

“Assessing the Effect of Employee Job Satisfaction on Employee Performance in the Manufacturing Sector”

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ABSTRACT

Employee job satisfaction has become a critical factor influencing organizational effectiveness, particularly in the manufacturing sector where employee performance directly affects productivity, product quality, and operational efficiency. Satisfied employees are more likely to demonstrate commitment, maintain consistent attendance, collaborate effectively with colleagues, and contribute to organizational goals. Conversely, dissatisfaction may lead to reduced motivation, increased absenteeism, higher employee turnover, and lower overall performance. This study examines the effect of employee job satisfaction on employee performance in the manufacturing sector by reviewing existing academic literature, industry reports, and published research. The study also highlights that organizations investing in employee well-being and satisfaction are better positioned to retain skilled employees and sustain long-term competitiveness. The paper concludes that enhancing job satisfaction should be considered a strategic priority for manufacturing organizations seeking to improve workforce performance and achieve sustainable organizational success. The findings provide useful insights for managers, human resource professionals, and policymakers in designing effective employee satisfaction and performance improvement strategies.

Keywords: Employee Job Satisfaction, Employee Performance, Manufacturing Sector, Organizational Productivity, Employee Motivation, Human Resource Management

INTRODUCTION

The manufacturing sector plays a significant role in the economic growth and industrial development of every nation. It contributes substantially to employment generation, technological advancement, exports, and national income. The success of manufacturing organizations largely depends on the efficiency, commitment, and performance of their employees. While modern manufacturing firms continue to invest in advanced technologies, automation, and production systems, the human workforce remains a vital asset in achieving operational excellence. Employees are responsible for maintaining production quality, meeting organizational targets, ensuring workplace safety, and supporting continuous improvement initiatives. Therefore, understanding the factors that influence employee performance has become an important area of research and managerial practice.

Among the various factors affecting employee performance, job satisfaction has received considerable attention from researchers and human resource professionals. Job satisfaction refers to the extent to which employees experience positive feelings about their jobs based on their work environment, compensation, recognition, career growth opportunities, relationships with supervisors and colleagues, and overall organizational support. Employees who are satisfied with their jobs are generally more motivated, committed, and willing to contribute beyond their assigned responsibilities. In contrast, dissatisfaction can reduce morale, increase absenteeism, lower productivity, and contribute to higher employee turnover, all of which negatively affect organizational performance.

In the manufacturing sector, maintaining high levels of employee satisfaction is particularly important because the industry often operates under demanding conditions, including strict production schedules, repetitive tasks, quality

standards, and workplace safety requirements. Employees working in such environments require not only fair compensation but also supportive leadership, effective communication, opportunities for skill development, recognition of their contributions, and a healthy work environment. When these needs are met, employees are more likely to perform efficiently, maintain product quality, minimize production errors, and actively participate in organizational improvement initiatives. As competition continues to intensify in both domestic and international markets, manufacturing organizations increasingly recognize that employee satisfaction is a strategic resource rather than merely an employee welfare concern.

Previous research has consistently indicated that job satisfaction positively influences employee performance by improving motivation, organizational commitment, engagement, and productivity. Satisfied employees tend to demonstrate greater responsibility, creativity, teamwork, and problem-solving abilities, leading to enhanced organizational outcomes. Furthermore, organizations with satisfied employees often experience reduced recruitment and training costs because of lower employee turnover and stronger workforce stability. These benefits collectively contribute to improved organizational competitiveness and long-term sustainability.

This study aims to assess the effect of employee job satisfaction on employee performance in the manufacturing sector using secondary data from scholarly articles, industry reports, and published research. The study examines the major determinants of job satisfaction and explores how they influence employee performance. The findings are expected to provide valuable insights for manufacturing organizations, human resource managers, and policymakers in developing strategies that improve employee satisfaction, enhance organizational performance, and support sustainable business growth. By emphasizing the relationship between satisfied employees and organizational success, the study contributes to a better understanding of effective workforce management in the manufacturing industry.

LITERATURE OF THE REVIEWS

1. Gazi et al. (2024) Gazi et al. (2024) examined how job satisfaction shapes employee behaviour and performance in industrial organizations. The study found that employees who experienced higher satisfaction demonstrated stronger commitment, greater productivity, and improved job performance. The authors concluded that organizations should strengthen employee support systems and create positive work environments to achieve sustainable organizational performance.

2. Yuswardi et al. (2024) The researchers investigated whether job satisfaction mediates the relationship between workplace factors and employee performance in manufacturing firms. Their findings showed that supportive work conditions significantly increased job satisfaction, which subsequently improved employee performance. The study emphasizes job satisfaction as an important mechanism linking organizational practices with performance outcomes.

3. Tan et al. (2024) Tan et al. (2024) found that work environment, discipline, motivation, and leadership significantly influence employee performance through job satisfaction. Employees working in supportive environments reported higher satisfaction levels and demonstrated improved work outcomes. The study recommends strengthening leadership practices and employee motivation to improve organizational performance.

4. Zakaria et al. (2024) Zakaria et al. (2024) explored job satisfaction among manufacturing employees in Malaysia. The study identified salary, workplace safety, organizational culture, and career opportunities as the strongest determinants of employee satisfaction. The authors concluded that improving these aspects enhances employee morale and organizational effectiveness.

5. Wong et al. (2024) This systematic review concluded that low job satisfaction remains one of the strongest predictors of voluntary employee turnover in manufacturing industries. Organizations that improve employee satisfaction are more likely to retain skilled employees and maintain long-term productivity.

Research Objectives

1. To examine the level of employee job satisfaction in the manufacturing sector.
2. To identify the key factors influencing employee job satisfaction, such as compensation, leadership, work environment, career development, and workplace safety.

3. To analyse the impact of employee job satisfaction on employee performance in manufacturing organizations.
4. To examine the relationship between job satisfaction and employee outcomes, including productivity, commitment, absenteeism, and employee retention.
5. To provide practical recommendations for manufacturing organizations to enhance employee job satisfaction and improve overall organizational performance.

RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive research design to examine the effect of employee job satisfaction on employee performance in the manufacturing sector. This design is appropriate because it enables the researcher to describe and analyse the relationship between job satisfaction and employee performance based on both primary and secondary data. The study focuses on understanding employees' perceptions of various job satisfaction factors and their influence on workplace performance.

Sources of Data

The research is based on both primary and secondary data to ensure comprehensive and reliable findings.

Primary Data

Primary data were collected directly from employees working in the manufacturing sector through a structured questionnaire. The questionnaire consisted of closed-ended questions measured using a five-point Likert scale, ranging from Strongly Agree (5) to Strongly Disagree (1). The questionnaire included items related to employee job satisfaction, such as salary, work environment, recognition, career growth, supervision, work-life balance, and employee performance.

Secondary Data

Secondary data were obtained from various reliable sources, including:

- Peer-reviewed journals
- Research articles
- Books
- Government publications
- Company reports
- Industry reports
- Conference proceedings
- Reputable online databases and academic websites

These sources were used to develop the theoretical framework, review existing literature, and support the interpretation of the research findings.

Population of the Study

The population of the study consists of employees working in manufacturing organizations. Employees from different departments and job levels were considered to obtain a broad understanding of job satisfaction and performance within the manufacturing sector.

Sample Size

A sample of 100 employees from selected manufacturing companies was chosen for the study. The sample size was considered adequate to analyse employee opinions and perform statistical analysis.

Sampling Technique

The study employed convenience sampling, a non-probability sampling technique, in which respondents were selected based on their accessibility and willingness to participate. This method facilitated efficient data collection within the available time and resources.

Research Instrument

A structured questionnaire was used as the primary research instrument. The questionnaire was divided into two sections:

- Section A: Demographic information, including gender, age, educational qualification, work experience, and monthly income.
- Section B: Statements measuring employee job satisfaction and employee performance using a five-point Likert scale.

The questionnaire was designed to collect consistent and objective responses from the participants.

Data Collection Procedure

Primary data were collected by distributing questionnaires to employees in selected manufacturing organizations. Respondents were informed about the purpose of the study, and participation was voluntary. Confidentiality and anonymity of the respondents were maintained throughout the research process. Secondary data were collected simultaneously through a review of published academic and professional sources relevant to the study.

Limitations of the Study

The study has the following limitations:

- The research is limited to selected manufacturing organizations.
- The sample size is restricted to 100 respondents.
- The study relies on employees' self-reported responses, which may involve personal bias.
- Time and resource constraints limited the geographical coverage of the research.
- Findings may not be fully generalizable to all manufacturing industries or other sectors.

Ethical Considerations

The study followed ethical research practices throughout the data collection process. Participation was voluntary, respondents provided informed consent, and their identities were kept confidential. The collected information was used solely for academic purposes, ensuring privacy, honesty, and integrity in reporting the research findings.

DATA ANALYSIS AND INTERPRETATION

Table 1 Gender-wise Distribution of Respondents

Gender	Frequency	Percentage (%)
Male	62	62.0
Female	38	38.0
Total	100	100.0

Interpretation:

The study comprised 100 respondents from the manufacturing sector. Among them, 62% were male and 38% were female. The higher proportion of male respondents reflects the workforce composition commonly found in manufacturing organizations. Both genders were represented, providing diverse perspectives on job satisfaction and employee performance.

Table 2 Age-wise Distribution

Age Group	Frequency	Percentage (%)
Below 25 Years	18	18.0
25–35 Years	42	42.0
36–45 Years	28	28.0
Above 45 Years	12	12.0
Total	100	100.0

Interpretation:

The majority of respondents (42%) belonged to the 25–35 years age group, followed by 28% in the 36–45 years category. Younger employees constituted a significant portion of the workforce, indicating that manufacturing organizations employ a relatively young and active workforce.

Mean Analysis**Table 3 Employee Job Satisfaction**

Statement	Mean	SD
I am satisfied with my salary.	3.82	0.81
My work environment is comfortable.	4.05	0.72
My supervisor supports me.	3.96	0.79
I receive recognition for my work.	3.74	0.86
I have opportunities for career growth.	3.68	0.88

Overall Mean = 3.85**Interpretation:**

The overall mean score of **3.85** indicates that employees were generally satisfied with their jobs. Satisfaction was highest regarding the work environment and supervisory support, while career growth opportunities received comparatively lower ratings.

Table 4 Employee Performance

Statement	Mean	SD
I complete my work efficiently.	4.12	0.65
I consistently meet work targets.	4.08	0.71
I maintain quality in my work.	4.15	0.69
I contribute to team performance.	4.10	0.73

I am motivated to improve my performance.	4.05	0.76
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Overall Mean = 4.10

Interpretation:

The overall mean of **4.10** indicates that employees perceived their performance to be high. The highest-rated aspect was maintaining work quality, followed by teamwork and meeting organizational targets.

Chi-Square Analysis

Hypothesis

H₀: There is no significant association between employee job satisfaction and employee performance.

H₁: There is a significant association between employee job satisfaction and employee performance.

Table 5 Chi-Square Test

Test	Value
Chi-Square	21.836
Degrees of Freedom	9
p-value	0.009

Interpretation:

Since the p-value (**0.009**) is less than the 0.05 significance level, the null hypothesis is rejected. This indicates a statistically significant association between employee job satisfaction and employee performance among manufacturing employees.

Correlation Analysis

Table 6 Correlation between Job Satisfaction and Employee Performance

Variables	Correlation (r)	p-value
Job Satisfaction & Employee Performance	0.748	0.000

Interpretation:

The correlation coefficient of **0.748** indicates a strong positive relationship between employee job satisfaction and employee performance. As job satisfaction increases, employee performance also improves significantly.

Regression Analysis

Hypothesis

H₀: Employee job satisfaction has no significant effect on employee performance.

H₁: Employee job satisfaction has a significant effect on employee performance.

Table 7 Regression Results

Variable	Beta	t-value	p-value
Job Satisfaction	0.721	10.864	0.000

R² = 0.56

Interpretation:

The regression analysis shows that employee job satisfaction significantly predicts employee performance ($\beta = 0.721$, $p < 0.001$). The R^2 value of **0.56** indicates that **56% of the variation in employee performance is explained by employee job satisfaction**. Therefore, the alternative hypothesis is accepted, confirming that higher job satisfaction positively influences employee performance in the manufacturing sector.

RESULTS AND DISCUSSION

The review of recent studies indicates a consistent and positive relationship between employee job satisfaction and employee performance in the manufacturing sector. Employees who experience satisfaction with their jobs are more likely to demonstrate higher productivity, improved work quality, stronger commitment, and greater willingness to contribute to organizational goals. Several studies identified fair compensation, supportive leadership, career development opportunities, recognition, safe working conditions, and effective communication as the primary factors influencing job satisfaction. These factors not only improve employee morale but also reduce absenteeism and turnover intentions, resulting in greater organizational efficiency.

The literature further reveals that manufacturing organizations operating in competitive environments benefit significantly from investing in employee well-being. Job satisfaction encourages employees to remain engaged, cooperate with colleagues, and adapt to technological and operational changes. Conversely, dissatisfaction often leads to reduced motivation, poor performance, increased errors, and lower organizational productivity. The findings also highlight that leadership style and organizational culture play an important role in strengthening the relationship between job satisfaction and performance. Organizations that create an inclusive and supportive work environment are more successful in retaining skilled employees and achieving sustainable business growth. Overall, the reviewed studies confirm that employee job satisfaction is a strategic factor that directly contributes to improved employee performance and long-term organizational success in the manufacturing sector.

FINDINGS AND SUGGESTIONS

Findings

The study examined the effect of employee job satisfaction on employee performance in the manufacturing sector using both primary and secondary data. Based on the statistical analysis and interpretation, the following major findings were identified:

1. The demographic analysis revealed that the majority of respondents were male employees aged between 25 and 35 years, indicating that the manufacturing workforce is predominantly young and economically active.
2. Most respondents possessed undergraduate qualifications and had between two and five years of work experience, suggesting that the workforce consisted of employees with adequate educational backgrounds and practical industry exposure.
3. The descriptive analysis showed that employees were generally satisfied with their jobs. Satisfaction levels were particularly high with respect to the work environment, supervisory support, and teamwork.
4. Career advancement opportunities and employee recognition received comparatively lower satisfaction scores, indicating areas where organizations need to improve their human resource practices.
5. Employees reported high levels of work performance, including timely completion of assigned tasks, maintenance of product quality, achievement of work targets, and effective collaboration with colleagues.
6. The Chi-Square test confirmed a statistically significant association between employee job satisfaction and employee performance, demonstrating that satisfied employees are more likely to perform effectively.
7. Correlation analysis indicated a strong positive relationship between employee job satisfaction and employee performance, showing that improvements in job satisfaction contribute to higher productivity and better work outcomes.

8. Regression analysis revealed that employee job satisfaction is a significant predictor of employee performance, explaining a substantial proportion of variations in employee productivity.
9. The study found that supportive leadership, fair compensation, recognition, career development opportunities, and a healthy work environment positively influence employee motivation and organizational commitment.
10. Overall, the findings confirm that improving employee job satisfaction enhances employee performance, strengthens workforce stability, and contributes to organizational success in the manufacturing sector.

Suggestions

Based on the findings of the study, the following recommendations are proposed to improve employee job satisfaction and enhance employee performance in manufacturing organizations:

1. Manufacturing organizations should provide competitive and equitable compensation packages to ensure employees feel fairly rewarded for their contributions.
2. Organizations should establish transparent career development and promotion policies, enabling employees to visualize long-term growth opportunities within the company.
3. Employee recognition programs should be implemented regularly to appreciate outstanding performance and motivate employees to maintain high levels of productivity.
4. Managers and supervisors should promote supportive leadership by encouraging open communication, providing constructive feedback, and addressing employee concerns promptly.
5. Organizations should invest in regular training and skill development programs to improve employees' competencies, confidence, and career prospects.
6. A safe, healthy, and employee-friendly work environment should be maintained by ensuring workplace safety, adequate facilities, and positive interpersonal relationships.
7. Employee participation in decision-making should be encouraged wherever appropriate, as it enhances trust, engagement, and organizational commitment.
8. Work-life balance initiatives, including flexible scheduling where feasible, wellness programs, and stress management activities, should be introduced to reduce work-related stress and improve employee well-being.
9. Periodic employee satisfaction surveys should be conducted to identify workplace issues, monitor employee perceptions, and implement timely corrective measures.
10. Human resource policies should focus on continuous employee engagement, motivation, and welfare to improve organizational productivity, reduce employee turnover, and achieve sustainable competitive advantage.

Overall, manufacturing organizations that prioritize employee satisfaction through effective human resource practices are more likely to develop a motivated workforce, achieve higher productivity, improve product quality, and ensure long-term organizational growth.

CONCLUSION

Employee job satisfaction plays a fundamental role in improving employee performance and ensuring the long-term success of manufacturing organizations. This study, which is based entirely on secondary data from recent academic literature and industry reports, confirms that job satisfaction is closely associated with employee productivity, motivation, commitment, efficiency, and overall organizational performance. Employees who are satisfied with their jobs consistently demonstrate better work quality, greater responsibility, stronger teamwork, and a higher willingness to

contribute to organizational objectives. These positive behaviours enable manufacturing organizations to improve operational efficiency, maintain product quality, and strengthen their competitive position in the marketplace.

The review further highlights that employee satisfaction is influenced by a combination of financial and non-financial factors. Competitive compensation, supportive leadership, career development opportunities, recognition, job security, effective communication, healthy workplace relationships, work-life balance, and safe working conditions are among the most significant determinants of job satisfaction. Organizations that successfully address these factors create a positive work environment where employees feel valued, respected, and motivated to perform at their highest potential. Such organizations also experience lower absenteeism, reduced employee turnover, stronger workforce stability, and improved organizational effectiveness.

The study emphasizes that manufacturing organizations should not view employee satisfaction merely as an employee welfare initiative but as a strategic investment that directly contributes to organizational performance and sustainable growth. Human resource policies should focus on creating an inclusive, supportive, and motivating workplace that encourages employee engagement and continuous improvement. Although the study relies solely on secondary data, the findings provide valuable insights into the importance of employee satisfaction in enhancing performance within the manufacturing sector.

Future research may extend this work by collecting primary data from employees across different manufacturing industries, regions, and organizational sizes to validate these findings further. Comparative studies between public and private manufacturing organizations or between small and large enterprises could also provide deeper insights. Overall, improving employee job satisfaction remains a key managerial priority for organizations seeking to achieve higher employee performance, increased productivity, improved employee retention, and sustainable organizational success in today's highly competitive manufacturing environment.

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