



A Study on the Impact of Employee Satisfaction on Quality and Profitability of Organizations

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Abstract

Human Resource Management is getting more important in the business now-a-days, because people and their knowledge are the most important aspects affecting the productivity of the company. One of the main aspects of Human Resource Management is the measurement of employee satisfaction which is a measure of how happy employees are with their job and working environment. It is a key factor when measuring the organizational success. The purpose of this study is to observe the relationship between employee satisfaction and organizational success to attain profits. In this research paper, various variables responsible for employee satisfaction has been discussed such as organization developmental factors, job security factors, work

task factors, policies of compensation and benefit factor and opportunities which give satisfaction to employees such as promotion and career development leadership, motivation, rewards and cultural differences also have been described. This paper also deals the various ways by which one can improve employee satisfaction. The data was collected through self administrated questionnaire which contains multiple choice questions and open-ended questions. In conclusion, it seems reasonable to believe that understanding of employee role is extremely important as it appears key factor in the success of modern organization.

Key words: Employee satisfaction, Human Resource Management, Compensation, Organization development, Career development.

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1. Introduction

Employee satisfaction is the favourableness or unfavourableness with which the employee views his work. It expresses the amount of agreement between one's expectation of the job and the rewards that the job provides. Employee satisfaction is looked at in areas such as management, understanding of mission and vision, empowerment, teamwork, communication, co-worker interaction and it is essential for employee retention. Organizations need to retain deserving and talented employees for long term growth and success. Some of the existing studies explored that the relationships between several facets of employee satisfaction, organizational financial (return on assets; ROA) and market performance (earnings per share; EPS) using the data from 35 organizations over a period of eight years. Thus, in contrast to previous studies, Schneider and his colleagues' study was able to make some inferences about directional causality (i.e., are employee attitudes a stronger cause of organizational performance than the reverse). Their results showed consistent and statistically significant positive relationships (over varied time lags) between attitudes concerning satisfaction with security, satisfaction with pay, and overall job satisfaction with financial (ROA) and market performance (EPS). Although these findings are consistent with applied researchers' and managers' implicit beliefs, their study was not without some surprises. One of the more surprising findings was related to overall job satisfaction and the performance criteria [1]. Historically, the job

satisfaction-performance linkage has been primarily discussed by theorists from the Socio-technical and Human Relations schools of thought. According to the Socio-technical approach [2], organizational performance depends on congruence between the technical and social structures of the organization. Building on this notion, the Human Relations perspective posits that satisfied workers are productive workers [3-4]. Thus, organizational productivity and efficiency is achieved through employee satisfaction and attention to employees' physical as well as socio-emotional needs. Human relations researchers further argue that employee satisfaction sentiments are best achieved through maintaining a positive social organizational environment, such as by providing autonomy, participation, and mutual trust [4].

The objective of present study is an impact of employee satisfaction on quality and profitability of organizations and the study includes the job satisfaction levels of employees on various job dimensions, relationship between the demographical factors of the employee with satisfaction level, current satisfaction level of the employees in the company, satisfaction level of employees on various factors and provides suggestions for improving satisfaction. For this purpose, the factors chosen are good working conditions, recruitment process, training and development, grievance handling, pay and promotion, equal employment opportunities, level of stress, work timings, welfare programmes.

2. Experimental

2.1. Sample Data

Sampling technique used in this study is 'Random sampling' and the sample size accounted for 116. In order to gather the data for understanding the level of employee satisfaction level, a sample of 116 respondents were asked to take part in a self-administered questionnaire. The population for the existing research is employees working in public and private sectors of Nellore city of Andhra Pradesh, India. The present study utilizes a non probability sampling technique that is convenience sampling which is a sampling technique that obtains and collects the relevant information from the sample or the unit of the study that are conveniently available. The questionnaire was distributed among 120 respondents in Nellore city of Andhra Pradesh, India. These respondents are selected based on the criteria above mentioned. Before giving the questionnaire, the purpose of the study and questions were explained to the respondents so they can easily fill the questionnaire with relevant responses. A total of 116 questionnaires collected. After collecting, the completed questionnaires were coded and analyzed to get results.

2.2. Limitations of the study

- Time is the major constraint.
- Analysis is based on the responses given by the employees.
- There could be chances for bias from the employees' side to give the socially accepted answer.
- Data bias is very difficult to control and to overcome.

- In designing questionnaire, there could be chances for not including all the factors that affect the employee satisfaction.

2.3. Statistical analysis

Percentage analysis and Chi-square tests were used for analyze the significance of collected data using Prism GraphPad 7.0 and significance was set at $p < 0.05$.

3. Results and discussion

3.1. Profile of the respondents

Personal and demographic information of the respondents is presented in table 1.

Table 1. Sample description.

Variable	Category	Frequency	Percentage
Gender	Male	33	28
	Female	83	72
Marital status	Single	44	38
	Married	72	62
Age	20-30 years	32	27
	30-40 years	68	59
	Above 40 years	16	14
Education	Intermediate	12	10
	Bachelor degree	78	67
	Master degree	26	23

3.2. Hypothesis testing

3.2.1. Recruitment procedure and employee satisfaction

According to the results of the research, the variable of recruitment process has a significant positive relationship ($p < 0.05$) with employee satisfaction. It means the most of the employees nearly 83% of employees satisfied about recruitment process of organizations.

3.2.2. Training and development and employee satisfaction

The results confirmed the significant positive relationship ($p < 0.05$) between training and development followed by employee satisfaction and it accounts for 88%. They also expressed that

it contributes to learn different skills which in turn supports the organization development.

3.2.3. Grievance handling and employee satisfaction

According to the results of the variable 'grievance handling', 75% of employees satisfied about grievance handling procedure of organizations and it supports for skills development.

3.2.4. Equal employment opportunities and employee satisfaction

Nearly 59% of employees say organization is treating employees equally while 32% of employees say according to designations giving importance and 9% of employees say not fair treatment to all employees.

3.2.5. Level of stress and employee satisfaction

It was observed that 50% of employees stated that an organization is creating stress while 50% of employees say organization is not creating stress to reach the targets within the time. According to responses given by employees and by applying statistical application of chi square we came to know that women are undergoing more stress than men.

3.2.6. Working hours and employee satisfaction

It was observed from the results that the significant positive relationship ($p < 0.05$) between working hours and employee satisfaction. According to these results, 53% of employees are satisfied with the working hours while 47% of employees are not satisfied with the working hours provided by the organizations.

3.2.7. Salary benefit and employee satisfaction

From the results, it was predicted that the highly satisfied employees, satisfied, neutral, dissatisfied and highly dissatisfied accounted for 6%, 47%, 20%, 16% and 12% respectively with their salaries and benefits

3.2.8. Welfare programmes and employee satisfaction

About 70% of employees were satisfied with the welfare facilities provided by the organizations and significant positive relationship ($p < 0.05$) exists between welfare programmes and employee satisfaction.

3.2.9. Pay and promotion and employee satisfaction

The regression results of the research confirm the significant positive relationship ($p < 0.05$) between Pay and promotion and Employee Satisfaction with. According to these results, Pay and promotion contributes more than 60% to Employee dissatisfied about promotions and hikes provided by the organization.

3.2.10. Personal life influence and Employee Satisfaction

From the results, 58% of employees said they are not getting enough time to spend with the family, nearly 42% of employees said they are getting enough time to spend with the family.

3.2.11. Motivational factors and employee satisfaction

It was confirmed from the results that the 37% of employees are motivated by incentives, 20% of employees are motivated by promotion, 17% of employees are motivated by recognitions and 26% of employees are motivated by motivation talks.

3.2.12. Job safety and security and employee satisfaction

Regression analysis of the employee Satisfaction model depicts that there is a positive relationship between job safety and security and Employee satisfaction. The results suggest that job safety and security contributes almost 9% to employee satisfaction.

3.2.13. Working condition and job performance

Regression results of the research confirmed that the significant positive relationship between the working condition and job performance ($p < 0.05$). According to these results, working condition contributes 10% more to Job performance.

4. Conclusion

It could be concluded from the survey results that the employees are satisfied but the organizations need to improve some of the facilities so that employee would become highly satisfied followed by more productivity and performance levels will be expected. The organizations need to provide good working conditions for the ease of employees to be able to work in an efficient and effective manner. The organizations must provide effective pay and benefits, good welfare programmes, implementation of suitable grievance redressal

procedures, recruitment process, equal employment opportunities, safety measures and incentives, promotions, recognition, involvement of employees in decision making process and provide all other motivational factors to increase overall satisfaction level of the employees.

5. Conflict of Interest

The author(s) report(s) no conflict(s) of interest(s). The author along are responsible for content and writing of the paper.

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NA

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