

**A STUDY OF RELATIONSHIP BETWEEN JOB SATISFACTION AND EMPLOYEE
ENGAGEMENT**

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ABSTRACT

In today's competitive environment, one way to retain people is to have fully engaged employees. A descriptive study was done to examine the relationship between job satisfaction and employee engagement among 197 employees of four BPO companies. A questionnaire consisting of Job satisfaction subscale and Employee engagement was used to collect data. Correlation results showed that Job satisfaction and Employee engagement were positively related. The regression results show that there is no significant impact of job satisfaction on employee engagement.

Key words: Job satisfaction, Employee engagement, BPO sector, IT sector, organisation

INTRODUCTION

Employee engagement has emerged as a critical driver of business success in today's competitive marketplace. Further, employee engagement can be a deciding factor in organisational success. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value. Thus, to gain a competitive edge, organisations are turning to HR to set the agenda for employee engagement and commitment. Employee engagement is defined as "the extent to which employees commit to something or someone in their organisation, how hard they work and how long they stay as a result of that commitment." Research shows that the connection between an employee's job and organisational strategy, including understanding how important the job is to the firm's success, is the most important driver of employee engagement. In fact, employees with the highest levels of commitment perform 20% better and are 87% less likely to leave the organisation, which indicates that engagement is linked to organisational performance.

India has turned into a hot destination for global offshore outsourcing companies. The shift of the Indian economy towards more service orientation suggests that in the long term, India will continue to be a major player in the global BPO industry. The number of people directly employed stood at 1.6 million in 2006-07 and it is projected to be 5-7 million by 2014 and indirect employment includes about 1.2 million jobs in ancillary services like transportation, catering, infrastructure, etc. BPO stands for 'Business Process outsourcing' which is the process through which one company hands over part of its work to another company, making it responsible for the design and implementation of the business process under strict guidelines regarding requirements and specifications from the outsourcing company. "Outsourcing" is: "A company or person that provides information; to find a supplier or service, to identify a source". The philosophy behind BPO is specific "Do what you do best and leave everything else to business process outsourcers".

Employee engagement is a property of the relationship between an organization and its employees. An "engaged employee" is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests.

An organization with 'high' employee engagement might therefore be expected to outperform those with 'low' employee engagement, all else being equal. Employee engagement is a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being. In contrast, job satisfaction—a term sometimes used interchangeably with employee engagement—is defined as how an employee feels about his or her job, work environment, pay, benefits, etc. The happier people are with-in their job, the more satisfied they are said to be. Job satisfaction is not the same as Motivation or Aptitude although it is clearly linked. Employee engagement is a complex concept, with many issues influencing engagement levels. Consequently, there are many pathways to foster engagement, with no one kit that fits all organisations. While each company may define employee engagement differently, ultimately, the key to effective engagement will be rooted in the flexibility of approach most appropriate for each individual firm.

LITERATURE REVIEW

The relationship between Job satisfaction and employee engagement have been studied and reported by many researchers. An attempt is made here to highlight a few of the studies to support the present study.

Sobia Ali & Yasir Aftab Farooqi (2014) conducted a research to study the Effect of Work Overload on Job Satisfaction, Effect of Job Satisfaction on Employee Engagement and Employee Performance". The purpose of this study was to identify the effect of work overload in job satisfaction and effect of job satisfaction on employee engagement and employee performance. Data was collected with the help of questionnaire and the sample of 207 employees of Public Sector University of Gujranwala Division was selected and data was analyzes using SPSS software. This study revealed that the work overload is the major concern for the organisation and it also affects job satisfaction, employee engagement and employee performance. The study's findings imply that to minimize the problem of work overload and stress various strategies could be adopted like training, job rotation and reward system. This study has also recommended measures in order to cope with the work overload like increased use of advanced technology,

which would lessen the workload at individual employees and the organisation should understand the need of its employees and provide what is best for them.

Fachrunnisa Olivia et al (2014) studied the Role of Workplace Spirituality and Employee Engagement to enhance Job Satisfaction and Performance. The study discussed the role of creative process engagement between leader-fieldworkers-community to enhance job satisfaction and performance of field workers and also the role of workplace spirituality and creative process engagement to enhance job satisfaction and performance. This study was conducted in Indonesian government office and data was analyzed using correlation analysis and t-test. The results indicated that workplace spirituality and creative process engagement was required to create job satisfaction which then leads to employee performance. The study's findings showed that the creative process engagement was positively related to employee performance.

Deepa & Kuppusamy (2014) conducted a research to explore the Impact of Performance Appraisal System on Job Satisfaction, Employee Engagement, Organisational Citizenship Behaviour and Productivity. The paper summarized the conceptual foundation of performance appraisal system and its relationship between Job Satisfaction, Organisation Culture, Organisation Citizenship Behaviour, Employee Engagement and thus with Productivity. The results showed that performance appraisal system helps both the employees and the organisation in increasing their productivity and it would automatically increase the Organisational Commitment and Organisational Citizenship Behaviour in the employees. Once the employees found that they are satisfied with their job, then they engage themselves towards the work which leads to increase in their productivity. The study also concluded that Performance Appraisal System could

be used to encourage the employees to have a great Organisational Commitment which in turn would make them work efficiently for the organisation so as to have a greater organisational commitment. Performance Appraisal System also helped the employees to motivate themselves in two ways; either financially or non-financially. Financially, by providing extra incentives, it helped the employees to motivate themselves and makes them to have a more commitment in the organisation.

Schreurs. et al (2013) conducted a study to explore the relation between Pay-Level Satisfaction and Employee Outcomes: The moderate Effect of Employee-Involvement Climate.

This study examined the employee-involvement climate (such as information sharing and decision making climate) as a moderator of relationship between pay-level satisfaction and employee outcomes (such as job satisfaction, affective commitment and turnover intentions). The data was collected from 22,662 Belgian employees from 134 organisations using a standardized questionnaire. The results showed that increase in pay-level satisfaction strengthens job satisfaction and affective commitment and reduces turnover intention. The study also revealed that the employee-involvement climate had differential effect on the relationship between pay-level satisfaction and employee outcomes. Multi level analyses revealed that the decision making climate buffered the negative effects of low pay level satisfaction and that an information sharing climate exacerbated the negative effects of low pay level satisfaction.

Biswas Soumendu & Bhatnagar Jyotsna (2013) conducted a study on Mediator Analysis of Employee Engagement: Role of Perceived Organisational Support, P-O Fit, Organisational Commitment and Job Satisfaction. This paper had assessed the mediating role of employee engagement between perceived organisational support (POS) and person –organisational fit (P-O fit) as the antecedents and organisational commitment and job satisfaction as the consequences. The paper also attempted to establish discriminant validity between employee engagement and organisational commitment. The data was collected from six Indian organisations and a sample of 246 Indian managers was selected. The result showed that when individuals perceive positive levels of organisational commitment it would lead to higher levels of efforts which further leads to higher level of employee engagement. A higher level of employee engagement reflected the greater trust and loyal relationship between the individuals and the organisation. This study also examined how employee engagement triggered innovation at the firm level. Further, besides mediator analysis, a moderating analysis could have given richer insights, which future studies can look into.

In the **Employee Job Satisfaction and Engagement Survey revealed that** 81% of the respondents reported overall satisfaction with their current job, 38% were very satisfied and the major factors contributing to job satisfaction were opportunities to use skills and abilities, job security, pay, communication between employees/senior management and the relationship with immediate supervisors. As per SHRM report (2012), the major factors contributing to job satisfaction have changed over the years, and the report indicated that there had been a gradual

shift from job security factor to opportunities to use skills and abilities factor as the top priority, irrespective of employee tenure, age, gender and organisational size. About 48% of the employees stated that autonomy and independence are very important job satisfaction factors.

Employees in executive and middle management positions valued autonomy and independence more than the employees in non-exempt non management positions does. Autonomy and independence were rated as the fourth most important job satisfaction factor by executive's level employees.

Henryhand J.Carla (2009) conducted a research to study The Effect of Employee Recognition and Employee Engagement on Job Satisfaction and Intent to leave in the Public Sector. This study examined those issues facing public sector organisations in regards to retention. Specifically, an investigation was conducted to assess the effectiveness of employee recognition programs and employee engagement and their impact on overall job satisfaction and an employee's intent to remain with an organisation. A sample of 900 employees from both medium and large sized agencies in South Carolina was selected and the data was analyzed using SPSS software. Participants were asked to respond to questions related to their perceptions of current recognition programs and engagement practices in their agency. The study found that the perceptions of employee recognition and employee engagement had a significant impact on the overall job satisfaction and intent to leave the organisation. The research indicates that employee recognition and employee engagement are the key factors in retaining today's workers. This study focused on the current job satisfaction factors in the study organisation, the role employee engagement plays, and its impact on active employees.

Objectives of the Study

- a) To understand the relationship between job satisfaction and employee engagement in BPO sector.
- b) To analyse the impact of Job Satisfaction on the Level of Employee Engagement.
- c) To suggest the strategies to enhance the job satisfaction and employee engagement.

Methodology

The present study was conducted to know the impact of job satisfaction factors employee engagement in four BPO companies namely American Express, Barclays, Cisco and Convergys at Delhi/NCR. Primary as well as secondary data were used. The population for the study was 197 employees. A questionnaire was prepared with 45 statements on job satisfaction and Gallup 12 statements on employee engagement. The reliability (Alpha score) of job satisfaction scale and the employee engagement scale was found to be 0.84. This questionnaire was used to collect primary data from 197 respondents through a survey. The data collected was subject to correlation and ANOVA to attain the objectives of the study. Based on the results suitable suggestions are given to improve employee engagement levels.

Hypothesis

H₀₁: There is no significant relationship between job satisfaction and employee engagement.

H₀₂: There is no significant impact of job satisfaction on employee engagement.

RESULTS

For reliability **Cronbach's alpha test** has been applied. The items of the questionnaire measured job satisfaction and employee engagement and the cronbach's alpha value was .842. The reliability coefficient is more then .70, that indicates data is reliable.

Cronbach's Alpha	N of Items
.842	57

DATA ANALYSIS

Hypothesis Testing

To study the relationship between job satisfaction and employee engagement, correlation analysis was done and the results are given below.

Table 1: Correlation between Job satisfaction and Employee engagement

		Total Of Job Satisfaction	Total Of Employee Engagement
Total Of Job Satisfaction	Pearson Correlation	1	.197**
	Sig. (2-tailed)		.006
	N	197	197
Total Of Employee Engagement	Pearson Correlation	.197**	1
	Sig. (2-tailed)	.006	
	N	197	197

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

**Correlation is significant at the 0.01 level (2-tailed)

Hypothesis 2: To Study the impact of job satisfaction on employee engagement

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.197 ^a	.039	.034	2.75780	.039	7.864	1	195	.006

a. Predictors: (Constant), TOTAL OF JOB SATISFACTION

b. Dependent Variable: TOTAL OF EMPLOYEE ENGAGEMENT

Table No 2: Model Summary Output

The second table in Regression Analysis i.e., Model Summary. The Value of R^2 is 0.39 which means that there are 3.9% variations in Dependent Variable (Employee Engagement) by Independent Variables (Job Satisfaction).

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	32.363	2.366		13.678	.000
TOTAL OF JOB SATISFACTION	.042	.015	.197	2.804	.006

a. Dependent Variable: TOTAL OF EMPLOYEE ENGAGEMENT

Source: Primary Data

Table No 3: Output of Coefficients Test

The Regression equation formed from the above table is $y = 32.363 + 0.42x$.

Significance level = 0.06 which is greater than 0.05. Thus, Null hypothesis is accepted or we fail to reject the null hypothesis. Therefore, there is no significant impact of job satisfaction on employee engagement.

IMPLICATIONS

The study revealed that there exists a moderate relationship between job satisfaction and in the BPO sector. Employee Engagement is a positive attitude held by the employees towards the organization and its values. Further there is no significant impact of job satisfaction on employee engagement. It is rapidly gaining popularity, use and importance in the workplace and impacts organizations in many ways. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Job

satisfaction is not synonymous with employee engagement. It is, however, an important driver of employee engagement. A person may be satisfied with job but may not actually do meaningful work. Job satisfaction in itself does not create high performance. Engagement is Job Satisfaction+ Performance. Gallup is one of the most famous organisation that has come up with employee satisfaction survey with a set of 12 questions. *Gallup's Q12* approach believes that people can be satisfied about their work for reasons that are not related to engagement such as "I am really happy with my pay and it really motivates me to do as little as possible at work". Engagement is about the drivers that result in people feeling a deep emotional connection to their work and to the success of their business.

SUGGESTIONS

The company management has to give importance to employee development and employee well being so that job satisfaction can be improved. Since majority of the employees are in the middle age group, they may be facing problems of career plateau. At this point, short-term training programmes to enhance the skill level, new work methods can help these employees feel encouraged to continue in their work. In addition to the above, two-way communication can be encouraged between the superiors and junior employees through regular meetings. This can iron out misunderstandings in the workplace. These meetings can also help clarify core values and goals of the organisation.

CONCLUSION

The present study revealed that factors such as job, benefits, recognition, cooperation, fair treatment, sound company policies, team spirit and performance management system can enhance job satisfaction in employees which will lead to employee engagement. The present engagement levels can be maintained and enhanced when the management takes care of employee participation in developmental activities and monetary benefits. So after analyzing the data we can conclude that there is moderate positive relationship between employee engagement and job satisfaction in BPO sector or employee engagement effect positively on job satisfaction. This can be concluded that among the former work motivation can be improved through increasing. Job satisfaction is an important driver of Employee Engagement. The following factors are important to job satisfaction:

1. A career path that offers opportunities for advancement
2. Fair pay and benefits
3. The perception that organization offers good value to customers
4. A satisfactory work environment

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