

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME

**EFFECT OF SOCIAL COMPLIANCE ON EMPLOYEE
PRODUCTIVITY AND EMPLOYEE PERFORMANCE IN
GUSTON AMAVA LIMITED**

WINT WINT KYAW

EMBA II - 33

EMBA 20th BATCH (ONLINE)

JUNE, 2025

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ACADEMIC YEAR (2023 – 2025)

Supervised By

Submitted By

Dr. Hla Hla Mon

Wint Wint Kyaw

Professor

EMBA II - 33

Department of Management Studies

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This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA).

Supervised By

Submitted By

Dr. Hla Hla Mon

Wint Wint Kyaw

Professor

EMBA II - 33

Department of Management Studies

EMBA 20th Batch (Online)

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ACCEPTANCE

This is to certify that the thesis entitled “**Effect of Social Compliance on Employee Productivity and Employee Performance in Guston Amava Limited**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

Board of Examiners

(Chairman)

Dr. Tin Tin Htwe

Rector

Yangon University of Economics

(Supervisor)

(Examiner)

(Examiner)

(Examiner)

(Examiner)

(Examiner)

(Examiner)

JUNE, 2025

ABSTRACT

This study aims to examine the effect of social compliance on employee productivity, to analyze the mediating effect of employee motivation on the relationship between social compliance and employee productivity, and to analyze the effect of employee productivity on employee performance at Guston Amava Limited. This study uses both primary and secondary data. Primary data are collected from 282 employees at Guston Amava Limited using a structured questionnaires survey with a five-point Likert scale. The sample is selected through simple random sampling from 282 a total workforce of 1,056 employees. Secondary data are obtained from textbooks, academic journals, and credible online sources. Descriptive statistics and regression analysis are employed to evaluate the data. The findings reveal that discrimination, leave and holidays and welfare facilities have significant positive effect on employee productivity. Moreover, employee motivation mediates on the relationship between social compliance and employee productivity. Employee productivity has a significant positive effect on employee performance at Guston Amava Limited. Based on the findings, Guston Amava should enhance social compliance practices to increase motivation and boost employee productivity and employee performance for long-term organizational success.

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CHAPTER 1

INTRODUCTION

The garment manufacturing sector in Myanmar has expanded rapidly in recent years, driven by global sourcing trends and the advantage of competitive labor costs. Guston Amava Limited located in the Thilawa Special Economic Zone and established in 2019, is one such export-oriented garment factory. Although the company has grown steadily, it faces key labor-related challenges including high turnover, absenteeism, and the outflow of skilled workers. These challenges point to the importance of improving internal workplace factors that influence employee motivation, productivity, and performance. Social compliance has become a vital component for sustaining workforce stability and achieving operational efficiency.

Social compliance refers to the adherence of organizations to legal, ethical, and international labor standards that uphold workers' rights, safety, and dignity (Starr, 2021). It is important because it fosters fair and humane working environments, reduces labor disputes, and enhances organizational accountability (Alam & Alias, 2018). In today's global supply chains, companies that fail to meet social compliance standards face with reputational damage, withdrawal of buyers, and workforce instability. To meet these expectations, organizations must ensure compliance across several key areas, including wages and benefits, discrimination, protection from harass and abuse, proper leave entitlements, and welfare facilities.

Wages and benefits refer to the financial and non-financial compensation that employees receive in return for their labor, including basic salary, overtime pay, bonuses, allowances, and social security (Bester, 2024). This factor is important because fair and timely compensation helps ensure employee satisfaction, reduces turnover, and motivates sustained effort (Alam et al., 2020). Underpayment and delayed wages often lead to demotivation, absenteeism, and labor unrest.

Discrimination refers to unfair or prejudicial treatment of employees based on characteristics such as gender, age, religion, ethnicity, or disability (Ali et al., 2023). It is important to address because discriminatory practices lower morale, create hostile work environments, and weaken trust within the organization (Bakhshi et al., 2009). Organizations that implement anti-discrimination policies experience higher employee engagement, better teamwork, and improved performance outcomes.

Harass and abuse are described any form of inappropriate behaviors including verbal insults, physical threats, and sexual harass that causes physical or emotional harm to employees (Ali et al., 2023). Addressing this issue is important because unchecked Harass lead to stress, low morale, increased absenteeism, and turnover. According to the U.S. Equal Employment Opportunity Commission (2023), a harass-free workplace is essential for maintaining psychological safety, dignity, and productivity.

Leave and holidays refer to employees' entitlement to time off for rest, health, and personal needs, such as annual leave, sick leave, maternity/paternity leave, and public holidays (Alam & Alias, 2018). These provisions are important because they help workers recover physically and mentally, reduce burnout, and sustain high levels of motivation. Structured leave systems promote work-life balance, job satisfaction, and long-term productivity (Maduka & Okafor, 2014).

Welfare facilities are the physical and social amenities provided in the workplace to support employee comfort and well-being (Singh, 2022). These include clean restrooms, drinking water, medical services, canteens, and rest areas Their importance lies in enhancing the quality of work life, reducing health-related absenteeism, and fostering loyalty. Well-maintained welfare facilities demonstrate the employer's care for worker health and are associated with improved workplace morale and efficiency (Maduka & Okafor, 2014).

Motivation plays a mediating role in translating social compliance practices into tangible performance benefits (Alam & Alias, 2018). Employee motivation refers to the internal and external forces that energize, direct, and sustain employee behavior toward work-related goals (Nnabuife, 2009). Motivated employees are more likely to work consistently, meet expectations, and remain loyal to the organization (Maduka & Okafor, 2014). Motivation is important because it directly influences job satisfaction, productivity, and performance outcomes.

Employee productivity refers to the efficiency with which employees convert their efforts into useful outputs, typically measured by the quantity and quality of work performed within a specific period (Ebhoaye et al., 2022). Productivity is important because it determines the operational efficiency, cost-effectiveness, and competitiveness of a garment factory. Higher productivity leads to timely order completion, reduced wastage, and improved profitability (Elaho & Odion, 2022).

Employee performance refers to how well an employee fulfills their job duties in terms of quality, timeliness, and accuracy (Ebhoaye et al., 2022). It is important because it reflects how individual efforts contribute to team goals and organizational success. Performance is influenced by motivation, workplace culture, and clarity of expectations, and is often evaluated using key performance indicators and feedback systems (Doghan & Abdelwahed, 2023).

Guston Amava Limited was established in 2019 and is located in the Thilawa Special Economic Zone, Myanmar. The company specializes in manufacturing high-quality functional workwear garments for international markets, operating with over 1,056 employees. It is committed to ethical labor practices and full compliance with local labor laws and international standards. Social compliance practices such as fair wages, safe working conditions, and non-discriminatory policies are essential for sustaining a stable and motivated workforce in the garment sector. This study explores how social compliance affects employee productivity and employee performance in Guston Amava Limited.

1.1 Rationale of the Study

Guston Amava Limited is a Myanmar-based garment manufacturing company located in the Thilawa Special Economic Zone. It specializes in the production of functional workwear for international markets. The company plays a vital role in generating employment and contributes to Myanmar's economic development through export-based industrial activities. As the factory continues to grow and compete in the global garment sector, it faces significant operational challenges such as high employee turnover, absenteeism and skill shortages. These issues directly affect production efficiency, cost-effectiveness, and long-term sustainability.

In today's competitive industrial landscape, especially in labor-intensive sectors like garment manufacturing, companies are expected not only to deliver high-quality products but also to comply with international labor standards. Buyers and customers increasingly prioritize socially compliant suppliers. Guston Amava Limited is expected to meet social compliance expectations set by clients and global brands. These include fair wages, non-discrimination, freedom from harass, adequate leave entitlements, and the provision of welfare facilities. Ensuring these factors are properly implemented is

essential not only for ethical reasons but also for improving employee-related outcomes such as motivation, productivity, and performance.

Employee performance is the important factors that determined the success of manufacturing companies. It referred how well employees complete assigned tasks, meet quality standards, and contribute to organizational goals. In the garment industry, where timelines and precision are essential, poor performance can result in missed deadlines, quality complaints, or contract losses. When employees perform well, production targets are met consistently, rework and errors are minimized, and product quality improves. This directly influences client satisfaction and brand reputation.

Employee performance is essential for maintaining long-term partnerships with international clients. In the manufacturing process, workers' performance affects cutting accuracy, sewing precision, inspection outcomes, and timely dispatch of finished goods. Companies that invest in understanding and enhancing employee performance also benefit from better workforce planning, reduced production delays, and stronger buyer confidence.

Employee productivity is one of the driving factors of employee performance. It measures of output that a worker contributes in a given timeframe. In a garment factory, productivity can be measured by the number of garments produced per hour, per operator, or per line. Higher productivity reduces labor costs per unit, increases capacity, and enhances profit margins. When productivity is low, it often leads to overtime, excessive operational costs, and inability to meet buyer demands. Motivated and well-supported employees demonstrate significantly higher productivity.

Employee motivation stimulates employees to put effort into their work. Motivated workers are more focused, proactive, and committed to completing their tasks efficiently. In the garment industry, where work is often repetitive and physically demanding, motivation plays an essential role in sustaining productivity. Without proper motivation, employees may feel disengaged, make frequent errors, or show higher absenteeism.

Motivation is influenced by social compliance factors including wages, treatment, recognition, and working conditions. At Guston Amava, ensuring that workers feel respected, secure, and fairly treated can significantly increase their commitment to the job. A motivated employee is not only more productive but also more likely to stay in the company, reducing the costs of retraining and recruitment. Motivation also fosters initiative, quality awareness, and better communication with

team leaders. Employee motivation acts as a bridge between social compliance practices and the resulting outcomes of productivity and performance.

Social compliance is vital factors to ensuring ethical and lawful labor practices. It involves adhering to standards that protect workers' rights, promote safety, ensure fairness, and create a respectful work environment. In the garment industry, strengthening social compliance is essential not only to meet international buyer requirements but also to support employee well-being, motivation, and organizational productivity. This study considers five key components of social compliance including wages and benefits, discrimination, harass and abuse, leave and holidays, and welfare facilities.

Wages and benefits is the most basic and powerful factor in a labor-intensive environment like garment manufacturing. Wages paid to workers for their labor, while benefits include overtime pay, bonuses, transportation allowances, and health-related assistance. When workers are not paid on time or receive salaries below the minimum standard, they experience financial stress and dissatisfaction. This leads to higher turnover, reduced focus, and increased absenteeism. On the other hand, fair and timely wages motivate workers to commit to their tasks, maintain consistent attendance, and uphold production targets. Wages satisfaction is strongly affected to motivation and employee retention. Improving wage systems and introducing performance affected benefits can enhance job satisfaction and lead to better productivity and performance.

Discrimination is one of the important factors that directly influences employee motivation, productivity, and performance. When employees experience fair and respectful treatment regardless of gender, age, ethnicity, or background, they are more likely to feel valued and engaged in their roles. A discrimination-free workplace supports a positive organizational climate where collaboration, trust, and mutual respect can thrive. This contributes to stronger teamwork, lower conflict, and higher employee retention.

The importance of eliminating discrimination lies in its ability to promote inclusiveness and equal opportunity. When all employees have access to the same resources, recognition, and advancement opportunities, their morale and motivation improve. On the other hand, the presence of discrimination creates frustration, lowers commitment, and leads to disengagement. Therefore, reducing workplace discrimination is essential for building a fair environment that encourages employees to contribute effectively to organizational goals.

Harass and abuse are important factors that affect employee motivation, emotional well-being, and overall performance in the workplace. When employees are exposed to disrespectful, threatening, or harmful behavior, it creates fear and discomfort, leading to lower concentration, higher absenteeism, and a lack of trust in the organization. These negative experiences reduce employee engagement and hinder their ability to contribute effectively.

Creating a workplace free from harassment and abuse is essential for maintaining a safe and respectful environment. Such conditions allow employees to focus on their responsibilities with confidence and peace of mind. When employees feel protected and valued, their morale improves, and they are more likely to work productively and remain committed to the organization. Therefore, addressing harassment and abuse is a critical step in fostering a positive work culture and supporting sustainable workforce performance.

Leave and holidays play a vital role in supporting employee health, motivation, and overall productivity. In high-pressure work environments, the ability to take time off for rest and personal needs is essential to maintaining both physical and mental well-being. When employees are provided with fair and reliable leave entitlements, they are more likely to feel valued by the organization, which encourages higher levels of engagement and commitment. In contrast, inadequate rest periods can lead to exhaustion, reduced focus, and increased absenteeism. A well-structured leave policy contributes to better work-life balance, promotes employee satisfaction, and supports long-term workforce stability.

Welfare facilities serve a critical function in ensuring a safe, comfortable, and supportive working environment. The presence of clean restrooms, drinking water, medical support, and rest areas greatly enhances employees' daily experience and well-being. A workplace that addresses basic physical needs allows employees to perform their duties with greater comfort and concentration. Poor welfare conditions, on the other hand, can result in health issues, dissatisfaction, and decreased morale. Enhancing welfare provisions not only improves working conditions but also demonstrates organizational commitment to employee care, which helps foster a motivated and dependable workforce.

Employee performance is essential for achieving long-term success, particularly in labor-intensive industries. Performance is closely shaped by productivity, which in turn is influenced by employee motivation. Motivation plays a crucial role in

determining how effectively employees produce and perform. To enhance productivity, it is vital to focus on motivating the workforce. Among various factors that increase motivation, this research examines how adhering to social compliance standards such as fair wages and benefits, non-discrimination, protection from harassment and abuse, leave and holidays, and welfare facilities can help shape and strengthen employee motivation.

This study examines how social compliance through key components such as wages and benefits, discrimination, harass and abuse, leave and holidays, and welfare facilities influences employee motivation, productivity, and performance at Guston Amava Limited. By understanding these relationships, the company can strengthen its workforce management practices, reduce operational risks, and improve overall organizational efficiency in line with global compliance expectations.

1.2 Objectives of the Study

The objectives of the study are as follows. These are:

- (1) To examine the effect of social compliance on employee productivity at Guston Amava Limited;
- (2) To analyze the mediating effect of employee motivation on the relationship between social compliance and employee productivity at Guston Amava Limited; and
- (3) To analyze the effect of employee productivity on employee performance at Guston Amava Limited.

1.3 Scope and Method of the Study

This study focuses mainly on social compliance, employee motivation, employee productivity, and employee performance in Guston Amava Limited. There are a total of 1,056 employees working at Guston Amava Limited in 2025. The sample size is 282 out of 1,056 employees, as determined by the Raosoft sample size calculator. The simple random sampling method is applied to select the respondents.

The primary data are collected through structured questionnaires using a 5-point likert scale. A total of 282 valid responses are used for data analysis. The questionnaire survey method is used in this study. Secondary data are gathered from relevant company

records, published research articles, textbooks, international dissertations, and other MBA research papers from the university library and online sources.

For data analysis, descriptive statistics and regression analysis are used to examine the relationships among social compliance, employee motivation, employee productivity, and employee performance.

1.4 Organization of the Study

In presenting the effect of social compliance on employee productivity and employee performance, this study is organized into five chapters. The first chapter includes the introduction, which consists of the rationale of the study, objectives of the study, scope and method of the study, and organization of the study. Chapter two presents the theoretical background of the study, which includes the concepts of social compliance, employee motivation, employee productivity, and employee performance. This chapter also discusses relevant previous studies and presents the conceptual framework of the study. Chapter three introduces the profile of Guston Amava Limited, followed by a description of social compliance practices implemented within the company. This chapter also covers the demographic profile of the respondents and includes the reliability test of the data collection instrument. The analysis of the effect of social compliance on employee motivation, productivity, and performance in Guston Amava Limited is discussed in chapter four. This chapter presents the findings through descriptive and regression analysis. Chapter five concludes with a summary of the key research findings and discussions, along with the suggestions and recommendations, and needs for further research.

CHAPTER 2

THEORETICAL BACKGROUND

The theoretical background for social compliance is presented in this chapter, followed by the concepts of employee motivation, employee productivity, and employee performance. Additionally, it also includes previous studies related to social compliance, and the conceptual framework of the study.

2.1 Social Compliance

Social compliance is a key concept in organizational behavior, labor standards, and corporate governance, especially within industries that relied on large-scale labor forces. It was widely understood as the adherence to labor regulations, ethical workplace practices, and human rights standards within business operations. The concept of social compliance gained significance with the rise of global sourcing and the growing importance of ethical supply chains in the early 21st century.

According to Locke et al. (2007), social compliance refers to an organization's commitment to adhering to both national labor laws and internationally accepted workplace standards, including those established by the International Labour Organization (ILO). They argued that compliance is not merely a legal obligation but also an ethical responsibility of the firm to ensure that workers' rights and welfare are respected. This includes eliminating exploitative labor practices, avoiding forced and child labor, upholding non-discriminatory policies, and providing fair compensation and safe working conditions.

Seuring and Müller (2008) defined social compliance in the context of sustainable supply chain management. They stated that such practices involved monitoring, managing, and improving working conditions throughout the supply chain to meet both stakeholder expectations and regulatory requirements. Their perspective highlighted that social compliance was not limited to internal operations but extended to all supply chain partners.

Rasheed and Siddiqui (2012) viewed social compliance as a voluntary or semi-voluntary business strategy aimed at aligning company practices with socially responsible behavior. They noted that many organizations implement mechanisms such as third-party audits, training on codes of conduct, and grievance systems to ensure that

ethical norms are reflected in daily operations. Social compliance is thus considered both a preventive and corrective tool for mitigating reputational risks and promoting long-term sustainability.

2.1.1 Wages and Benefits

Wages and benefits are defined as the total compensation provided to employees in exchange for their labor and services (Yee, 2018). This includes both direct financial payments such as basic salary, overtime pay, and bonuses and indirect benefits, such as housing allowances, medical coverage, provident fund contributions, transportation allowances, and retirement benefits. These components of compensation serve not only as a means of fulfilling basic employee needs but also as motivational tools that enhance job satisfaction, commitment, and productivity. Adequate wages and well-structured benefits are crucial for attracting, retaining, and engaging a competent workforce, particularly in labor-intensive industries such as the garment sector (Kampelmann et al., 2018).

Mondy and Martocchio (2016) described wages and benefits as key components of a broader compensation strategy that encompasses both direct and indirect rewards. They explained that while base pay addresses immediate financial needs, non-wage benefits support long-term well-being and job satisfaction. In this framework, compensation is seen not only as a cost but also as an investment in human capital.

Armstrong and Taylor (2020) defined wages as the regular payments received by employees in exchange for their work, in accordance with the terms of employment. They emphasized that fair and timely compensation fulfills both financial and psychological needs, contributing to employee dignity and social equity. Transparent and equitable wage systems are essential for maintaining motivation and organizational trust.

According to Dessler (2019), the wage system has significant implications for organizational performance. When employees believe their wages to be equitable relative to their skills and responsibilities, they are more likely to demonstrate loyalty and high performance. In contrast, wage dissatisfaction often leads to high turnover, poor morale, and unrest factors that pose serious challenges in fast-paced work environments. A well-structured wage policy serves as a motivational tool that

reinforces productivity and attendance. Transparent and fair wage systems also enhance trust in management and reduce the likelihood of disputes related to compensation.

2.1.2 Discrimination

Discrimination in the workplace is a persistent issue that undermines employee dignity, engagement, and organizational performance. Discrimination refers to the unfair or prejudicial treatment of individuals based on characteristics unrelated to job performance, such as gender, ethnicity, religion, age, marital status, or disability (Ensher et al., 2001; ILO, 2022).

According to Schwind et al. (2019), workplace discrimination occurs when employment decisions such as hiring, promotion, training, or compensation are influenced by irrelevant or biased factors rather than merit. Such practices not only violate ethical standards but also pose legal risks and damage an organization's reputation. The authors emphasize that fostering a fair and inclusive work environment is essential for maintaining employee morale and organizational credibility.

Dessler (2019) elaborated on the concept by distinguishing between direct and indirect discrimination. Direct discrimination involves overt acts of bias (e.g., denying a promotion based on gender), while indirect discrimination arises when seemingly neutral policies disproportionately impact certain groups (e.g., shift schedules that conflict with religious observances). He also highlights unconscious bias as a subtle yet influential factor that shapes workplace dynamics and employee experiences.

The International Labor Organization (2022) defined discrimination in employment and occupation as any distinction or preference that undermines equality of opportunity or treatment. Convention No. 111 establishes a global framework encouraging employers to adopt fair employment practices and eliminate discriminatory behaviors. Organizations that align with such standards are better positioned to meet legal requirements and foster inclusive workplace cultures.

2.1.3 Harass and Abuse

Harass and abuse in the workplace are defined as any form of unwelcome conduct verbal, physical, psychological, or sexual that undermines an employee's dignity or creates a hostile and unsafe working environment (Alam et al., 2017). Such

behavior may include verbal threats, aggression, bullying, physical assault, or sexual harassment, typically perpetrated by supervisors, managers, or co-workers. It can have serious consequences on employees' mental well-being, diminish morale, and negatively impact productivity and overall organizational performance.

According to the U.S. Equal Employment Opportunity Commission (2023), harass refers to any unwelcome behavior based on race, sex, religion, national origin, age, or disability that interferes with an individual's work performance or creates a hostile work environment. The presence of abusive conduct such as verbal threats, physical intimidation, or persistent bullying can lead to heightened levels of stress, anxiety, and withdrawal among employees. These effects are especially harmful in environments where hierarchical power dynamics limit workers' ability to report or resist such behavior.

The International Labour Organization (2019) defined violence and harass in the world of work as a set of unacceptable behaviors and practices that result in, or are likely to result in, physical, psychological, sexual, or economic harm. The ILO's Convention No. 190 emphasizes the need for prevention, protection, and enforcement mechanisms to address these issues. It urges employers to adopt clear policies, provide training, and implement confidential reporting systems to foster a respectful and safe working environment.

Einarsen et al. (2009) argued that harass and abuse are not merely individual misbehaviors but can be systemic, rooted in organizational cultures that lack accountability, transparency, or supportive human resource practices. When employees are exposed to regular harass, they are more likely to experience absenteeism, job dissatisfaction, and intentions to resign factors that significantly undermine organizational performance and stability.

Therefore, addressing harassment and abuse is not only a legal obligation but also essential for fostering a respectful workplace. When organizations empower employees through effective grievance mechanisms and uphold ethical conduct, they benefit from improved morale, stronger teamwork, and enhanced performance.

2.1.4 Leave and Holidays

Leave and holidays represent essential components of employment arrangements that support employees' physical recovery, mental well-being, and

personal responsibilities. They are considered fundamental labor rights that contribute to employee satisfaction, reduce fatigue, and enhance long-term productivity. Structured leave policies not only protect workers' health but also improve organizational performance by minimizing burnout and turnover.

Robbins and Judge (2019) defined that leave entitlements refer to authorized absences granted to employees for personal, medical, or recreational purposes, while holidays are designated non-working days mandated by law or contractual agreement. The authors emphasize that access to sufficient rest periods contributes to workforce stability and morale, allowing employees to return to work more engaged and focused.

Torrington et al. (2020) described leave and holiday provisions as critical elements of responsible human resource management. They argue that when employees are able to access paid leave such as annual leave, sick leave, and maternity or paternity leave—they experience better work-life balance and reduced stress-related illnesses. In turn, this leads to lower absenteeism, increased resilience, and greater organizational commitment.

The International Labor Organization (2022) recognized paid leave as a core labor standard essential for decent working conditions. Through instruments such as Convention No. 132 on annual leave and Convention No. 183 on maternity protection, the ILO has established global benchmarks for minimum leave entitlements. The proper implementation of these standards plays a crucial role in promoting workplace inclusiveness and gender equity, while also supporting overall employee motivation.

Leave and holiday entitlements play a vital role in maintaining workforce health and performance. Organizations that implement fair and accessible leave policies are more likely to foster positive working environments, reduce absenteeism, and retain committed employees over the long term.

2.1.5 Welfare Facilities

Welfare facilities are defined as the range of organizational services, amenities, and provisions established by employers to support the physical, psychological, and social well-being of employees within the workplace (Odeku & Odeku, 2015). These facilities typically include clean drinking water, sanitation, medical care, rest areas, transportation, canteens, child care centers, and prayer rooms. They are designed to promote a safe, healthy, and supportive work environment, which in turn enhances

employee motivation, satisfaction, and productivity. The adequacy and quality of welfare facilities are considered critical in sustaining workforce well-being and reducing workplace-related conflicts

Mondy and Martocchio (2016) described employee welfare as a form of indirect compensation that contributes to creating a positive organizational climate. They emphasized that when employees feel physically safe and emotionally supported, their levels of engagement and retention increase. The availability of proper welfare infrastructure also reflects an employer's commitment to ethical labor practices and organizational care.

Mathis et al. (2020) stated that welfare services encompass a variety of physical and social provisions such as restrooms, clean drinking water, first-aid rooms, canteens, and rest areas. These services serve both preventive and supportive functions by reducing health risks, minimizing workplace discomfort, and supporting employee concentration and energy throughout the workday.

The International Labor Organization (2021) identified welfare provisions under its broader occupational safety and health (OSH) standards, urging employers to ensure access to adequate sanitary facilities, ventilation, medical care, and protective amenities. The absence of these facilities leads to increased absenteeism, low morale, and dissatisfaction, while investment in welfare infrastructure improves employee performance, loyalty, and productivity.

Welfare facilities are not only legal requirements but also strategic tools for human resource management. Organizations that maintain proper welfare services are more likely to benefit from a healthier, more satisfied, and more committed workforce.

2.2 Employee Motivation

Employee motivation is defined the internal drive or external incentives that influenced individuals to initiate, sustain, and direct effort toward achieving organizational goals (Latham & Pinder, 2005). It plays a central role in shaping employee behavior, determining the level of engagement, and influencing outcomes such as productivity, performance, and retention. Motivation is widely acknowledged as a key factor in maintaining a resilient and high-performing workforce.

Latham and Pinder (2005) described motivation as a psychological process resulting from the interaction between the individual and the environment. They

explained that it involved the forces that initiated work-related behavior and determined its direction, intensity, and persistence. Their framework emphasized the impact of personal values, workplace conditions, and leadership in shaping motivation.

Deci and Ryan (1985) defined motivation through the lens of Self-Determination Theory, distinguishing between intrinsic and extrinsic motivation. Intrinsic motivation emerges from personal satisfaction or the enjoyment of the task itself, while extrinsic motivation is driven by external rewards such as pay, promotion, or recognition. Their theory highlighted that motivation increases when individuals experience autonomy, competence, and relatedness in the workplace.

Armstrong and Taylor (2020) defined employee motivation as a fundamental element in achieving sustained organizational performance. They argued that motivated employees demonstrate greater commitment, adaptability, and initiative. Moreover, they emphasized that motivation is enhanced when organizations align job design, reward systems, and management practices with employee expectations and needs.

Employee motivation functions as a driving force behind consistent job performance and organizational effectiveness. When organizations create an environment that nurtures both intrinsic and extrinsic motivational factors, they are more likely to foster engaged, loyal, and high-performing employees. Effective motivation strategies contribute to reduced absenteeism, lower turnover rates, and a stronger alignment between individual and organizational goals. As such, understanding and leveraging motivational drivers is essential for building a sustainable and competitive workforce.

2.3 Employee Productivity

Employee productivity is described as the efficiency with which individuals complete their tasks and contribute to organizational objectives (Sumanth, 1994). It is often measured by the volume and quality of output relative to the time, effort, and resources invested. Productivity plays a vital role in determining operational performance, cost-effectiveness, and competitiveness, making it a key focus of organizational management.

Sumanth (1994) defined productivity as the ratio of outputs produced to the inputs used in the production process. At the employee level, this describes how effectively an individual applies their time, skills, and energy to generate work-related

results. Productivity encompasses not only speed and quantity but also consistency and accuracy in task execution.

Bernolak (1997) emphasized that productivity is not solely a function of individual effort but also depends on factors such as organizational systems, management style, and the workplace environment. He argued that improving productivity requires both technical enhancements and human resource development, including training and performance feedback mechanisms.

Robbins and Coulter (2018) described employee productivity as a result of interactions between job design, motivation, and organizational support. They highlighted that productive employees are those who not only complete their duties efficiently but also minimize errors, contribute to team objectives, and adapt to changing demands.

Employee productivity functions as a key performance metric that reflects both individual competence and organizational effectiveness. When supported by a positive work environment and appropriate resources, employees are more likely to achieve higher productivity levels, contributing directly to operational success and long-term sustainability. High levels of productivity are often associated with enhanced employee engagement, reduced operational delays, and improved customer satisfaction. Thus, organizations that prioritize productivity development gain a competitive advantage in both local and global markets.

2.4 Employee Performance

Employee performance is defined as the degree to which individuals successfully carry out their assigned tasks, meet job expectations, and contribute to organizational objectives (Dessler, 2019). It is considered one of the most critical indicators of human resource effectiveness, influencing both short-term productivity and long-term strategic outcomes. High levels of employee performance are associated with improved quality, efficiency, and customer satisfaction.

Campbell et al. (1993) defined performance as work-related behavior that is relevant to organizational goals and can be measured based on an employee's proficiency in executing job responsibilities. They distinguished performance from effectiveness, noting that performance refers to the actions taken by employees, while effectiveness concerns the results of those actions.

Armstrong (2020) described employee performance as the contribution individuals make toward achieving organizational goals. He emphasized that performance includes not only the outcomes achieved but also the behaviors and competencies demonstrated during task execution, such as dependability, teamwork, and adherence to standards.

Dessler (2019) categorized performance into three dimensions: task performance, contextual performance, and counterproductive behavior. Task performance includes activities directly related to the job role, while contextual performance involves extra-role behaviors such as helping colleagues and supporting organizational culture. Counterproductive behavior, such as absenteeism or workplace conflict, negatively impacts overall performance levels.

Employee performance functions as a multidimensional construct that reflects both individual capabilities and the organizational environment. Effective performance management practices such as clear goal-setting, regular feedback, and fair evaluations—help enhance employee contributions and align workforce efforts with broader organizational goals.

The interconnection between social compliance, employee motivation, employee productivity, and employee performance form the foundation of the present study. Social compliance practices such as fair wages, non-discriminatory treatment, protection against harassment, provision of leave entitlements, and adequate welfare facilities—are understood to shape the quality of the work environment. When employees perceive that their rights are protected and their well-being valued, they become more motivated to fulfill their responsibilities. This enhanced level of motivation often translates into improved employee productivity, as motivated employees demonstrate greater focus, energy, and commitment in performing their tasks.

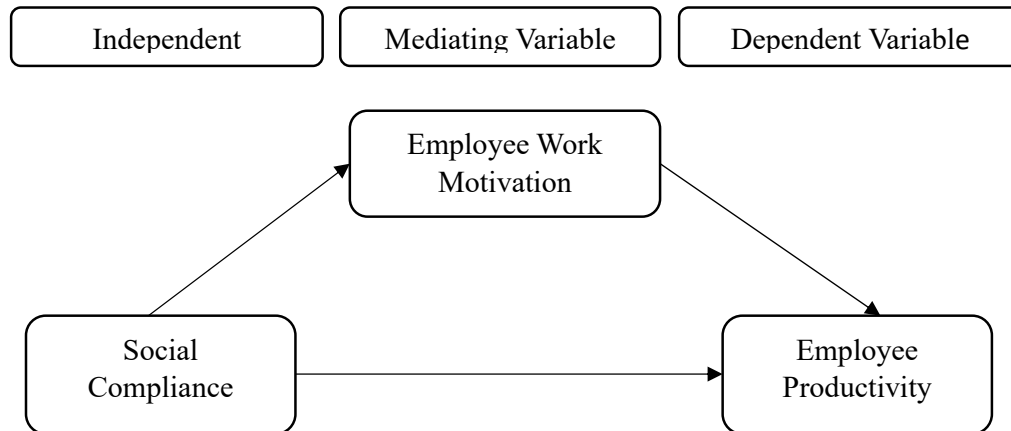
Employee productivity plays a crucial role in influencing overall employee performance. Productive employees are more likely to meet work expectations, maintain high output standards, and contribute positively to organizational goals. In this way, social compliance indirectly affects employee performance through the mediating roles of motivation and productivity. By understanding how these variables relate to one another, organizations can implement more effective workforce strategies. This theoretical foundation underscores the importance of creating a supportive and ethical work environment to foster a motivated, productive, and high-performing workforce.

2.5 Previous Studies

There are many previous research studies related to social compliance, employee work motivation, and employee productivity in the labor-intensive sectors such as garments and manufacturing. Alam and Alias (2018) conducted a significant study of the effects of wages and welfare facilities on employee productivity: mediating role of employee work motivation.

The objective of the study was to investigate how social compliance variables specifically wages and benefits, welfare facilities, and fair labor practices affect employee productivity, and whether employee work motivation serves as a mediating variable in this relationship. The study was based on Maslow's Hierarchy of Needs Theory and adopted a quantitative approach with a positivist paradigm. The sample size of the study was 500 respondents, collected using systematic random sampling from ready-made garment (RMG) factories in Bangladesh. Their conceptual framework of Alam and Alias (2018) is shown in Figure (2.1).

Figure (2.1) Conceptual Framework of Alam & Alias



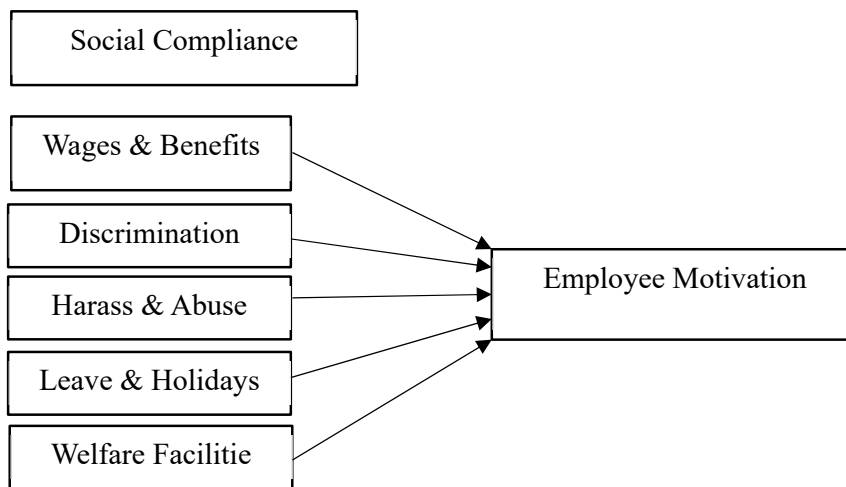
Source: Alam & Alias, 2018

The result of the analysis showed that there is a significant positive relationship between social compliance and employee productivity, and that employee work motivation plays a partial mediating role. In other words, factories that provided fair wages, improved welfare conditions, and better working environments were more likely to have motivated employees, which in turn led to increased productivity. The

results confirmed that social compliance not only improves motivation but also helps garment industries enhance performance outcomes, reduce turnover, and achieve sustainable operations. This study provided valuable insight into the mechanisms through which workplace fairness and ethical labor practices influence employee behavior and performance. It highlighted the importance of embedding social compliance in HR strategies, especially in countries where garment exports are critical to the economy. The findings also mentioned that employers who wish to enhance productivity should invest in policies that improve employee motivation through ethical treatment, better facilities, and fair compensation.

Alam et al. (2019) studied the impact of social compliance on employee motivation in the garment sector of Bangladesh. The objective of their study was to examine the effect of various social compliance factors specifically wages and benefits, discrimination, Harass and abuse, leave and holidays, and welfare facilities on the motivation levels of employees working in export-oriented garment factories. The study employed a quantitative research design and collected data from a sample size of 500 garment workers selected using stratified random sampling across multiple production zones in Bangladesh. The researchers aimed to assess how each component of social compliance contributes individually and collectively to employee motivation. The conceptual framework of Alam et al. (2019) is shown in Figure (2.2).

Figure (2.2) Conceptual Framework of Alam et al.

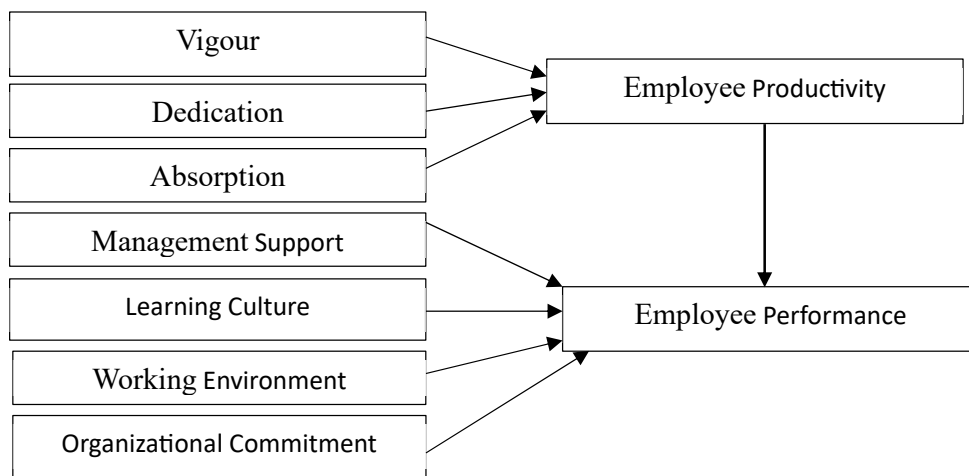


Source: Alam et al., 2019

The result of the analysis showed that all five dimensions of social compliance had a statistically significant and positive influence on employee motivation. Among them, wages and benefits and welfare facilities emerged as the strongest predictors of motivational outcomes. The findings also indicated that when employees perceive the workplace as fair, safe, and respectful where their rights are protected and basic needs are met they tend to be more enthusiastic, committed, and engaged in their work. Alam et al. (2019) concluded that social compliance is not merely a legal obligation but a strategic tool for improving organizational effectiveness. By addressing issues such as unfair wages, workplace discrimination, abusive supervision, and lack of proper welfare support, garment factories can improve employee morale, reduce turnover, and enhance productivity.

Abdelwahed and Doghan (2023) did the role of employee engagement factors in enhancing employee productivity and performance in educational institutions in Egypt. The main objective of their research was to investigate how individual-level engagement components, along with organizational support systems, impact both employee productivity and overall performance outcomes in the workplace. The study used a quantitative research method with a sample size of 412 employees selected from various public and private higher education institutions. The data collection instrument consisted of a structured questionnaire based on validated scales related to work engagement, productivity, and performance. The conceptual framework of Abdelwahed and Doghan (2023) is shown in Figure (2.3).

Figure (2.3) Conceptual Framework of Abdelwahed & Doghan



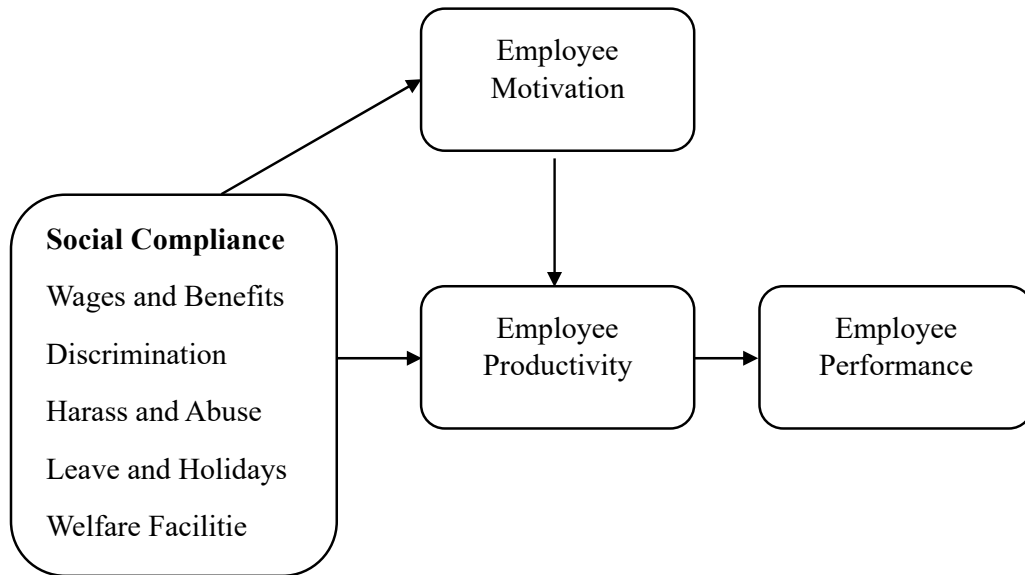
Source: Abdelwahed & Doghan, 2023

The result of the analysis showed that all seven engagement factors significantly contributed to improved employee productivity and, subsequently, to enhanced employee performance. Among the personal engagement factors, dedication and vigour were found to have the strongest positive impact on productivity. On the organizational side, management support and a healthy work environment showed a significant effect on employee performance. The study further concluded that employee productivity acts as a partial mediator between engagement factors and performance outcomes. This implied that boosting engagement not only improves immediate work output but also had a compounding effect on long-term performance results. Abdelwahed and Doghan (2023) emphasized the importance of creating supportive, learning-oriented, and motivational environments to empower employees and maximize their potential. The findings provided valuable insight into the relationship between engagement and outcomes in professional settings and support the idea that employee performance could not be improved in isolation from motivation and productivity factors.

2.6 Conceptual Framework of the Study

The conceptual framework of this study is based on Alam and Alias (2018), Alam et al. (2019), and Abdelwahed and Doghan (2023). The variables used in the conceptual framework are social compliance, employee motivation, employee productivity, and employee performance. Social compliance includes five components: wages and benefits, discrimination, harass and abuse, leave and holidays, and welfare facilities. The conceptual framework of this study is shown in Figure (2.4).

Figure (2.4) Conceptual Framework of the Study



Source: Own Compilation, 2025

In this conceptual framework, social compliance is an independent variable and employee motivation is a mediating variable. Employee productivity is a dependent variable affected by both social compliance and motivation. Employee performance is the dependent variable and employee productivity is independent variable.

CHAPTER 3

PROFILE AND SOCIAL COMPLIANCE PRACTICES OF GUSTON AMAVA LIMITED

In this chapter, the profile and organizational structure of Guston Amava Limited is presented. The chapter also includes the company's vision, mission, and objectives. It further describes the current social compliance practices implemented by Guston Amava Limited and outlines the number of employees by department. The final section presents the demographic profile of the respondents and the reliability test results for the questionnaire.

3.1 Profile of Guston Amava Limited

Guston Amava Limited is a garment manufacturing company located in Thilawa Special Economic Zone, Yangon Region, Myanmar. It is part of Guston Limited and began its operations in 2019. The company is known for producing high-quality functional workwear products for international export markets. With a workforce of over 1,000 employees, Guston Amava Limited plays an important role in Myanmar's export-oriented garment industry.

Guston Amava Limited is committed to maintaining global standards in quality, compliance, and ethical labor practices. The factory operates with modern industrial sewing equipment, skilled technicians, and an efficient production system designed to meet tight delivery deadlines. Guston Amava's buyers are primarily from Europe and North America, and the company adheres strictly to the social compliance guidelines required by these international clients.

The company's product range includes industrial uniforms, coveralls, jackets, pants, and other protective garments. Guston Amava also provides customized production services based on buyer specifications. The factory has a systematic workflow from cutting to finishing and packaging, supported by departments such as merchandising, industrial engineering, quality assurance, maintenance, and logistics.

The management of Guston Amava Limited strongly believes that workplace compliance and employee well-being are fundamental to sustainable success. The company's HR and compliance teams work together to ensure that employee rights are

respected, health and safety standards are maintained, and fair labor practices are implemented at all levels.

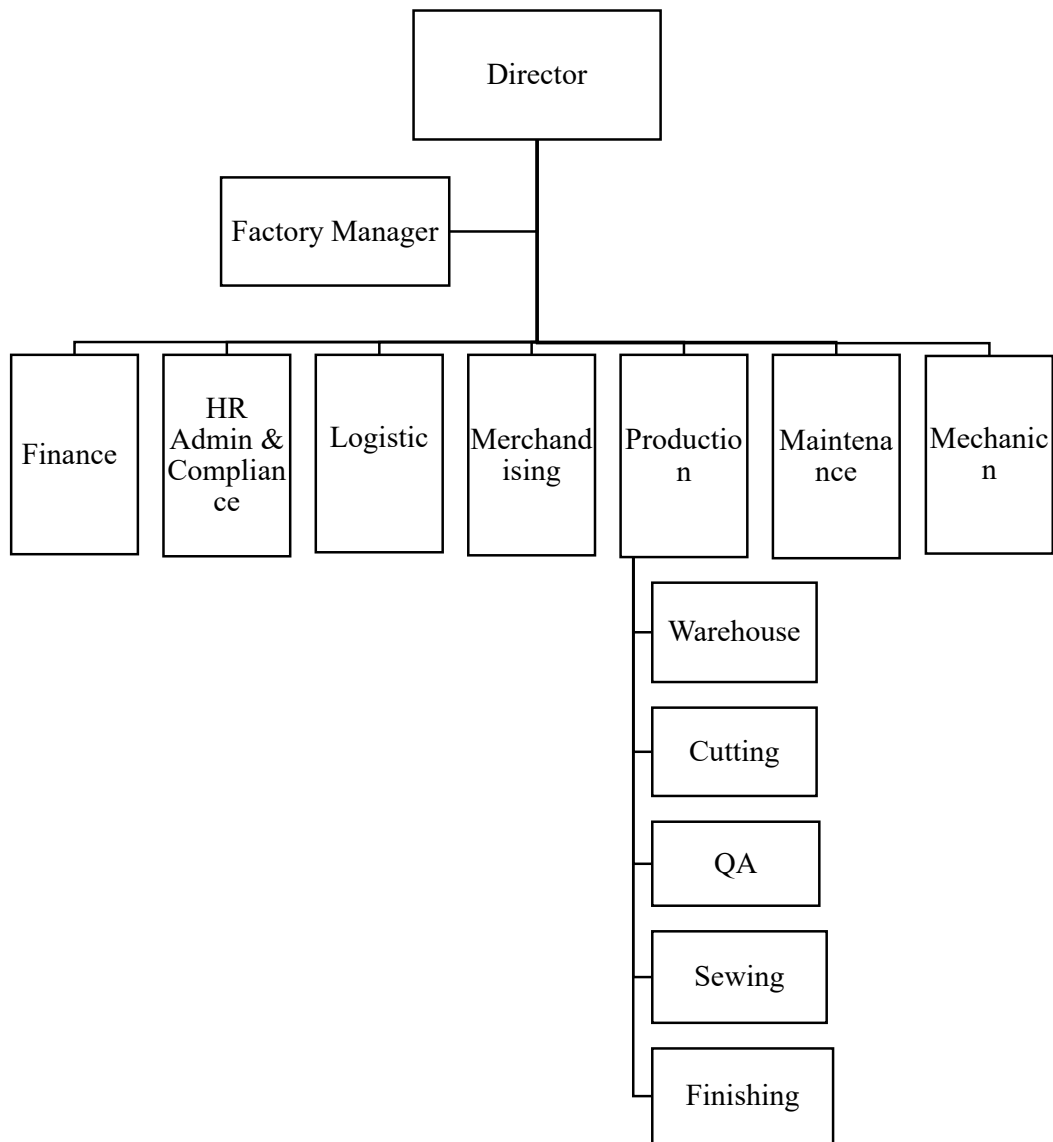
3.2 Organization Structure of Guston Amava Limited

Guston Amava Limited defines its strategic direction through a clear vision, mission, and objectives. The company's vision is to become the most reliable and sustainable manufacturer of functional workwear garments in Myanmar, delivering high-quality, ethically produced apparel to global markets. Its mission focuses on producing safe, comfortable, and durable industrial garments through ethical practices, continuous quality improvement, and workforce development.

The company has outlined key objectives to ensure compliance with Myanmar labor laws, international standard and reduce employee turnover by improving job satisfaction and working conditions and to enhance productivity through fair wages, workplace safety, and employee motivation. Guston Amava Limited aims to foster long-term client relationships through consistent quality and ethical standards, while empowering its workforce through training and skill development initiatives.

Guston Amava Limited is structured around seven primary departments, which are essential to its operational efficiency. These departments include finance, human resources, administration & compliance, logistics, merchandising, production, and maintenance & mechanic. among them, the production department plays a central role in the factory's workflow and is further divided into five key functional units: Warehouse, cutting, quality assurance (QA), sewing, and finishing. Each unit contributes directly to the end-to-end garment manufacturing process, from raw material handling to final product output. Figure (3.1) illustrates Guston Amava Limited's organization chart.

Figure (3.1) Organization Chart of Guston Amava Limited.



Source: Guston Amava Limited, 2025

Figure (3.1) shows the organizational chart of Guston Amava Limited, which is composed of seven core departments, each functioning under the leadership of a department head. These departments include finance, hr admin & compliance, logistics, merchandising, production, maintenance, and mechanic. All departmental heads report directly to the factory manager, who is responsible for supervising the day-to-day

operations of the factory. The factory manager, in turn, reports to the director, who oversees the strategic and operational performance of Guston Amava Limited.

The production department plays a central role and is further subdivided into five critical functional units: warehouse, cutting, quality assurance (QA), sewing, and finishing. These units are directly responsible for the end-to-end manufacturing process and operate under the overall coordination of the production management team. At Guston Amava Limited, there are 1056 employees (including director and factory manager).

(a) Finance

The finance department of Guston Amava Limited plays a key role in managing the financial health of the company. It is responsible for preparing budgets, recording financial transactions, and monitoring daily cash flow. The department ensures that all employee salaries, supplier payments, and other expenses are paid on time. It also prepares financial statements and reports for internal use and decision-making. The finance team supports management by analyzing costs, forecasting future expenses, and ensuring financial resources are used efficiently. It also works to ensure compliance with tax laws and financial regulations. The department coordinates with external auditors to maintain transparency and accountability. In addition, the finance team manages the financial planning of employee-related benefits, such as bonuses and allowances, to support motivation and retention. Overall, the finance department contributes to the company's stability and helps align financial practices with business goals and employee welfare programs.

(b) HR, Admin & Compliance

The hr, admin, and compliance department at Guston Amava Limited serves as a strategic backbone for managing the workforce, ensuring legal compliance, and upholding international labor standards. This department is responsible for maintaining a safe, fair, and ethical working environment aligned with both Myanmar labor laws and global buyer codes of conduct. The department handles all aspects of human resource management, including recruitment, onboarding, payroll coordination, attendance tracking, and leave administration. New hires are briefed on workplace rules,

health and safety procedures, and policies on zero tolerance for discrimination, harassment and abuse. All employees are required to acknowledge their understanding of company policies through signed declarations.

Attendance is monitored through biometric and manual systems to ensure accurate timekeeping. Leave applications are processed based on statutory entitlements, and any absences are verified for proper documentation. Employee records are regularly updated and securely maintained. Workplace conditions are monitored to ensure consistent access to clean drinking water, hygienic restrooms, ventilation, and safe eating areas. Compliance officers routinely inspect the factory floor to assess occupational health and safety, PPE usage, and adherence to ethical labor practices. Non-compliances are addressed through immediate corrective actions in coordination with line supervisors.

Confidential grievance mechanisms are in place to encourage workers to report complaints without fear of retaliation. Issues can be raised via complaint boxes or through direct communication with designated HR or compliance personnel. Investigations are handled fairly and discreetly, with outcomes documented and followed up as needed. The department coordinates cross-functional efforts to address absenteeism, misconduct, and disciplinary issues. Awareness training is regularly conducted on topics such as health and safety, anti-harassment, gender equality, and workers' rights. These sessions are documented for audit and compliance purposes.

Compensation and benefits are managed in collaboration with the finance department. Wage structures are reviewed to ensure compliance with legal minimums and fairness in pay. Additional incentives, including productivity bonuses, attendance rewards, skill premiums, and loyalty allowances, are administered based on transparent criteria. Internal audits are conducted to assess compliance with labor laws, wage practices, working hours, and safety protocols. Any deviations are recorded, and corrective action plans are developed with clear timelines and departmental accountability. Reports on key indicators such as turnover, grievance outcomes, gender distribution, and policy updates are submitted to senior management and maintained for third-party inspections.

Factory policies and employee handbooks are reviewed periodically and updated in response to legal changes or buyer requirements. Policy updates are communicated through briefings, visual displays, and digital platforms to ensure all staff remain informed. Capacity building is a core function, with continuous training

programs for workers and supervisors on leadership, communication, workplace conduct, and compliance expectations. These initiatives aim to strengthen organizational culture and minimize workplace conflict.

The core areas of social compliance oversight at Guston Amava Limited include ensuring fair wages above legal minimums, along with structured allowances and performance-based bonuses; promoting non-discrimination through equal opportunities in hiring, job assignments, and disciplinary actions; enforcing anti-harassment policies through regular training and a well-functioning grievance mechanism; adhering strictly to statutory leave entitlements, including paid holidays, maternity, and sick leave; maintaining welfare facilities such as clean sanitation, rest areas, canteens, and access to medical care; conducting routine health and safety inspections covering fire safety, machine guards, PPE usage, and emergency preparedness; and providing a confidential, accessible, and impartial grievance resolution process. Through these systems and consistent communication, the hr, admin & compliance department fosters a lawful, ethical, and worker-centered, improves retention, and supports sustainable factory operations.

(c) Logistics

The logistics department at Guston Amava Limited. In Thilawa SEZ supports the smooth flow of materials and products. It handles the receiving, storing, and distribution of fabrics, trims, and accessories used in garment production. The team ensures that all raw materials arrive on time and are stored properly in the warehouse. It works closely with production and merchandising departments to avoid delays. After production, the logistics team prepares finished garments for export, following buyer instructions and international shipping rules. They manage packing, labeling, and shipping processes efficiently. The team also prepares customs and transport documents and ensures shipments meet deadlines. Being in Thilawa SEZ helps reduce lead times and gives easy access to ports. The logistics department helps keep inventory organized and costs low. This department plays a key role in supporting on-time delivery, export compliance, and customer satisfaction.

(d) Merchandising

The merchandising department at Guston Amava Limited plays a key role in managing customer orders and ensuring smooth production planning. Merchandisers act as the main communication link between the buyers and the factory. They work closely with the sample development and pre-production teams to prepare samples, follow buyer feedback, and get order approvals. Once the order is confirmed, the merchandising team is responsible for ordering all necessary fabrics, trims, and accessories based on buyer specifications. They ensure that all materials arrive on time to avoid delays in production. Merchandisers also monitor the progress of each order, track timelines, and update the buyer regularly. They work closely with production, quality, and logistics teams to ensure each order meets customer expectations in terms of quality and delivery. The merchandising department helps maintain strong customer relationships and supports on-time order completion.

(e) Production

The production department at Guston Amava Limited oversees the complete garment manufacturing process. Headed by the production manager and supervised by the in charge of sewing, the department is structured with various tiers of skilled personnel, including sewing supervisors, line leaders, and machine operators. Each team member is assigned defined responsibilities to maintain a smooth and efficient workflow. Coordination begins with close collaboration with the sample and development unit to ensure a clear understanding of the technical requirements for each order. Once production commences, daily oversight is maintained by supervisors who monitor line efficiency, quality compliance, and target achievement. Operators are assigned tasks based on their skill levels to optimize output. Regular in-line quality checks and timely performance reporting help uphold consistency. The department maintains flexibility to accommodate both bulk production and special orders, and works in alignment with the logistics and merchandising teams to ensure delivery timelines are met. Effective collaboration within this department plays a critical role in sustaining productivity and fulfilling buyer expectations.

The warehouse department at Guston Amava Limited plays a key supportive role in production by managing the flow and storage of raw materials, primarily fabrics and accessories. It is managed by a warehouse manager and executive, with daily

operations supervised by a warehouse supervisor. The team includes fabric and accessory in-charges, store handlers, and assistants. Materials are received, checked, labeled, and stored according to type and order using a barcode system. The department is in the process of adopting an ERP system to further enhance inventory accuracy and traceability. Separate zones are designated for fabric and accessories to streamline operations and avoid mix-ups. The warehouse team is responsible for issuing materials to production units in a timely manner, maintaining inventory records, and monitoring stock levels to avoid shortages or overstock. Through its efficient material management, the department reduces wastage and ensures smooth production continuity. Integration with digital tools supports real-time coordination with other departments, contributing to the overall operational efficiency of the factory.

The quality assurance department at Guston Amava Limited ensures that all garments meet the required standards of quality as defined by buyers and internal benchmarks. The QA team conducts thorough inspections across various stages of production, including in-line checks, end-line reviews, and final audits. They evaluate garment parameters such as measurement accuracy, stitching quality, trimming, and overall appearance in accordance with buyer specifications and approved samples. Using standard checklists and quality control procedures, the team maintains consistency in output. In the event of defects, QA works collaboratively with the production team to identify root causes and implement corrective actions. Moreover, the department conducts training sessions for operators and supervisors to promote adherence to quality expectations. QA also manages buyer inspections, audit preparations, and associated documentation. The department's primary objective is to minimize defect rates, ensure timely delivery of compliant goods, and uphold customer satisfaction thus preserving the factory's reputation and strengthening buyer confidence.

The cutting department at Guston Amava Limited initiates the first stage of physical garment production. Based on the approved marker plan and order sheet, the team performs fabric layering using manual or automatic spreading machines. Cutting is then executed with precision using cutting tools or automated cutting systems. Afterward, the cut components are bundled systematically by size, style, and color, and are tagged for identification using barcodes or labels. Emphasis is placed on maximizing fabric utilization to reduce waste and production costs. The department conducts checks to prevent issues such as miscuts or sizing discrepancies. The accuracy

and quality of cutting directly impact the finished of garments, making this department essential to both cost control and product integrity.

The finishing department at Guston Amava Limited is responsible for the final preparation of garments prior to packing and dispatch. After sewing and initial quality checks, garments are forwarded to this department for processes such as ironing, trimming, labeling, and final inspection. Each garment is carefully pressed using industrial steam irons to ensure a polished appearance. Loose threads are removed, and all required tags, labels, and hangers are attached in accordance with buyer instructions. The finished garments are then folded, packed, and counted precisely. The department maintains detailed packing lists and carton records, ensuring compliance with buyer and export standards. Any defects detected during final checks are either corrected or rejected per the factory's quality policy. Close coordination with the QA and logistics teams ensures that packed goods are ready for timely delivery. The finishing process is critical to customer satisfaction, as it ensures that garments are delivered in pristine condition, reflecting the factory's commitment to quality and professionalism.

(f) Mechanic

The mechanic department at Guston Amava Limited is responsible for maintaining and repairing sewing and cutting machinery across all production lines. The department ensures that all machines are in good working condition to prevent production delays. Mechanics handle installation of new machines, calibration, oiling, and setting adjustments for different operations. They respond quickly to breakdowns and troubleshoot problems to reduce downtime. Preventive maintenance schedules are followed regularly to avoid unexpected failures. The department also supports operator training on machine handling and safety. Proper documentation is maintained for all repairs and maintenance activities. Mechanics work closely with the production, maintenance, and IE departments to ensure machine availability and performance are aligned with production targets. By keeping machines running efficiently, the mechanic team helps improve productivity, reduce wastage, and maintain consistent garment quality. The department plays a vital role in ensuring compliance with safety standards and minimizing mechanical hazards. Regular performance checks are conducted to ensure that machine efficiency aligns with evolving production needs. Their proactive approach contributes to both operational continuity and cost-effectiveness.

(g) Maintenance

The maintenance department at Guston Amava Limited is responsible for ensuring the smooth operation of all infrastructure, utilities, and technical systems in the factory. Key functions include managing electrical systems, generators, air compressors, lighting, waste water treatment plant, boiler and solar system. The team operates and maintains the boiler system, which supplies steam for production processes. It also oversees the wastewater treatment plant to ensure compliance with environmental standards and minimize pollution. Plumbing maintenance ensures clean water supply and proper sanitation across the facility. The fire alarm system, including sensors and emergency response devices, is tested regularly to ensure safety compliance. In addition, the department manages the cooling line system, which regulates temperature in key production areas to protect both machinery and worker health. Routine inspections and preventive maintenance are carried out to avoid breakdowns and ensure energy efficiency. The department plays a critical role in factory operations by maintaining safety, reliability, and compliance with health and environmental standards.

3.3 Social Compliance Practices of Guston Amava Limited

Guston Amava Limited actively upholds social compliance practices in accordance with Myanmar labor law and international standards. As an export-oriented garment factory, the company ensures that its operations meet the requirements of various audit bodies and brand codes of conduct. Social compliance is managed by the HR & Admin & Compliance Department, which oversees the implementation of labor rights, ethical employment, and workplace well-being.

The key focus of Guston Amava Limited's social compliance system is to create a safe, fair, and respectful working environment for all employees. The factory conducts regular internal audits, participates in third-party compliance assessments, and maintains clear documentation for worker contracts, attendance, compensation, grievance handling, and training. Social compliance at Guston Amava Limited is categorized into five main areas: wages and benefits, discrimination, harass and abuse, leave and holidays, and welfare facilities.

3.3.1 Wages and Benefits

Guston Amava Limited follows the minimum wage requirements set by the Myanmar government and ensures all workers receive at least the basic wage. Salaries are paid regularly, and employees receive pay slips to maintain transparency. Overtime compensation is calculated in accordance with Myanmar labor laws, with additional pay provided for extra hours and work on public holidays. The company's payroll system is monitored and reviewed periodically to ensure compliance with evolving wage standards and employee expectations. Transparent payroll practices also contribute to minimizing disputes and reinforcing worker trust.

Beyond the basic salary, the company offers various allowances and incentives, including performance-based bonuses, attendance rewards, and loyalty incentives. Productivity bonuses are awarded based on production output and quality achievements. Annual performance appraisals and salary reviews are conducted fairly, with all compensation structures clearly communicated to employees at the time of recruitment. These incentive programs are designed not only to reward past performance but also to encourage continuous improvement and long-term employee retention. The HR department maintains records to ensure these benefits are distributed equitably and consistently.

As part of its commitment to employee welfare, Guston Amava Limited also provides a monthly distribution of dried food items to all employees. This initiative aims to support the nutritional needs and well-being of workers and their families, especially during periods of economic hardship. The dried food package typically includes essential staples such as rice, beans, noodles, and cooking condiments, and is distributed systematically through the hr and admin department. Employee feedback regarding the contents and frequency of the distribution is periodically collected to improve the program's effectiveness. This initiative reflects the company's holistic approach to supporting workers beyond the workplace.

3.3.2 Discrimination

Guston Amava Limited upholds a comprehensive non-discrimination policy that governs all employment practices, including recruitment, training, promotion, and disciplinary procedures. The organization explicitly forbids discriminatory treatment based on gender, age, religion, ethnicity, marital status, or disability. This policy

reflects the company's commitment to upholding fairness, equity, and inclusivity in alignment with both national labor legislation and international labor standards.

Recruitment processes at Guston Amava Limitedare designed to ensure transparency and objectivity. Job announcements are carefully worded to promote inclusivity, and candidate assessments are based exclusively on professional qualifications and suitability for the role. Interview panels receive training to recognize and mitigate bias, thereby supporting impartial decision-making. Additionally, newly hired staff are briefed on the company's equal opportunity principles during orientation, reinforcing expectations of respect and fairness from the beginning of employment. To ensure effective policy implementation, the human resources and compliance departments collaborate in monitoring workplace equity. Regular audits are conducted on promotion decisions, performance appraisals, and access to professional development opportunities. These efforts aim to ensure that employees from diverse backgrounds have equal opportunities to grow and advance within the organization. The company actively fosters an inclusive culture through structured awareness programs and leadership briefings, which are designed to sensitize staff to issues of diversity, equity, and workplace conduct. These initiatives help cultivate a respectful and inclusive working environment across all departments.

Guston Amava Limitedalso maintains a confidential and accessible grievance mechanism for employees to report any experiences of discrimination. All reported cases are handled through a fair and impartial process, and strict protections are in place to safeguard employees from retaliation. This system reinforces employee trust in organizational accountability and strengthens ethical workplace practices.

3.3.3 Harass and Abuse

The factory enforces a zero-tolerance policy toward any form of verbal, physical, sexual, or psychological harass or abuse. Clear procedures are in place for employees to report inappropriate behavior through anonymous suggestion boxes and barcode scanning directly to the HR manager and director. Regular training is provided to workers and supervisors on workplace conduct and respectful communication. In cases of violation, disciplinary action is taken according to company policy. The aim is to ensure that all employees feel safe, respected, and protected at work. This preventive measures not only promote a culture of accountability and dignity but also contribute

to employee retention and organizational stability. Harass-free environment is essential for maintaining workforce morale and enhancing overall productivity.

3.3.4 Leave and Holidays

Guston Amava Limited provides all legally mandated leave entitlements including annual leave, medical leave, casual leave, maternity leave and paternity leave. Public holidays are observed according to the official calendar, and workers are informed of their entitlements during orientation. Attendance records are managed through a fingerprint system, and leave applications are processed transparently. The factory ensures that workers do not face deductions or retaliation for taking their rightful leave. Emergency leave and unpaid leave are also granted based on compassionate grounds or management approval. Clear leave policies are displayed on notice boards to ensure accessibility and awareness. HR personnel are available to assist employees in understanding and applying for leave. This approach supports work-life balance, reduces absenteeism, and promotes a healthy working environment.

3.3.5 Welfare Facilities

The company provides essential welfare services to support employees' health and daily requirements. These facilities include access to clean and safe drinking water, an on-site medical room staffed with a full-time nurse and doctor and well-maintained lighting and ventilation systems to ensure a conducive work environment. Furthermore, the organization offers supplementary provisions such as free uniforms, personal protective equipment (PPE), and designated rest areas to enhance overall working conditions. The compliance department is responsible for conducting routine inspections of these facilities to ensure that quality and safety standards are consistently upheld. Employee feedback is systematically gathered to guide continuous improvements in service delivery.

In addition to these welfare provisions, the company places a strong emphasis on Occupational Safety and Health (OSH). Comprehensive safety training programs are regularly conducted to educate employees on risk prevention and safe work practices. Hazard identification and risk assessments are carried out periodically to minimize occupational injuries and health threats. To ensure robust emergency

preparedness, the company has established an Emergency Preparedness and Response Team (EPRT) within each department. These teams are responsible for coordinating safety measures during emergencies and are trained in first aid, evacuation protocols, and hazard mitigation. A dedicated firefighting team is also in place, equipped with appropriate fire safety tools and trained to respond promptly to fire-related incidents. Regular fire drills and evacuation exercises are conducted to enhance employee awareness and readiness. Through the integration of OSH standards, departmental EPRTs, and a specialized firefighting team, the company promotes a secure, health-conscious, and resilient working environment that aligns with both national regulations and international labor standards.

3.4 Demographic Profile of Respondents

There are a total of 282 respondents who were surveyed with structured questionnaire to describe in Guston Amava Limited. The data is based on their age, gender, education, monthly income and service of length. Table (3.3) provides demographic profile of respondents.

Table (3.1) Demographic Profile of Respondents

| Sr. No. | Demographic Factors | No. of Respondents | Percentage |
|----------|-------------------------------|--------------------|------------|
| | | 282 | 100 |
| 1 | Gender | | |
| | Male | 90 | 32 |
| | Female | 172 | 61 |
| | Prefer not to say | 20 | 7 |
| 2 | Age | | |
| | 18 – 25 years | 105 | 37 |
| | 26 – 35 years | 135 | 48 |
| | Above 35 years | 42 | 15 |
| 3 | Education Level | | |
| | Primary school | 70 | 25 |
| | Secondary school | 90 | 32 |
| | High school graduate/Diploma | 85 | 30 |
| | University graduate or higher | 37 | 13 |
| 4 | Monthly Income | | |
| | Below 350,000 MMK | 49 | 17 |
| | 350,000 – 400,000 MMK | 80 | 28 |
| | 400,001 – 450,000 MMK | 75 | 27 |
| | 450,001 – 500,000 MMK | 46 | 16 |
| | Above 500,001 MMK | 32 | 11 |
| 5 | Service Years | | |
| | Less than 2 years | 90 | 32 |
| | 2 – 4 years | 120 | 43 |
| | 4 – 6 years | 42 | 15 |
| | Above 6 years | 30 | 11 |

Source: Survey Data, 2025

According to Table (3.1) presents the demographic profile of the 282 respondents who participated in the survey. In terms of gender, the majority of

respondents were female, accounting for 172 individuals (61%). Male respondents represented 90 individuals (32%), while 20 participants (7%) preferred not to disclose their gender. The predominance of female workers is in line with typical gender distributions in Myanmar's garment industry, while the presence of male workers and the "prefer not to say" group indicates a degree of gender diversity in the workforce.

Regarding age distribution, the largest portion of respondents, 135 employees (48%), were between the ages of 26 and 35. This was followed by 105 (37%) aged between 18 and 25 years, while 42 respondents (15%) were above the age of 35. These figures reflect a workforce that is primarily composed of young to middle-aged workers, which is consistent with the age structure common in labor-intensive manufacturing sectors.

In terms of education level, 90 respondents (32%) had completed secondary school, while 85 individuals (30%) reported having graduated from high school or holding a diploma. A total of 70 respondents (25%) had completed only primary school, and 37 employees (13%) had attained university-level education or higher. This describes that while most workers have basic or intermediate education, a notable segment of the workforce is relatively well-educated, potentially increasing awareness of labor rights and compliance issues.

With respect to monthly income, 80 respondents (28%) earned between 350,000 and 400,000 MMK, followed closely by 75 employees (27%) earning between 400,001 and 450,000 MMK. Additionally, 46 individuals (16%) earned between 450,001 and 500,000 MMK, and 32 respondents (11%) earned above 500,001 MMK. Meanwhile, 49 respondents (17%) reported earnings below 350,000 MMK. These results indicate that the majority of employees fall within the lower- to mid-income range, which is typical for workers in the garment manufacturing sector.

In terms of service years, 120 respondents (43%) had been employed for 2–4 years, representing the largest group. This was followed by 90 employees (32%) who had worked for less than two years. Meanwhile, 42 respondents (15%) had 4–6 years of service, and only 30 employees (11%) had been with the company for more than six years. This distribution shows that the workforce is composed of both new and moderately experienced employees, with a smaller proportion of long-term staff.

In summary, the demographic profile of respondents at Guston Amava Limited indicates a predominantly female, young, and moderately educated workforce, earning within a standard income range and showing varying levels of job tenure. These

characteristics reflect broader trends in the garment industry and provide meaningful context for evaluating the relationship between social compliance and workforce outcomes such as motivation, productivity, and performance.

3.5 Reliability Analysis

A statistical technique called reliability analysis is used to evaluate a system's or measuring tool's dependability, stability, and consistency. Hair et al. (2010) have identified five reliability value levels. Table (3.2) displays the Cronbach's alpha value level.

Table (3.2) Value level of Reliability Cronbach's Alpha

| Sr. No. | Cronbach's Alpha Value Level | Level of Reliability |
|----------------|-------------------------------------|-----------------------------|
| 1 | 0.00 -0.20 | Less Reliable |
| 2 | 0.21 – 0.40 | Rather Reliable |
| 3 | 0.41 – 0.60 | Quite Reliable |
| 4 | 0.61 - 0.80 | Reliable |
| 5 | 0.81 - 1.00 | Very Reliable |

Source: Hair et al., 2010

The Cronbach's alpha reliability test is used to ensure reliability. Generally, an alpha value closer to 1.0 indicates high consistency reliability, while values below 0.6 are considered poor. Typically, reliability in the acceptable range falls between 0.6 and 0.8. The following Table (3.3) presents Cronbach's alpha values of the variables.

Table (3.3) Reliability Analysis

| Sr. No. | Particular | Variables | No. of Items | Cronbach's Alpha | Interpretation |
|----------------|-----------------------|-----------------------|---------------------|-------------------------|-----------------------|
| 1 | Social Compliance | Wages and Benefits | 5 | .962 | Very Reliable |
| 2 | | Discrimination | 5 | .959 | Very Reliable |
| 3 | | Harass and Abuse | 5 | .959 | Very Reliable |
| 4 | | Leave and Holidays | 5 | .955 | Very Reliable |
| 5 | | Welfare Facilities | 5 | .956 | Very Reliable |
| 6 | Employee Motivation | Employee Motivation | 5 | .958 | Very Reliable |
| 7 | Employee Productivity | Employee Productivity | 5 | .954 | Very Reliable |
| 8 | Employee Performance | Employee Performance | 5 | .954 | Very Reliable |

Source: Survey Data, 2025

Cronbach's Alpha values are computed for each variable based on the reliability test. All variables receive scores in the range of 0.80 to 1.00. According to the findings, each variable's cronbach's Alpha values are satisfaction, indicating the validity and reliability of the survey data.

CHAPTER 4
ANALYSIS ON THE EFFECT OF SOCIAL COMPLIANCE ON EMPLOYEE
PRODUCTIVITY AND EMPLOYEE PERFORMANCE IN
GUSTON AMAVA LIMITED

This chapter presents employee’s perception on the social compliance, employee productivity and employee performance at Guston Amava Limited. It further explores the mediating role of employee motivation within this relationship. The analysis is based on data collected through a structured questionnaire administered to 282 employees across various departments of the organization.

4.1 Employee Perception on Social Compliance, Employee Motivation, Employee Productivity and Employee Performance at Guston Amava Limited.

This section presents the descriptive results related to employee’s perception toward social compliance practices, their motivation levels, productivity, and overall performance at Guston Amava Limited. The mean rating scale is presented in the Table (4.1) based on mean rating scale of Best (1977).

Table (4.1) Mean Rating Scale

| Sr. No. | Score Range | Mean Rating |
|----------------|--------------------|--------------------|
| 1 | 1.00-1.80 | Strongly Disagree |
| 2 | 1.81 – 2.60 | Disagree |
| 3 | 2.61 – 3.40 | Neutral |
| 4 | 3.41 – 4.20 | Agree |
| 5 | 4.21 – 5.00 | Strongly Agree |

Source: Best, 1977

As shown in Table (4.1), five mean rating scales are identified by Best (1977) to interpret the survey data. The mean rating scale of Best (1977) is used in the study to interpret the mean score.

4.1.1 Employee Perception on Social Compliance

The section presents how employees perceive on the implementation and effectiveness of social compliance practices (wages and benefits, discrimination, harass and abuse, leave and holidays and welfare facilities) in their workplace, and how these perceptions may influence their motivation, productivity, and performance. The results are presented in Table under each subheading, showing the mean values and standard deviations of employee responses for each factor.

(a) Wages and Benefits of Guston Amava Limited

The wages and benefits are assessed through five relevant statements. The mean values for each statement, overall mean value, and standard deviation values are shown in Table (4.2).

Table (4.2) Wages and Benefits

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|--|-------------|-----------------------|
| 1 | Receiving minimum wages as per labor law | 3.41 | 0.64 |
| 2 | Getting salary paid on time every month | 3.85 | 0.64 |
| 3 | Earning overtime pay at double rate | 4.08 | 0.79 |
| 4 | Feeling wage policy is transparent and fair to all employees | 3.57 | 0.66 |
| 5 | Being satisfied with benefit packages | 3.34 | 0.66 |
| | Overall Mean | 3.65 | - |

Source: Survey Data, 2025

As shown in Table (4.2), all mean values except mean value of 3.34 (including the overall mean value) fall between 3.41 and 4.20, which are interpreted as agree level. It means that the majority of respondents agree with the wages and benefits practices of Guston Amava Limited. Most of the respondents agree that they receive overtime pay at double rate, and that their salary is paid on time each month. Furthermore, they perceive the wage policy as fairly transparent.

The remaining mean value falls between 2.61 and 3.40 at neutral level. It means that the majority of respondents neither agree nor disagree with benefits package.

Overall, the findings indicate that employees have a generally positive perception of the company's wage and benefit practices.

(b) Discrimination of Guston Amava Limited

The discrimination practices are assessed with five statements. The mean values for each statement, overall mean value, and standard deviation values are shown in Table (4.3).

Table (4.3) Discrimination

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|--|-------------|-----------------------|
| 1 | Being treated equally regardless of gender, religion, ethnicity, or physical ability | 3.97 | 0.70 |
| 2 | Observing promotions and rewards based on performance, not favoritism | 3.91 | 0.72 |
| 3 | Not experiencing any form of discrimination at workplace. | 4.18 | 0.87 |
| 4 | Ensuring fair treatment for all employees by the company | 3.91 | 0.68 |
| 5 | Feeling safe to report discrimination without fear of retaliation | 3.79 | 0.69 |
| | Overall Mean | 3.95 | - |

Source: Survey Data, 2025

According to Table (4.3), the mean values for discrimination (including the overall mean) range between 3.41 and 4.20, indicating the agree level. It can be concluded that respondents generally agree that discriminatory practices are not prevalent at Guston Amava Limited. Most respondents agree that they are treated fairly and equally regardless of gender, religion, ethnicity, or ability; those promotions are based on performance, not favoritism; and that they feel safe reporting discrimination without fear of retaliation.

(c) Harass and Abuse of Guston Amava Limited

The harass and abuse are assessed through five relevant statements. The mean values for each statement, overall mean value, and standard deviation values are shown in Table (4.4).

Table (4.4) Harass and Abuse

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|---|-------------|-----------------------|
| 1 | Never being physically or verbally abused by management or co-workers | 4.21 | 0.83 |
| 2 | Having a clear workplace policy to prevent harass and abuse | 3.56 | 0.75 |
| 3 | Feeling confident that harass complaints are taken seriously | 3.80 | 0.68 |
| 4 | Experiencing respectful communication among all staff members | 3.83 | 0.64 |
| 5 | Feeling psychologically safe while working here | 3.73 | 0.66 |
| | Overall Mean | 3.82 | - |

Source: Survey Data, 2025

According to Table (4.4), the mean values for harass and abuse, except mean value of 4.21 (including the overall mean) range between 3.41 and 4.20, indicating the agree level. It can be concluded that respondents generally agree that Guston Amava Limited has taken effective measures to prevent harass and abuse in the workplace. Most respondents generally agree that there is a clear workplace policy to prevent harass and abuse, that harass complaints are taken seriously, that respectful communication exists among all staff members, and that they feel psychologically safe while working there.

According to the mean value, the statement regarding never being physically or verbally abused by management or co-workers lies between 4.21 and 5.00, indicating a strongly agree. This mentions that respondents feel safe and respected in their workplace environment.

(d) Leave and Holidays of Guston Amava Limited

In assessing the leave and holidays conducted by Guston Amava Limited, the total of five statements are used. The mean values for each statement, overall mean value, and standard deviation values are listed in Table (4.5).

Table (4.5) Leave and Holidays

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|--|-------------|-----------------------|
| 1 | Receiving paid leave in accordance with company policy and labor law | 3.58 | 0.70 |
| 2 | Being entitled to annual/earned leave each year | 3.52 | 0.67 |
| 3 | Taking leave without unnecessary difficulty | 3.61 | 0.73 |
| 4 | Having holidays respected and properly scheduled | 3.54 | 0.77 |
| 5 | Feeling that the leave system is fair and transparent | 4.00 | 0.76 |
| | Overall Mean | 3.65 | |

Source: Survey Data, 2025

According to Table (4.5), the mean values for leave and holidays (including the overall mean) range between 3.41 to 4.20, indicating the agree level. It can be concluded that respondents generally agree with the leave and holiday practices at Guston Amava Limited. Specifically, most employees agree that they receive paid leave in accordance with labor law, are entitled to annual leave, can take leave without unnecessary difficulty, that holidays are properly scheduled, and that the leave system is fair and transparent.

(e) Welfare Facilities of Guston Amava Limited

In assessing the welfare facilities conducted by Guston Amava Limited, the total of five statements are used. The mean values for each statement, overall mean value, and standard deviation values are listed in Table (4.6).

Table (4.6) Welfare Facilities

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|---|-------------|-----------------------|
| 1 | Having sufficient welfare facilities provided by the company. | 3.58 | 0.72 |
| 2 | Using the on-site clinic provided for employees. | 3.56 | 0.71 |
| 3 | Using a clean canteen facility provided by the company. | 3.55 | 0.72 |
| 4 | Using transportation and prayer room facilities offered by the company. | 3.72 | 0.71 |
| 5 | Accessing pure drinking water at the workplace. | 3.58 | 0.73 |
| | Overall Mean | 3.60 | |

Source: Survey Data, 2025

According to Table (4.6), the mean values for welfare facilities (including the overall mean) range between 3.41 and 4.20, indicating the agree level. It can be concluded that respondents generally agree that Guston Amava Limited provides adequate welfare facilities to its employees. Most respondents generally agree that they have access to sufficient welfare facilities provided by the company, including the on-site clinic, clean canteen, transportation services, prayer room, and pure drinking water at the workplace.

4.1.2 Employee Motivation of Guston Amava Limited

In the analysis of employee motivation level, a total of five statements are used. All the respondents were asked to express their perceptions of how motivated they feel at work based on a five-point likert scale measure. Table (4.7) presents the employees' motivation level at Guston Amava Limited as follows:

Table (4.7) Employee Motivation

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|---|-------------|-----------------------|
| 1 | Feeling motivated to work hard due to the recognition received | 3.78 | 0.71 |
| 2 | Being motivated by opportunities for promotion. | 3.88 | 0.35 |
| 3 | Feeling encouraged by constructive feedback from supervisor | 3.66 | 0.64 |
| 4 | Being motivated through training and career development opportunities | 3.83 | 0.61 |
| 5 | Feeling that role is important to the company | 3.65 | 0.75 |
| | Overall Mean | 3.76 | |

Source: Survey Data, 2025

According to Table (4.7), the mean values for employee motivation (including the overall mean) range between 3.41 and 4.20, indicating the agree level. It can be concluded that respondents generally agree that they are motivated in their roles at Guston Amava Limited. Specifically, most employees agree that they feel motivated by recognition, promotion opportunities, training and career development, constructive feedback from their supervisors, and the sense that their role is important to the company. These findings indicate that the organization's motivational practices are effective in fostering employee engagement and commitment to work.

4.1.3 Employee Productivity of Guston Amava Limited

In assessing employee productivity at Guston Amava Limited, five statements were used to measure how effectively employees perceive their performance at work. Respondents were asked to rate their agreement based on a five-point likert scale. Table (4.8) presents the employee productivity levels as reported by the respondents.:

Table (4.8) Employee Productivity

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|--|-------------|-----------------------|
| 1 | Completing tasks efficiently and on time | 3.78 | 0.71 |
| 2 | Contributing to team goals and deadlines | 3.78 | 0.69 |
| 3 | Taking initiative in solving work-related problems | 3.75 | 0.74 |
| 4 | Maintaining work quality that meets or exceeds company standards | 3.75 | 0.71 |
| 5 | Striving to continuously improve performance | 3.52 | 0.74 |
| | Overall Mean | 3.72 | |

Source: Survey Data, 2025

According to Table (4.8), the mean values for employee productivity (including the overall mean) range between 3.41 and 4.20, indicating the agree level. It can be concluded that respondents generally agree with the statements related to their productivity at Guston Amava Limited. Specifically, most employees agree that they complete tasks efficiently and on time, contribute to team goals, take initiative in solving work-related problems, maintain work quality that meets company standards, and strive to improve performance.

4.1.4 Employee Performance of Guston Amava Limited

In assessing employee performance at Guston Amava Limited, a total of five statements were used. Respondents were asked to express their level of agreement based on a five-point likert scale. Table (4.9) presents the responses on employee performance as perceived by the employees:

Table (4.9) Employee Performance

| Sr. No. | Description | Mean | Std. Deviation |
|----------------|--|-------------|-----------------------|
| 1 | Receiving positive feedback from supervisors about job performance | 3.79 | 0.69 |
| 2 | Consistently meeting or exceeding performance expectations | 3.78 | 0.69 |
| 3 | Having job performance regularly evaluated and discussed | 3.77 | 0.71 |
| 4 | Taking responsibility for the quality of work | 3.76 | 0.67 |
| 5 | Actively contributing to the company's success | 3.53 | 0.71 |
| | Overall Mean | 3.73 | - |

Source: Survey Data, 2025

According to Table (4.9), the mean values for employee performance (including the overall mean) range between 3.41 and 4.2, indicating the agree level. It can be concluded that respondents generally agree with the statements related to their performance at Guston Amava Limited. Specifically, most employees agree that they receive positive feedback from supervisors, meet or exceed performance expectations, have their performance regularly evaluated and discussed, take responsibility for the quality of their work, and actively contribute to the company's success.

4.2 Analysis on the Effect of Social Compliance on Employee Productivity

This study examines the effect of social compliance on the employee productivity of Guston Amava Limited. The study utilizes a linear regression model for analysis. The independent variables are wages and benefits, discrimination, harass and abuse, leave and holidays and warfare facilities are identity while the dependent variable is employee productivity.

Table (4.10) Effect of Social Compliance on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|--------------------|-----------------------------|------------|---------------------------|--------|-------|-------|
| | B | Std. Error | Beta | | | |
| Constant | -0.011 | 0.144 | | -0.080 | 0.936 | |
| Wages and Benefits | 0.051 | 0.061 | 0.041 | 0.845 | 0.399 | 2.709 |
| Discrimination | 0.180*** | 0.058 | 0.166 | 3.125 | 0.002 | 3.243 |
| Harass and Abuse | 0.054 | 0.060 | 0.049 | 0.900 | 0.369 | 3.390 |
| Leave and Holidays | 0.258*** | 0.072 | 0.233 | 3.607 | 0.000 | 4.834 |
| Warfare Facilities | 0.467*** | 0.059 | 0.458 | 7.902 | 0.000 | 3.888 |
| R | .873 | | | | | |
| R Square | .761 | | | | | |
| Adjusted R Square | .757 | | | | | |
| F | 176.027*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to the results shown in Table (4.10), the R value is 0.873, R square and adjusted R square are 0.761 and 0.757 respectively, which indicates that this model can explain 76.1% of the variation in the dependent variable (employee productivity) by the independent variables (wages and benefits, discrimination, harass and abuse, leave and holidays, and welfare facilities). The F-value of 176.027 is statistically

significant at the 1% level, confirming the overall significance of the model. This result indicates that the specified model is valid and appropriate for explaining employee productivity based on social compliance dimensions. Discrimination, leave and holiday and welfare facilities have positive and significant effect on employee productivity.

According to the results, welfare facilities have positive and significant effect on employee productivity at the 1% significant level. This indicates that when employees are provided with proper welfare services such as clean drinking water, rest areas, medical care, and other facilities, it significantly enhances their ability to work efficiently and with greater focus. Guston Amava Limited ensures that these facilities are accessible within the workplace, contributing to a healthy and comfortable environment. The availability of these welfare services enables employees to maintain physical well-being and emotional balance during working hours. Therefore, welfare facilities directly contribute to improving employee productivity in the organization.

Another significant factor influencing employee productivity is leave and holidays. The results show that leave and holidays have a positive and significant effect on employee productivity at the 1% significant level. This implies that when employees are given adequate time-off through paid annual leave, public holidays, and casual or medical leave, they are more likely to perform efficiently upon return. These entitlements provide the employees with time to rest, recover, and attend to personal matters without the fear of job loss or wage reduction. As a result, employees remain motivated and energized to meet production targets. Therefore, leave and holiday provisions are an important element of social compliance that enhance employee productivity.

Discrimination also shows significant effect on employee productivity at the 1% significant level. This means that when employees perceive a fair and inclusive work environment free from bias based on gender, ethnicity, religion, or physical ability they are more likely to engage in their tasks with confidence and commitment. Guston Amava Limited ensures the enforcement of anti-discrimination policies in recruitment, promotion, and treatment in the workplace. Such practices build trust and respect among employees, which in turn leads to improved productivity. Therefore, the absence of discrimination plays a key role in encouraging higher levels of employee output.

The variables wages and benefits, and harass and abuse do not show significant effect on employee productivity in this model. Although they are fundamental aspects of social compliance, their effect on productivity is not as strong as the other variables

in this specific analysis. The result for wages and benefits indicates that fair wage structures alone may not be sufficient to increase productivity unless combined with other motivational factors. Similarly, while the prevention of harass and abuse is crucial for a safe working environment, its direct influence on productivity may depend on the severity and frequency of such incidents, which appear to be low in this context.

In conclusion, the regression analysis confirms that welfare facilities, leave and holidays, and non-discrimination policies are key drivers of employee productivity at Guston Amava Limited. These findings emphasize the importance of providing both physical and psychological support to employees through compliance with social standards. The organization's focus on employee well-being, fairness, and rest entitlements leads to improve efficiency and performance in the workplace.

4.3 Analysis on the Mediating Effect of Employee Motivation on the Relationship between Social Compliance and Employee Productivity at Guston Amava Limited

To measure the mediating effect of employee motivation on the relationship between social compliance and employee productivity, the following steps are followed:

1. Regression analysis is conducted to assess the total effect of independent variable on dependent variable.
2. A regression analysis is then performed to examine the effect of the independent variable on the proposed mediating variable.
3. A third regression analysis is conducted to test the combined effect of both the independent variable and mediating variable on the dependent variable.
4. The Sobel test is performed to statistically evaluate the significance of mediating effect on the relationship between independent variable and dependent variable.
5. Finally, the indirect effect, direct effect, and total effect are determined based on the analysis results.

4.3.1 Analysis on the Mediating Effect of Employee Motivation on the Relationship between Discrimination and Employee Productivity.

This section presents a structured analysis to evaluate the mediating role of employee motivation in the relationship between workplace discrimination and employee productivity at Guston Amava Limited. The analysis was conducted using the regression tests and the Sobel test to examine both direct and indirect effects.

Table (4.11) presents the effect of discrimination on the employee productivity at Guston Amava Limited. In this analysis, discrimination is independent variable and employee productivity is dependent variable. The result of the analysis are as follows.

Table (4. 11) Effect of Discrimination on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|-------------------|-----------------------------|------------|---------------------------|------------|------|------|
| | B | Std. Error | Beta | | | |
| Constant | .537 | .174 | | 3.081 | .002 | |
| Discrimination | .804*** | .044 | .740 | 18.437 | .000 | 1.00 |
| R | | | | .740 | | |
| R Square | | | | .548 | | |
| Adjusted R Square | | | | .547 | | |
| F | | | | 339.920*** | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.11), the total effect of discrimination on employee productivity is 0.804 and the standard error is 0.044, statistically significant at the 1% level. The table shows that discrimination has a significant positive effect on employee productivity. The regression model explains 54.8% of the variance in employee productivity, with discrimination as the independent variable. Overall, discrimination is a strong predictor of employee productivity. As a second step, the effect of discrimination (independent variable) on employee motivation is analyzed and the result is shown in Table (4.12).

Table (4.12) Effect of Discrimination on Employee Motivation

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|-------------------|-----------------------------|------------|---------------------------|--------|------|------|
| | B | Std. Error | Beta | | | |
| Constant | 1.680 | .114 | | 14.797 | .000 | |
| Discrimination | .527*** | .028 | .742 | 18.546 | .000 | 1.00 |
| R | .742 | | | | | |
| R Square | .551 | | | | | |
| Adjusted R Square | .550 | | | | | |
| F | 343.952*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.12), the coefficient value is 0.527 and the standard error is 0.028 for the effect of discrimination on employee motivation. The analysis reveals that discrimination has a significant positive effect on employee motivation. This indicates that when employees perceive fairness and equal treatment in the workplace, their motivation levels significantly increase. The regression model explains 55.1% of the variance in employee motivation with discrimination as the independent variable. This confirms that discrimination significantly influences the motivation of employees at Guston Amava Limited.

After analyzing the above effect, the following stage is analyzing the mediating effect. In this analysis, discrimination and employee motivation are the independent variables, while employee productivity is the dependent variable. The results of this analysis are shown in Table (4.13).

Table (4.13) Effect of Discrimination and Employee Motivation on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|---------------------|-----------------------------|------------|---------------------------|---------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | -1.667 | .121 | | -13.736 | .000 | |
| Discrimination | .113*** | .034 | .104 | 3.340 | .001 | 2.228 |
| Employee Motivation | 1.312*** | .048 | .857 | 27.419 | .000 | 2.228 |
| R | .937 | | | | | |
| R Square | .878 | | | | | |
| Adjusted R Square | .877 | | | | | |
| F | 1001.604*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.13), the effect of discrimination on employee productivity is 0.113, with a standard error of 0.034, while the effect of employee motivation on employee productivity is 1.312, with a standard error of 0.048. These results indicate that although discrimination has a direct and positive influence on employee productivity, its effect is significantly strengthened through the mediating role of employee motivation. The multiple regression model explains 87.8% of the variance in employee productivity, with discrimination and employee motivation as the independent variables. This indicates that both discrimination and employee motivation have statistically significant effects on employee productivity.

Afterward, the Sobel Test is performed to evaluate the mediating role that employee motivation plays between discrimination and employee productivity. The results are shown in Table (4.14).

Table (4.14) Sobel Test for Mediating Effect of Employee Motivation on the Relationship between Discrimination and on Employee Productivity

| Input: | | | Test statistic | Std. Error | <i>p-Value</i> |
|--------|-------|--------------|----------------|------------|----------------|
| a | 0.527 | Sobel test | 15.50176208 | 0.04460293 | 0.00000000 |
| b | 1.312 | Aroian test | 15.4947293 | 0.04462317 | 0.00000000 |
| Sa | 0.028 | Goodman test | 15.50880445 | 0.04458268 | 0.00000000 |
| Sb | 0.048 | Reset All | Calculate | | |

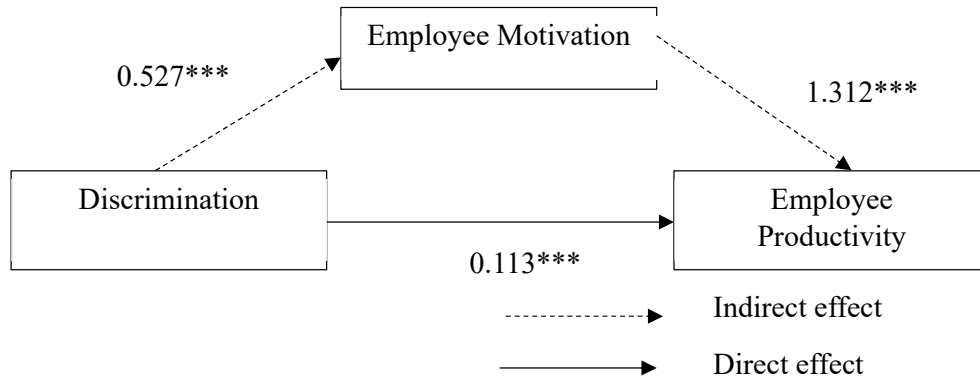
Source: Survey Data, 2025

According to Table (4.14), the p-value 0.00000000 is less than 0.01. Thus, there is the mediating effect of employee motivation on the relationship between discrimination and employee productivity at the 1% significant level. The total effect, direct effect, and indirect effect are as follows.

$$\begin{aligned}
 \text{Total Effect} &= 0.804 \\
 \text{Direct Effect} &= 0.113 \\
 \text{Indirect Effect} &= 0.527 \times 1.312 = 0.691 \\
 \text{Direct Effect} + \text{Indirect Effect} &= \text{Total Effect} \\
 0.113 + 0.691 &= 0.804
 \end{aligned}$$

The direct effect and indirect effect are shown in Figure (4.1)

Figure (4.1) Mediating Effect of Employee Motivation on the Relationship between Discrimination and on Employee Productivity



Source: Survey Data, 2025

Note: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Figure (4.1), the results indicate a significant positive effect of discrimination on employee productivity. There is also a significant positive effect of discrimination on employee motivation, and a significant positive effect of employee motivation on employee productivity. This implies that employee motivation plays a mediating role in the relationship between discrimination and employee productivity at Guston Amava Limited.

Therefore, promoting non-discriminatory practices not only directly enhances employee productivity but also indirectly improves it by increasing employee motivation. This highlights the importance for Guston Amava Limited to foster a fair and inclusive workplace, as it contributes not only to employee morale but also to overall organizational performance through improved productivity.

4.3.2 Analysis on the Mediating Effect of Employee Motivation on the Relationship between Leave and Holiday on Employee Productivity

This section presents a structured analysis to evaluate the mediating role of employee motivation in the relationship between leave and holidays and employee productivity at Guston Amava Limited. The analysis was conducted using the regression tests and the Sobel test to examine both direct and indirect effects.

Table (4.15) presents the effect of leave and holiday on employee productivity at Guston Amava Limited. In this analysis, leave and holiday is the independent variable

and employee productivity is the dependent variable. The results of the analysis are as follows.

Table (4.15) Effect of Leave and Holiday on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|-------------------|-----------------------------|------------|---------------------------|--------|------|------|
| | B | Std. Error | Beta | | | |
| Constant | .417 | .141 | | 2.957 | .003 | |
| Leave and Holiday | .904*** | .038 | .817 | 23.727 | .000 | 1.00 |
| R | .817 | | | | | |
| R Square | .668 | | | | | |
| Adjusted R Square | .667 | | | | | |
| F | 562.967*** | | | | | |

Source: Survey Data ,2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.15), the total effect of leave and holiday on employee productivity is 0.904 and the standard error is 0.038, statistically significant at the 1% level. The table shows that leave and holiday has a significant positive effect on employee productivity. The regression model explains 66.8% of the variance in employee productivity, with leave and holiday as the independent variable. Overall, leave and holiday is a strong predictor of employee productivity. As a second step, the effect of leave and holiday (independent variable) on employee motivation is analyzed and the result is shown in Table (4.16).

Table (4.16) Effect of Leave and Holiday on Employee Motivation

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|-------------------|-----------------------------|------------|---------------------------|--------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | 1.705 | 0.100 | | 17.064 | .000 | |
| Leave and Holiday | 0.564*** | 0.027 | 0.780 | 20.853 | .000 | 1.000 |
| R | 0.780 | | | | | |
| R Square | 0.608 | | | | | |
| Adjusted R Square | 0.607 | | | | | |
| F | 4.4.856*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.16), the coefficient value is 0.564 and the standard error is 0.027 for the effect of leave and holiday on employee motivation. The analysis reveals that leave and holiday has a significant positive effect on employee motivation. This indicates that when employees are provided with sufficient time off and rest periods, their level of motivation significantly improves. The regression model explains 60.8% of the variance in employee motivation with leave and holiday as the independent variable. This confirms that leave and holiday provisions significantly influence employee motivation at Guston Amava Limited.

After analyzing the above effect, the following stage is analyzing the mediating effect. In this analysis, leave and holiday and employee motivation are the independent variables, while employee productivity is the dependent variable. The results of this analysis are shown in Table (4.17).

Table (4.17) Effect of Leave and Holiday and Employee Motivation on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|---------------------|-----------------------------|------------|---------------------------|---------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | -1.562 | .114 | | -13.647 | .000 | |
| Leave and Holiday | .250*** | .035 | .226 | 7.219 | .000 | 2.553 |
| Employee Motivation | 1.160*** | .048 | .758 | 24.209 | .000 | 2.553 |
| R | .945 | | | | | |
| R Square | .893 | | | | | |
| Adjusted R Square | .892 | | | | | |
| F | 1162.713*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.17), the effect of leave and holiday on employee productivity is 0.250, with a standard error of 0.035, while the effect of employee motivation on employee productivity is 1.160, with a standard error of 0.048. These results indicate that although leave and holiday has a direct and positive influence on employee productivity, its effect significantly strengthened through the mediating role of employee motivation. The multiple regression model explains 89.3% of the variance in employee productivity, with leave and holiday and employee motivation as the independent variables. This indicates that both leave and holiday and employee motivation have statistically significant effects on employee productivity.

Afterward, the Sobel Test is performed to evaluate the mediating role that employee motivation plays between leave and holiday and employee productivity. The results are shown in Table (4.18).

Table (4.18) Sobel Test for Mediating Effect of Employee Motivation on the Relationship between Leave and Holidays and on Employee Productivity

| Input: | | | Test statistic | Std. Error | <i>p-Value</i> |
|--------|-------|--------------|----------------|------------|----------------|
| a | 0.564 | Sobel test | 15.80347215 | 0.0413985 | 0.00000000 |
| b | 1.160 | Aroian test | 15.79573387 | 0.04141878 | 0.00000000 |
| Sa | 0.027 | Goodman test | 15.81122181 | 0.04137821 | 0.00000000 |
| Sb | 0.048 | Reset All | Calculate | | |

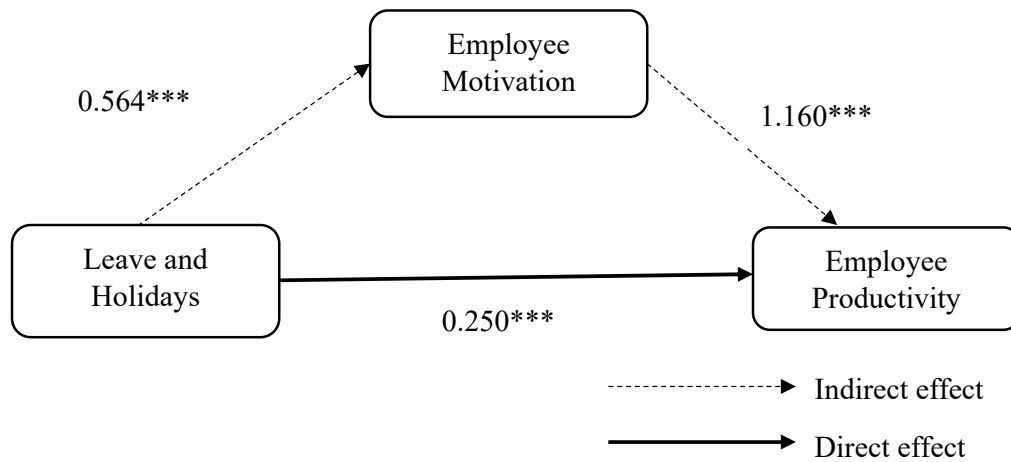
Source: Survey Data, 2025

According to Table (4.18), the p-value 0.00000000 is less than 0.01. Thus, there is the mediating effect of employee motivation on the relationship between leave and holidays and employee productivity at the 1% significant level. The total effect, direct effect, and indirect effect are as follows.

$$\begin{aligned}
 \text{Total Effect} &= 0.904 \\
 \text{Direct Effect} &= 0.250 \\
 \text{Indirect Effect} = 0.564 \times 1.160 &= 0.654 \\
 \text{Direct Effect} + \text{Indirect Effect} &= \text{Total Effect} \\
 0.250 + 0.654 &= 0.904
 \end{aligned}$$

The direct effect and indirect effect are shown in Figure (4.2)

Figure (4. 2) Mediating Effect of Employee Motivation on the Relationship between Leave and Holidays and on Employee Productivity



Source: Survey Data, 2025

Note: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Figure (4.2), the results indicate a significant positive effect of leave and holidays on employee productivity. There is also a significant positive effect of leave and holidays on employee motivation, and a significant positive effect of employee motivation on employee productivity. This implies that employee motivation plays a mediating role in the relationship between leave and holidays and employee productivity at Guston Amava Limited.

Therefore, providing adequate leave and holiday entitlements not only directly improves employee productivity but also indirectly strengthens it through enhanced employee motivation. This highlights the importance for Guston Amava Limited to maintain fair and well-structured leave policies, as they contribute to employee well-being, sustained motivation, and ultimately higher productivity levels within the organization.

4.3.3 Analysis on the Mediating Effect of Employee Motivation on the Relationship between welfare Facilities and Employee Productivity.

This section presents a structured analysis to evaluate the mediating role of employee motivation in the relationship between leave and holidays and employee productivity at Guston Amava Limited. The analysis was conducted using the regression tests and the Sobel test to examine both direct and indirect effects.

Table (4.19) presents the effect of welfare facilities on employee productivity at Guston Amava Limited. In this analysis, welfare facilities is the independent variable and employee productivity is the dependent variable. The results of the analysis are as follows.

Table (4.19) Effect of Welfare Facilities on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|--------------------|-----------------------------|------------|---------------------------|--------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | .637 | .121 | | 5.253 | .000 | |
| Welfare Facilities | .856*** | .033 | .839 | 25.794 | .000 | 1.000 |
| R | .839 | | | | | |
| R Square | .704 | | | | | |
| Adjusted R Square | .703 | | | | | |
| F | 665.307*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.19), the total effect of welfare facilities on employee productivity is 0.856 and the standard error is 0.033, statistically significant at the 1% level. The table shows that welfare facilities have a significant positive effect on employee productivity. The regression model explains 70.4% of the variance in employee productivity, with welfare facilities as the independent variable. Overall, welfare facilities are a strong predictor of employee productivity.

As a second step, the effect of welfare facilities (independent variable) on employee motivation is analyzed and the result is shown in Table (4.20).

Table (4.20) Effect of Welfare Facilities on Employee Motivation

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|--------------------|-----------------------------|------------|---------------------------|------------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | 1.863 | 0.089 | | 20.974 | .000 | |
| Welfare Facilities | 0.528*** | 0.024 | 0.792 | 21.715 | .000 | 1.000 |
| R | | | | .792 | | |
| R Square | | | | .672 | | |
| Adjusted R Square | | | | .626 | | |
| F | | | | 471.525*** | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.20), the coefficient value is 0.528 and the standard error is 0.024 for the effect of welfare facilities on employee motivation. The analysis reveals that welfare facilities have a significant positive effect on employee motivation. This indicates that when employees are provided with proper welfare services—such as clean drinking water, medical care, canteen access, and rest areas—their motivation levels significantly improve. The regression model explains 67.2% of the variance in employee motivation with welfare facilities as the independent variable. This confirms that welfare provisions significantly influence employee motivation at Guston Amava Limited.

After analyzing the above effect, the following stage is analyzing the mediating effect. In this analysis, welfare facilities and employee motivation are the independent variables, while employee productivity is the dependent variable. The results of this analysis are shown in Table (4.21).

Table (4.21) Effect of Welfare Facilities and Employee Motivation on Employee Productivity

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|---------------------|-----------------------------|------------|---------------------------|---------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | -1.428 | .114 | | -12.564 | .000 | |
| Welfare Facilities | .271*** | .032 | .265 | 8.520 | .000 | 2.684 |
| Employee Motivation | 1.108*** | .048 | .724 | 23.240 | .000 | 2.684 |
| R | .948 | | | | | |
| R Square | .899 | | | | | |
| Adjusted R Square | .898 | | | | | |
| F | 1243.200*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.21), the effect of welfare facilities on employee productivity is 0.271, with a standard error of 0.032, while the effect of employee motivation on employee productivity is 1.108, with a standard error of 0.048. These results indicate that although welfare facilities have a direct and positive influence on employee productivity, their effect is significantly strengthened through the mediating role of employee motivation. The multiple regression model explains 89.9% of the variance in employee productivity, with welfare facilities and employee motivation as the independent variables. This indicates that both welfare facilities and employee motivation have statistically significant effects on employee productivity.

Afterward, the Sobel Test is performed to evaluate the mediating role that employee motivation plays between welfare facilities and employee productivity. The results are shown in Table (4.22).

Table (4. 22) Analysis on Sobel Test for Mediating Effect of Employee Motivation on the Relationship between Welfare Facilities and on Employee Productivity

| Input: | | Test statistic | Std. Error | <i>p-Value</i> | |
|--------|-------|----------------|-------------|----------------|------------|
| a | 0.528 | Sobel test | 15.92556443 | 0.0367349 | 0.00000000 |
| b | 1.108 | Aroian test | 15.9177393 | 0.03675296 | 0.00000000 |
| Sa | 0.024 | Goodman test | 15.93340112 | 0.03671683 | 0.00000000 |
| Sb | 0.048 | Reset All | Calculate | | |

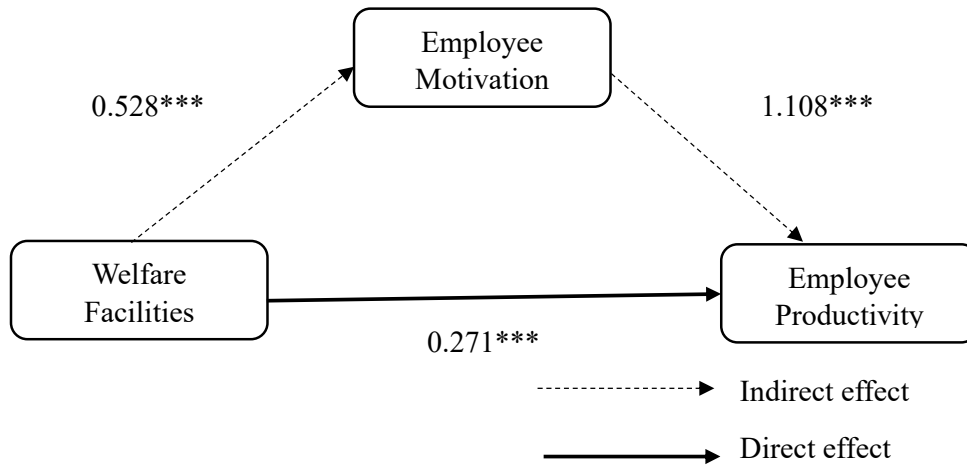
Source: Survey Data, 2025

According to Table (4.22), the p-value 0.00000000 is less than 0.01. Thus, there is the mediating effect of employee motivation on the relationship between welfare facilities and employee productivity at the 1% significant level. The total effect, direct effect, and indirect effect are as follows.

$$\begin{aligned}
 \text{Total Effect} &= 0.856 \\
 \text{Direct Effect} &= 0.271 \\
 \text{Indirect Effect} &= 0.528 \times 1.108 = 0.585 \\
 \text{Direct Effect} + \text{Indirect Effect} &= \text{Total Effect} \\
 0.271 + 0.585 &= 0.856
 \end{aligned}$$

The direct effect and indirect effect are shown in Figure (4.3)

Figure (4.3) Mediating Effect of Employee Motivation on the Relationship between Welfare Facilities and on Employee Productivity



Source: Survey Data, 2025

Note: *** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Figure (4.3), the results indicate a significant positive effect of welfare facilities on employee productivity. There is also a significant positive effect of welfare facilities on employee motivation, and a significant positive effect of employee motivation on employee productivity. This implies that employee motivation plays a mediating role in the relationship between welfare facilities and employee productivity at Guston Amava Limited.

Therefore, improving welfare facilities not only directly enhances employee productivity but also indirectly strengthens it by increasing employee motivation. This highlights the importance for Guston Amava Limited to invest in employee welfare services—such as medical care, rest areas, clean drinking water, and canteen access—as these factors contribute to higher motivation and ultimately improve productivity across the organization.

4.4 Analysis on the Effect of Employee Productivity on Employee Performance

This study examines the effect of employee productivity on the employee performance of Guston Amava Limited. A linear regression model is employed for the analysis, with employee productivity identified as the independent variable and employee performance as the dependent variable.

Table (4.23) Effect of Employee Productivity on Employee Performance

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | VIF |
|-----------------------|-----------------------------|------------|---------------------------|---------|------|-------|
| | B | Std. Error | Beta | | | |
| Constant | .205 | .031 | | 6.624 | .000 | |
| Employee Productivity | .948*** | .008 | .990 | 115.769 | .000 | 1.000 |
| R | .990 | | | | | |
| R Square | .980 | | | | | |
| Adjusted R Square | .979 | | | | | |
| F | 13402.429*** | | | | | |

Source: Survey Data, 2025

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.23), the regression analysis reveals that employee productivity has a significant positive effect on employee performance at Guston Amava Limited. The unstandardized coefficient is 0.948, with a standard error of 0.008, and is statistically significant at the 1% level. This indicates that higher levels of employee productivity strongly contribute to improved employee performance. When employees are able to efficiently produce quality outcomes, meet deadlines, and maintain consistency in output, it directly enhances their overall performance. Employee productivity has significant positive effect on employee performance at the 1% significant level. The model explains 98.0% of the variance in employee performance, indicating an exceptionally high level of explanatory power. These results emphasize that productivity is a key determinant of how well employees perform in their roles. Improving productivity through supportive workplace policies, proper resource allocation, and goal alignment is essential for boosting employee performance. The findings confirm that fostering productivity is critical for performance excellence at Guston Amava Limited, reinforcing the need for continuous performance monitoring and support systems to optimize employee outcomes.

CHAPTER 5

CONCLUSION

This chapter provides the conclusion of the analysis, including findings and discussions, as well as suggestions and recommendations derived from the analysis on the effects of social compliance practices, specifically wages and benefits, discrimination, harass and abuse, leave and holidays, and welfare facilities, on employee motivation, employee productivity, and employee performance at Guston Amava Limited. Furthermore, it focuses on the identified areas requiring further research.

5.1 Findings and Discussions

This chapter presents the key findings and discussions based on the analysis of social compliance, employee motivation, employee productivity, and employee performance at Guston Amava Limited. The results are derived from descriptive and regression analyses, reflecting employee responses across various social compliance dimensions. The discussions are structured around the core components of the conceptual framework.

The demographic findings show that the majority of respondents are female, aged between 18 and 35, and have completed basic or secondary education. Most employees have a service length of fewer than five years and earn a monthly income within a relatively modest range. These characteristics reflect the typical profile of the labor force in Myanmar's garment sector and indicate a young, predominantly female workforce.

The findings related to wages and benefits indicate that most respondents agree that wages are paid regularly and overtime compensation is provided as per legal requirements. Respondents also acknowledge the provision of allowances and non-monetary incentives such as food support. This finding shows that Guston Amava Limited upholds basic wage compliance and complements it with supportive benefits. From the discussion, it can be inferred that the presence of timely and fair compensation contributes positively to employee motivation. Employees who feel that their effort is rewarded tend to demonstrate better attendance, higher morale, and greater engagement in their assigned tasks.

The findings on discrimination reveal that most employees agree that there is equal treatment regardless of gender, religion, or background. Respondents perceive that opportunities for promotion and training are based on performance rather than bias. These findings describe that the organization maintains an inclusive workplace climate. The discussion highlights that such an environment helps reduce internal conflicts, enhances collaboration, and contributes to a sense of fairness. A discrimination-free setting fosters employee trust, which in turn supports higher levels of motivation and improved teamwork.

Regarding harass and abuse, the majority of respondents agree that there are mechanisms in place for reporting abuse, and that the workplace is free from verbal, physical, or psychological threats. Workers also indicate that grievance systems are functional and that training on respectful workplace behavior is regularly conducted. These results mention that the company's zero-tolerance policy toward harass and abuse is effectively implemented. This practice ensures emotional safety, which is an important foundation for sustained concentration and commitment to work. The discussion shows that when employees feel safe, they are more likely to remain focused, productive, and committed to organizational goals.

The findings on leave and holidays show that employees agree they are aware of their entitlements and can access annual leave, casual leave, and maternity or paternity leave without discrimination. Respondents also indicate that public holidays are observed and emergency leave is granted as needed. These responses highlight that the organization complies with statutory leave regulations. The discussion highlights that structured leave provisions enhance employee well-being, reduce burnout, and sustain long-term engagement. A transparent leave system contributes to organizational stability and employee satisfaction.

The findings on welfare facilities indicate that most respondents agree that the workplace provides basic amenities such as clean drinking water, medical care, rest areas, and a canteen. Employees also acknowledge the provision of personal protective equipment and uniforms. These results indicate that Guston Amava Limited prioritizes physical work conditions. The discussion mentions that welfare services act as indirect motivators. When basic needs are met, employees can focus better on their duties. The availability of welfare support also reduces absenteeism linked to illness or discomfort, thereby improving productivity.

The findings related to employee motivation show that employees feel motivated when wages are fair, discrimination is absent, and they feel safe and supported at work. Motivation levels are reported to be higher among those who experience transparency and recognition. The discussion confirms that employee motivation acts as a mediating force between social compliance and productivity. A motivated employee is more likely to attend work consistently, strive to meet production targets, and align personal efforts with organizational objectives.

The findings on employee productivity reveal that workers who experience better compliance with social standards show higher levels of output and consistency. Respondents indicate that clear expectations, rewards for good performance, and supportive supervision encourage them to work harder. These findings imply that productivity is closely linked to the working environment. The discussion supports the view that social compliance reduces barriers to efficient work and encourages workers to contribute to the production process more effectively. The link between productivity and structured compliance is evident in the consistency of attendance, reduced error rates, and timely completion of production goals.

The findings related to employee performance show that motivated and productive employees tend to meet their targets more accurately and with higher quality. Respondents report that clear performance feedback and task clarity help them improve their skills and meet job expectations. These results describe that performance outcomes are positively affected by the presence of social compliance and motivation. The discussion highlights that employee performance is not isolated but is an outcome influenced by workplace conditions, management practices, and psychological factors.

Regarding the first objective of the study, the findings show that among the five dimensions of social compliance, only three discriminations, leave and holidays, and welfare facilities have significant and positive effect on employee productivity at Guston Amava Limited. Among these, welfare facilities record the strongest effect on employee productivity. Employees respond positively to the availability of rest areas, clean drinking water, medical care, and safe canteen spaces, which help them maintain physical well-being and focus during working hours. Leave and holiday provisions, such as annual leave and public holidays, allow employees to recover from work-related fatigue and sustain consistent output. The presence of non-discriminatory practices where promotions, training, and treatment are based on merit correlates with greater employee engagement and work efficiency. On the other hand, wages and benefits and

harass and abuse do not show a significant effect on productivity, possibly because basic standards in those areas are already met within the organization. This results support the view that employee productivity improves in environments where fairness, rest, and physical support systems are present.

For the second objective, the finding shows that employee motivation mediates the relationship between social compliance and employee productivity. Motivation acts as a connecting factor between fairness and employee effort. The statistical tests show that discrimination, leave and holidays, and welfare facilities influence employee motivation positively, which then contributes to higher productivity. The indirect effect through motivation is greater than the direct effect of each compliance factor on productivity. When employees feel respected, supported with adequate rest, and cared for through welfare services, they demonstrate more consistent and goal-directed behavior. These results confirm that motivation is not only a personal attitude but also a response to the organizational environment shaped by social compliance.

For the third objective, the findings reveal that the employee productivity effect on employee performance. Employees who perform their tasks efficiently, maintain quality standards, and contribute to team objectives also receive favorable evaluations and demonstrate strong job performance. The statistical results indicate that productivity strongly explains performance outcomes in this setting. This means employees who are more productive are more likely to meet expectations, show accountability, and support the company's overall goals. The data clearly highlight those improvements in productivity result in better performance at both individual and organizational levels.

5.2 Suggestions and Recommendations

To further enhance employee productivity and performance at Guston Amava Limited, the company should continue to strengthen its social compliance framework, with particular emphasis on fair wages, respectful workplace behavior, and supportive employee welfare systems. These practices not only contribute to operational efficiency but also foster long-term employee satisfaction and loyalty.

Firstly, the company should regularly review its wage structures to ensure they remain competitive and aligned with inflation rates, industry benchmarks, and workers' living costs. It is recommended that performance-based bonuses and attendance

incentives be maintained and communicated transparently. A structured pay system that is perceived as fair and equitable by employees strengthens trust in management and encourages a performance-driven work culture. Additionally, special recognition for high-performing staff can serve as both motivation and a retention strategy. Ensuring timely and accurate wage disbursements is also essential in building credibility and reducing grievances related to compensation. Wage transparency can further empower workers and reduce misunderstanding between management and staff.

Secondly, Guston Amava Limited should continue and expand its training programs focused on workplace rights, harassment prevention, and diversity awareness. These programs are critical in reinforcing the company's zero-tolerance policy against any form of abuse—be it verbal, physical, sexual, or psychological. Awareness campaigns, regular refresher training, and inclusive communication strategies can help build a respectful and cohesive workplace culture. Managers and supervisors should also be trained on how to handle complaints with sensitivity and confidentiality, fostering a safe environment for all employees.

Thirdly, the company's leave and holiday policies should remain flexible and responsive to the needs of the workforce. In addition to statutory leave, introducing optional paid wellness days or mental health breaks could be a proactive step in supporting employee well-being. Such initiatives reflect management's commitment to work-life balance and can contribute to reduced absenteeism and improved morale. Clear communication on leave entitlements and simplified procedures will further encourage responsible leave usage and foster employee satisfaction. It is also important to regularly review leave policies to ensure alignment with worker needs and seasonal workloads. Encouraging supervisors to be supportive of leave requests can create a more trusting and accommodating environment.

Fourth, the company should continue investing in the development and maintenance of welfare facilities. Clean, functional, and adequately equipped restrooms, canteen areas, and medical facilities are essential for ensuring health, safety, and comfort. Upgrading these facilities based on regular assessments and incorporating feedback from employees can enhance service quality and usability. Introducing digital feedback tools or suggestion boxes may help capture employee needs more effectively and improve management responsiveness.

Moreover, strengthening social dialogue between employees and management will be crucial for sustaining compliance and fostering mutual trust. Regular town hall

meetings, departmental feedback sessions, and engagement surveys can facilitate open communication, encourage employee participation in decision-making, and identify emerging workplace concerns.

By integrating these recommendations into its ongoing HR and compliance strategy, Guston Amava Limited can create a more resilient and motivated workforce. A comprehensive and adaptive social compliance framework not only enhances employee productivity and performance but also contributes to a positive corporate reputation and sustainable business success. Finally, motivational strategies should focus on both intrinsic and extrinsic drivers. Recognition of achievements, access to development programs, and clear promotion paths will help sustain long-term employee engagement.

5.3 Needs for Further Research

While this study has provided a detailed analysis of social compliance and its impact on motivation, productivity, and performance, there remain areas that would benefit from further exploration. Future research could examine the long-term effects of social compliance practices on employee loyalty and turnover rates. Additionally, studies could investigate the role of supervisor behavior and leadership style in enhancing compliance outcomes. Another potential area for research is the differential effect of social compliance on male versus female workers, particularly in gender-sensitive industries such as garment manufacturing. This would help tailor compliance strategies more effectively. Finally, further studies could employ longitudinal designs to assess the sustainability of productivity and performance improvements over time. Such research would provide more robust insights into how consistent compliance practices influence organizational resilience and competitiveness. Understanding these additional dimensions will help organizations like Guston Amava Limited evolve their workforce management practices to meet both ethical standards and operational goals.

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APPENDIX A
QUESTIONNAIRE

Dear Respondents,

The purpose of this questionnaire is to collect data for a Master's thesis titled **“Effect of Social Compliance on Employee Productivity and Employee Performance in Guston Amava Limited.”** This research is part of management study requires for partial fulfillment of a Master's degree at Yangon University of Economics. The information provided in this questionnaire will be used exclusively for academic purposes and will be kept strictly confidential. Your participation is highly appreciated, and your input will contribute significantly to the success of this study.

Thank you for your valuable time and support.

Your Faithfully,

Wint Wint Kyaw

EMBA II-33

EMBA 20th Batch (Online)

Part-I

Demographic Information

Please choose the most relevant answer by ticking (✓) only one of the boxes provided for each question.

Gender

Male

Female

Not prefer to say

Age (Years)

18-25

26-35

Above 35

Education Level

Primary school

Secondary school

High school graduate/Diploma

University graduate or higher

Monthly Income (MMK)

< 350,000

350,000 - 400,000

400,001 - 450,000

450,001 - 500,000

> 550,001

Service Years

Less than 1 year

1-2 years

2–3 years

3–4 years

4–5 years

6 years above

Part-II

Job Dimensions

Please indicate how much you agree or disagree with each statement by ticking (✓) in the box.

Strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4, Strongly Agree = 5

I. Wages and Benefits

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | I am getting minimum wages as per labour law | | | | | |
| Q2 | salary is paid on time every month. | | | | | |
| Q3 | I receive overtime money at double rate. | | | | | |
| Q4 | I feel the wage policy is transparent and fair to all employees. | | | | | |
| Q5 | I am satisfied with benefit packages. | | | | | |

II. Discrimination

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | I am treated equally regardless of gender, religion, ethnicity, or physical ability. | | | | | |
| Q2 | Promotions and rewards are based on performance, not favoritism. | | | | | |
| Q3 | I have not experienced any form of discrimination at workplace. | | | | | |
| Q4 | The company ensures fair treatment of all employees. | | | | | |
| Q5 | I feel safe to report discrimination without fear of retaliation. | | | | | |

III. Harass and Abuse

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | I have never been physically or verbally abused by management or co-workers. | | | | | |
| Q2 | The workplace has a clear policy to prevent harassment and abuse. | | | | | |
| Q3 | I am confident that harassment complaints are taken seriously here. | | | | | |
| Q4 | There is a respectful communication culture between all staff members. | | | | | |
| Q5 | I feel psychologically safe while working here. | | | | | |

IV. Leave and Holidays

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | I receive paid leave in accordance with company policy and labor law | | | | | |
| Q2 | I am entitled to annual/earned leave each year. | | | | | |
| Q3 | I can take leave without unnecessary difficulty. | | | | | |
| Q4 | Holidays are respected and properly scheduled | | | | | |
| Q5 | I feel the leave system is fair and transparent. | | | | | |

V. Welfare Facilitate

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | Company provides with sufficient welfare facilities. | | | | | |
| Q2 | Company provides clinic on site for employees | | | | | |
| Q3 | Company provides clean canteen facility. | | | | | |
| Q4 | Company provides transportation, prayer room facility. | | | | | |
| Q5 | Company provides pure drinking water | | | | | |

VI. Employee Motivation

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | I feel motivated to work hard because of the recognition I receive. | | | | | |
| Q2 | Opportunities for promotion increase motivation to work. | | | | | |
| Q3 | I feel encouraged when I receive constructive feedback from supervisor. | | | | | |
| Q4 | I am motivated by the training and career development opportunities offered. | | | | | |
| Q5 | The company makes me feel that role is important. | | | | | |

VII. Employee Productivity

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|--|---|---|---|---|---|
| Q1 | I complete tasks efficiently and on time. | | | | | |
| Q2 | I contribute to meeting team goals and deadlines. | | | | | |
| Q3 | I take initiative in solving work-related problems. | | | | | |
| Q4 | work quality meets or exceeds the company's standards. | | | | | |
| Q5 | I strive to improve performance continuously. | | | | | |

VIII. Employee Performance

| Statements | | 1 | 2 | 3 | 4 | 5 |
|------------|---|---|---|---|---|---|
| Q1 | I receive positive feedback from supervisors about job performance. | | | | | |
| Q2 | I consistently meet or exceed performance expectations. | | | | | |
| Q3 | performance is regularly evaluated and discussed. | | | | | |
| Q4 | I take responsibility for the quality of work. | | | | | |
| Q5 | I actively contribute to the company's success. | | | | | |

< Thank You >

APPENDIX B

SPSS OUTPUT

Regression Analysis on the Effect of Social Compliance on the employee Productivity

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .873 ^a | 0.761 | 0.757 | 0.32414 | 2.059 |

a. Predictors: (Constant), WF, WB, D, HA, LH

b. Dependent Variable: EPD

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 92.473 | 5 | 18.495 | 176.027 | .000 ^b |
| | Residual | 28.998 | 276 | 0.105 | | |
| | Total | 121.471 | 281 | | | |

a. Dependent Variable: EPD

b. Predictors: (Constant), WF, WB, D, HA, LH

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -0.011 | 0.144 | | -0.080 | 0.936 | | |
| | WB | 0.051 | 0.061 | 0.041 | 0.845 | 0.399 | 0.369 | 2.709 |
| | D | 0.180 | 0.058 | 0.166 | 3.125 | 0.002 | 0.308 | 3.243 |
| | HA | 0.054 | 0.060 | 0.049 | 0.900 | 0.369 | 0.295 | 3.390 |
| | LH | 0.258 | 0.072 | 0.233 | 3.607 | 0.000 | 0.207 | 4.834 |
| | WF | 0.467 | 0.059 | 0.458 | 7.902 | 0.000 | 0.257 | 3.888 |

a. Dependent Variable: EPD

Regression Analysis on the Effect of Discrimination on Employee Productivity

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .740 ^a | 0.548 | 0.547 | 0.44266 | 1.950 |

a. Predictors: (Constant), D

b. Dependent Variable: EPD

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 66.606 | 1 | 66.606 | 339.920 | .000 ^b |
| | Residual | 54.865 | 280 | 0.196 | | |
| | Total | 121.471 | 281 | | | |

a. Dependent Variable: EPD

b. Predictors: (Constant), D

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 0.537 | 0.174 | | 3.081 | 0.002 | | |
| | D | 0.804 | 0.044 | 0.740 | 18.437 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EPD

Regression Analysis on the Effect of Discrimination on Employee Motivation

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .742 ^a | 0.551 | 0.550 | 0.28820 | 1.784 |

a. Predictors: (Constant), D

b. Dependent Variable: EM

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 28.569 | 1 | 28.569 | 343.952 | .000 ^b |
| | Residual | 23.257 | 280 | 0.083 | | |
| | Total | 51.826 | 281 | | | |

a. Dependent Variable: EM

b. Predictors: (Constant), D

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1.680 | 0.114 | | 14.797 | 0.000 | | |
| | D | 0.527 | 0.028 | 0.742 | 18.546 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EM

Regression Analysis on the Effect of Discrimination and Employee Motivation on Employee Productivity.

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .937 ^a | 0.878 | 0.877 | 0.23071 | 2.039 |

a. Predictors: (Constant), EM, D

b. Dependent Variable: EPD

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|----------|-------------------|
| 1 | Regression | 106.621 | 2 | 53.311 | 1001.604 | .000 ^b |
| | Residual | 14.850 | 279 | 0.053 | | |
| | Total | 121.471 | 281 | | | |

a. Dependent Variable: EPD

b. Predictors: (Constant), EM, D

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|---------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -1.667 | 0.121 | | -13.736 | 0.000 | | |
| | D | 0.113 | 0.034 | 0.104 | 3.340 | 0.001 | 0.449 | 2.228 |
| | EM | 1.312 | 0.048 | 0.857 | 27.419 | 0.000 | 0.449 | 2.228 |

a. Dependent Variable: EPD

**Sobel Test for Mediating Effect of Employee Motivation on the Relationship
between Discrimination and on Employee Productivity**

| Input: | | Test statistic: | Std. Error: | <i>p</i> -value: |
|----------------------|-------|---------------------------|-------------|------------------|
| <i>a</i> | 0.527 | Sobel test: 15.50176208 | 0.04460293 | 0 |
| <i>b</i> | 1.312 | Aroian test: 15.4947293 | 0.04462317 | 0 |
| <i>s_a</i> | 0.028 | Goodman test: 15.50880445 | 0.04458268 | 0 |
| <i>s_b</i> | 0.048 | Reset all | Calculate | |

Regression Analysis on the Effect of Leave and Holiday on Employee Productivity

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .817 ^a | 0.668 | 0.667 | 0.37960 | 2.008 |

a. Predictors: (Constant), LH

b. Dependent Variable: EPD

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 81.123 | 1 | 81.123 | 562.967 | .000 ^b |
| | Residual | 40.348 | 280 | 0.144 | | |
| | Total | 121.471 | 281 | | | |

a. Dependent Variable: EPD

b. Predictors: (Constant), LH

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 0.417 | 0.141 | | 2.957 | 0.003 | | |
| | LH | 0.904 | 0.038 | 0.817 | 23.727 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EPD

Regression Analysis on the Effect of Leave and Holiday on Employee Motivation

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .780 ^a | 0.608 | 0.607 | 0.26926 | 1.747 |

a. Predictors: (Constant), LH

b. Dependent Variable: EM

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 31.527 | 1 | 31.527 | 434.856 | .000 ^b |
| | Residual | 20.300 | 280 | 0.072 | | |
| | Total | 51.826 | 281 | | | |

a. Dependent Variable: EM

b. Predictors: (Constant), LH

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1.705 | 0.100 | | 17.064 | 0.000 | | |
| | LH | 0.564 | 0.027 | 0.780 | 20.853 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EM

Regression Analysis on the Effect of Leave and Holiday and Employee Motivation on Employee Productivity

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .945 ^a | 0.893 | 0.892 | 0.21596 | 2.125 |

a. Predictors: (Constant), EM, LH

b. Dependent Variable: EPD

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|----------|-------------------|
| 1 | Regression | 108.459 | 2 | 54.229 | 1162.713 | .000 ^b |
| | Residual | 13.013 | 279 | 0.047 | | |
| | Total | 121.471 | 281 | | | |

a. Dependent Variable: EPD

b. Predictors: (Constant), EM, LH

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|---------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -1.562 | 0.114 | | -13.647 | 0.000 | | |
| | LH | 0.250 | 0.035 | 0.226 | 7.219 | 0.000 | 0.392 | 2.553 |
| | EM | 1.160 | 0.048 | 0.758 | 24.209 | 0.000 | 0.392 | 2.553 |

a. Dependent Variable: EPD

**Sobel Test for Mediating Effect of Employee Motivation on the Relationship
between Leave and Holidays and on Employee Productivity**

| Input: | | | Test statistic: | Std. Error: | <i>p</i> -value: |
|----------------------|-------|---------------|-----------------|-------------|------------------|
| <i>a</i> | 0.564 | Sobel test: | 15.80347215 | 0.0413985 | 0 |
| <i>b</i> | 1.160 | Aroian test: | 15.79573387 | 0.04141878 | 0 |
| <i>s_a</i> | 0.027 | Goodman test: | 15.81122181 | 0.04137821 | 0 |
| <i>s_b</i> | 0.048 | Reset all | Calculate | | |

Regression Analysis on the Effect of Welfare Facilities on Employee Productivity

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .839 ^a | 0.704 | 0.703 | 0.35847 | 2.061 |

a. Predictors: (Constant), WF

b. Dependent Variable: EPD

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 85.492 | 1 | 85.492 | 665.307 | .000 ^b |
| | Residual | 35.980 | 280 | 0.128 | | |
| | Total | 121.471 | 281 | | | |

a. Dependent Variable: EPD

b. Predictors: (Constant), WF

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 0.637 | 0.121 | | 5.253 | 0.000 | | |
| | WF | 0.856 | 0.033 | 0.839 | 25.794 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EPD

Regression Analysis on the Effect of Welfare Facilities on Employee Motivation

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .792 ^a | 0.627 | 0.626 | 0.26261 | 1.924 |

a. Predictors: (Constant), WF

b. Dependent Variable: EM

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 32.517 | 1 | 32.517 | 471.525 | .000 ^b |
| | Residual | 19.309 | 280 | 0.069 | | |
| | Total | 51.826 | 281 | | | |

a. Dependent Variable: EM

b. Predictors: (Constant), WF

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|--------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1.863 | 0.089 | | 20.974 | 0.000 | | |
| | WF | 0.528 | 0.024 | 0.792 | 21.715 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EM

Regression Analysis on the Effect of Welfare Facilities and Employee Motivation on Employee Productivity

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .948 ^a | 0.899 | 0.898 | 0.20958 | 2.026 |

a. Predictors: (Constant), EM, WF

b. Dependent Variable: EPD

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .948 ^a | 0.899 | 0.898 | 0.20958 | 2.026 |

a. Predictors: (Constant), EM, WF

b. Dependent Variable: EPD

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|---------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | -1.428 | 0.114 | | -12.564 | 0.000 | | |
| | WF | 0.271 | 0.032 | 0.265 | 8.520 | 0.000 | 0.373 | 2.684 |
| | EM | 1.108 | 0.048 | 0.724 | 23.240 | 0.000 | 0.373 | 2.684 |

a. Dependent Variable: EPD

Sobel Test for Mediating Effect of Employee Motivation on the Relationship between Welfare Facilities and on Employee Productivity

| Input: | | Test statistic: | Std. Error: | <i>p</i> -value: |
|----------------------|-------|---------------------------|-------------|------------------|
| <i>a</i> | 0.528 | Sobel test: 15.92556443 | 0.0367349 | 0 |
| <i>b</i> | 1.108 | Aroian test: 15.9177393 | 0.03675296 | 0 |
| <i>s_a</i> | 0.024 | Goodman test: 15.93340112 | 0.03671683 | 0 |
| <i>s_b</i> | 0.048 | Reset all | Calculate | |

Regression Analysis on the Effect of Employee Productivity on Employee Performance

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .990 ^a | 0.980 | 0.979 | 0.09021 | 2.068 |

a. Predictors: (Constant), EPD

b. Dependent Variable: EPF

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-----------|-------------------|
| 1 | Regression | 109.077 | 1 | 109.077 | 13402.429 | .000 ^b |
| | Residual | 2.279 | 280 | 0.008 | | |
| | Total | 111.356 | 281 | | | |

a. Dependent Variable: EPF

b. Predictors: (Constant), EPD

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|-------|------------|-----------------------------|------------|---------------------------|---------|-------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 0.205 | 0.031 | | 6.624 | 0.000 | | |
| | EPD | 0.948 | 0.008 | 0.990 | 115.769 | 0.000 | 1.000 | 1.000 |

a. Dependent Variable: EPF