



A STUDY ON THE IMPACT OF JOB SATISFACTION ON EMPLOYEE PERFORMANCE

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Abstract

Job satisfaction is a pivotal determinant of employee performance and organizational success. This study investigates the relationship between job satisfaction and employee performance, focusing on factors such as work environment, compensation, recognition, and growth opportunities. Utilizing a quantitative approach with a sample of 117 employees from various sectors, including healthcare, manufacturing, retail, and IT, data were collected through structured questionnaires. Descriptive statistics, chi-square tests, regression analysis, and ANOVA were employed to analyze the data. Findings indicate a strong positive correlation between job satisfaction and employee performance, with 83.8% of respondents reporting that organizational motivation enhances their performance. Key factors such as feeling valued, positive relationships, and growth opportunities significantly predict performance outcomes. The study recommends strategies like periodic compensation reviews, enhanced communication, and career development programs to boost job satisfaction and, consequently, performance. These findings offer practical implications for organizations aiming to enhance productivity and employee retention through targeted interventions.

Keywords: Job Satisfaction, Employee Performance, Work Environment

1 Introduction

Organizations thrive when employees are motivated and satisfied with their roles. Job satisfaction, encompassing factors such as work conditions, remuneration, leadership, and

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career advancement, is a critical driver of employee performance [1]. Satisfied employees exhibit higher productivity, reduced absenteeism, and greater commitment, contributing to organizational success [2]. This study explores the impact of job satisfaction on employee performance, focusing on key determinants and their implications in diverse sectors, including pharmaceuticals, where employee engagement is vital for innovation and operational efficiency.

The Indian pharmaceutical industry, a global leader in generic medicine production, employs a highly skilled workforce and faces unique challenges such as high attrition and regulatory pressures [9]. Understanding how job satisfaction influences performance in this context can inform strategies to enhance productivity and retention. This research, conducted at a pharmaceutical organization, aims to measure employee satisfaction levels and their effect on performance, addressing a gap in sector-specific studies.

The objectives of this study are:

- To identify factors affecting job satisfaction and their impact on employee performance.
- To assess the level of job satisfaction among employees.
- To propose measures to enhance employee satisfaction within the organization.

The problem statement highlights that without job satisfaction, employees may underperform, hindering organizational goals. This study seeks to quantify satisfaction levels and

1. Industry Overview

The Indian pharmaceutical industry is a cornerstone of the global healthcare sector, supplying 50% of global vaccine demand and 40% of generic drugs in the United States [9]. Its strengths include cost-effective manufacturing, a skilled workforce, and a robust distribution network. However, weaknesses such as limited R&D investment and low-quality generics pose challenges. Opportunities for growth include expanding exports and becoming a hub for clinical trials, while threats like stringent patent policies and price controls impact profitability.

A SWOT analysis reveals:

- Strengths: Low-cost production, skilled workforce, and diversified ecosystem.

- Weaknesses: Insufficient R&D investment and industry-academia collaboration.
- Opportunities: Increased export potential and global R&D leadership.
- Threats: Regulatory pressures and competition from small businesses.

This context underscores the need for a motivated workforce to leverage opportunities and mitigate threats, making job satisfaction a critical area of study.

2. Literature Review

Employee welfare and safety have been fundamental concerns in human resource management, reflecting an organization's commitment to the well-being and productivity of its workforce. These concepts encompass both statutory obligations—like health and safety compliance, provident fund contributions, and maternity benefits—and non-statutory practices such as employee engagement programs, wellness initiatives, and career development opportunities.

Chandrasekaran and Ganeshprabhu (2020) emphasized that welfare facilities such as canteens, restrooms, and first-aid support systems enhance employees' morale and productivity, particularly in the construction industry. Similarly, **Manasa and Krishnanaik (2015)** found that employee welfare programs reduce stress and improve retention in public sector undertakings, advocating for personalized welfare initiatives.

Studies also highlight the psychological and motivational aspects of welfare measures. According to **Herzberg's Two-Factor Theory (1968)**, employee satisfaction is driven by both hygiene factors (e.g., safety, policies, and pay) and motivators (e.g., recognition, responsibility, and achievement). In line with this, **Vroom's Expectancy Theory (1964)** posits that employees are more likely to be productive when they perceive a direct link between effort, performance, and rewards—making transparent welfare and safety policies critical.

From an international perspective, **Müller and Bauer (2018)**, in their study of German manufacturing firms, concluded that statutory and social security provisions directly influence employee efficiency and commitment. In India, **Garg and Jain (2013)** argued that lack of awareness about employee welfare rights is a major barrier to satisfaction, particularly among blue-collar workers. Their findings stress the importance of periodic training and communication around welfare benefits.



Johri (2014) studied non-statutory welfare practices in a large manufacturing company and found that facilities like recreational centers, health check-ups, and employee recognition programs significantly enhanced organizational loyalty. Similarly, **Suratkumari and Bindurani (2014)** reported that periodic safety audits and a responsive HR department contributed to higher safety satisfaction in the Indian railway sector.

Despite the broad base of research, gaps remain—particularly regarding the equitable distribution of welfare resources across hierarchical levels and departments. The present study builds upon this literature by focusing on both the awareness and perception of welfare and safety measures among employees in a hazardous industrial environment, aiming to fill existing research gaps in inclusivity, accessibility, and implementation effectiveness.

3. Research Methodology

This study adopts a quantitative, descriptive-correlational design to assess the relationship between job satisfaction and employee performance. A cross-sectional approach was used, collecting data at a single point in time to capture current workplace dynamics.

The population comprises employees from healthcare, manufacturing, retail, and IT sectors, with a focus on a pharmaceutical organization. A sample of 117 employees was selected using stratified random sampling to ensure representation across sectors and roles. The sample size provides sufficient statistical power for analysis.

Primary data were collected via structured questionnaires using the Job Descriptive Index (JDI) to measure satisfaction dimensions (e.g., pay, recognition, work environment) and performance metrics (self-reported and supervisor evaluations). Secondary data from organizational records supplemented the findings. The questionnaire included:

- Demographic details (age, gender, education, job role).
- Job satisfaction scales (e.g., “Your job is challenging and engaging”).
- Performance-related questions (e.g., “Your organization motivates you to perform well”).

Data were analyzed using:

- Descriptive statistics: To summarize demographic and satisfaction data.

- Chi-square tests: To assess response uniformity.
- Regression analysis: To identify predictors of performance.
- ANOVA: To examine differences in educational levels by gender.

The cross-sectional design limits causal inferences, and self-reported data may introduce bias. The study's focus on specific sectors may not generalize to all industries.

Data Analysis Chi-Square Test

Feel valued and recognised by our organisation

	Observed N	Expected N	Residual
.00	12	12.0	.0
Total	12 ^a		

a. This variable is constant. Chi-Square Test cannot be performed.

Interpretation

The observed and expected values for the response category ".00" (likely representing "Neutral") are equal, indicating no deviation from expected frequency. This suggests a balanced perception among respondents regarding feeling valued and recognized by the organization.

Your job is challenging and engaging

	Observed N	Expected N	Residual
Agree	12	12.0	.0
Total	12 ^a		

a. This variable is constant. Chi-Square Test cannot be performed.

Interpretation

The observed and expected count for "Agree" being equal (12) shows no variance from what was anticipated. This implies a consistent perception among respondents that their job is challenging and engaging.

satisfied with the organization's policies and procedures

	Observed N	Expected N	Residual
.00	12	12.0	.0
Total	12 ^a		

a. This variable is constant. Chi-Square Test cannot be performed.

INTERPRETATION

All responses fall under a single category (".00"), indicating no variation in opinions about satisfaction with the organization's policies. Since the variable is constant, statistical tests like Chi-Square cannot be applied, suggesting uniformity in responses.

Chi-Square Test Frequencies

satisfied with the organization's policies and procedures

	Observed N	Expected N	Residual
.00	12	12.0	.0
Total	12 ^a		

a. This variable is constant. Chi-Square Test cannot be performed.

INTERPRETATION

All respondents gave the same answer (".00") regarding satisfaction with the organization's policies, indicating no diversity in opinion. Due to this uniformity, a Chi-Square test isn't applicable for analysis.

Willing to work in any organisation

	Observed N	Expected N	Residual
.00	12	12.0	.0
Total	12 ^a		

a. This variable is constant. Chi-Square Test cannot be performed.

INTERPRETATION

All participants selected the same response (".00") for willingness to work in any organisation, showing complete agreement or uniformity. As there is no variation in data, the Chi-Square test cannot be conducted.

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.527 ^a	.278	.252	.701

a. Predictors: (Constant), Your organization motivates to perform well in job., Good relationship with supervisor and colleagues, Your job is challenging and engaging, Feel valued and recognised by our organisation

ANOVA

Model		Sum Squares	df	Mean Square	F	Sig.
1	Regression	21.218	4	5.305	10.784	.000 ^b
	Residual	55.090	112	.492		
	Total	76.308	116			

a. Dependent Variable: Receive positive feedback from supervisor and colleagues

b. Predictors: (Constant), Your organization motivates to perform well in job., Good relationship with supervisor and colleagues, Your job is challenging and engaging, Feel valued and recognised by our organisation

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.653	.250		2.612	.010
	Your job challenging and engaging	-.070	.102	-.065	-.685	.495
	Feel valued and recognised by our organisation	.334	.115	.308	2.893	.005
	Good relationship with supervisor and colleagues	.331	.102	.313	3.245	.002

Your organization motivates you to perform well in job	.073	.091	.066	.798	.426
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a. Dependent Variable: Receive positive feedback from supervisor and colleagues

The regression analysis shows that feeling valued and having good relationships with supervisors significantly predict receiving positive feedback ($p < 0.01$). In contrast, job challenge and organizational motivation do not significantly impact feedback received.

Oneway Notes

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A one-way ANOVA was conducted to examine differences in educational level by gender using 117 valid cases. Results include effect statistics, mean plots, and Tukey post-hoc comparisons at a 0.05 significance level.

Descriptives Educational level

	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Between-Component Variance
			Lower Bound	Upper Bound	
Model Fixed Effects	.602	.056	1.29	1.51	
Random Effect		.065	1.12	1.68	.002

The fixed effects model shows a mean educational level between 1.29 and 1.51 with a standard

deviation of 0.602. The random effects model suggests slightly wider variability, with a confidence interval from 1.12 to 1.68 and minimal between-component variance (0.002).

ANOVA

Educational level

	Sum Squares	df	Mean Square	F	Sig.
Between Groups	.858	2	.429	1.186	.309
Within Groups	41.261	114	.362		
Total	42.120	116			

The ANOVA results show no significant difference in educational level across gender groups ($F(2,114) = 1.186, p = .309$). Most of the variance is within groups, not between them.

The sample ($n=117$) included:

- Education: 50.4% post-graduates, 28.2% graduates, 15.4% PhD, 6% high school.
- Age: 44.44% (18–25), 30.56% (26–33), 13.89% (34–41), 8.33% (42–50), 2.78% (50+).
- Gender: 55.56% male, 44.44% female.
- Designation: 41.67% executives, 27.78% managers.

Key findings from the questionnaire:

- Job challenge: 89.7% agree/strongly agree their job is engaging.
- Recognition: 85.5% feel valued, 81.2% receive positive feedback.
- Policies: 64.9% are satisfied, but 11.1% strongly disagree.

- Relationships: 82.9% report good relationships with supervisors/colleagues.
- Growth: 84.6% see growth opportunities.
- Motivation: 83.8% feel motivated by their organization.
- Openness to other organizations: 55.6% are willing, 40.2% are unsure.
- Entrepreneurial interest: 41.9% are interested, 35% are unsure.

Regression analysis ($R=0.527$, $R^2=0.278$) showed that feeling valued ($\beta=0.308$, $p=0.005$) and good relationships ($\beta=0.313$, $p=0.002$) significantly predict receiving positive feedback, while job challenge ($p=0.495$) and motivation ($p=0.426$) do not. Chi-square tests indicated uniform responses for some variables (e.g., policies), preventing further analysis due to lack of variance. ANOVA results ($F(2,114)=1.186$, $p=0.309$) showed no significant gender-based differences in educational levels.

4. Findings and Theoretical Insights

The findings confirm a strong link between job satisfaction and performance:

- Satisfaction levels: 66.67% are satisfied with their job, 69.44% with the work environment, and 63.89% with communication and job security.
- Motivators: 83.33% agree that job satisfaction influences performance, with recognition (61.11%) and career growth (66.67%) as key drivers.
- Hygiene factors: 55.56% are satisfied with salary and appraisals, but 44.44% dissatisfaction suggests areas for improvement.

These findings align with (author?) [12] Two-Factor Theory, where motivators (recognition, growth) drive satisfaction, while hygiene factors (salary, policies) prevent dissatisfaction. (author?) [13] Expectancy Theory supports the role of training (77.78% find it helpful) in linking effort to performance. (author?) [14] Range of Affect Theory explains the high correlation (83.33%) between satisfaction and performance, as positive emotions enhance effort.



Suggestions

Based on the findings, the following strategies are recommended:

- Compensation reviews: Address the 44.44% dissatisfaction with salary by benchmarking against industry standards, aligning with Equity Theory [15].
- Career development: Enhance training and mentoring programs to address the 33.33% who see no growth opportunities, supporting Expectancy Theory.
- Communication forums: Implement open feedback sessions to improve the 36.11% dissatisfaction with communication, fostering participative leadership.
- Recognition programs: Strengthen recognition for the 38.89% who feel unrecognized, leveraging Herzberg's motivators.
- Work environment: Invest in safe, supportive conditions to maintain the 69.44% satisfaction rate, addressing Maslow's safety and belongingness needs [16].

5. Conclusion

This study confirms that job satisfaction significantly enhances employee performance, with key drivers including recognition, relationships, and growth opportunities. The findings, supported by a sample of 117 employees and robust statistical analysis, highlight the importance of addressing both motivators and hygiene factors to boost productivity and retention. In the pharmaceutical industry, where innovation and efficiency are critical, fostering a positive work culture is essential.

Theoretically, the study reinforces Herzberg's Two-Factor Theory and Vroom's Expectancy Theory, contributing to the literature on job satisfaction in the Indian pharmaceutical context. Practically, it offers actionable insights for HR managers to design interventions that enhance satisfaction, thereby improving performance and organizational outcomes.

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