

Employee Satisfaction and Its Impact on Organizational Performance: An Empirical Investigation in The Garment Manufacturing Sector

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Abstract- Employee satisfaction has emerged as a critical determinant of organizational performance in labor-intensive industries where workforce commitment and productivity directly influence operational outcomes. This study examines the relationship between employee satisfaction and organizational performance in the garment manufacturing sector, with specific reference to D Benz Garb, Coimbatore, India. The study investigates the influence of salary satisfaction, job security, recognition, supervisory support, communication effectiveness, and workplace conditions on organizational productivity and performance. A descriptive research design was adopted, and primary data were collected from 115 employees using a structured questionnaire. Statistical techniques including percentage analysis, Chi-square tests, Pearson correlation, and multiple regression analysis were employed to analyze the data. The findings reveal that employees generally exhibit positive perceptions regarding salary, working conditions, welfare facilities, management support, teamwork, and job security. Correlation analysis indicates significant positive relationships between employee recognition, productivity improvement, and organizational performance. Regression analysis demonstrates that salary satisfaction ($\beta = 0.305, p < 0.01$), job security ($\beta = 0.230, p < 0.05$), and recognition for performance ($\beta = 0.201, p < 0.05$) significantly influence organizational productivity. The study concludes that employee satisfaction serves as a strategic driver of organizational performance. Organizations seeking sustainable growth should prioritize employee-centered human resource practices that enhance motivation, engagement, and workplace well-being.

Keywords: Employee Satisfaction, Organizational Performance, Job Security, Employee Recognition, Productivity, Human Resource Management, Garment Industry.

I. INTRODUCTION

In contemporary organizational environments, human capital has become one of the most valuable strategic resources. Organizations increasingly recognize that employee satisfaction contributes substantially to productivity, innovation, customer satisfaction, and sustainable competitive advantage. Employee satisfaction refers to the extent to which employees feel positively about their jobs, working conditions, compensation systems, career growth opportunities, and organizational culture.

The relationship between employee satisfaction and organizational performance has attracted considerable attention in organizational behavior and human resource management research. Satisfied employees are more likely to demonstrate commitment, organizational citizenship behavior, reduced absenteeism, and enhanced productivity. Conversely, dissatisfaction often results in turnover intentions, reduced morale, and lower organizational effectiveness.

The garment manufacturing industry represents one of India's most labor-intensive sectors, where organizational success depends heavily on workforce efficiency and commitment. In such environments, understanding employee satisfaction becomes essential for maintaining productivity and sustaining competitive advantage.

This study investigates employee satisfaction and its influence on organizational performance at D Benz Garb, Coimbatore, a growing garment manufacturing

organization specializing in customized uniforms and apparel solutions.

II. LITERATURE REVIEW

Previous studies have consistently emphasized the importance of employee satisfaction in improving organizational outcomes.

Research has shown that employee satisfaction positively influences employee retention, commitment, and organizational productivity. Compensation, workplace conditions, recognition, career development opportunities, and leadership quality have been identified as major determinants of employee satisfaction.

Studies in manufacturing industries indicate that supportive supervision, effective communication systems, and employee participation significantly contribute to workplace engagement and operational efficiency. Furthermore, recognition and reward systems have been found to strengthen employee motivation and organizational commitment.

Despite extensive research in service industries, empirical evidence from medium-sized garment manufacturing firms remains relatively limited. Therefore, the present study contributes to existing literature by examining employee satisfaction within a labor-intensive manufacturing context.

III. RESEARCH OBJECTIVES

The study was conducted with the following objectives:

1. To assess employee satisfaction levels at D Benz Garb.
2. To identify factors influencing employee satisfaction.
3. To examine the relationship between employee satisfaction and organizational performance.
4. To evaluate the impact of employee satisfaction variables on productivity improvement.

IV. RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive research design to examine employee satisfaction and organizational performance.

Data Collection

Primary data were collected through a structured questionnaire administered to employees of D Benz Garb.

Secondary data were obtained from books, journals, company records, and academic publications.

Sampling

Particulars	Value
Population	143 Employees
Sample Size	115 Employees
Sampling Technique	Simple Random Sampling

Statistical Tools

- Percentage Analysis
- Descriptive Statistics
- Chi-Square Test
- Pearson Correlation Analysis
- Multiple Regression Analysis

V. RESULTS AND ANALYSIS

Table 1. Demographic Profile of Respondents (N = 115)

Variable	Category	Percentage (%)
Gender	Male	60.0
	Female	40.0
Age	25–35 Years	43.5
Education	Diploma	29.6
	Undergraduate	29.6
Marital Status	Married	53.0
Experience	1–3 Years	32.2
Department	Quality Control	52.2

Interpretation

The workforce is predominantly young and professionally qualified, with the majority employed in quality control functions. Such a demographic composition supports operational flexibility and productivity within manufacturing environments.

Table 2. Employee Satisfaction Dimensions

Variable	Agree + Strongly Agree (%)
Salary Satisfaction	59.1
Safe Working Environment	64.3
Relationship with Management	63.5
Supervisor Support	66.1
Communication Satisfaction	60.9
Work Motivation	66.1
Welfare Facilities	60.9
Workload Satisfaction	60.8
Job Security	64.4
Recognition for Performance	61.8
Teamwork Encouragement	66.0
Training & Development	59.1
Policies & Practices Satisfaction	67.8

Interpretation

Employees exhibit generally positive perceptions regarding organizational practices. High levels of satisfaction are particularly observed in teamwork, job security, supervisory support, and workplace safety.

Table 3. Descriptive Statistics

Variable	Mean	Std. Deviation
Current Job Satisfaction	2.17	1.154
Overall Working Conditions	3.70	0.635

Interpretation

Employees demonstrate favorable perceptions of workplace conditions. However, lower job satisfaction scores indicate opportunities for enhancing employee engagement and career development initiatives.

Table 4. Correlation Analysis

Variables	Correlation (r)	Significance
Recognition ↔ Productivity Improvement	0.429	0.000

Recognition ↔ Organizational Performance	0.545	0.000
Productivity Improvement ↔ Organizational Performance	0.521	0.000

Interpretation

The results indicate significant positive relationships among recognition, productivity, and organizational performance. Employee recognition emerges as a critical factor influencing organizational outcomes.

Table 5. Multiple Regression Analysis
 Dependent Variable: Productivity Improvement

Predictor Variable	Beta (β)	t-value	p-value
Salary Satisfaction	0.305	3.487	0.001
Job Security	0.230	2.576	0.011
Recognition for Performance	0.201	2.199	0.030
Current Job Satisfaction	-0.031	-0.400	0.690

Interpretation

The regression model explains 32.8% of the variance in productivity improvement. Salary satisfaction emerges as the strongest predictor of organizational performance, followed by job security and recognition.

VI. DISCUSSION

The findings support existing human resource management theories emphasizing the strategic role of employee satisfaction in organizational effectiveness. Employees who perceive fair compensation, secure employment, and adequate recognition demonstrate greater productivity and commitment.

The significant influence of salary satisfaction aligns with expectancy theory, which suggests that employees increase performance when rewards meet expectations. Similarly, job security enhances psychological safety and organizational commitment, while recognition satisfies employees' intrinsic motivational needs.

The study further demonstrates that employee recognition functions as a catalyst linking satisfaction and organizational performance. These findings reinforce the importance of employee-centered HR practices in labor-intensive industries.

The study concludes that employee satisfaction is not merely a human resource outcome but a strategic organizational asset capable of driving long-term business performance.

VII. MANAGERIAL IMPLICATIONS

The findings offer several practical implications:

- Develop structured employee recognition programs.
- Conduct periodic salary benchmarking and compensation reviews.
- Strengthen job security communication mechanisms.
- Enhance employee participation in organizational decision-making.
- Expand training and career development initiatives.
- Implement continuous employee feedback systems.

Organizations adopting these initiatives can improve workforce engagement, productivity, and long-term organizational performance.

VIII. CONCLUSION

Employee satisfaction remains a critical determinant of organizational success in the garment manufacturing sector. The present study demonstrates that salary satisfaction, job security, and recognition significantly contribute to productivity improvement and organizational performance. Employees generally report positive perceptions regarding workplace conditions, management support, welfare measures, and teamwork.

The empirical evidence suggests that organizations should move beyond traditional productivity-focused approaches and adopt employee-centered management practices. By fostering satisfaction, engagement, and workplace well-being, organizations can enhance operational effectiveness, reduce turnover, and achieve sustainable competitive advantage.