

Exploring the Relationship Between Employee Engagement, Satisfaction, Performance, and Turnover: An Empirical Study

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Abstract: Employee engagement, satisfaction, performance, and turnover are the critical elements of organizational success. This study explores the relationships among these variables, focusing on how employee engagement impacts employee satisfaction and how these factors collectively influence performance and turnover. We took a sample size of 50 employees to carry out demographic analyses and apply regression techniques to understand the interaction between engagement and satisfaction. The results bring out significant correlations that are very useful in indicating what strategies organizations can use to improve engagement and reduce turnover.

Keywords: Employee engagement, employee satisfaction, employee performance, employee turnover, regression analysis, organizational success

Introduction

Employee engagement is now commonly acknowledged as the cornerstone of organizational effectiveness. It is not just a buzzword, but a critical driver for what makes employees view the work and responsibilities within the workplace. In such a case, engaged employees develop emotional and intellectual commitment, thus a positive attitude towards goals set by the organization in which they work. Sometimes this translates into more productivity, better morale and an ability to go beyond standard requirements. Therefore, organizations that have a very engaged workforce are more likely to sustain their success and continue to maintain a competitive advantage.

One of the most important direct effects of employee engagement is its impact on employee satisfaction. Satisfaction arises from several sources, such as job security, workplace culture, and opportunities for growth. When employees are valued and engaged, their level of satisfaction is bound to rise. High satisfaction leads to a better working environment, and hence the workplace stress reduces and creates a sense of belonging among the employees. This positive environment benefits the individual as well as collectively results in organizational gains, such as improved team cohesion and cooperation.

Employee satisfaction influences performance and turnover. Satisfied employees are more likely to perform at their best and exhibit dedication and innovation at work. They typically display fewer cases of absenteeism and are more committed to work. Low satisfaction usually comes along with turnover, as dissatisfied workers find reasons to leave the organization and look for other opportunities. When there is high turnover in an organization, it adversely affects the organization, especially concerning costs such as recruitment, loss of valuable organizational knowledge, and workflow breakdowns.

This study empirically examines these relationships in order to provide actionable insights for managers and HR professionals. It is intended that the analysis of how employee engagement influences satisfaction and how these variables together impact performance and turnover be used to identify strategies an organization can employ to build engagement levels. This approach helps organizations identify and handle potential challenges that may affect the work environment in terms of employee wellbeing and organizational objectives. The findings of this study are expected to contribute to the growing body of literature on employee engagement and its critical role in driving organizational success.

2. Literature Review

Employee engagement has been a focal point in organizational behavior research, with numerous studies underscoring its significance.(Boccoli et al., 2023) Kahn (1990) defined engagement as the psychological presence of individuals in their work roles. Since then, engagement has been associated with several positive outcomes, including improved job performance and organizational citizenship behavior.(Hermawan et al.,2023). According to (Maisyuri & Ariyanto, 2021)engaged employees are characterized by high vigor, dedication, and absorption in their work, which has a positive effect on organizational outcomes. These findings indicate that, after all, engagement is not just good but necessary to acquire competitive advantage.

The relationship between the employees' engagement and satisfaction has been found in the literature too. Riyanto et al,(2021)showed that engaged workers report higher job satisfaction levels, which further contributes to organizational productivity. Judge et al., (2021) defines Job satisfaction as an emotional state, positive in nature, due to the evaluation of the job or job experience.

Employee performance is a critical metric for organizational success, often influenced by the interplay between engagement and satisfaction. Studies by Meyers et al.,(2021) confirm that engagement significantly predicts task performance and contextual performance. In addition, satisfied employees have a higher propensity to meet or exceed performance expectations due to their intrinsic motivation and commitment to organizational goals. Conversely, low engagement and satisfaction can lead to lower productivity and higher errors, and thus the need to maintain high levels of these factors in the workforce.

Employee turnover is a challenge to many organizations and is highly related to engagement and satisfaction. According to Hom et al. (2017), employees who are engaged and satisfied tend to stay in their jobs, and therefore, lower rates of turnover. Dissatisfaction with work conditions, inadequate career advancement opportunities, or a poor salary is the source of many cases of turnover intentions. Griffeth, Hom, and Gaertner (2000) point out that high levels of turnover incur costs from loss in talent to the organization and the associated expenses of recruitment and training. Improved engagement and satisfaction can serve as a risk reducer toward keeping staff longer, which is more beneficial to the organization's long-term stability.

Collectively, the literature underscores the interconnections between employee engagement, satisfaction, performance, and turnover. These studies underscore the importance of fostering a positive work environment that promotes engagement and satisfaction. By leveraging insights from prior research, organizations can implement targeted strategies to enhance these factors, thereby driving organizational success. This study builds on these foundations to empirically explore the relationships among these variables, providing actionable insights for practitioners and scholars alike.

3. Methodology

3.1 Sample Size and Demographics: The survey was administered to 50 employees of a mid-sized organization. Information collected on demographics includes age, gender, education level, and years of experience.

3.2 Data Collection: A structured questionnaire was developed and included validated scales to measure employee engagement, satisfaction, performance, and turnover intentions.

3.3 Data Analysis: The data collected were analyzed through demographic frequency tables and regression analysis that established the relationship between the employee's engagement and the employee's satisfaction.

3. Results

3.1 Demographic Frequency Tables The demographic characteristics of the sample are summarized below:

Demographic Variable	Categories	Frequency	Percentage
Gender	Male	28	56%
	Female	22	44%
Age Group	20-30 years	20	40%
	31-40 years	18	36%
	41-50 years	8	16%
	51+ years	4	8%
Education Level	High School	10	20%
	Bachelor's Degree	25	50%
	Master's Degree	15	30%
Years of Experience	0-5 years	15	30%
	6-10 years	20	40%
	11-15 years	10	20%
	16+ years	5	10%

3.2 Regression Analysis

Regression analysis was conducted to explore the relationship between employee engagement (independent variable) and employee satisfaction (dependent variable).

Model Summary	
R	0.76
R-Square	0.58
Adjusted R-Square	0.56
Standard Error	0.32

ANOVA

F-Statistic	22.34		
Significance (p-value)	< 0.001		
Coefficients	Beta	t-value	p-value
Intercept	2.10	5.67	< 0.001
Employee Engagement	0.68	4.73	< 0.001

4. Discussion

The results show a strong positive correlation between employee engagement and satisfaction ($R = 0.76$, $p < 0.001$). High engagement levels significantly predict increased employee satisfaction, which is critical for enhancing performance and reducing turnover intentions. These results are in line with the existing literature that emphasizes the need to create an engaged workforce.

5. Conclusion and Recommendation

Organizations should adopt employee-engaging strategies like recognition and acknowledgement, open communication, as well as providing an employee growth opportunity to satisfy themselves for better performance and retainment of the individual by the organization that can create ultimate success of the organization itself.

6. Limitations and Future Research

This study is limited by the small sample size and single organization focus. Future research should be done on larger, more diverse samples and additional variables, including organizational culture and leadership style.

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