Investigating the antecedents and outcomes of work-life balance: evidence from garment industries in Indonesia

Sari Wahyuni and Dian Rahmasari

Department of Management, Faculty of Economics and Business, Universitas Indonesia, Indonesia
Postgraduate Program in Management, Faculty of Economics and Business, Universitas Indonesia, Indonesia

Abstract

The garment industry is one of the main contributors to Indonesia's GDP. However, work-life balance has become a crucial issue for workers in this industry. This study aims to investigate the antecedents and outcomes of work-life balance among workers in the garment industry. More specifically, we examine the effect of asset ownership and working conditions (health conditions, compensation, and working hours) affect work-life balance. Furthermore, we also examine the effect of work-life balance on job satisfaction, life satisfaction, and turnover intention. We collected data using a survey of 369 garment workers in Central Java, West Java, DI Yogyakarta, DKI Jakarta, and Banten. The analysis shows that work-life balance could increase workers' life satisfaction and job satisfaction. Interestingly, health condition is found out to be the important variable that could improve work-life balance significantly.

Keywords

Work-life balance; health condition; compensation; working hours; job satisfaction; life satisfaction; turnover intention

INTRODUCTION

Indonesia has relied on the textile industry and textile products (TPT) for three decades for export growth. The labor-intensive nature of the textile industry enables the industrial sector to contribute more to national economic growth. To enter the middle to upper-income groups, Indonesia needs to increase industrial capacity, innovation capacity significantly, and quality skills of goods and labor to produce high-quality products (BI Economic report, 2017).

TPT is one of the main businesses in Indonesia because it acts as (1) a high contributor to GDP (Brutto Domestic Revenue) and (2) one of the largest absorbers of labor in Indonesia's industrial and manufacturing sectors. The TPT industry employed 1.47 million workers in 2011, equivalent to more than 10% of the total Indonesian manufacturing workforce (Wahyuni et al., 2013). It is not surprising that the Indonesian government is now trying to revitalize Indonesia's industry as the first step on the "Making Indonesia 4.0" road map. In the first initial stage, they make five national industries the focus of the implementation of industry 4.0: food and beverages, textiles, automotive, electronics, and chemicals (Kemenperin, 2018).

However, to increase TPT performance, we argue that it is crucial to pay more attention to labor issues besides the industry and technology issues. One of the most important issues is work-life balance (WLB). The existing literature has suggested that work-life balance is an important determinant of turnover intention (Aguenza et al., 2012) and organizational performance (Nayak and Pandey (2015).

More specifically, this study attempts to answer two important questions: 1) Do asset ownership and working conditions (health conditions, compensation, and working hours) affect work-life balance?; (2) does work-life balance affect job satisfaction, life satisfaction, and turnover intention?. Our research model is depicted in Figure 1.

The first question is based on the fact that problems with working conditions could potentially affect workers' satisfaction and happiness which eventually can reduce the country's competitiveness. A study conducted by Wahyuni and Fachri (2011) on labor factors in Jabodetabek (Jakarta, Bogor, Depok, Bekasi), shows that working conditions are still a problem that needs to
be corrected immediately (Wahyuni et al., 2015). The issue of labor is a crucial subject that needs to be taken seriously because an increase in labor wages causes a decrease in competitiveness if not followed by high productivity (BRIK, 2015). Furthermore, we argue that worker assets may become a potential determinant for work-life balance. As Steel et al. (2018) state, WLB can be influenced by individual wealth. This is because assets are workers’ guarantees to ensure themselves and their families have a decent life.

Meanwhile, the second research question is based on existing literature. For example, Aguenza et al. (2012) created a model to understand employee retention and engagement with influencing factors, such as organization, workers, and program retention, while factors that were part of retention and engagement were compensation, namely financial rewards, recognition, and WLB. Organizations need to formulate a retention strategy that is holistically appropriate to reduce turnover rates, and this requires commitment from the company because this is a good investment in the long run (Aguenza et al., 2012). Meanwhile, in their research, Alhazemi et al. (2016) used a model from Nayak and Pandey (2015), a combination of several studies on which work-life imbalance affects organizational outcome, employee performance, and family outcome.

**LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

**Relationship between health conditions and WLB**

WLB is influenced by the experience of workers at work with increased job satisfaction and organizational commitment as well as low employee stress (Lee et al., 2018). Stress can be triggered by working at unusual times (outside normal working hours), which can cause desynchronization with workers’ social and biological rhythms (Greubel et al., 2016). Leisure time should be used for breaks, recovery, or social participation. As a result, working beyond working hours is associated with health problems (Greubel et al., 2016). If the worker is sick, the WLB will decrease. Health deterioration, especially for workers with low education who do repetitive and monotonous routine work, also negatively affects WLB (Upadyaya et al., 2016). This is one of them due to disease emergence due to ways of working that are not ergonomic.

The definition of ergonomics, as quoted by Dul et al. (2012), is a discipline that understands the interactions between humans and other elements of a working system and professions that apply principles, data, and methods in designing work tools or systems so that performance...
becomes optimal with the target of workers' welfare. Workers' health conditions are also affected by workplace environmental conditions and illnesses caused by work. When a worker is sick, he cannot carry out his work duties and requires rest at home. This is when the WLB worker becomes disrupted. Environmental conditions that can cause health problems from the ergonomic side are temperature, lighting, noise, air circulation, humidity, mechanical vibrations, odors, and colors (Rasyid et al., 2016). Health problems arise from various headaches, back pain, and muscle pain.

Based on the description above, we propose the following hypothesis:

**H1: Health condition has a positive effect on work-life balance.**

**Relationship between compensation and work-life balance**

Higginbotham (1990) states that high compensation is not important, but good and fair compensation shows a strong correlation with the desire of workers to remain working / bound to the company if the value of compensation received is competitive compared to other similar companies. Compensation can also be given in other ways, for example awards and acknowledgments. As explained by Dolan et al. (2000) that in general, the higher the compensation, the higher the level of satisfaction reported at work and outside of work or in other words, WLB and compensation and benefits are important factors that contribute to individual WLB (Pradhan et al., 2016). As a labor-intensive industry, most garment industry workers are middle-to-lower class people who depend their lives and their families on compensation given by the company.

Another opinion says that compensation has a negative effect on work-life balance as described by Rain et al., (1991) and Dolan et al. (2000). This condition can occur if workers prioritize recognition over compensation in financial form. Financial compensation is not the main factor for the retention of workers because workers who have achieved WLB financially are not affected by the nominal compensation provided. However, increasing compensation effectively reduces turnover intention (Aguenza et al., 2018). If the worker decides to stay in the company, it can be interpreted that the worker reaches WLB.

Based on the description above, we propose the following hypothesis.

**H2: Compensation has a positive effect on work-life balance.**

**Relationship between working hours and work-life balance**

Working at unusual times (beyond normal working hours) can cause desynchronization of workers' social and biological rhythms. The time should be used for breaks aimed at healing or doing social participation. Therefore, working beyond working hours is associated with health problems (Greubel et al., 2016). If the worker is sick, the WLB will decrease. Likewise, Haar et al. (2018) stated that working demand, working hours, and family demand were negatively related to WLB (Haar et al., 2018).

The higher a person's work hours, the greater the compensation received. However, the time available for his family will decrease; if it is done continuously, the worker's health will decrease. This is what causes WLB workers to be low.

Based on the description above, we predict that working hours have a negative effect on work-life balance. Thus, we suggest the following hypothesis.

**H3: Working hours have a negative effect on work-life balance.**

**Relationship between assets and work-life balance (WLB)**

Assets are an indicator of prosperity. Examples of asset ownership are housing and sanitation conditions, vehicle ownership, entertainment equipment (radio, tv) and communication equipment (telephone, internet), having savings or loans (Alkire et al., 2014). Alkire et al. (2014) argue that assets can affect WLB because if assets are insufficient, workers will look for a job or do business outside their workplace, reducing time with their families.

With a low amount of assets (or experiencing a negative economic shock), workers will tend to be less productive and produce lower economic value for their company. This is consistent if workers have debts (Bernstein et al., 2018). Debt, especially the payment/ billing system, will
burden the lives of workers and their families and make it possible to reduce concentration at work. In fact, the billing process can occur at work or workers owe to fellow workers, causing loosening relations between workers and affecting the performance of the relevant departments. Thus, we propose the following hypothesis.

**H4:** Asset ownership has a positive effect on work-life balance

**Relationship between work-life balance and job satisfaction**

WLB is influenced by the workers' experience of increasing job satisfaction and organizational commitment and reducing worker stress (Lee et al., 2018). Based on the results, Hasan et al. (2017) suggested that the relationship between WLB and life satisfaction is significant. However, gender and race do not moderate the relationship between WLB and job satisfaction (Hasan et al., 2017). On the one hand, WLB is positively related to job satisfaction and life satisfaction and negatively related to anxiety and depression in seven cultures (Haar et al., 2018). WLB workers are positively related to organizational pride and job satisfaction. (Mas-Machuca et al., 2016).

Workers with high WLB will tend to perform better because they believe their family is taken care of and has sufficient money or facility.

Based on the description above, we propose the following hypothesis.

**H5:** Work-life balance has a positive effect on life satisfaction

**Relationship between work-life balance and life satisfaction**

Overall work-life balance significantly influences workers' life satisfaction (Davis et al., 2014). Other researchers also prove a positive relationship between job satisfaction and life satisfaction (Jensen et al., 2017).

When workers have a balanced life between their obligations to do their job to achieve their target with their life for family and community, workers will get life satisfaction. From the company side, with the achievement of workers' life satisfaction, it will be easier for companies to implement new initiatives that support company performance. From the family and community side, workers who have high life satisfaction will foster character and family. Therefore, we propose the following hypothesis.

**H6:** Work-life balance has a positive effect on life satisfaction

**Relationship between work-life balance and turnover intention**

A work environment that supports and encourages work-life balance (WLB is achieved) can increase worker retention (Pink-harper et al., 2017), and as stated earlier that WLB is influenced by experience in work life by increasing work satisfaction and organizational commitment and reducing organizational commitment worker stress (Lee et al., 2018).

Conditions that can increase workers' stress at work are working conditions, no high workloads, conflicts with colleagues, lack of communication, and fear of losing work. Psychologically, in a depressed state, the worker will find a way to reduce this pressure. One of them is by intending to leave the company currently being undertaken, and further pressure can support workers' decision to leave. If workers are talented with special abilities, it will be discouraging for the company because they need to pay for new recruitment and training of new workers.

Retaining newly graduated workers can be increased by creating a supportive work environment to reduce vulnerability to fatigue in the workplace (Boamah et al., 2016). Fatigue can reduce the body's immunity against disease. Types of diseases caused are diseases that can be caused by work or infectious diseases caused by decreased immunity. Thus, the hypotheses below is proposed.

**H7:** Work-life balance has a negative effect on turnover intention

**METHODS**

This research was conducted based on quantitative methods by using a questionnaire. The scale on the questionnaire is measured using a Likert scale, multiple-choice, and open questions. Garment labour were taken as a unit of analysis. Of 295 Indonesian garment industries, only five industries operate
outside of Java. Therefore, data retrieval is done in the garment industry on the island of Java, which is Yogyakarta, Solo, Semarang, Bandung, Subang, Purwakarta, Bogor, Cianjur, Sukabumi, DKI Jakarta, Tangerang, Serang, Bekasi, and Karawang.

The number of samples was 3691 respondents. This research was carried out in collaboration between the University of Indonesia, TUFTS University Massachusetts USA, and Vietnam's RTA (Real-Time Analytics) and funded by Canada's International Development Research Center (IDRC). The indicators used in this study refer to indicators agreed by those three institutions. SEM tools used in this study are SEM-Lisrel with Lisrel 8.51 software.

Based on the demographic profile of respondents, 80% of garment workers are women. 43.19% of respondents were aged 21-30. As for marital status, the respondents were 67.5% married. Regarding educational background, respondents' education ranges from junior high school to senior high school 91.14%. Regarding work experience, 58.39% of respondents have work experience of less than 5 years and employment status is 61.1% permanent workers and 37.5% contract workers.

RESULTS AND DISCUSSION

The summary of hypotheses testing is presented in Table 1. The first hypothesis is that health condition positively affects work-life balance. This indicates that the relationship between these two variables is significant and positive, and in line with the hypothesis. As health conditions increase, work-life balance will increase. The health of garment workers is closely related to ergonomics because of the repetitive nature of their work. Work in the garment industry generally is about material handling, sitting position, sitting and standing for a long time while also repeating work, interaction with sharp objects such as needles, scissors, and cutting knives, and related to the physical work environment, such as heat, vibration, noise, dust, and fabric odors (smells) and the position/posture of the body when doing work (Rasyid et al., 2016). By ensuring workers avoid ergonomic diseases, workers' work-life balance will increase. This is in line with research by Upadyaya et al. (2016).

The second hypothesis is that compensation has a positive effect on work-life balance. The results of data analysis in this study are not in line with the hypothesis, where the relationship between these two variables is not significant and positive. From this data, it was found that compensation for garment workers has increased, but it did not affect work-life balance. With the amount of overtime they have received, workers' needs will be fulfilled, but the balance of work-life and family will be declined. Time for family and activities in the community decreases, and workers need time to recover their body condition after overtime. However, this relates to the status of labor-intensive workers, where 37.5% are contract workers. With the nature of labor-intensive and seasonal work, the garment industry applies an outsourcing system to its workers. Outsourcing is a way to make working relations between workers and employers flexible. This means that employment relationships are easier to change or remove, without serious consequences for employers, in accordance with changing business conditions. However, because of the need to make ends meet, workers do it willingly so that the work and life balance is not disturbed. In addition, the respondent's educational background, a total of 91.4%, are high school or equivalent graduates, leaving them with few job choices. They do not think too much about the high hours of overtime. If they feel healthy and their needs are met, they will do it, and working hours will not affect the work-life balance. 67.1% of respondents answered that they did not receive a Production bonus and 75.9% answered zero on the last Production bonus received. In addition to triggering employees to give their best efforts to achieve company goals, bonuses are a form of company appreciation for employees who can meet targets. In the absence of bonuses, then there is nothing more felt by respondents towards the company. Respondent is just looking at work as an obligation.

The third research hypothesis is that working hours has a negative effect on work-life balance. The results of data analysis in this study are not in line with the hypothesis, where the relationship between these two variables is not significant. The increase in working hours does not affect respondents'
work-life balance. Connected with the compensation variable, the respondent is fine with overtime. Even though they asked to work daily or on weekends, this condition did not affect the respondents because of the demands of their daily needs, and they were still paid to do overtime. In addition, the respondent's educational background, a total of 91.4%, are high school or equivalent graduates, leaving them with few job choices. Finally, they do not think too much about the high overtime hours. If they feel healthy and their needs are met, they will do it, and working hours will not affect the work-life balance. Moreover, the company where the respondent worked implemented a system of 6 working days. So that, respondents consider weekends only Sundays.

The fourth research hypothesis is that assets ownership positively affect work-life balance. The results of data analysis in this study are not in line with the hypothesis, where the relationship between these two variables is not significant.

The indicator "number of assets owned" (AST1) shows that asset ownership is important for respondents. Of all respondents, it turns out there are 33.5% of respondents who still live in houses with a dirt floors, each over 85% of respondents have access to clean water at home, private toilets, permanent roofs, motorbikes, and TVs. Over 60% of respondents own a cellphone and smartphone, which currently seems to be a primary need of the community. In contrast, access to radio and internet is above 25% of respondents. From the data above, it appears that the ownership of "luxury" objects is more important than the condition of the floor at home. This situation indicates the respondent's consumptive culture.

Suppose the respondent has so many assets, but some of them have a salary below the minimum wage, while he needs to support himself and his family. In that case, the interesting question is from where the respondent got sufficient money to fulfill everything. The provisional allegation is the existence of debt taken by the respondent.

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### Table 1. Hypotheses testing summary

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>(SFL) ( \geq 0.3 )</th>
<th>T value ( \geq 1.96 )</th>
<th>Significance</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Health condition has positive effect on work-life balance</td>
<td>0.28</td>
<td>3.40</td>
<td>Significant Positive</td>
<td>H1 is supported</td>
</tr>
<tr>
<td>H2: Compensation has positive effect on work-life balance</td>
<td>0.44</td>
<td>0.46</td>
<td>Not Significant</td>
<td>H2 is not supported</td>
</tr>
<tr>
<td>H3: Working hours has negative effect on work-life balance</td>
<td>0.28</td>
<td>0.35</td>
<td>Not Significant</td>
<td>H3 is not supported</td>
</tr>
<tr>
<td>H4: Asset has positive effect on work-life balance</td>
<td>-0.47</td>
<td>-0.87</td>
<td>Not Significant</td>
<td>H5 is not supported</td>
</tr>
<tr>
<td>H5: Work-life balance has positive effect on job satisfaction</td>
<td>0.41</td>
<td>8.71</td>
<td>Significant Positive</td>
<td>H5 is supported</td>
</tr>
<tr>
<td>H6: Work-life balance has positive effect on life satisfaction</td>
<td>0.29</td>
<td>6.89</td>
<td>Significant Positive</td>
<td>H6 is supported</td>
</tr>
<tr>
<td>H7: Work-life balance has negative effect on turn over intention</td>
<td>-0.16</td>
<td>-5.75</td>
<td>Significant Negative</td>
<td>H7 is supported</td>
</tr>
</tbody>
</table>
In the asset variable, there are two questions related to debt: “the amount of money to pay off last month’s debt,” where 52.3% of respondents answered zero, and “the amount of money borrowed last month,” where 61.7% of respondents answered zero. Some respondents did not want to answer these two questions, as much as 12.2% for the first and 14.7% for the second questions. The unique things are that 7.6% did not know the first question, and 6% did not know the second question. Based on logic, it is very unlikely that someone does not know whether he owes some money or not. Respondents probably felt the moral burden of expressing the value of the debt or the goods that could come from installments, and they thought the installments were not included in the debt. Respondents consider assets not connected to their work-life balance for those two reasons. It is considered a must-have.

When the debt is low, the WLB of the worker will increase, and vice versa if with a high amount of debt, the WLB of the worker will decrease. Bagwell’s research (2001) shows that having debt or other financial pressures will affect workers’ performance in the workplace. They spend hours working on personal finances, which reduces their time at work. This can also affect workers’ health (Kim et al., 2006). Workers who have debts (especially excessive debt) will try to settle their debts by taking new debt, being able to do overtime continuously, or doing other business outside of work. As a result, the concentration of workers becomes divided, and fatigue occurs. Life balance at work and outside the workplace will be disrupted. However, in this study, debt has no effect. This is because of the high zero answers for the asset’s variable.

The fifth research hypothesis is that work-life balance positively affects job satisfaction. The data analysis results in this study align with the hypothesis that the relationship between these two variables is significant and positive (Hasan et al., 2017). With increasing work-life balance, job satisfaction will increase. Job satisfaction is characterized by workers not feeling tired when facing a day at work and not feeling frustrated with their work.

The sixth research hypothesis is that work-life balance positively affects life satisfaction. The data analysis results in this study align with the hypothesis that the relationship between these two variables is significant and positive. With increasing work-life balance, life satisfaction will increase (Davis et al., 2014).

The seventh research hypothesis formulated is work-life balance, which negatively affects turnover intention. The data analysis results in this study align with the hypothesis that the relationship between these two variables is significant and negative. With increasing work-life balance, the turnover intention will decrease (Pink-harper et al., 2017).

CONCLUSIONS

This study highlights the fact that improvement of the lives of garment workers in Indonesia is urgently needed to be done. This industry is still characterized by companies that do not pay overtime, companies that do not pay workers’ wages per the city minimum wage, high hours of work exceeding 40 hours per week, and the discovery of clinical signs that workers experience non-ergonomic working conditions. Although workers may consider this situation normal or a low number of events, regulators and managers need to protect workers.

This study has analyzed the effect of working conditions (health conditions, compensation, and working hours), assets on work-life balance, and the effect of work-life balance on job satisfaction, life satisfaction, and turnover intention. There are six conclusions. Health condition has a positive effect on work-life balance, indicating that the program run by a garment company can be accepted by workers and supports the balance between workers’ lives at work and outside the workplace. Second, compensation does not affect the work-life balance of workers. The nature of the workers who are contract workers makes them tend to accept compensation given because there is no other choice. They tend to complete work contracts by meeting targets, including overtime work. Third, working hours do not affect work-life balance. Since most workers are high school (or equivalent graduates) and most are contract workers, they will receive assignments, including overtime requested by the company. Because they perceive this as an obligation, it does not affect their work-life balance. Fourth, it is quite surprising that asset ownership does not affect work-life balance. In this study, the assets refer to
ownership of goods and debts that need to be paid, which can affect workers’ performance and even make workers need to do other business outside of work in the garment industry. Fifth, it is proven that work-life balance positively affects job satisfaction and life satisfaction. This is in line with previous research theories that have been presented in the literature review section. Sixth, work-life balance indeed has a negative effect on turnover intention. On one side, these results can show the industry's success in creating workers’ work-life balance. However, in terms of workers’ demographics and types of employment, garment workers are not the type of workers who want to change jobs. Due to the labor-intensive nature of the industry, contract workers who are bound by a contract will stop working only when the contract is completed. Very few contract workers decide to leave in the middle of the contract period.

Our research also provides several practical implications. In order to improve working conditions, life satisfaction, and work-life balance of garment workers, we propose the following managerial suggestion. First, on health conditions we need to increase workers' knowledge about good nutrition and its effect on workers' health by campaigning the importance of healthy food; increase knowledge of workers and direct superiors regarding ergonomic working conditions and their effects when working conditions are not ergonomic; Gradually change the working conditions that are not ergonomic to ergonomic condition. For example, provide an adjustable chair to reduce bending forward activity, provide sufficient lighting in the workplace, and provide ergonomic training to understand shop floor and management better. Second, on compensation, we need to ensure that workers’ salaries are within the minimum wage limits set by the government; Provide sufficient knowledge regarding overtime wage calculations; Consider giving a Production bonus; Cultivating non-financial compensation such as reward and recognition programs because, in addition to increasing employee morale, this activity does not burden the financial side of the company. Third, on the working hour, the employer provides sufficient workers to minimize overtime, noting the number of hours allowed with the total working hours not exceeding 40 hours per week or six days per week. Fourth, on assets, there is a need for simple finance management education so that workers can manage their income by sharing and investing for the future. Fifth, on job satisfaction, we need to establish morning meetings conducted at the beginning of each work shift, with the agenda of motivating workers and helping to gather the focus of workers so that workers do not feel tired in facing the workday.

This study comprehensively analyzes health conditions, compensation, working hours, and assets on work-life balance. Likewise, the relationship between work-life balance with job satisfaction, life satisfaction, and turnover intention. This study revealed that contract workers with limited conditions receive high working hours and limited compensation while still having good satisfaction even though their work-life balance is rather disturbed. This is also because they need income for their lives and family. Therefore, future research needs to conduct the same study by comparing a worker's status as a permanent employee or contract employee.

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