



## DETERMINATION OF JOB SATISFACTION AND ITS IMPACT ON EMPLOYEE LOYALTY AMONG THE EMPLOYEES OF MANUFACTURING SECTORS OF TIRUCHIRAPALLI DISTRICT IN TAMIL NADU

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### **Abstract**

*Job Satisfaction is a magic word in this complex work scenario. It is a buzz word we can say. Employee loyalty is a very important outcome which is directly having relationship with productivity and organizations brand image. In this research work, the researcher aimed to find out the determinants of Job satisfaction and its impact on loyalty using several dimensions. The dimensions are work related aspects, Interpersonal relationship, pay and other perks, work milieu, training, Management policies, personal growth, Career development and empowerment. SPSS package was used to statistically analyse the data for this research study. One way Anova, Pearson Correlation, Descriptive Statistics were the tools used. AMOS package was used to fit the model using Structural equation modelling. The researcher has found that all the dimensions are interrelated with each other and contributing towards the success of organization by means of empowering employees. The empowerment in turn provides employee loyalty as a token of positive reciprocation. The researcher has collected 108 samples from the middle level employees of engineering industries of Tiruchirapalli city in Tamil Nadu.*

**Keywords:** *Job Satisfaction, Employee Loyalty, Employee Empowerment, Training.*

### **I Introduction**

Job satisfaction is playing an important role in defining the employee loyalty which is a potential outcome of any good company. Policy makers and managers are effectively working together to achieve this goal. Undoubtedly, employee satisfaction will improve the productivity of the company, productivity will increase the revenue and revenue will heighten the company. Job satisfaction is characterized as the degree to which an employee feels self-persuaded, contented and happy with the job. Job satisfaction happens when an employee feels the person in question is having job steadiness, vocation development and an agreeable work-life balance. This infers the employee is having satisfaction at the job as the work meets the desires for the person. Decreasing turnover is a vital piece of any business. Evaluated costs will fluctuate contingent upon the business, publicizing strategies etc., however all scientists concur that turnover is terrible for the organization, and can result in genuine misfortunes. A happy worker is constantly essential for an association as he/she plans to convey the best of their ability. Each employee needs a solid vocation development and work-life balance at the work environment. In the event that an employee feels content with their organization and work, they hope to offer back to the organization with every one of their endeavours.

### **II Review of Literature**

Waqas, A et al(2014) interpreted that , A happy employee can also be a devoted to his organization. Some other factors also are there which help in job loyalty yet management have to try to enhance the satisfaction level so employees will be loyal to their jobs and organizations also. For deriving Job Satisfaction, Employee empowerment practices and transparent reward practices should be developed by the management. The objectives of the study were to find out the impact of job satisfaction on employee loyalty among academicians and to find out the various factors underlying Job satisfaction and employee loyalty. Charu & Upasana Srivastava (2016), explored that , that there is

a significant job satisfaction and employee loyalty among academic people. The fundamental factors of job satisfaction surfaced from this research work is career growth and development, Employee motivation, work environment and self-satisfaction. **Altanchimegzanabazar & Sarantuyajigjiddorj (2018)** Employee retention enables the organization not only keep valuable employees but also upgrades organizational performance and significantly contributes to maintain its' competitive advantage as well as the market position. The study attempted to find out an increase of employee satisfaction, retention, loyalty that may have an impact on organizational financial and nonfinancial performances, using the methods used previously applied by different researchers conducting similar studies. Employee satisfaction is taken as independent variable, employee loyalty, retention considered as a mediating factor and organizational financial and non-financial performances are considered as dependent variables for the study. **Shweta Rajput et al (2016)** The objectives of the study were to find out the impact of job satisfaction on employee loyalty among academicians and to find out the various factors underlying Job satisfaction and employee loyalty. The findings of the research conclude that there is a significant impact of job satisfaction on employee loyalty among academicians. The underlying factors of job satisfaction emerged from this study are career growth, motivation, work place environment and self-satisfaction. The underlying factors of employee loyalty emerged from this study are belongingness, job involvement and organisational commitment. **Kiruthiga & Magesh (2015)** evidently proved that, most imperative factors that contribute to job satisfaction among the employees of the hotel. Financial benefits are not only the only factor responsible for job satisfaction. Employee gratitude and regard, responsibility and self-sufficiency the job gives them acts as critical contributors. However financial benefits cannot be ignored.

### III Research Methodology

The Researcher has adopted Non Probabilistic Purposive sampling. Structured Questionnaire was framed with 9 dimensions namely Work related aspects, Interpersonal relationship ,pay and other perks, work milieu, Training, Management Policies, Personal Growth and Career Development, Empowerment and Employee Loyalty. 108 data was collected from middle level employees of selected engineering industries of Tiruchirapalli city in Tamil Nadu. Non probabilistic purposive sampling method was adopted to collect the data. Cronbache alpha reliability statistics was computed to check the internal consistency of the data. Descriptive statistics, Pearson Correlation, One way Anova was the tools used. Structural Equation Modelling fit diagram was framed for the proposed model using IBM SPSS AMOS20.0. The Dimensions namely Work related aspects, Interpersonal relationship, pay and other perks, training, Work Milieu alone included in the modelling to derive employee loyalty while empowerment is acting as an intervening variable.

### Research Hypothesis

- H1 Work related aspects are having an effect on Employee loyalty.
- H2 Interpersonal Relationship is having an effect on Employee loyalty.
- H3 Pay and other perks aspects are having an effect on Employee loyalty.
- H4 Training is having an effect on Employee loyalty.
- H5 Work Milieu is having an effect on Employee loyalty.

**Table 1**

<b>Cronbach's Alpha –Reliability Statistics</b>			
1.	WORK RELATED ASPECTS	6	0.679
2.	INTER- PERSONAL RELATIONSHIP	5	0.664
3.	PAY AND OTHER PERKS	8	0.688
4.	WORK MILIEU	9	0.723
5.	TRAINING	6	0.691
6.	MANAGEMENT POLICIES	9	0.644
7.	PERSONAL GROWTH AND CAREER DEVELOPMENT	6	0.711
8.	EMPOWERMENT	5	0.814
9.	EMPLOYEE LOYALTY	5	0.744

The cronbach alpha reliability value obtained is tabulated. All the values are above 0.5 and therefore internal consistency of the data is ensured. See table 1

**Table - 2**

<b>Descriptive Statistics</b>			
	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
WORK RELATED ASPECTS	<b>108</b>	<b>4.00679012</b>	0.65066081
INTER- PERSONAL RELATIONSHIP	108	3.15740741	0.66868593
<b>PAY AND OTHER PERKS</b>	<b>108</b>	<b>3.99768519</b>	0.56833846
WORK MILIEU	108	3.52962963	0.68920369
TRAINING	108	3.29074074	0.7579531
MANAGEMENT POLICIES	108	3.01388889	0.90059545
<b>PERSONAL GROWTH AND CAREER DEVELOPMENT</b>	<b>108</b>	<b>3.99768519</b>	0.56833846
<b>EMPOWERMENT</b>	<b>108</b>	<b>3.82175926</b>	<b>0.53066143</b>
EMPLOYEE LOYALTY	108	3.37222222	0.5030437

The Mean scores was generated from Descriptive statistics using SPSS text output. High mean score was observed for the dimension “Work related aspects” with the score of 4.006 and the second highest mean score was 3.997 for the dimension “Pay and other perks” and “Personal Growth and Career Development”. The Dimension “Empowerment” has a third highest mean score of 3.821(See table 2).

**Table 3**

	WORK RELATED ASPECTS	INTER- PERSONAL RELATIONSHIP	PAY AND OTHER PERKS	WORK MILIEU	TRAINING	MANAGEMENT POLICIES	PERSONAL GROWTH
WORK RELATED ASPECTS	1						
INTER- PERSONAL RELATIONSHIP	.408**	1					
PAY AND OTHER PERKS	.535**	.348**	1				
WORK MILIEU	.350**	.207*	.260**	1			
TRAINING	.241*	.355**	.208*	.626**	1		
MANAGEMENT POLICIES	0.14	.305**	0.019	.552**	.633**	1	
PERSONAL GROWTH AND	.535**	.348**	1.000**	.260**	.208*	0.019	1

CAREER DEVELOPMENT							
** . Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

There is a reasonable inter-correlation observed between all the dimensions of satisfaction. Management policies and work milieu is having a strong correlation ( $r=0.552$  , $p<0.01$ ) , Personal Growth and Career development ( $r=0.208$  , $p<0.05$ ). Personal Growth and Pay ( $r=1.000$  , $p<0.01$ ) See table- 3.

**Table 4 One Way Anova - Descriptives**

		N	Mean	Std. Deviation
WORK RELATED ASPECTS	20-30	26	4.064103	0.609329
	31-40	33	3.941414	0.617231
	<b>41-50</b>	<b>26</b>	<b>4.25641</b>	<b>0.54819</b>
	50 & ABOVE	23	3.753623	0.768492
	<b>Total</b>	<b>108</b>	<b>4.00679</b>	<b>0.650661</b>
INTER- PERSONAL RELATIONSHIP	20-30	26	3.138462	0.608656
	31-40	33	3.181818	0.702431
	<b>41-50</b>	<b>26</b>	<b>3.369231</b>	<b>0.605818</b>
	50 & ABOVE	23	2.904348	0.705484
	<b>Total</b>	<b>108</b>	<b>3.157407</b>	<b>0.668686</b>
PAY AND OTHER PERKS	<b>20-30</b>	<b>26</b>	<b>4.048077</b>	<b>0.648148</b>
	31-40	33	3.984848	0.487898
	41-50	26	4.125	0.443001
	50 & ABOVE	23	3.815217	0.68348
	<b>Total</b>	<b>108</b>	<b>3.997685</b>	<b>0.568338</b>
WORK MILIEU	<b>20-30</b>	<b>26</b>	<b>3.630769</b>	<b>0.739064</b>
	31-40	33	3.551515	0.563539
	41-50	26	3.623077	0.796647
	50 & ABOVE	23	3.278261	0.645936
	<b>Total</b>	<b>108</b>	<b>3.52963</b>	<b>0.689204</b>

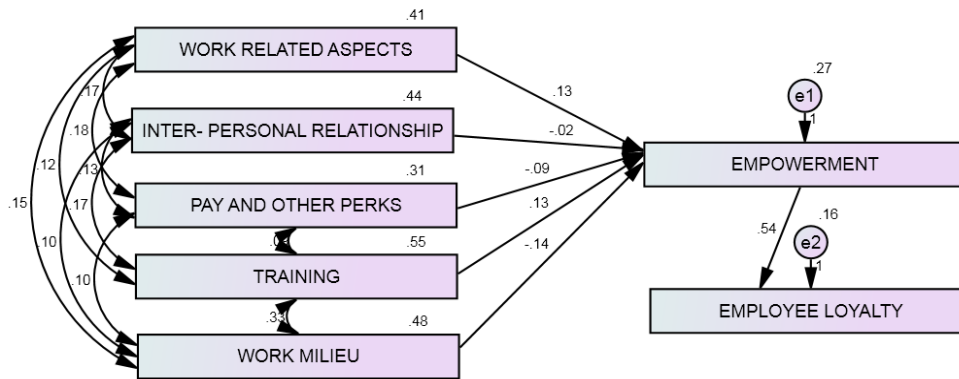
TRAINING	20-30	26	3.284615	0.839377	
	31-40	33	3.375758	0.637882	
	<b>41-50</b>	<b>26</b>	<b>3.4</b>	<b>0.80796</b>	
	50 & ABOVE	23	3.052174	0.758509	
	<b>Total</b>	<b>108</b>	<b>3.290741</b>	<b>0.757953</b>	
MANAGEMENT POLICIES	<b>20-30</b>	<b>26</b>	<b>3.121795</b>	<b>0.880098</b>	
	31-40	33	3.040404	0.846798	
	41-50	26	3.096154	0.987897	
	50 & ABOVE	23	2.76087	0.907079	
	<b>Total</b>	<b>108</b>	<b>3.013889</b>	<b>0.900595</b>	
PERSONAL GROWTH AND CAREER DEVELOPMENT	20-30	26	4.048077	0.648148	
	31-40	33	3.984848	0.487898	
	<b>41-50</b>	<b>26</b>	<b>4.125</b>	<b>0.443001</b>	
	50 & ABOVE	23	3.815217	0.68348	
	<b>Total</b>	<b>108</b>	<b>3.997685</b>	<b>0.568338</b>	
EMPOWERMENT	<b>20-30</b>	<b>26</b>	<b>3.923077</b>	<b>0.532772</b>	
	31-40	33	3.75	0.559017	
	41-50	26	3.807692	0.571435	
	50 & ABOVE	23	3.826087	0.448703	
	<b>Total</b>	<b>108</b>	<b>3.821759</b>	<b>0.530661</b>	
EMPLOYEE LOYALTY	<b>20-30</b>	<b>26</b>	<b>3.415385</b>	<b>0.459297</b>	
	31-40	33	3.412121	0.543	
	41-50	26	3.307692	0.477429	
	50 & ABOVE	23	3.33913	0.540824	
	<b>Total</b>	<b>108</b>	<b>3.372222</b>	<b>0.503044</b>	

One way Anova was executed between Age and dimensions of Job satisfaction variables. The Mean and Standard deviation score was generated. In Majority of the dimensions high mean score was observed for the age group of 20-30. 26 respondents belong to the age group of 20-30. (See table 4)

<b>Table 5 ANOVA</b>						
		Sum of Squares	df	Mean Square	F	Sig.
WORK RELATED ASPECTS	Between Groups	3.321	3	1.107	2.742	.047
	Within Groups	41.979	104	.404		
	Total	45.299	107			
INTER- PERSONAL RELATIONSHIP	Between Groups	2.668	3	.889	2.048	.112
	Within Groups	45.176	104	.434		
	Total	47.844	107			
PAY AND OTHER PERKS	Between Groups	1.259	3	.420	1.310	.275
	Within Groups	33.303	104	.320		
	Total	34.562	107			
WORK MILIEU	Between Groups	1.962	3	.654	1.392	.249
	Within Groups	48.863	104	.470		
	Total	50.825	107			
TRAINING	Between Groups	1.859	3	.620	1.081	.361
	Within Groups	59.612	104	.573		
	Total	61.471	107			
MANAGEMENT POLICIES	Between Groups	1.974	3	.658	.807	.493
	Within Groups	84.810	104	.815		
	Total	86.785	107			
PERSONAL GROWTH AND CAREER DEVELOPMENT	Between Groups	1.259	3	.420	1.310	.275
	Within Groups	33.303	104	.320		
	Total	34.562	107			

One Way ANOVA was utilized to find out whether there is a statistical difference between group means. We can see there in no significance since all the values are greater than 0.05. and, therefore, there is no statistical significant difference among the dimensions of Age& and dimensions of Job satisfaction. However there exists a difference between Age and Work related aspects since the obtained sig value is 0.047 which is lesser the expected value of 0.05. See Table 5.

### Structural Equation Modeling



**Figure 1**

The Output generated from AMOS text output window. The Goodness of Fit index is 0.977 and Adjusted Goodness of Fit index (AGFI) is 0.871 which is closer to the expected value of 0.9. The RMSEA (Root mean square of approximate) is 0.0051 which is significant and lesser than the accepted value of 0.08. (See Table 6)

**Table - 6**  
**Regression Weights: (Group number 1 - Default model)**

			Estimate	S.E.	C.R.	P
EP	<---	WRA	.132	.071	1.968	<b>.042</b>
EP	<---	IR	-.022	.065	-.348	.728
EP	<---	PA	-.090	.077	-1.162	.245
EP	<---	TR	.132	.067	1.981	<b>.048</b>
EP	<---	WE	-.136	.071	-1.907	<b>.047</b>
EL	<---	EP	.544	.053	10.311	<b>***</b>

**ABBREVIATION** : WRA-WORK RELATED ASPECTS –IR –INTERPERSONAL RELATIONSHIP –PA-PAY AND OTHER PERKS –TR-TRAINING –WE-WORK MILIEU –EP-EMPOWERMENT-EL-EMPLOYEE LOYALTY

The Table 6 describe the text output generated from IBM SPSS AMOS 20.0 for the unstandardized estimate of the given structural path among the dimensions. The Critical ratio value (C.R) obtained should be above 1.96. The Constructs Work Related Aspects (p=0.042<0.05), Training (p=0.006<0.05), Work Milieu (p=0.047<0.05) was found to be significant. The Hypothesis 2 and 3 is cannot be accepted as the values obtained for “Interpersonal Relationship” and “Pay and other perks” seems to be insignificant. See Table 6

**Table 7 Covariances: (Group number 1 - Default model)**

			Estimate	S.E.	C.R.	P
WRA	<-->	WE	.151	.033	4.602	<b>***</b>
WE	<-->	IR	.097	.033	2.956	<b>.003</b>
WE	<-->	PA	.098	.028	3.530	<b>***</b>
WE	<-->	TR	.329	.043	7.656	<b>***</b>
WRA	<-->	TR	.117	.034	3.420	<b>***</b>

			Estimate	S.E.	C.R.	P
IR	<-->	TR	.174	.037	4.761	***
PA	<-->	TR	.090	.030	3.027	.002
WRA	<-->	PA	.176	.028	6.333	***
WRA	<-->	IR	.171	.032	5.363	***
IR	<-->	PA	.127	.027	4.657	***

Inter-correlation exists between the Job satisfaction and Employee loyalty constructs. The CR value obtained is greater than 1.96. (See table 7)

### V Managerial Implication and Conclusion

The Researcher has found out that Work related aspects, Training and Work Environment as the most important predictors of Employee loyalty while job satisfaction serves a mediation role. Pay and allowances have not been found to be significant while predicting employee loyalty. However, monetary benefits cannot be ignored. The Policy makers and HR Managers can give more importance to new workers and the workers between the age group of 20 and 30. This age group found to be more work specific and company can train and develop them for middle management as a part of succession planning. Young strength is the real potency of any organization. Empowerment programs may be conducted to train them for making decisions on their own as an idea of decentralization implementation.

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