

Job satisfaction: business practices and employee loyalty

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Introduction

The intangible concept of “ job satisfaction” is among the most difficult of business performance measures to document, and yet it remains one of the most notable factors in ensuring continuity of business practices and employee loyalty. Consequently, much research has been done in this area, with an ultimate objective of determining factors that can influence staff-job satisfaction. One of these research endeavors is underway at present, namely the AIU study which looks at job satisfaction via an intrinsic model, an extrinsic model, and an overall satisfaction score. Further details of computation of each of these scores will be made available at a later time.

Data Selection

As a preliminary analysis data set, overall job satisfaction is among the most important of the fields currently under study. A random sample of 30 responses was drawn from the 275+ data set to provide initial findings; this sample set is reproduced as drawn from the population in Table 1.

Job satisfaction is measured on a scale ranging from 1 (least satisfied) to 7 (most satisfied) in tenths of a point steps. Data is gathered by self-report and by examination of working conditions, pay grade and other data from employee files. Data was examined to determine whether the scores appear to conform to central limits; if so, it is likely that further analysis can determine specific factors that affect job satisfaction in all three areas of study (intrinsic, extrinsic and overall).

Analysis and Discussion of Findings

Measures of central tendency were established for the sample data set (see

Table 2) using standard statistical methods. As all three measures are within 0.013 points of each other, central tendency is demonstrably underscored. Further separation of the data points into discrete classes yielded the data presentation found in Table 3, which was then plotted as a histogram (see Figure 1 on final page).

Two major points are obvious from the data as presented in Table 3 and the histogram: firstly, that the data is grouped relatively uniformly around the measures of central tendency, and secondly, that the data resembles a normal curve and thus is likely to be a good candidate for further statistical analysis.

To continue the analysis, the variance and standard deviation were computed for

the existing data (see Table 4). Taken together, the measures indicate a relatively close grouping of scores around the mean, with over two-thirds of the data points falling into a range between 2.8 and 5.2. This indicates that extreme scores, and thus individuals reporting extremely high or extremely low job satisfaction, are unusual and that the majority of respondents are likely to fall somewhere close to middle ranges.

Conclusions

On the surface, this trend might seem expected, but there may be repercussions from attempting to maintain the status quo. If workers are approximately equally satisfied regardless of the company that employs them, there is no compelling drive toward job loyalty, and hence rather fluid movement of experienced staff through related industries or companies.

High turnover, especially among experienced staff, can lead not only to the

immediate costs for training and recruitment, but long-term costs in terms of lost productivity, lost expertise and potential loss of critical information or trade secrets. Consequently, an apathetic attitude toward mediocre job satisfaction is contraindicated. Further analysis will be necessary to isolate the individual factors which most impact job satisfaction; a report on this topic will follow.