



Enhancing Employee Satisfaction, Engagement, and Performance through Cluster Analysis of Survey Data for Strategic Improvement

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ABSTRACT

This research looks at the use of cluster analysis on survey data to improve satisfaction with job engagement, and performance within an organisation. The study aims to identify unique groups of workers based on their survey replies, revealing light on crucial aspects influencing their job satisfaction, engagement levels, and overall performance. The results indicate strategic improvement methods, focusing on aspects such as business culture, work environment, career development possibilities, fair compensation structures, and pay transparency. These insights enable organisations to adjust their plans and efforts to meet the unique demands of each employee cluster, resulting in a more contented, engaged, and high-performing workforce. This study adds to the expanding body of knowledge on human resource management and organizational development by providing practical advice for organisations looking to improve employee happiness, engagement, and performance using data-driven methods and focused interventions.

KEYWORDS: Employee satisfaction, engagement, performance, strategic improvement.

INTRODUCTION

Job satisfaction is crucial for employees' well-being and organizational performance, encompassing their perception of the work environment, daily tasks, management's role, and relationships with colleagues. Nurturing job satisfaction can boost motivation, productivity, and retention, providing valuable insights into this critical workplace aspect (McBain, 2007).

Job satisfaction can be categorized into three main types: **evaluation, cognitive, and behavioural**. Evaluation satisfaction refers to an individual's overall perception of their work experience, focusing on whether they find their job and work environment satisfactory. Cognitive satisfaction measures an employee's motivation and mental stimulation, reflecting their positive or negative feelings about their job. Lastly, behavioural satisfaction refers to how employees conduct themselves in the workplace, including how they treat others, affecting their interactions and relationships.

Job satisfaction leads to employee satisfaction which is a crucial factor in assessing an organization's contentment level. Standard methods for measuring satisfaction include conducting surveys, observing the working environment, and evaluating performance. Polls are an effective way to obtain employees' opinions formally and with their consent, while informal observation methods can provide insights into factors like absenteeism, genuine friendships, and turnover rates. Performance reviews help companies recognize individual achievements, gather feedback on job satisfaction, and align employee goals with organizational objectives. The Employee Satisfaction Index (ESI) is a reliable mathematical formula used to measure satisfaction. It involves asking employees three key questions and having them rate their satisfaction on a scale of 1 to 10. A higher percentage indicates greater satisfaction, while a lower percentage indicates the need for improvement.

JOB SATISFACTION AND PERFORMANCE

Job satisfaction significantly impacts employee performance, affecting various aspects of their professional lives. It leads to low turnover rates, which benefits employers by reducing the time, effort, and costs associated

with recruiting, hiring, and training new employees. Satisfied employees are more motivated and engaged, resulting in increased productivity and loyalty. They are also brand ambassadors, sharing positive experiences with others, enhancing the company's reputation and brand loyalty. Moreover, job satisfaction directly impacts customer service. Employees who are happy and satisfied in their roles are more likely to provide exceptional customer service. They are motivated to meet customer needs, exhibit a positive attitude, and go above and beyond to ensure customer satisfaction, leading to improved customer experiences and a stronger company reputation. Therefore, job satisfaction plays a crucial role in enhancing employee performance and overall performance (S Markos, 2010) .

LITERATURE REVIEW

Job satisfaction is a crucial issue in industrial psychology and organizational behaviour management. It influences employee motivation and the organizational climate. Job satisfaction refers to attitudes towards one's job, including wages, supervision, employment stability, work conditions, social relations, grievance settlement, and fair treatment. It is influenced by socio-economic and personal factors like age, sex, incentives, working environment, education, and work duration. (Mishra, 2013) . Since the inception of Organizational Psychology and Behaviour, researchers have focused on understanding people's experiences and relationships with their work. Job satisfaction is the most studied construct in this field, and its importance has been demonstrated in numerous studies, which have found it related to various behaviours such as task performance, absenteeism, turnover, organizational citizenship behaviour, counterproductive work behaviour, and organizational profitability (TA Judge, 2020) .

Job satisfaction leads to employee engagement which is a complex concept that relates to the relationship between an employee and an organization. It is based on concepts like organizational citizenship behaviour, employee commitment, and job satisfaction. Today, organizations are seeking more than just monetary incentives to keep employees engaged and motivated. Employee engagement helps employees feel emotionally connected to their organization, motivated by the success of their employer and going beyond their contractual agreement. (J Harter, 2017) . Workplace engagement is a positive, fulfilling state of work-related well-being that is influenced by job and personal resources. It has gained significant attention from scholars and practitioners in HRD, OD, psychology, and business due to its structural relationship with performance and turnover intention (Woocheol Kim, 2012) .

Employee engagement, job satisfaction, and performance are interconnected factors that contribute to the overall success and effectiveness of an organization. Employee engagement is the emotional commitment and involvement employees have towards their work and the organization, leading to increased productivity, better teamwork, and lower turnover rates. Job satisfaction is an individual employee's contentment with their job and work conditions, resulting in positive emotions, a sense of purpose, and a favourable perception of their job and the organization. High job satisfaction can lead to increased engagement, as employees who are happy with their jobs are more likely to be engaged in their work (AS Bin, 2015) . Employee performance is a measure of how well employees carry out their job responsibilities and tasks. Factors like job satisfaction and engagement, as well as the availability of resources, training, and leadership support, can influence employee performance. Engaged employees are more likely to be satisfied with their jobs because they find their work fulfilling and meaningful, while satisfied employees are more likely to be engaged because they are content with their work environment and the organization's culture (P Heriyati, 2012) .

Organizations that prioritize employee engagement, job satisfaction, and performance often create a positive cycle, leading to higher levels of productivity, innovation, and overall success. Neglecting any of these aspects can result in decreased performance, higher turnover, and a less productive workforce. Therefore, it is essential for employers to address all three factors to create a thriving and effective workplace (Tanwar, 2017) .

Finally, when we consider how businesses should look at the job happiness numbers, they already have. and also shows that job success is a cause of job happiness. So, it is essential for groups to check who they are serving and what their needs are, rather than focusing on how to make everyone happy (EE Lawler, 1967) .

RESEARCH METHODOLOGY

Employee survey was conducted at an IT firm in Bengaluru to gather data on personal attributes, such as employee satisfaction and engagement, through a self-reported questionnaire. Additionally, employee performance ratings were obtained from supervisors. All scores were measured on a Likert scale ranging from 0 to 10. The study aimed to understand the patterns and differences in employee reactions to company policies

and identify any potential reasons for lower performance levels. The data was analysed using JMP software by segregating it into three different groups to draw meaningful conclusions.

FINDINGS

The cluster analysis technique is employed in this analysis, Cluster analysis is a technique used in data mining to group objects based on selected characteristics or attributes. It is a crucial step in data analysis and is widely used in various fields such as machine learning, pattern recognition, and information retrieval.

The outputs of the JMP software are shown in the tables below (tables 1 and 2).

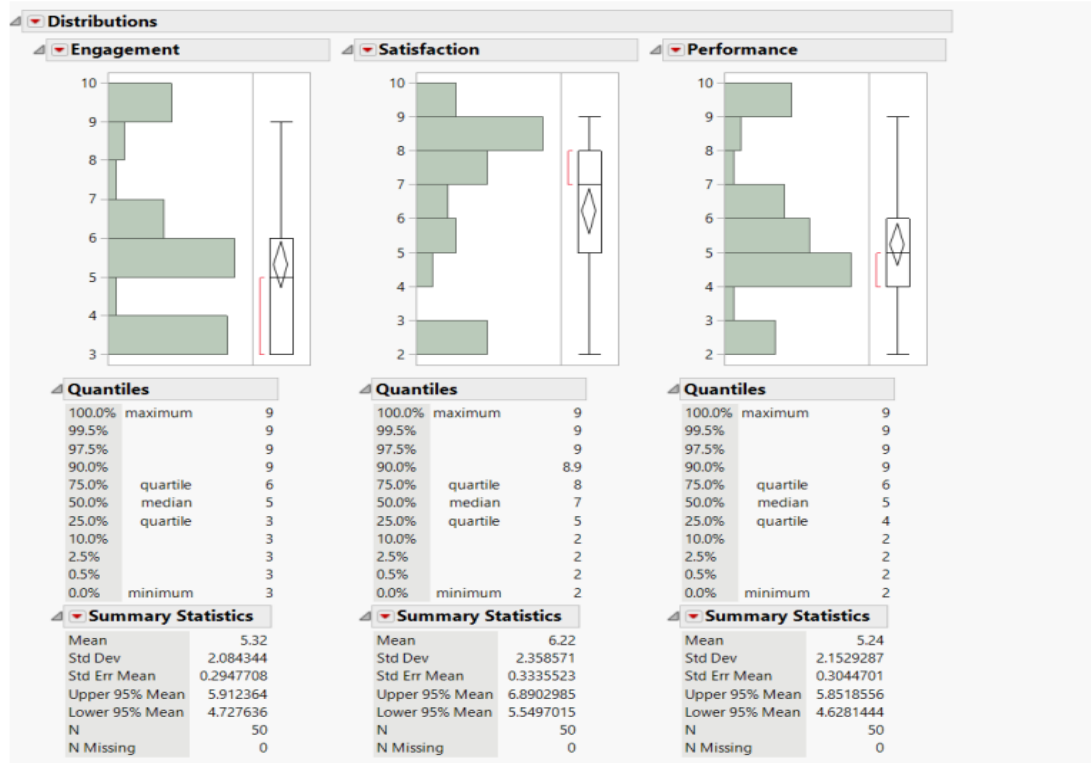


TABLE 1.0

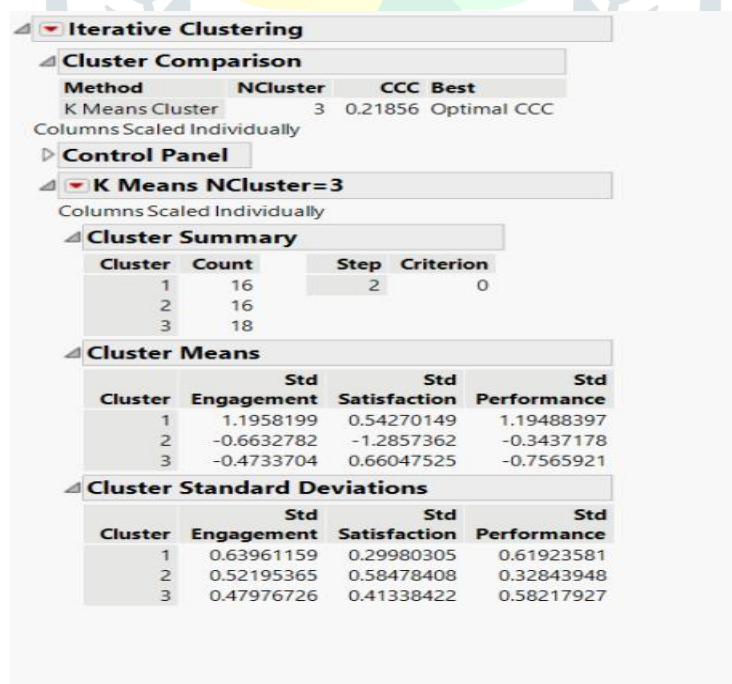


TABLE 2.0

Why cluster analysis?

Cluster analysis of survey data is a valuable tool for organizations to enhance employee satisfaction, engagement, and performance. By segmenting the workforce into distinct clusters, organizations can tailor their strategies to address specific needs and concerns. This allows for customized interventions, effective resource allocation, continuous improvement, improved employee retention, and a competitive advantage.

Leveraging cluster analysis for strategic improvement is crucial for organizations committed to creating a positive and productive work environment.

INTERPRETATION OF OUTPUTS

When examining the outcome of $k = 3$, the JMP analysis reveals that workers belonging to cluster 1 (TABLE 2) exhibit higher levels of satisfaction and engagement, which therefore leads to a more positive performance rating.

Employees belonging to Cluster 2 (TABLE 2) exhibit comparatively lower levels of happiness and engagement, resulting in a relatively lower level of performance when compared to those in the first cluster.

The third cluster (TABLE 2) exhibits satisfaction with the organisation, although demonstrates little engagement and subpar performance.

Every individual in the first cluster were reached personally to learn the cause for their high levels of engagement, satisfaction, and performance, so that the organisation could work on strategic improvements for employees in clusters 2 and 3.

It was discovered that the five factors listed below boosted employee work satisfaction, engagement, and performance:

- 1) Company culture: They believed that a nice, inviting work environment promotes employee engagement and productivity. Programs such as Recognizing and recognizing exceptional achievement increased staff productivity and engagement. As a result, cultivating a pleasant work culture is critical for a successful organization.
- 2) Work environment: They believe that the work environment has a significant impact on employee engagement. They also highlighted that it is not only about the physical workplace, but also about variables such as atmosphere, climate, culture, corporate executives' behaviour and attitudes, and the digital work environment.
- 3) Carrer advancement opportunities: They feel they will be highly interested when company provides them with a clear career path upon onboarding. The individuals in organization are seeking assurance that their dedicated efforts over a span of years will result in tangible career progression. In the event that contemporary employees experience feelings of boredom or frustration in their present roles, they will not hesitate to seek alternative employment opportunities.
- 4) Equitable pay structure: Flexibility, as an employee, is indeed one of the critical factors that significantly impact employee engagement. As an employee, it is possible for some individuals to find themselves in what is commonly referred to as the "sandwich generation." This term is used to describe those who are simultaneously responsible for the care and support of both their children and their elderly parents. While it is true that they may have multiple commitments that demand their time, it does not imply that they are not interested in being engaged employees.
- 5) Equitable pay structure: It Ensuring clarity about how their compensation structure works and the criteria used to determine an employee's eligibility for a promotion is critical for their motivation. One possible practise that workers appreciated was openness in respect to the pay structure inside the firm. Consider including the salary range for vacant roles when internally promoting them.

In conclusion the analysis shows that workers in Cluster 1 have higher levels of satisfaction, engagement, and performance. The organization should focus on improving the work environment, providing career advancement opportunities, and ensuring an equitable pay structure to enhance employee engagement and performance in Clusters 2 and 3.

CONCLUSION

Job satisfaction is a complex and varied phenomenon inside the workplace that has a significant influence on both individual workers and the overall functioning of organisations. The assessment of work happiness, accomplished via the utilisation of surveys, observations, and performance assessments, has significant importance in comprehending and enhancing the overall welfare of employees (Warr, 2011).

The correlation between job satisfaction and performance is unequivocal. Employees who are content with their work are more inclined to remain employed by an organisation, leading to less expenses associated with turnover and heightened levels of loyalty. Additionally, these individuals have a strong drive and active involvement, resulting in elevated levels of efficiency and output. Moreover, contented workers function as advocates for the brand, exerting a beneficial impact on the organization's image and the calibre of its client service.

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