

A STUDY ON JOB SATISFACTION AND ITS IMPACT ON EMPLOYEE RETENTION IN MAYILADUTHURAI

Ms. R. Priyanka¹, Ms. K. Arthi²

Assistant Professor, Department of Management Studies,
EGS Pillay Engineering College, Nagapattinam, Tamil Nadu, India¹
MBA Student, Department of Management Studies,
EGS Pillay Engineering College, Nagapattinam, Tamil Nadu, India²

Abstract: Employee retention has become one of the major challenges faced by organizations in the current competitive business environment. Employee job satisfaction plays a significant role in influencing retention and reducing employee turnover. The present study aims to examine the impact of job satisfaction on employee retention among employees in Mayiladuthurai. The study focuses on various factors influencing job satisfaction, including compensation and benefits, work environment, career growth opportunities, leadership support, and work-life balance. Primary data were collected from 150 respondents through a structured questionnaire using a simple random sampling method. The collected data were analyzed using Percentage Analysis, One Sample T-Test, Chi-Square Test, and Correlation Analysis. The findings reveal that job satisfaction has a positive and significant relationship with employee retention. Employees satisfied with organizational practices, supportive management, and career development opportunities demonstrate stronger retention intentions. The study concludes that organizations should focus on improving employee satisfaction to enhance retention and organizational performance.

Keywords: Job Satisfaction, Employee Retention, Employee Engagement, Human Resource Management, Organizational Commitment

1. INTRODUCTION

Employee retention has become an important issue for many organizations in today's competitive business environment. Employees are considered valuable assets because they contribute to the growth and success of an organization through their skills, knowledge, and experience. Although organizations invest significant resources in recruiting and training employees, retaining them for a longer period remains a major challenge.

One of the key factors that influences employee retention is job satisfaction. Employees who are satisfied with their job are more likely to remain committed to the organization. Job satisfaction is influenced by several factors such as salary, working conditions, recognition, career growth opportunities, leadership support, and work-life balance. When employees feel valued and supported, they tend to perform better and develop a positive attitude towards their work.

On the other hand, employees who are dissatisfied with their job may experience low motivation and reduced commitment. This often leads to higher turnover intentions and increased employee movement between organizations. Frequent employee turnover affects productivity, increases recruitment and training costs, and creates difficulties in maintaining organizational stability.

Therefore, understanding the relationship between job satisfaction and employee retention has become important for organizations. This study focuses on examining how job satisfaction influences employee retention among employees in Mayiladuthurai. The study also aims to identify the factors that contribute to employee satisfaction and encourage employees to continue working in the organization.

II. NEED OF THE STUDY

- Job satisfaction plays an important role in improving employee retention and organizational growth.

- Employees who are satisfied with their job are more likely to stay committed and continue working in the organization.
- This study helps identify the factors influencing employee satisfaction, dissatisfaction, and turnover intention.
- The research provides useful suggestions to improve employee motivation, productivity, and workplace satisfaction.
- The findings support organizations in developing effective HR strategies to reduce employee turnover and maintain a positive work environment.

III. RESEARCH GAP

Although numerous studies have explored the relationship between job satisfaction and employee retention, most of them were conducted in different geographical locations and organizational settings. Limited research has been carried out among employees in Mayiladuthurai. Therefore, the present study seeks to bridge this gap by examining how job satisfaction influences employee retention in the local context and by providing practical recommendations for organizations.

IV. OBJECTIVES OF THE STUDY

- To identify the key factors influencing job satisfaction among employees
- To assess the impact of demographic factors on employee satisfaction level
- To evaluate employee retention and turnover intention
- To analyze the relationship between job satisfaction and employee retention
- To develop strategies to improve employee retention

V. LIMITATIONS OF THE STUDY

- The study is limited to selected organizations in Mayiladuthurai.
- The sample size is limited to 150 respondents, so it may not represent the views of all employees.
- The study mainly focuses on job satisfaction and employee retention and does not cover all other employee-related factors.
- The findings are based on the opinions and responses given by the employees through questionnaires.
- Employee satisfaction and retention may differ from one organization to another depending on company policies and work environment.

VI. RESEARCH METHODOLOGY

A. Research Design

Descriptive research design was adopted to study the impact of job satisfaction on employee retention among employees in Mayiladuthurai.

B. Data Source

Primary data were collected through a structured questionnaire distributed among employees working in various organizations in Mayiladuthurai. Secondary data were collected from journals, books, websites, and research articles.

C. Sample Size

A total of 150 respondents were selected for the study.

D. Sampling Method

Simple Random Sampling technique was used to select the respondents.

E. Data Analysis Tools

The collected data were analyzed using the following statistical tools:

- Percentage Analysis
- One Sample T-Test
- Chi-Square Test
- Correlation Analysis

VII. REVIEW OF LITERATURE

1. AK Singh Chouhan (2024)

Conducted a study on the relationship between job satisfaction and employee retention. The study found that job satisfaction strongly reduces employee turnover. Factors such as work environment, salary, promotion, and leadership

were identified as important determinants of satisfaction. Overall, the study concluded that improving job satisfaction helps organizations retain employees effectively.

2. Attia Aman-Ullah et al. (2022)

Examined the impact of job security on employee retention in the healthcare sector. The study revealed that job security positively influences retention, while job satisfaction and job embeddedness act as mediating factors. Employees who feel secure in their jobs are more likely to remain loyal and committed to the organization. Overall, the study concluded that job security and satisfaction together improve employee retention.

3. Murtaza Raziq et al. (2021)

Analysed the impact of leadership and communication on employee retention. The findings showed that transformational leadership improves job satisfaction and communication strengthens retention. Employees working under supportive leadership demonstrated higher commitment and involvement in organizational activities. Overall, the study concluded that leadership and communication improve employee retention through job satisfaction.

4. Ume Amen et al. (2021)

Studied the role of training and development in improving job satisfaction and retention. The study found that employees receiving proper training are more satisfied and less likely to leave the organization. Training and development opportunities enhance employee skills, confidence, motivation, and organizational commitment. Overall, the study concluded that training and development are important factors for employee retention.

5. Ricardo S. Biason (2020)

Examined the relationship between job satisfaction and employee retention using a descriptive research design. The findings revealed a strong positive relationship between satisfaction and retention. Employees who are satisfied with their jobs are more likely to continue working in the organization. Overall, the study concluded that job satisfaction plays a major role in retaining employees.

VIII. DATA ANALYSIS AND INTERPRETATION

A. ONE SAMPLE T-TEST

One Sample t-test is used to identify whether there is a significant difference in employees’ opinion regarding job satisfaction factors in the organization. In this study, the One Sample t-test is used to examine factors such as fair compensation compared to workload and the availability of a healthy and stress-free work environment. The results indicate that employees have a positive opinion regarding these job satisfaction factors. The analysis also shows that fair compensation and a healthy work environment positively influence employee job satisfaction in the organization.

H0 (Null Hypothesis):

There is no significant difference in employees’ opinion regarding job satisfaction factors in the organization.

H1 (Alternative Hypothesis):

There is a significant difference in employees’ opinion regarding job satisfaction factors in the organization.

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
The compensation provided by the organization is fair compared to my workload	150	3.70	.865	.071
The organization provides a healthy and stress-free work environment	150	3.87	.971	.079

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The compensation provided by the organization is fair compared to my workload	9.911	149	.000	.700	.56	.84
The organization provides a healthy and stress-free work environment	11.011	149	.000	.873	.72	1.03

One-Sample Effect Sizes					
		Standardized ^a	Point Estimate	95% Confidence Interval	
				Lower	Upper
The compensation provided by the organization is fair compared to my workload	Cohen's d	.865	.809	.624	.993
	Hedges' correction	.869	.805	.621	.988
The organization provides a healthy and stress-free work environment	Cohen's d	.971	.899	.708	1.088
	Hedges' correction	.976	.895	.705	1.082

a. The denominator used in estimating the effect sizes.
Cohen's d uses the sample standard deviation.
Hedges' correction uses the sample standard deviation, plus a correction factor.

RESULT

A One Sample t-test was conducted to assess employees’ opinions regarding fair compensation and a healthy work environment. The results showed that the mean scores for compensation (M = 3.70, SD = 0.865) and work environment (M = 3.87, SD = 0.971) were above the average level. The significance value was less than 0.05 (p < 0.001), indicating a statistically significant result. Therefore, the null hypothesis was rejected, and it was concluded that fair compensation and a healthy work environment positively influence employee job satisfaction.

B. CHI-SQUARE TEST

Chi-Square test is used to identify the association between two variables. In this study, the Chi-Square test is used to examine the association between employees’ experience and their interest in continuing employment for a longer period in the organization. The results indicate that employees with different levels of experience show different opinions regarding their willingness to continue working in the organization. The analysis also shows that employees’ experience has a significant association with employee retention intention.

Hypothesis

H0 (Null Hypothesis):

There is no significant association between employees’ experience and their interest in continuing employment for a longer period.

H1 (Alternative Hypothesis):

There is a significant association between employees' experience and their interest in continuing employment for a longer period.

Crosstabs

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Experience of the respondent * Employee are interested in continuing their current employment for a longer period	150	100.0%	0	0.0%	150	100.0%

Experience of the respondent * Employee are interested in continuing their current employment for a longer period Cross tabulation								
			Employee are interested in continuing their current employment for a longer period					Total
			Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Experience of the respondent	Less than one year	Count	1	7	3	12	2	25
		Expected Count	.3	2.0	2.3	14.0	6.3	25.0
		% within experience of the respondent	4.0%	28.0%	12.0%	48.0%	8.0%	100.0%
	2-3 years	Count	1	4	8	55	20	88
		Expected Count	1.2	7.0	8.2	49.3	22.3	88.0
		% within experience of the respondent	1.1%	4.5%	9.1%	62.5%	22.7%	100.0%
	3-5 years	Count	0	1	3	9	7	20
		Expected Count	.3	1.6	1.9	11.2	5.1	20.0
		% within Experience of the respondent	0.0%	5.0%	15.0%	45.0%	35.0%	100.0%
	Above 5 years	Count	0	0	0	8	9	17
		Expected Count	.2	1.4	1.6	9.5	4.3	17.0
		% within e Experience of the respondent	0.0%	0.0%	0.0%	47.1%	52.9%	100.0%
Total	Count	2	12	14	84	38	150	
	Expected Count	2.0	12.0	14.0	84.0	38.0	150.0	
	% within experience of the respondent	1.3%	8.0%	9.3%	56.0%	25.3%	100.0%	

RESULT

A Chi-Square test was conducted to examine the association between employees’ experience and their intention to continue working in the organization. The results showed that employees with higher levels of experience expressed a greater willingness to remain in the organization for a longer period. Since the significance value was less than 0.05, the null hypothesis was rejected and the alternative hypothesis was accepted. Therefore, there is a significant association between employees’ experience and employee retention, indicating that experienced employees are more likely to continue their employment in the organization.

C. CORRELATION ANALYSIS

Correlation analysis is used to measure the strength and direction of the relationship between two variables. In this study, correlation analysis is used to examine the relationship between job satisfaction and employee loyalty towards the organization. The results indicate a positive correlation, which means that higher job satisfaction leads to greater employee loyalty and improved employee retention. The analysis shows that satisfied employees are more likely to remain committed to the organization and continue their employment for a longer period

Hypothesis

H0 (Null Hypothesis):

There is no significant relationship between job satisfaction and employee loyalty towards the organization.

H1 (Alternative Hypothesis):

There is a significant relationship between job satisfaction and employee loyalty towards the organization.

Correlations			
		Job satisfaction helps organization retain experienced and talented employee	Employee satisfaction increases loyalty towards the organization
Job satisfaction helps organization retain experienced and talented employee	Pearson Correlation	1	.243**
	Sig. (2-tailed)		.003
	N	150	150
Employee satisfaction increases loyalty towards the organization	Pearson Correlation	.243**	1
	Sig. (2-tailed)	.003	
	N	150	150
**. Correlation is significant at the 0.01 level (2-tailed).			

RESULT

A Correlation analysis was conducted to examine the relationship between job satisfaction and employee loyalty towards the organization. The results revealed a positive correlation ($r = 0.243$) between the variables, indicating that higher job satisfaction is associated with greater employee loyalty. The significance value ($p = 0.003$) was less than 0.05, showing that the relationship is statistically significant. Therefore, the null hypothesis was rejected and the alternative hypothesis was accepted. The findings conclude that job satisfaction positively influences employee loyalty and contributes to employee retention in the organization.

IX. FINDINGS

The study examines the impact of job satisfaction on employee retention among employees in Mayiladuthurai. The demographic analysis indicates that the majority of respondents belong to the economically active age group and possess varying levels of work experience, providing diverse opinions regarding job satisfaction and retention. The findings reveal that employees generally value factors such as fair compensation, supportive leadership, career growth opportunities, a positive work environment, and work-life balance. Most respondents expressed satisfaction with their current jobs and showed a willingness to continue working in their organizations. The statistical analysis further indicates a positive relationship between job satisfaction and employee retention. Employees who experience higher

levels of satisfaction are more likely to remain committed to their organizations and less likely to consider leaving. The study also highlights that organizations providing recognition, employee support, and opportunities for professional development tend to achieve better retention outcomes. Overall, the findings confirm that job satisfaction plays a significant role in influencing employee retention and organizational stability.

X. SUGGESTIONS

Based on the findings of the study, several suggestions can be made to improve employee satisfaction and retention. Organizations should focus on providing fair and competitive compensation packages that reflect employee contributions and performance. Management should create a supportive work environment that encourages open communication, teamwork, and employee participation in decision-making. Career development programs, training opportunities, and clear promotion policies should be implemented to enhance employee growth and motivation. Organizations should also promote work-life balance through flexible policies and employee-friendly practices. Regular feedback and recognition programs can help employees feel valued and appreciated. Furthermore, management should periodically assess employee satisfaction levels and address concerns promptly to reduce turnover intentions. By adopting these measures, organizations can strengthen employee commitment and improve long-term retention.

XI. CONCLUSION

The present study analyzed the impact of job satisfaction on employee retention among employees in Mayiladuthurai. The findings demonstrate that job satisfaction is a crucial factor influencing employees' decisions to remain with an organization. Factors such as compensation, leadership support, career advancement opportunities, work environment, and work-life balance significantly contribute to employee satisfaction and retention. The statistical analysis confirms a positive association between job satisfaction and employee retention, indicating that satisfied employees are more likely to stay committed to their organizations. The study emphasizes that effective human resource practices are essential for building a motivated, loyal, and stable workforce. In conclusion, organizations that prioritize employee satisfaction can reduce turnover, improve productivity, and achieve sustainable organizational success. The findings of this study provide useful insights for employers seeking to develop strategies that enhance both employee well-being and retention.

REFERENCES

- [1]. **Steil, A. V., Bello, J. D. S. A., Cuffa, D. D., & Freitas, A. F. D. (2022).** Job satisfaction and employee retention by public and private IT organizations. *Revista de Administração da UFSM*, 15(2), 354–369.
- [2]. **Nguyen, C., Nguyen, L., & Tran, T. (2022).** Employee satisfaction and retention in service organizations. *International Journal of Productivity and Performance Management*, 71(6), 2234–2251.
- [3]. **Ghani, N. M. A., Nordin, N., & Mamat, L. (2022).** The influence of work environment and compensation on employee retention through job satisfaction. *International Journal of Academic Research in Business and Social Sciences*, 12(8), 1450–1463.
- [4]. **Raziq, M., Rizvi, S. T., & Mahjabeen, A. (2021).** The impact of transformational leadership on employee retention: The role of job satisfaction and communication. *Journal of Managerial Sciences*, 15(4), 103–125.
- [5]. **Abdullah, M. I., Huang, D., Sarfraz, M., Ivascu, L., Riaz, A., & Faisal, F. (2021).** Effects of internal service quality on nurses' job satisfaction, commitment and retention. *Journal of Public Affairs*, 21(2), 1–11.
- [6]. **Pertiwi, N. K. A. Y., & Supartha, I. W. G. (2021).** The effect of compensation and organizational commitment on employee satisfaction and retention. *American Journal of Humanities and Social Sciences Research*, 1(3), 333–342.
- [7]. **Putri, K. M. T. U., & Adnyani, I. G. A. D. (2021).** The effect of reward system, job motivation, and job satisfaction on employee retention. *American Journal of Humanities and Social Sciences Research*, 5(6), 58–65.
- [8]. **Biason, R. S. (2020).** The effect of job satisfaction on employee retention. *International Journal of Economics, Commerce and Management*, 8(3), 405–413.
- [9]. **Murtiningsih, R. S. (2020).** The impact of compensation, training & development, and organizational culture on job satisfaction and employee retention. *Indonesian Management and Accounting Research*, 19(1), 33–50.
- [10]. **Soenanta, A., Akbar, M., & Sariwulan, R. T. (2020).** The effect of job satisfaction and organizational commitment to employee retention in a lighting company. *Issues in Business Management and Economics*.
- [11]. **Naz, S., Li, C., Nisar, Q. A., Khan, M. A. S., Ahmad, B., & Anwar, F. (2020).** A study in the relationship between supportive work environment and employee retention. *Journal of Critical Reviews*, 7(7), 398–405.
- [12]. **Irahor, I. E., & Okolie, U. C. (2019).** A review of employees' job satisfaction and its effect on their retention. *Annals of Spiru Haret University, Economic Series*, 19(2), 93–114.



- [13]. **Jaharuddin, N. S., & Zainol, L. N. (2019)**. The impact of work-life balance on job engagement and turnover intention. *The South East Asian Journal of Management*, 13(1), 106–118.
- [14]. **Sharma, N., & Sharma, T. (2019)**. Factors influencing employee retention in hospitality industry. *International Journal of Applied Engineering Research*, 14(9), 215–220.
- [15]. **Terera, S. R., & Ngirande, H. (2014)**. The impact of rewards on job satisfaction and employee retention. *Mediterranean Journal of Social Sciences*, 5(1), 481–487.