

A Study on Factors Affecting Employee Satisfaction in Small Service Enterprises in Amravati

Rudresh Rameshwar Fendar¹

Student

Dept. of MBA., Sipna College of Engineering and Technology, Amravati 444607, Amravati (MS.), India
rudreshfendar22@gmail.com

Prof. Kasturi Kashikar²

Asst. Professor,

Dept. of MBA., Sipna College of Engineering and Technology, Amravati 444607, Amravati (MS.), India
kdkashikar@sipnaengg.ac.in

Abstract

Employee satisfaction plays a decisive role in determining organizational performance, employee retention, and service quality, particularly in small service enterprises where human interaction forms the core of business operations. This research paper examines the level of employee satisfaction and the factors influencing it among small service sector enterprises in Amravati, Maharashtra. The study focuses on key dimensions such as salary, work environment, leadership style, recognition, job security, career growth, and work-life balance. A descriptive research design was adopted, and primary data were collected from 100 employees working in small service enterprises including education, healthcare, retail, IT services, and cooperative banking. Data were collected using a structured questionnaire and analysed using percentage analysis and graphical representation to examine employee satisfaction and the factors influencing it. The findings reveal that non-monetary factors such as respectful supervision, recognition, communication, and supportive work culture have a stronger and more consistent influence on employee satisfaction than salary alone. The study also establishes a positive association between employee satisfaction and employee performance. Based on the findings, practical and low-cost recommendations are suggested for small business owners to improve employee satisfaction and retention. The study contributes to existing literature by providing region-specific insights into employee satisfaction in semi-urban service enterprises and offers actionable guidance for entrepreneurs, managers, and policymakers.

Keywords

Employee Satisfaction, Small Enterprises, Service Sector, Amravati, Work Environment, Leadership, Employee Performance

Introduction

Employee satisfaction is a crucial aspect of organizational life and refers to the overall sense of fulfilment, happiness, and emotional well-being that employees experience in relation to their job, supervisors, colleagues, and work environment. It reflects how positively employees feel about their work and the organization they serve. Employee satisfaction is an emotional response shaped by expectations, workplace experiences, and perceptions of fairness, respect, and recognition.

A satisfied employee feels valued and trusted, which results in higher commitment, motivation, and willingness to contribute toward organizational goals. Such employees often maintain positive performance even during challenging situations. In contrast, dissatisfaction leads to frustration, low morale, absenteeism, and reduced productivity, ultimately affecting organizational performance. Employee satisfaction is influenced by multiple factors rather than a single element, including job security, recognition, interpersonal relationships, learning opportunities, work-life balance, clarity of roles, and growth prospects. Since employees differ in their needs, personality traits, and life stages, satisfaction levels vary across individuals and may change over time.

In small enterprises, employee satisfaction holds special importance due to close interpersonal relationships and informal management practices. Unlike large

organizations with structured HR systems, small enterprises rely heavily on direct communication between owners and employees. The leadership style, attitude, and behavior of the employer play a decisive role in shaping employee morale. Supportive communication, fair treatment, and involvement in decision-making create a sense of belonging and emotional ownership. Even in the presence of limited financial rewards or work pressure, positive leadership and recognition significantly enhance satisfaction and loyalty.

Employee satisfaction extends beyond salary and financial benefits and includes psychological and social dimensions such as dignity, trust, job stability, and emotional security. Respectful treatment builds confidence, while recognition for good performance strengthens self-esteem and motivation. Open communication reduces misunderstandings, and job security provides emotional balance, allowing employees to focus better on their work. Flexible work arrangements and understanding personal needs further enhance satisfaction, especially in small enterprises.

Employee satisfaction is also closely linked to leadership effectiveness and organizational culture. A supportive and participative leadership approach encourages employees to express ideas, share concerns, and take initiative. In contrast, authoritarian leadership, favoritism, and poor communication create dissatisfaction and disengagement. Satisfied employees tend to show higher cooperation, teamwork, and commitment, directly contributing to service quality and customer satisfaction.

In conclusion, employee satisfaction is a continuous and dynamic process rooted in trust, empathy, and mutual respect. It cannot be achieved through monetary rewards alone but must be nurtured through humane leadership, fair practices, and positive workplace relationships. Particularly in small enterprises, employee satisfaction forms the foundation for long-term success, stability, and sustainable organizational growth.

Review of Literature

1. Pawar, R., & Lanjewar, M. (2022)

This study examined the impact of organizational culture on employee satisfaction in small service firms in Maharashtra. It found that transparent communication, ethical practices, and supportive teamwork significantly improved morale and reduced conflicts. The authors concluded that positive culture-

building requires behavioral changes rather than heavy financial investment.

2. Patel, S., & Jadhav, P. (2022)

The research analyzed employee satisfaction in cooperative banks of Maharashtra and identified job security, transparent communication, and supportive leadership as key satisfaction factors. Limited promotion opportunities and heavy workloads caused dissatisfaction. The study emphasized that fair promotion policies and staff development can improve retention.

3. Shinde, N., & Kulkarni, R. (2022)

This study explored motivation and performance in service-based SMEs and found that intrinsic motivators such as recognition and learning opportunities had a stronger influence than monetary rewards. Employees who felt valued showed higher commitment and performance. The authors highlighted intrinsic motivation as a sustainable driver of satisfaction.

4. Dhole, A., & Khedkar, M. (2022)

The study focused on job satisfaction in small IT firms and revealed that flexible work hours, skill development, and respectful supervision were more important than salary increments. Clear career paths and mentorship reduced turnover intentions. The findings emphasized trust, empowerment, and learning culture as key satisfaction drivers.

5. Joshi, A., & Pawar, V. (2022)

This research examined job satisfaction in small healthcare units and identified workload, irregular shifts, and lack of recognition as major dissatisfaction factors. Supervisor appreciation and balanced work schedules significantly improved morale. The study concluded that supportive supervision enhances efficiency even with limited financial incentives.

6. Patel, N., & Singh, R. (2023)

The study identified determinants of employee satisfaction across SMEs and found that pay and job security alone were insufficient. Interpersonal relationships, fair treatment, and open communication played a crucial role. The authors recommended simple and structured HR practices to foster fairness and belongingness.

7. Deshmukh, V., & Chavan, R. (2023)

This study examined the impact of physical and social work environment on employee morale in small enterprises. It found that cleanliness, proper seating,

adequate lighting, and respectful interaction significantly improved satisfaction and reduced absenteeism. The authors concluded that minor environmental improvements yield high productivity gains.

8. Kulkarni, T., & Joshi, S. (2023)

The study analyzed the role of training and career development in job satisfaction and found that short-term training increased employee confidence, competence, and satisfaction. Employees felt more valued when growth opportunities were visible. The authors recommended low-cost learning programs to reduce turnover in small enterprises.

9. Bhise, R., & More, S. (2023)

This research identified a strong positive relationship between employee satisfaction and organizational productivity. Satisfied employees demonstrated higher commitment, better customer service, and fewer errors. The study concluded that satisfaction enhancement should be viewed as a strategic investment by small enterprises.

10. Gaikwad, A., & Patel, D. (2023)

The study focused on frontline retail employees and found that participative decision-making, clear schedules, and supportive supervision increased satisfaction. Employees valued autonomy and respectful treatment. The authors concluded that participative management reduces turnover and improves productivity.

11. Bhagat, M., & Zade, R. (2023)

This regional study in Amravati identified transparent communication, recognition, and accessible leadership as major satisfaction drivers. While informal relationships increased belongingness, favoritism reduced morale. The authors recommended balancing informality with fair HR practices to improve satisfaction.

12. Khan, S., & Mehta, A. (2024)

The study linked employee satisfaction to organizational commitment and found autonomy and recognition to be more influential than pay. Employees showed higher loyalty when trusted with decision-making. The authors emphasized empowerment as a key retention strategy in SMEs.

13. Rathod, S., & Desai, M. (2024)

This research examined engagement strategies in small service firms and found that recognition programs and

open interaction reduced absenteeism and improved satisfaction. Low-cost engagement activities strengthened teamwork and morale. The study concluded that engagement is an effective tool for enhancing satisfaction.

14. Naidu, R., & Sharma, P. (2024)

The study compared leadership styles and found participative and supportive leadership to significantly enhance employee satisfaction. Authoritarian leadership resulted in dissatisfaction and higher turnover. The authors concluded that leadership behavior directly influences workplace harmony.

15. Kale, A., & Pawar, D. (2024)

This research examined the combined effect of compensation and recognition on satisfaction. While fair pay was essential, timely recognition significantly boosted morale and trust. The authors concluded that transparent reward systems promote long-term satisfaction and commitment.

Statement of the Problem

Small service enterprises in Amravati experience frequent employee turnover, absenteeism, and declining motivation due to limited financial capacity and informal management practices. The absence of structured HR systems often leads to dissatisfaction, affecting performance and service quality. Hence, the problem addressed in this study is:

To examine the level of employee satisfaction and identify the factors influencing satisfaction and performance among employees working in small service enterprises in Amravati.

Objectives of the Study

- To assess the overall level of employee satisfaction in small service enterprises in Amravati.
- To identify key factors influencing employee satisfaction.
- To examine the relationship between employee satisfaction and employee performance.
- To study the impact of leadership and managerial practices on employee satisfaction.
- To suggest practical measures to improve satisfaction and retention.

Hypothesis:

Null Hypothesis (H₀):

There is no significant relationship between employee satisfaction and factors such as work environment, workload, salary, leadership style, and managerial practices in small service enterprises in Amravati.

Alternative Hypothesis (H₁):

There is a significant relationship between employee satisfaction and factors such as work environment, workload, salary, leadership style, and managerial practices in small service enterprises in Amravati.

Research Methodology

A descriptive research design was adopted for the study. Primary data were collected from 100 employees working in small service enterprises in Amravati using a structured questionnaire. Convenience sampling was used due to accessibility and time constraints. Secondary data were collected from journals, reports, and academic publications.

The questionnaire included demographic details and statements related to salary, work environment, leadership, recognition, career growth, and overall satisfaction, measured on a five-point Likert scale. The collected data were analyzed using percentage analysis and graphical representation (pie charts) to interpret employee perceptions and satisfaction levels.

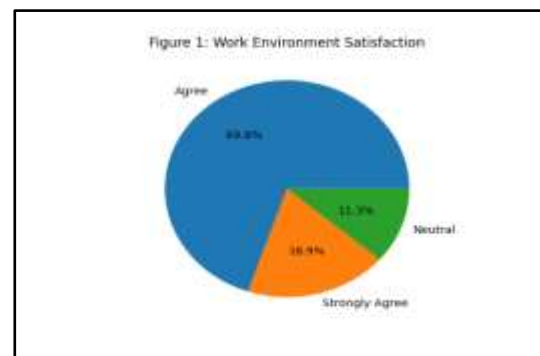
DATA ANALYSIS AND INTERPRETATION

This chapter presents the analysis and interpretation of data collected from employees of small service enterprises in Amravati city. The analysis is carried out on the basis of responses obtained through a structured questionnaire using a five-point Likert scale. Percentage analysis and graphical representation (pie charts) are used to interpret employee perceptions related to satisfaction. The analysis is presented in a systematic manner similar to the reference research paper.

Table 1: Analysis of Work Environment Satisfaction

Statement: My workplace is neat, clean, and safe to work in.

Response	Percentage (%)
Strongly Agree	18.9
Agree	69.8
Neutral	11.3
Disagree	0.0
Strongly Disagree	0.0
Total	100



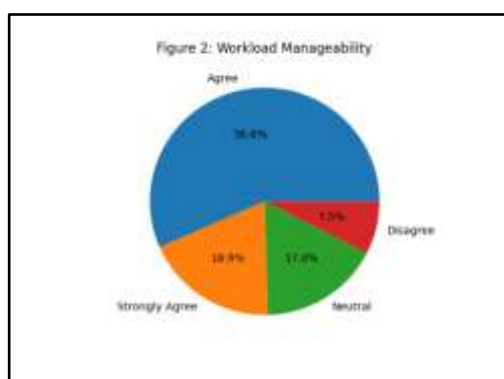
Interpretation:

The table indicates that a large majority of employees (88.7%) either agree or strongly agree that their workplace is neat, clean, and safe. This reflects that most small service enterprises in Amravati provide satisfactory physical working conditions. A safe and clean environment contributes positively to employee comfort and satisfaction.

Table 2: Analysis of Workload Manageability

Statement: My workload is reasonable and manageable.

Response	Percentage (%)
Strongly Agree	18.9
Agree	56.6
Neutral	17.0
Disagree	7.5
Strongly Disagree	0.0
Total	100



Interpretation:

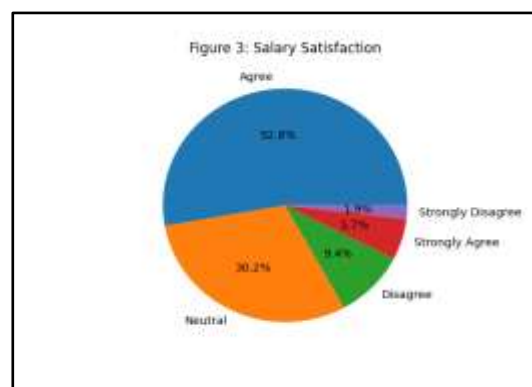
The above table shows that about 75.5% of employees feel that their workload is manageable, indicating balanced task allocation in most organizations. However, a small percentage of employees experience work pressure, suggesting the need for better workload planning in certain enterprises.

Table 3: Analysis of Salary and Incentive Satisfaction

Statement: I am satisfied with my current salary and incentives.

Response	Percentage (%)
Strongly Agree	9.4
Agree	52.8
Neutral	30.2

Response	Percentage (%)
Disagree	5.7
Strongly Disagree	1.9
Total	100



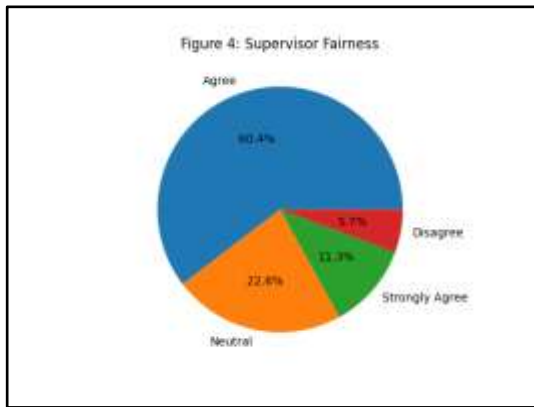
Interpretation:

The table reveals mixed opinions regarding salary satisfaction. While a majority of employees (62.2%) express satisfaction, a significant proportion remains neutral or dissatisfied. This suggests that salary and incentives are moderate and may require improvement to enhance overall employee satisfaction.

Table 4: Analysis of Supervisor Fairness

Statement: My supervisor treats all employees fairly and respectfully.

Response	Percentage (%)
Strongly Agree	11.3
Agree	60.4
Neutral	22.6
Disagree	5.7
Strongly Disagree	0.0
Total	100



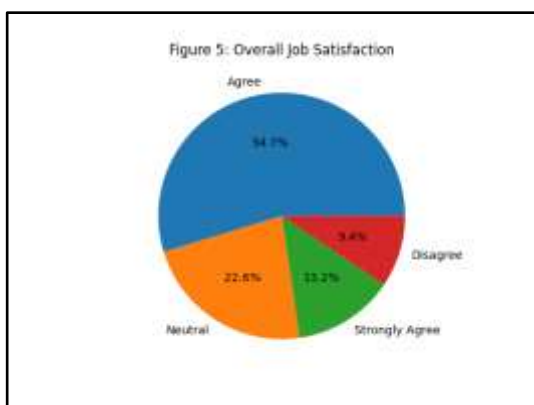
Interpretation:

The data indicates that more than 70% of employees perceive their supervisors as fair and respectful. This highlights the importance of positive leadership and interpersonal relationships in small service enterprises, where direct interaction between employer and employee is frequent.

Table 5: Analysis of Overall Job Satisfaction

Statement: I am satisfied with my overall job experience in this organization.

Response	Percentage (%)
Strongly Agree	13.2
Agree	54.7
Neutral	22.6
Disagree	9.4
Strongly Disagree	0.0
Total	100



Interpretation:

The table shows that a majority of employees (67.9%) are satisfied with their overall job experience. This indicates a generally positive work environment in small service enterprises of Amravati, though some employees remain neutral or dissatisfied, pointing to areas for further improvement.

Overall Interpretation

The data analysis clearly indicates that employee satisfaction in small service enterprises of Amravati is influenced by multiple factors such as work environment, workload, salary, supervisory behavior, and overall job experience. Among these, work environment and supervisor fairness emerge as strong positive factors, while salary satisfaction appears comparatively moderate. The findings support the view that non-monetary factors such as respect, fair treatment, and manageable workload play a crucial role in shaping employee satisfaction.

The pie charts corresponding to each table visually represent the distribution of employee responses and reinforce the interpretations derived from percentage analysis.

Findings and Discussion

The study found that:

- Employees value respectful treatment, recognition, and supportive supervision more than monetary rewards.
- A positive work environment and clear communication enhance satisfaction and reduce stress.
- Leadership style plays a crucial role; participative and supportive leaders generate higher morale.
- Employee satisfaction is positively associated with performance and willingness to stay with the organization.
- These findings align with recent Indian research and reinforce the importance of non-financial motivators in small enterprises.

Conclusion

The present study examined the level of employee satisfaction in small service enterprises in Amravati and identified the key factors influencing it. The findings clearly indicate that employee satisfaction is not determined by financial rewards alone but is shaped by a combination of organizational, managerial, and psychological factors.

The study reveals that a supportive work environment significantly enhances employee satisfaction. Most respondents expressed satisfaction with workplace cleanliness, safety, and physical conditions, indicating that small service enterprises in Amravati generally provide a comfortable and secure working atmosphere that positively influences employee morale and productivity.

Manageable workload also emerged as an important determinant of satisfaction. Although the majority of employees reported that their workload was reasonable, a small proportion experienced work pressure, highlighting the need for better task planning and role clarity in certain enterprises.

The findings further show that salary and incentives play a supportive but not dominant role in determining satisfaction. While many employees were satisfied with their compensation, a considerable number remained neutral, suggesting that monetary rewards alone are insufficient to ensure long-term satisfaction. Small enterprises can effectively compensate for financial limitations by strengthening non-monetary motivational practices.

Supervisor behavior and leadership practices were identified as critical factors influencing employee satisfaction. Respectful, fair, and supportive supervision was found to foster trust, loyalty, and emotional attachment among employees, emphasizing the central role of leadership in small service enterprises.

Overall, the study concludes that employee satisfaction levels in small service enterprises of Amravati are generally positive despite limited resources and informal management structures. The research highlights that non-monetary factors such as supportive leadership, effective communication, fair treatment, and a healthy work environment play a more decisive role than financial rewards in sustaining employee satisfaction and performance. By focusing on humane managerial practices and positive interpersonal

relationships, small service enterprises can achieve improved employee retention, enhanced performance, and long-term organizational growth.

Suggestions / Recommendations

- Introduce simple recognition practices such as verbal appreciation and certificates.
- Maintain open communication and regular feedback sessions.
- Encourage participative leadership and employee involvement in decisions.
- Offer flexible work arrangements where possible.
- Provide basic training and learning opportunities.

Limitations of the Study

- The study is confined to small service enterprises in Amravati city, which limits the generalization of the findings to other regions.
- The sample size of 100 respondents is relatively small and may not represent the entire population.
- Convenience sampling was used due to time and accessibility constraints, which may lead to sampling bias.
- The study is based on self-reported data, which may be influenced by personal perceptions or respondent bias.
- The analysis primarily uses descriptive statistical tools, and advanced statistical techniques were not applied.

Scope for Future Research

- Future studies can be conducted with a larger sample size to enhance the reliability of findings.
- Similar research can be extended to other cities, districts, or states for comparative analysis.
- Comparative studies between small, medium, and large service enterprises can be undertaken.
- Advanced statistical tools such as correlation and regression analysis can be used to study deeper relationships.
- Longitudinal studies may be conducted to examine changes in employee satisfaction over time.
- Additional variables such as work-life balance, employee engagement, and organizational commitment can be included.

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