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Research Article

FACTORS AFFECTING WORK SATISFACTION IN GARMENT FACTORIES

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Ari Pradhanawati

Department of Business Administration, Faculty of Social and Political Sciences,
Universitas Diponegoro, Jl. Prof. H. Soedarto SH Tembalang, Semarang, 1269,
Indonesia

Abstract

Wage raise is adjusted in accordance with better quality of life. However, a lot of workers consider their current wages inadequate; in addition, the actual payment of their wages is often delayed. In consequence, work satisfaction declines. This research tests whether wages, social support, trade union activity, and worker participation influence work satisfaction. This is an explanatory research whose population is the permanent workers in the production division of a garment factory in Semarang, Indonesia. Using multiple linear regression and a Likert Scale, we examine the factors that explain work satisfaction among a sample of 100 workers in a garment factory. Our results demonstrate that wages, social support, trade union activity, and worker participation significantly influence the level of satisfactions workers have on the job.

Keywords: *wages, social support, role of trade unions, worker participation, job satisfaction*

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Corresponding Author: pradhanawatiari@rocketmail.com (Ari Pradhanawati)

INTRODUCTION

Relationship between workers and employer the company evergreen issue. Despite their role and contribution to company as a driving force of too profit, workers often find themselves as an alienated class. This is especially true among employers who often undervalue their contributions to the company.

Industrial relationships help companies develop business strategies (Hadjikhani & Thilenius, 2009). The higher the trust, the higher the commitment of industrial relationship among business practitioners (Morgan & Hunt, 1994). Therefore, a friendly and harmonious industrial relationship will improve productivity and profitability (Premalatha, 2012). One area that often creates discord between workers and employers involves wages. Every year, workers demand higher wages when they feel that their current wages are not enough to fulfill their daily needs. The employers' primary purpose, in contrast, is to increase the company's profits. Stavrevska (2011) has demonstrated that lower wages can have a negative impact on a business. Moreover, higher wages tend to have a stronger effect on the business than lower wages, and thus the problem is unequal wage structures (Pfeifer, 2010). Given that higher wages does not have a statistically significant impact on unemployment, there is no sufficient evidence to justify opposing wage development on broader macroeconomic grounds (Angeles-Castro, Juárez-Cruz, & Flores-Ortega, 2014). Disputes is manifest turn of conflict between workers and employers known as "industrial relationship conflict" in which workers always find themselves in a weaker bargaining position. One consequence of such industrial relationship conflict is that higher wage inequality can lead to an increased poverty level (Barua & Pant, 2014).

Many workers face the difficult reality of an imbalance between their earned wages and the cost of meeting their daily needs. Such workers often need social, emotional, and informational support from other workers as well as worker unions. Burke, Moodie, Dolan, & Fiksenbaum (2012), for example, found that work demands have a negative and statistically significant influence on both wealth and some of the works of the organization. In addition, a lack of social support, especially from supervisors and colleagues, is associated with lower personal well-being as well as the quality of work among non-profit organizations.

One of the efforts being made to strengthen the bargaining position of workers is through the establishment of trade unions, which can protect the rights of workers and communicate the preferences of workers to the company. This is in line with the research findings of Lee & Cassell (2011); Gall & Fiorito (2012) stating that unionization can help workers overcome their weaker bargaining position by strengthening protections on worker rights. Trade unions also help workers demonstrate their strong contributions to the company and justify higher compensation for those contributions.

The research of Jovanovic & Petreski (2014), for example, explains the importance of trade unions in mediating disputes and influencing the worker-employer dynamic. This dynamic is important considering that workers are expected to participate in the company by interacting with fellow workers, often in groups. Unions often help reorganize the work environment by creating a cooperative working relationship between employees and employers that results in mutual benefits for both (Böckerman, Bryson, & Ilmakunnas, 2012). There is strong empirical evidence demonstrating this effect, with Barnidele & Ella (2013) finding a strong and statistically significant correlation between job satisfaction and union involvement in decision-making within the company.

Other research has demonstrated that the type of work environment within a company has an effect on both job satisfaction and productivity (see, for example, De Been & Beijer (2014), and job satisfaction among workers is an important goal for both the workers and the company. Yet salaries and wages are not always a major factor for achieving job satisfaction. Kalkavan & Katrinli (2014), for example, found that job satisfaction has a positive effect on career and organizational commitment. But notably, job satisfaction did not have a significant influence on performance in the workplace. This is, of course, contradictory to other ones stating that high job satisfaction can improve employee performance and commitment to the organization. It was also found that career and organizational commitment positively affects workplace performance. Employees who do not possess a commitment to the organization might not see themselves as part of that organization and, therefore, will be more likely to be absent, tardy, and/or leave the company for another job.

Problem raised in this study is that of late payment although the average monthly wage is as much as Rp1.425.500,00, which is above the municipal minimum wage standard of Semarang at Rp1.423.000,00. Late payment can cause work dissatisfaction; moreover, overtime is also not taken into account albeit workers are often asked to do it. In such a state, workers need social and emotional supports in order to attain work satisfaction. Despite this, trade union more often than not misses fails to address the problem. At this point, it is concluded that work dissatisfaction is constituted by wages, social support, inactivity of trade union, and worker participation.

Novelty in this study is the issue of wages which have exceeded the municipal minimum wage standard of Semarang. Minimum income in Semarang is as much as Rp2.200.000,00 which has been adjusted to inflation. However, workers still demand for raise annually. This is in reverse of the study conducted by Pfeifer (2010), which shows that positive wages contribute to increased work satisfaction. In this paper, we explore the different factors that influence job satisfaction in the workplace. Specifically, we examine the effect that wages, social support, trade union influence, and employee participation has on job satisfaction.

RESEARCH METHODOLOGY

This study was conducted in the *PT. Sai Apparel Industries* garment factory in Semarang, Indonesia. This study is an *explanatory research design*. The population for the study was the 2,753 permanent workers/laborers in the production division of the garment factory. A convenience sampling method was used to draw a sample of 100 workers for the study. The analysis below uses average scores, simple and multiple linear regression using a Likert Scale. The independent variables were wages (X_1), social support (X_2), the role of trade unions (X_3), and the participation of workers (X_4) while the dependent variable is job satisfaction (Y). Table 1 provides a summary of the variable descriptions and how each variable was operationalized.

Table 1. Research Variable and Indicator

| Symbol | Name of Variable | Type of Variable | Indicator |
|--------|------------------------|------------------|--|
| X_1 | Wages | Independent | Basic wages; incentive pay / benefits; wages conformity with daily needs |
| X_2 | Social support | Independent | Emotional support; information support; group support |
| X_3 | Role of trade unions | Independent | negotiations; dispute resolution; creating a harmonious relationship between workers, |
| X_4 | Workers' participation | Independent | Ideas contribution, fund contribution and labor contribution |
| Y | Job satisfaction | Dependent | Wages satisfaction; promotion satisfaction; satisfaction with colleagues; satisfaction |

RESULTS AND DISCUSSION

Table 2 describes the characteristics of the respondents, including gender, age, marital status, education, residency, years of service, and earnings. As Table 2 demonstrates, 78% of the workers are women; 44% are aged 30 to 34 years old; 95% are married; 53% earned a high school diploma; 57% live in the Demak district (which is the district closest to where the garment factory is located); 59% have worked at this factory for 11-15 years; 76% have incomes between Rp1.000.000,00 to Rp1.875.000,00.

Table 2. Characteristics of Respondents

| Characteristics of Respondents | Amount | Proportion (%) |
|--|---------------|-----------------------|
| Male | 22 | 22,00 |
| Female | 78 | 78,00 |
| Amount | 100 | 100,00 |
| < 24 years old | 16 | 16,00 |
| 25-29 years old | 15 | 15,00 |
| 30-34 years old | 44 | 44,00 |
| 35-39 years old | 18 | 18,00 |
| > 40 years old | 7 | 7,00 |
| Amount | 100 | 100,00 |
| Married | 95 | 95,00 |
| Not married | 5 | 5,00 |
| Amount | 100 | 100,00 |
| Having diploma of primary school | 25 | 25,00 |
| Having diploma of junior high school | 10 | 10,00 |
| Having diploma of senior high school | 53 | 53,00 |
| Having diploma of diploma level | 5 | 5,00 |
| Having diploma of bachelor | 7 | 7,00 |
| Amount | 100 | 100,00 |
| Domiciled in Demak | 57 | 57,00 |
| Domiciled in Boyolali | 1 | 1,00 |
| Domiciled in Salatiga | 1 | 1,00 |
| Domiciled in Purwodadi | 13 | 13,00 |
| Domiciled in Semarang | 28 | 28,00 |
| Amount | 100 | 100,00 |
| Years of sevice < 1 year | 3 | 3,00 |
| Years of sevice 1-5 years | 25 | 25,00 |
| Years of sevice 6-10 years | 13 | 13,00 |
| Years of sevice 11-15 years | 59 | 59,00 |
| Amount | 100 | 100,00 |
| Having income of Rp. 1.000.000 - Rp. 1.875.000 | 76 | 76,00 |
| Having income of > Rp. 1.875.000 – Rp. 2.750.000 | 14 | 14,00 |
| Having income of > Rp. 2.750.000 – Rp 3.625.000 | 6 | 6,00 |
| Having income of Rp. 3.625.000 | 4 | 4,00 |
| Amount | 100 | 100,00 |

Source: Processed primary data, 2016

Table 3 presents the analysis using average score indicators. The wage variable is influenced by three indicators: (1) wages (average indicator = 3.80); (2) allowance (average indicator = 3.57) and (3) wages and daily necessities (average indicator = 3.87). The average for all three indicators is 3.73. The total score obtained is 4107 and the total frequency is 1100. The wage variable ranges from 1-5, and thus the average scores therefore fall somewhat on the high end of the scale, indicating that the average wages in the garment factory are respectable. The results are compatible with other research (see, for example, Tang (2012) which finds that cointegrated real wages and worker productivity have a strong relationship.

Table 3. Indicator Average Scores

| Variable & Indicator | Average indicator | Total scores | Total frequency | Average of all indicators (total scores:total frequency) |
|--|--------------------------|---------------------|------------------------|---|
| Wages (X₁) | | | | |
| Wages | 3,80 | 1519 | | |
| Allowance | 3,57 | 1428 | | |
| Wages with daily needs | 3,87 | 1160 | | |
| | | 4170 | 1100 | 3,73 |
| Social support (X₂) | | | | |
| Emotional support | 3,92 | 1175 | | |
| Information support | 3,79 | 1514 | | |
| Group support | 3,94 | 1576 | | |
| | | 4265 | 1100 | 3,88 |
| Role of trade unions (X₃) | | | | |
| Protection | 3,99 | | | |
| Resolving Disputes | 3,94 | | | |
| Building harmony among workers, trade unions and company | 3,75 | | | |
| | | 4672 | 1200 | 3,89 |
| Workers' participation (X₄) | | | | |
| Thought contribution | 3,92 | | | |
| Fund contribution | 3,93 | | | |
| Labor contribution | 3,87 | | | |
| | | 4691 | 1200 | 3,91 |
| Job satisfaction (Y) | | | | |
| Satisfaction with salary | 3,89 | | | |
| Satisfaction with promotion | 3,80 | | | |
| Satisfaction with colleagues | 3,40 | | | |
| Satisfaction with job | 3,44 | | | |
| | | 6537 | 1799 | 3,63 |

Source: Processed Primary Data, 2016

Ferguson, et al. (2012) explained that social support from colleagues can increase job satisfaction. The balance between work and family is part of social support having a mediating role in helping to achieve higher levels of job satisfaction. Table 3 demonstrates that the social support variables are affected by three indicators, namely (1) emotional

(average indicator = 3.92); (2) information support (average indicator = 3.79) and (3) group support (average indicator = 3.94). The total score obtained is 4265 while the total frequency is 1100, with the average scores of the social support variables being 3.88. The social support variable ranges from 1-5, thus workers in the sample scored on the high end of the social support scale. Thus, the data indicate a high level of support among workers in the garment factory.

Bennett (2009) argues that one important role of trade unions is to help overcome inequality and discrimination in the workplace. Moreover, Martinez, Fiorito, & Ferris (2012) found that trade unions are important for protecting workers' interests by encouraging workers to be more productive and efficient in the workplace, promote a more peaceful and harmonious workplace environment, improve the discipline of the workers, and maintaining good relations with the employers and management. Table 3 shows that the trade union variables are affected by three indicators, namely (1) protection (average indicator = 3.99); (2) resolving disputes (average indicator = 3.94) (3) creating a harmonious relationship between workers, unions and companies (average indicator = 3.75). The total score is 4672 while the total frequency is 1200, with an average score on the trade union role variable of 3.89. As with the other variables, the trade union role variable ranges from 1-5, indicating that the average score ranks on the high end of the scale. Thus, the data indicates that there is a strong role for trade unions in the garment factory studied.

The important factors influencing job satisfaction, according to Rast & Tourani (2012) are: supervision, relationships with colleagues, upfront-paid wages, type of work and opportunities for promotion. Table 3 demonstrates that the workers' participation variable is affected by three indicators, namely: (1) ideas contribution (average indicator = 3.92); (2) funds contribution (average indicator = 3.93), and (3) labor contribution (average indicator = 3.87). The total score is 4691 while the total frequency is 1200, with an average score for the workers participation variable of 3.91. This scores high on the 1-5 scale, indicating that worker participation is high in the garment factor.

Research by Du, Leung, Fu, & Ransdell (2012) demonstrated that there are four significant factors that affect job satisfaction: relationships at work, organizational climate, a balance of work, and personal responsibilities. Table 3 describes that the job satisfaction variable is influenced by four indicators, namely: (1) satisfaction with salary (average indicator = 3.89); (2) Satisfaction with promotion (average indicator = 3.80); (3) satisfaction with colleagues (average indicator = 3.40); (4). Satisfaction with the work itself (average indicator = 3.44). The total score is 6537 while the total frequency is 1799, with an average value for the job satisfaction variable of 3.36. That ranks on the high end garment factory have a high level of job satisfaction in the workplace.

Table 4 presents the regression analysis results which indicate that wages, social support, trade union role, and worker participation all influence job satisfaction among garment workers. Moreover, multiple regression analysis indicates that all four of the independent variables have an effect on job satisfaction.

Table 4. Regression Analysis Identifying The influence of Wages, Social Support, Trade Unions Role, and Workers Participation on Job Satisfaction

| Variable | Corelation Coefficient (r) | Determination Coefficient (R ²) | Conclusion |
|--|----------------------------|---|--|
| Wages on job satisfaction $Y = (35,321 + 0,731 X_1)$ | 0,566 | 0,321 | t count: 6,805 > t table: 1,9845 Significant |
| Social support on job satisfaction $Y = (41,218 + 0,566 X_2)$ | 0,388 | 0,151 | t count: 4,168 > t table: 1,9845 Significant |
| Trade unions role on job Satisfaction $Y = s(11,169 + 0,259 X_3)$ | 0,847 | 0,717 | t count: 15,763 > t table: 1,9845 Significant |
| Workers participation (0,313) on job satisfaction $Y = (13,129 + 0,313 X_4)$ | 0,833 | 0,694 | t count: 14,922 > t table 1,9845 Significant |
| Wages, social support, trade unions role and workers participation on job satisfaction $Y = (-3,455 + 0,418 X_1 + 0,254 X_2 + 0,319 X_3 + 0,301 X_4)$ | 0,895 | 0,801 | F count: 95,850 > F table: 2,70 Significant |

Source: Results of Simple and Multiple Linear Regression Analysis, processed, 2016

The Influence of Wages on Job Satisfaction

Remuneration is intended to maintain employee’s presence, working spirit and viability of the company that ultimately benefits the community. Remuneration for workers should be based on the principle of justice, which means that the remuneration is fair for workers, based on what a worker does in the workplace, and is also able to meet the needs of the worker to live a decent life.

Based on the statistical results from Table 4, wages have a strong effect on job satisfaction as indicated by a positive and statistically significant correlation coefficient ($r = 0.566$) and a respectable determination coefficient ($r\text{-square} = 0.321$). This indicates that there is a strong positive linear relationship between wages and job satisfaction. Respondents in the survey further indicated that they felt their current wages were sufficient, with a majority of respondents also indicating that they perceive a link between wages and job satisfaction.

These results are consistent with other research such as J. W. Lee & Wie (2015) who state that the cause of wage inequality in Indonesia cannot be explained by changes in education or experience. The authors argue that the Indonesian government should adopt policies to address the wage inequality.

The Influence of Social Support on Job Satisfaction

Sarason, Levine, Basham, & Sarason (1983) and Siegel in Taylor (1999:57) argue that high levels of social support can benefit people by making them feel valued, appreciated, and cared for. DiMatteo (1991), moreover, clarified that social support involves support from family, neighbors, friends, coworkers, and others. Such support is necessary to maintain the solidarity of union members during negotiations and other attempt to ensure the rights of workers.

Our results indicate that social support has a strong influence on job satisfaction. The correlation coefficients was positive, though somewhat modest ($r = 0.338$) while the determination coefficient was 0.151. Thus, there is a positive and linear, though modest, relationship between social support and job satisfaction.

These results are consistent with research by Harris, Winskowski, & Engdahl (2007), who find that social support is necessary for maintaining worker solidarity during periods of struggle between the union and the company. Overall, social support accounts for approximately 17 percent of the variance in job satisfaction and about 9 percent of the variance in job tenure. Given these results about the relationship between social support and worker satisfaction, companies should prioritize the welfare of workers and be cautious to avoid situations that could create dissatisfaction among workers. One way to do this is by respecting workers' rights in accordance with the collective bargaining agreement and ensuring that workers are able to work efficiently and effectively. Our findings are also consistent with the results of a study by Lin, Huang, Yang, & Chiang (2014), who find that social support helps mediate the effects of long-term work fatigue in the workplace. When workers' rights are respected and maintained, social support helps increase job satisfaction and/or maintain a high level of satisfaction over time. Finally, Roxana (2013) found that the support received from coworkers is a valuable social capital for workers. Social support was found to maintain a high level of job satisfaction even during periods of high emotional demands on workers who were interacting with customers.

The influence of Trade Unions Role on Job Satisfaction

Decenzo & Robbins (1999) find that collective bargaining helps protect and maintain the interests of workers. The internal benefit helps promote and develop cooperation and responsibility among the union members. The external benefit is related to creating cooperation among workers and a sense of responsibility towards the employers.

Our results demonstrate that the role of trade unions is indeed related to job satisfaction, indicated by the positive and rather large correlation coefficient ($r = 0.847$) and the determination coefficient ($r\text{-square} = 0.717$). These results show that there is a linear, positive, and strong relationship between the trade union role and job satisfaction variables. Trade unions are important for protecting the occupational safety and health of workers, though the effect is not always felt by the workers themselves (Sinclair, Martin, & Sears, 2010; Faniel, 2012). The results of this study demonstrate that trade unions do, in fact, strongly influence job satisfaction in the workplace. This means that if workers have a positive perception of trade unions, it will lead to higher job satisfaction, which is consistent with the findings of Khan & Khan (2011) stated that workers who belong to stronger trade unions demonstrated higher expectations to their union's compared to those who belonged to weaker trade unions. In this point, stronger trade unions consider giving adequate services and protections toward their member. For instance, the stronger trade unions they are giving an adequate advocacy toward their worker's problems.

The Influence of Workers Participation on Job Satisfaction

Farnham & Pimlott (1995) define participation as the mental and emotional involvement of people within a group that encourages them to contribute to efforts that achieve the group's goals. Our results demonstrate a strong relationship between worker participation and job satisfaction, indicated by the large, positive correlation coefficient ($r = 0.833$) and determination coefficient ($r\text{-square} = 0.694$). These results demonstrate a strong linear relationship between the two variables, with worker participation explaining approximately 69 percent of the variance of job satisfaction. Thus, when perceptions about worker participation are high, the result is very likely to be higher job satisfaction among the workers.

Our findings are consistent with research by Zopiatis, Constanti, & Theocharous (2014) who find that an emotional connection between employees and their organization fosters a sense of belonging to the organization, which in turn makes them feel an obligation to continue working to achieve organizational goals. Altaf (2013) had a similar finding that the participation of workers in decision-making processes was a very important factor in achieving worker satisfaction in the workplace. Our findings demonstrate that there is an intertwined relationship between management policy that involves employees in the decision-making process and employee satisfaction among garment workers.

process and employee satisfaction among garment workers. We propose that there should be changes in the organizational structure, based on traditional government organizations, with the goal of creating an organizational management style that better includes workers in the decision-making process.

The Influence of Wages, Social Support, Trade Unions Role and Workers Participation on Job Satisfaction

Our findings likewise demonstrate a statistically strong influence of wages, social support, trade union role, and worker participation on job satisfaction. The correlation coefficient was positive, strong, and statistically significant ($r = 0.895$), with a determination coefficient of 0.801. This means that there is a positive linear relationship between wages, social support, trade union role, and worker participation and job satisfaction. Regarding wages, when remuneration given by the company is perceived to be high, the job satisfaction among the workers will likewise be high. Similarly, given our finding that social support increases job satisfaction, we recommend that companies enhance factors that can increase social support among coworkers and thereby create a more harmonious working environment for employees. We view the role of trade unions as a liason between workers and companies and thus recommend strengthening the role of unions within a company. When trade unions are better able to defend workers' rights and guarantee good benefits for workers, we find that the job satisfaction increases among those workers. Finally, the mental and emotional involvement of employees in the workplace (e.g., worker participation) prompts them to contribute more to the company and increases their sense of responsibility to the company. Thus, finding ways to increase worker participation will likewise lead to higher levels of job satisfaction among the workers. And given the mediating role of worker participation to other factors examined in this study, we view it as a very important first step towards achieving higher job satisfaction.

One of the indicators in the wages variables was the amount of allowance provided by the company. Respondents generally did not believe that the amount of allowance by the company was consistent with the cooperation agreement with the company. Moreover, trade unions have a role to deliver current information on industrial development and related knowledge. In fact, delay on delivering such information and knowledge could hinder their members to obtain the relevant information and knowledge that very useful for upgrading their job performance. Trade unions can therefore play a powerful role in bridging the industrial relationship between workers and management. This is similar to the findings by Saleem (2015) who found that transformational leadership style had a positive impact on job satisfaction. In contrast, a transactional leadership style was found to have a negative impact should focus on developing

impact on job satisfaction. Trade unions should focus on developing a transformational leadership style within companies. In addition, delayed information received by workers fail to inform them about the development of the industry to improve job satisfaction among workers. Regarding worker participation, fighting for workers' rights and improved working conditions can occur in a variety of ways, including demonstrations against the company. During a demonstration, social support is vital to worker solidarity and makes it easier for workers to pressure policy-makers into drafting policies that are more favorable to labor.

Dandona (2013) found that higher levels of job satisfaction have several benefits such as improving a worker's sense that his work is meaningful, enthusiasm for going to work in the morning, improved performance, and even increasing workers' participation in the organization. Wulandari, Mangundjaya, & Utoyo (2015) found that job satisfaction can be viewed as a mediating variable between leaders who seek to change company policies and workers' commitment to that change. Job satisfaction in particular was found to be an important factor explaining workers' commitment to such changes in the company policy. Thus, we believe that leaders should focus on improving job satisfaction in the workplace as a way to improve workers' commitment to the company, including periods when the organizational leaders are proposing changes within the company.

CONCLUSION

In sum, we argue that companies should focus more intensive on improving job satisfaction. Our research has identified four important variables – fair and equitable wages, social support among employees, trade unions that support and protect the workers, and high worker participation in the workplace – that can provide a roadmap for companies to follow to reach the goal of higher job satisfaction. All four of these variables were statistically significant and linearly related to job satisfaction. Wages are a determinant factor; when the wages are sufficient and compliant with cooperation agreements, job satisfaction will be higher. Social support (emotional, informational, and group-based) among workers plays an important role in promoting satisfaction in the workplace. We found that trade unions can provide protection for workers rights and also help resolve conflicts between workers and the company (and often disputes among workers). The more harmonious environment and the protection of workers' rights provided by strong trade unions lead to more satisfied employees. Finally, we find that worker participation has a powerful effect in promoting workers to engage more in the company. Workers offer more in terms of their ideas, effort, and labor to the company, leader them to view the workplace and their jobs in a more positive manner. All four of these variables are influential factors in promoting work satisfaction among employees in our sample of garment factory workers.

Based on our findings, we make the following recommendations for companies. Wages should always be reviewed and the amount of allowances should be consistent with the current government policy, or adjusted accordingly if they are not in compliance. Workers need better and more immediate access to information about the development of industrial relations within the company. Trade unions should be strengthened with the goal of promoting better relationships between the company management and workers. We argue that this will, in turn, improve worker participation and their commitment to achieve the company's goals in a more cooperative and harmonious manner.

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