is due to quality of work life and the remaining 80% is the effect of other factors. Fallah (2006) found a significant relationship between quality of work life and performance Kosar Economical Organization Staff using Walton’s components in her study. Nayeri, et.al (2011), carried out a descriptive study to investigate the relationship between the QWL and productivity among 360 clinical nurses working in the hospitals of Tehran University of Medical Sciences. Findings showed that the QWL is at a moderate level among 61.4% of the participants. Only 3.6% of the nurses reported that they were satisfied with their work. None of those who reported the productivity as low reported their work life quality to be desirable. Spearman-rho test showed a significant relationship between productivity and one’s QWL (p < 0.001). Considering the results, the researchers opined that managers should adopt appropriate policies to promote the QWL to enhance productivity.

3. The study Hypothesis
These study hypotheses include one main hypothesis and eight specific hypotheses.

3.1 Main Hypothesis
There is a relation between working life quality and performance of Kerman industrial town managers.

3.2 Specific Hypotheses
1- there is a relation between fair and sufficient payment and performance of Kerman industrial town managers.
2- there is a relation between secure and sanitary working environment and performance of Kerman industrial town managers.
3- there is a relation between providing growth opportunity and continuous security and performance of Kerman industrial town managers.
4- there is relation between observance of law in organization and performance of Kerman industrial town managers.
5- there is relation between working life social attachment and performance of Kerman industrial town managers.
6- there is relation between working life general atmosphere and performance of Kerman industrial town managers.
7- there is relation between social unity and integration and performance of Kerman industrial town managers.
8- there is relation between development of human capabilities and performance of Kerman industrial town managers.

4. THE STUDY METHODOLOGY
This study method is descriptive and of correlation type. In this study, the surveyor examined relation between the study variables through working life quality and achieves performance questionnaires with Likert scale. This study statistical society consists of all managers of Kerman industrial town in year 2013 and their number, according to the province last statistic, is 500 people. Also, in this study sampling was done based on Kersey and Morgan table and sample volume is determined 196 people. This study sampling method is hierarchical random sampling, so that tested percentage chosen randomly from each group equals the same group percentage in considered society. In this study, the data analysis, Pearson correlation method was used.

5. Result and discussion
5.1. Main Hypothesis
There is a relation between working life quality and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 1). Results indicates a positive relationship between quality of work life and organizational performance of Kerman industrial town managers ($r = 0.76$). Correlation is significant at 0/05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 58 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 42 percent can be explained by the other variables.

Table 1 - Pearson correlation test between working life quality and performance

<table>
<thead>
<tr>
<th>working life quality</th>
<th>Performance</th>
<th>The correlation coefficient ($r$)</th>
<th>The coefficient of determination</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>.76</td>
<td>.58</td>
<td>.01</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

5.2 Specific Hypotheses
1- there is a relation between fair and sufficient payment and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 2). Results indicates a positive relationship between fair and sufficient payment and organizational performance of Kerman industrial town managers ($r = 0.58$). Correlation is significant at 0/05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 34 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 66 percent can be explained by the other variables.

Table 2- Pearson correlation test between fair and sufficient payment and performance

<table>
<thead>
<tr>
<th>fair and sufficient payment</th>
<th>Performance</th>
<th>The correlation coefficient ($r$)</th>
<th>The coefficient of determination</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>.58</td>
<td>.34</td>
<td>.037</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

2- there is a relation between secure and sanitary working environment and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 3). Results indicates a positive relationship between secure and sanitary working environment and organizational performance of Kerman industrial town managers ($r = 0.37$). Correlation is significant at 0/05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 13 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 87 percent can be explained by the other variables.
Table 3- Pearson correlation test between secure and sanitary working environment and performance

<table>
<thead>
<tr>
<th>secure and sanitary working environment</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The correlation coefficient (r)</td>
<td>The coefficient of determination</td>
</tr>
<tr>
<td>.37</td>
<td>.13</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

3- there is a relation between providing growth opportunity and continuous security and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 4). Results indicates a positive relationship between providing growth opportunity and continuous security and organizational performance of Kerman industrial town managers (r = 0.50). Correlation is significant at 0.05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 25 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 75 percent can be explained by the other variables.

Table 4- Pearson correlation test between providing growth opportunity and continuous security and performance

<table>
<thead>
<tr>
<th>providing growth opportunity and continuous security</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The correlation coefficient (r)</td>
<td>The coefficient of determination</td>
</tr>
<tr>
<td>.50</td>
<td>.25</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

4- there is relation between observance of law in organization and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 5). Results indicates a positive relationship between observance of law in organization and organizational performance of Kerman industrial town managers (r = 0.71). Correlation is significant at 0.05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 51 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 49 percent can be explained by the other variables.

Table 5- Pearson correlation test between observance of law in organization and performance

<table>
<thead>
<tr>
<th>observance of law in organization</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The correlation coefficient (r)</td>
<td>The coefficient of determination</td>
</tr>
<tr>
<td>.71</td>
<td>.51</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

5- there is relation between working life social attachment and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 6). Results indicates a positive relationship between working life social attachment and organizational performance of Kerman industrial town managers (r = 0.57). Correlation is significant at 0.05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 33 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 67 percent can be explained by the other variables.

Table 6- Pearson correlation test between working life social attachment and performance

<table>
<thead>
<tr>
<th>working life social attachment</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The correlation coefficient (r)</td>
<td>The coefficient of determination</td>
</tr>
<tr>
<td>.57</td>
<td>.33</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

6- there is relation between working life general atmosphere and performance of Kerman industrial town managers.

Pearson correlation coefficient was used to test this hypothesis (Table 7). Results indicates a positive relationship between working life general atmosphere and organizational performance of Kerman industrial town managers (r = 0.53). Correlation is significant at 0.05 of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 29 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 71 percent can be explained by the other variables.
Table 7- Pearson correlation test between working life general atmosphere and performance

<table>
<thead>
<tr>
<th>working life atmosphere</th>
<th>Performance</th>
<th>The correlation coefficient (r)</th>
<th>The coefficient of determination</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.53</td>
<td>.29</td>
<td>.0325</td>
</tr>
</tbody>
</table>

7- there is relation between social unity and integration and performance of Kerman industrial town managers. Pearson correlation coefficient was used to test this hypothesis (Table 8). Results indicates a positive relationship between social unity and integration and organizational performance of Kerman industrial town managers ($r = 0.76$). Correlation is significant at $0.05$ of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 58 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 42 percent can be explained by the other variables.

Table 8- Pearson correlation test between social unity and integration and performance

<table>
<thead>
<tr>
<th>social unity and integration</th>
<th>Performance</th>
<th>The correlation coefficient (r)</th>
<th>The coefficient of determination</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.76</td>
<td>.58</td>
<td>.016</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

8- there is relation between development of human capabilities and performance of Kerman industrial town managers. Pearson correlation coefficient was used to test this hypothesis (Table 9). Results indicates a positive relationship between development of human capabilities and organizational performance of Kerman industrial town managers ($r = 0.52$). Correlation is significant at $0.05$ of alpha level. In other words, as the quality of manager’s work life increases, the organizational performance will increase too, and vice versa. Coefficient of determination also indicates that 28 percent of manager’s performance can be calculated by the quality of work life’s factors and the other 72 percent can be explained by the other variables.

Table 9- Pearson correlation test between development of human capabilities and performance

<table>
<thead>
<tr>
<th>development of human capabilities</th>
<th>Performance</th>
<th>The correlation coefficient (r)</th>
<th>The coefficient of determination</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.52</td>
<td>.28</td>
<td>.04</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.05 level

5-3. Results of the Friedman test

Results of the Friedman test show a significant difference among the average amount of one component to the other ones. Components of the quality of work life in order of their priorities are: fair and sufficient payment, providing growth opportunity and continuous security, development of human capabilities, secure and sanitary working environment, working life general atmosphere, social unity and integration, working life social attachment, observance of law in organization.

Table 10- Results of the Friedman test

<table>
<thead>
<tr>
<th>Quality of work life variables</th>
<th>Average Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>fair and sufficient payment</td>
<td>4.45</td>
</tr>
<tr>
<td>providing growth opportunity and continuous security</td>
<td>4.32</td>
</tr>
<tr>
<td>development of human capabilities</td>
<td>3.94</td>
</tr>
<tr>
<td>secure and sanitary working environment</td>
<td>3.76</td>
</tr>
<tr>
<td>working life general atmosphere</td>
<td>3.27</td>
</tr>
<tr>
<td>social unity and integration</td>
<td>3.12</td>
</tr>
<tr>
<td>working life social attachment</td>
<td>2.88</td>
</tr>
<tr>
<td>observance of law in organization</td>
<td>2.69</td>
</tr>
</tbody>
</table>

6. CONCLUSION

The research results show a positive and significant relationship between components of quality of work life and staff’s performance. Since these components have a significant impact on performance, they are accounted as valuable factors to enhance performance. Therefore it is recommended for the managers to use appropriate strategies to achieve the most possible productivity. Results of the Friedman test show a significant difference among the average amount of one component to the other ones. Components of the quality of work life in order of their priorities are: fair and sufficient payment, providing growth opportunity and continuous security,
development of human capabilities, secure and sanitary working environment, working life general atmosphere, social unity and integration, working life social attachment, observance of law in organization. So, it is highly recommended for the managers, especially in the field of human resource management, to keep an eye out for this important issue so that they can achieve their goals.

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