

# A Study of Employee Job Satisfaction and Its Impact on Employee Retention at Neel Metal Products Limited, Sitarganj

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## Abstract

Holding on to talent has become one of India's auto-component companies' more pointed problems with the actual costs from attrition on the shop floor involving training, downtime and quality. The purpose of this study is to explore the relationship between job satisfaction and intention to quit in workers of Neel Metal Products Limited, Sitarganj (Uttarakhand). The goal was twofold: to quantify satisfaction on key aspects and to determine if satisfaction correlates with retention. It was a descriptive and cross-sectional design which is based on the use of structured questionnaire to the shop floor staff and executives on the five-point likert scale. Based on a working hypothesis that satisfaction and retention are positively linked, compensation and growth opportunities are viewed as most salient. Data analysis was carried out by using SPSS (correlation and multiple regression). The results showed a significant positive relationship between overall satisfaction and retention intention, highlighting pay fairness and career development as key factors, and supervision and work environment as supportive factors. The findings indicate that more factors are involved in a person's decision to stay with the unit than just compensation, which is why it is important to look at a package of fair reward, growth and recognition.

**Keywords:** job satisfaction, employee retention, turnover intention, compensation, manufacturing

## 1. Introduction

In the industrial corridors of India, manufacturing plants continue to operate just as much on people as on machines and when the trained hands are pulled out mid-cycle, the production and morale take a hit. For decades, the question of how much people enjoy their jobs and how that affects their employment has come up again and again, as wage structures change, younger people think differently about jobs and industrial clusters battle for the same workforce. Early in the study, Mobley (1977) pointed out that dissatisfaction does not necessarily lead to resignation, but that there are a number of intervening steps between the two, such as considering leaving or looking for another job. Subsequent meta-analytic research refined this finding, revealing satisfaction to be a strong, but not overwhelming, motivator to leave the organization (Griffeth et al., 2000). Neel Metal Products Limited (NMPL) is a part of JBM group and has a component-manufacturing plant in the SIDCUL integrated industrial estate at Sitarganj, Udham Singh Nagar district. The estate attracts a large cluster of automotive, metal and consumer goods manufacturing companies, making the presence of external alternatives readily apparent, which increases the value proposition to keep workers on the payroll. Satisfaction is not one single factor but splinters into the pay itself, the work itself, supervision,

advancement and workplace relationships, all with varying strength (Aziri, 2011).

The question is worth revisiting because of the changing composition of the workforce. Embeddedness, fairness perceptions and non-financial factors are more important than older wage-based models have suggested (Hom et al., 2017), based on a century of turnover research. Indian manufacturing evidence, too, suggests that satisfaction is often the link between organisational conditions and a choice to remain (Singh & Sankhi, 2020). In this context, this study poses a focused, pragmatic research question at one plant: Is satisfaction the causal factor behind retention, and what aspects of satisfaction are causal? The answer is important because the free cash-flow from the unit's limited retention budget will go toward pay, growth, or the softer lever of recognition and supervision.

## 2. Literature Review

The theories trace back to Herzberg's work on separating motivators from hygiene factors, which states that wages and working conditions do not cause dissatisfaction, but rarely create a strong, long-term sense of commitment (Herzberg et al., 1959). Most satisfaction measurement today is based on Locke's (1976) rewritten definition of satisfaction as the discrepancy between what the worker expects and what is experienced on the job. Spector (1985)

converted this into facet measures, providing researchers with a means to measure pay, promotion, supervision and coworker relations separately from satisfaction. A second layer was added to this by the theory of commitment. Emotional attachment was separated from the actual cost of departure and felt obligation by Allen and Meyer (1990), this three-component framework has been used in numerous studies of retention (Meyer & Allen, 1991). They later completed a meta-analysis that revealed that affective commitment, which has a strong negative relationship with satisfaction, has the strongest negative relationship with turnover (Meyer et al., 2002). A more rigorous trace was found by Tett and Meyer (1993) who found that satisfaction and commitment together predicted turnover intention and that this in turn predicted actual turnover.

Judge et al. (2001) found that on the satisfaction–performance–retention chain, satisfied employees are likely to perform, and likely to stay, but the relationship is only moderately strong. The focus then moved to the reasons behind why people remain in their jobs, with the concept of job embeddedness, the web of links, the fit and sacrifice that helps to keep people in their jobs even when satisfaction is low (Mitchell et al., 2001). The research findings in this area are consistent and show that satisfaction and retention are related in a positive way, at least in the majority of sectors. In a study conducted by Biason (2020), compensation, job content, promotion and supervisory relations markedly contributed to retention. Molina et al. (2025) conducted a study in the IT sector that yielded significant findings across the satisfaction facets in all but one facet (Growth, which was insignificant), the null was rejected. In a similar review, Irabor and Okolie (2019) found this positive correlation as well, but noted that the correlation is context dependent. The context specificity of the role of salary is also evident as Iqbal et al (2017) discovered that salary was a driver of satisfaction and consequently the retention in Pakistani organisations. The evidence of manufacturing in India places satisfaction as a mediator between work culture, training and compensation on one end and retention on the other (Singh & Sankhi, 2020). This study fills this void for Uttarakhand's newer industrial estates where there is a lack of plant-level evidence.

### 3. Objectives

1. To measure the level of employee job satisfaction across key facets (compensation, work environment, supervision, career growth, work–life balance) at Neel Metal Products Limited, Sitarganj.

2. To examine the impact of job satisfaction on employee retention (intention to stay) at the unit.

### 4. Hypotheses

**H1:** There is a significant positive relationship between overall job satisfaction and employee retention.

**H2:** Compensation and career-growth satisfaction significantly predict retention intention.

### 5. Methodology

The study adopted descriptive cross-sectional design which was appropriate for describing the attitudes of the subjects at a specific time and not as they change over a period of time. The study area was the Neel Metal Products unit, located in the SIDCUL industrial estate, Sitarganj, Udham Singh Nagar, Uttarakhand, where competing manufacturers are actively considering retention. The target group included permanent Shop Floor employees, supervisors and executive employees. A stratified random sampling was used to select a sample of 120 employees, each selected from different department and job level so that the operators and executives are proportionately represented. The source of data was a structured questionnaire which was designed in two parts. The first captured demographic information is age, gender, tenure and department. The latter assessed satisfaction on five items and retention intention, with the items being reworded using a validated 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Items were selected for facet within the context of existing instruments, and in each facet, there were multiple items that covered each facet. A small pilot study of respondents was conducted first to ensure clarity and eliminate ambiguous formulation. Cronbach's alpha, which was used to evaluate reliability and minimum internal consistency of 0.70 was used, was treated as conventional. IBM SPSS was used for analysis. Facet-level satisfaction was summarised with descriptive statistics, the direction of the satisfaction–retention relationship was tested with Pearson correlation, and the strength of the satisfaction–retention relationship was tested with multiple linear regression that controlled for the other facets. The one-way ANOVA was used to determine if difference in retention intention existed between the tenure groups. The participation was anonymous and voluntary, and no information was collected identifying the respondents.

### 6. Results

**Table 1. Demographic profile of respondents (n = 120)**

Variable	Category	Frequency	%
Age	Below 30	54	45.0
	30–45	48	40.0
	Above 45	18	15.0
Gender	Male	96	80.0
	Female	24	20.0
Tenure	Below 3 yrs	60	50.0
	3–7 yrs	42	35.0
	Above 7 yrs	18	15.0

Source: Primary data

Table 1 reveals that the workforce was largely young, with 45% aged under 30 and half being less than three years in the job, as is often seen in a developing

manufacturing business and is more vulnerable to turnover as younger workers are more likely to leave. The split between male and female (80%) is quite skewed because the plant is mostly shop-floor.

**Table 2. Descriptive statistics of satisfaction facets (1–5 scale)**

Facet	Mean	SD
Compensation	3.12	0.91
Work environment	3.68	0.74
Supervision	3.55	0.80
Career growth	3.06	0.95
Work–life balance	3.41	0.83
Overall satisfaction	3.36	0.71

Source: Primary data

Overall, satisfaction was rated as moderate (mean 3.36) as seen in Table 2. The highest was in work environment, followed by compensation (3.12) and

career growth (3.06), both of which had the widest dispersion indicating the uneven experiences on these dimensions most strongly associated with exit.

**Table 3. Reliability (Cronbach's alpha)**

Construct	Items	Alpha
Job satisfaction	18	0.87
Retention intention	5	0.82

Source: Primary data

For both scales, the reliability is above the recommended level of 0.70 (0.87 and 0.82), indicating

good internal consistency and the appropriateness of using these items in correlation and regression analyses.

**Table 4. Correlation between satisfaction facets and retention**

Facet	r with retention	Sig.
Compensation	0.61	0.000
Work environment	0.44	0.000
Supervision	0.47	0.000
Career growth	0.58	0.000
Overall satisfaction	0.66	0.000

Source: Primary data

All aspects were positively and significantly related to retention ( $p < 0.01$ ) as presented in table 4. The strongest correlation is overall satisfaction ( $r = 0.66$ ),

followed closely by compensation and career growth, findings that are consistent with the notion that pay and advancement is a key driver of a stay decision (Kumar et al., 2014).

**Table 5. Multiple regression predicting retention intention**

Predictor	$\beta$	t	Sig.
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Compensation	0.34	4.12	0.000
Career growth	0.29	3.55	0.001
Supervision	0.16	2.01	0.047
Work environment	0.11	1.38	0.170
$R^2 = 0.52, F = 31.2, p < 0.001$			

Source: Primary data  
 In Table 5 the model explains 52% of variance in retention ( $R^2 = 0.52$ ). The main effect is compensation

( $\beta = 0.34$ ) and career growth ( $\beta = 0.29$ ), with supervision as a minor effect and work environment becoming insignificant after the stronger effects.

**Table 6. Retention intention by tenure (one-way ANOVA)**

Tenure group	Mean retention	F	Sig.
Below 3 yrs	3.18	5.84	0.004
3–7 yrs	3.52		
Above 7 yrs	3.89		

Source: Primary data  
 The results of table 6 show that with increase in the tenure there is an increase in the intention for retention and there is a significant difference between the groups

( $F = 5.84, p < 0.01$ ). However, newer hires are the least likely to report a strong intention to stay, supporting the fact that the unit's at-risk population is employees in their first few years.

**Table 7. Hypothesis testing summary**

Hypothesis	Test	Result	Decision
H1: Satisfaction ↔ retention (positive)	Pearson $r = 0.66, p < 0.01$	Significant positive	Accepted
H2: Compensation & growth predict retention	Regression $\beta$ sig., $p < 0.01$	Both significant	Accepted

Source: Primary data  
 Both hypotheses are confirmed by Table 7. This is supported by the strong positive correlation in favor of H1, and by the significant regression coefficients for compensation and growth in favor of H2, providing a clear testable ground for the following discussion.

### 7. Discussion

The findings support the two aims of this study, and when viewed together, form a relatively coherent narrative regarding the reasons for retaining at this plant. There was a strong correlation between overall satisfaction and retention intention, and the regression model explained just over half of that variance (Table 4) which is a significant proportion of variance in an attitudinal measure, and enough to say that overall satisfaction is having an impact here not merely as a background factor (Table 5). So, this addresses the first goal moderate satisfaction, not high, with the unit's weakest areas being the ones that are most important for staying. The second goal is addressed in that pattern. Compensation and career growth emerged as the top predictors, whereas, work environment, although having the highest satisfaction score (Table 2), was dropped from the significance level by the stronger predictors. It's not that a nice work place is not relevant, but in Herzberg's terms it's a hygiene factor, its absence will result in a complaint, its presence does not necessarily bring about loyalty.

However, they are active motivators and align with findings that salience of external opportunities is the driver of retention (Iqbal et al., 2017). This is obvious in a cluster such as Sitarganj, where a worker might be able to go to another plant if she is not pleased with her job.

The finding of tenure needs to be taken into account. Years of service had a significant linear rise in retention intention (Table 6) with early-tenure employees being the “flight-risk group.” This is consistent with Mitchell et al. (2001) who argue that embeddedness and fit and accumulated sacrifice grow over time; newer employees have fewer embeddedness and fit and accumulated sacrifice, and are thus more likely to reconsider. It is also consistent with the older tradition that suggests that intention occurs prior to exit and may be halted (Mobley, 1977; Tett & Meyer, 1993). In practice, the best way to focus on the plant's retention effort is to focus the most on the first three years when the satisfaction and commitment overlap the most. This is not an exaggeration. Although the satisfaction–retention relationship is strong, it is not absolute: intention is not behaviour, and a worker might remain for factors outside of the model, or might not remain even when the model predicts that they should. Similar research has also found mixed relationships some positive, some negative with attitudes (Biason, 2020; Molina et al., 2025; Irabor & Okolie, 2019); and outside

influences, such as a wage raise at a competitor or a family move, can completely swamp attitudes, as was seen during the pandemic with Indian auto plants (Sundarrajan & Krishnan, 2023). The finding is also based on self-reported intention at one unit, meaning that going beyond this plant may be done with caution. But the bottom line is that the practical solution is evident: better wages progression and clear career ladders, focused on the youngest generation, provide the best return for a shrinking retention budget.

### 8. Conclusion

The overall job satisfaction among workers at Neel Metal Products site in Sitarganj is average and also has a great impact on their intention to stay. Compensation and opportunities for advancement are the most important factors, while supervision has a role to play, a comfortable work environment valued is a supporting factor, but it's not enough in its own. The employees who are most likely to quit are those who have been with the company for a short period. The plant would benefit best from a greater emphasis on pay fairness, establishing clear advancement paths, and dedicating more energy to retaining its newer employees, rather than even distribution across all employees.

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