

The Relationship Between Employee Satisfaction and Business Profitability

Liangdong Wang

Abstract:

This paper examines the impact and relationship between employee job satisfaction and organizational profitability, the nature of the workplace environment, leadership styles and options for employee involvement in business profitability. On the other hand, employee satisfaction is the extent to which employees are happy with the conditions they find themselves in at the workplace regarding remuneration, working hours, management, and organizational culture, among others. Business profitability, however, is defined as a company's ability to make profits from costs and assets. The paper affirms that when the employees are satisfied, they work harder, stay longer, offer good services, and transform into profitable assets for the firm. Some secondary sources, such as surveys and case studies from different organizations, show that enhanced staff satisfaction leads to better organizational performance. Trends, conditions, satisfaction, recognition and leadership are some of the facets presented by the research. Finally, the issue derived from the present analysis shows that employee satisfaction is suitable for a business in terms of its profitability and sustainability. The knowledge presented in the paper may be helpful to managers and business owners who seek to enhance the quality of their organizational culture and create conditions that will benefit both employees and the company's revenues; the paper also includes specific suggestions on how such a vision may be implemented.

Keywords: Employee Satisfaction, Business Profitability, Workplace Conditions, Employee Engagement, Leadership Styles.

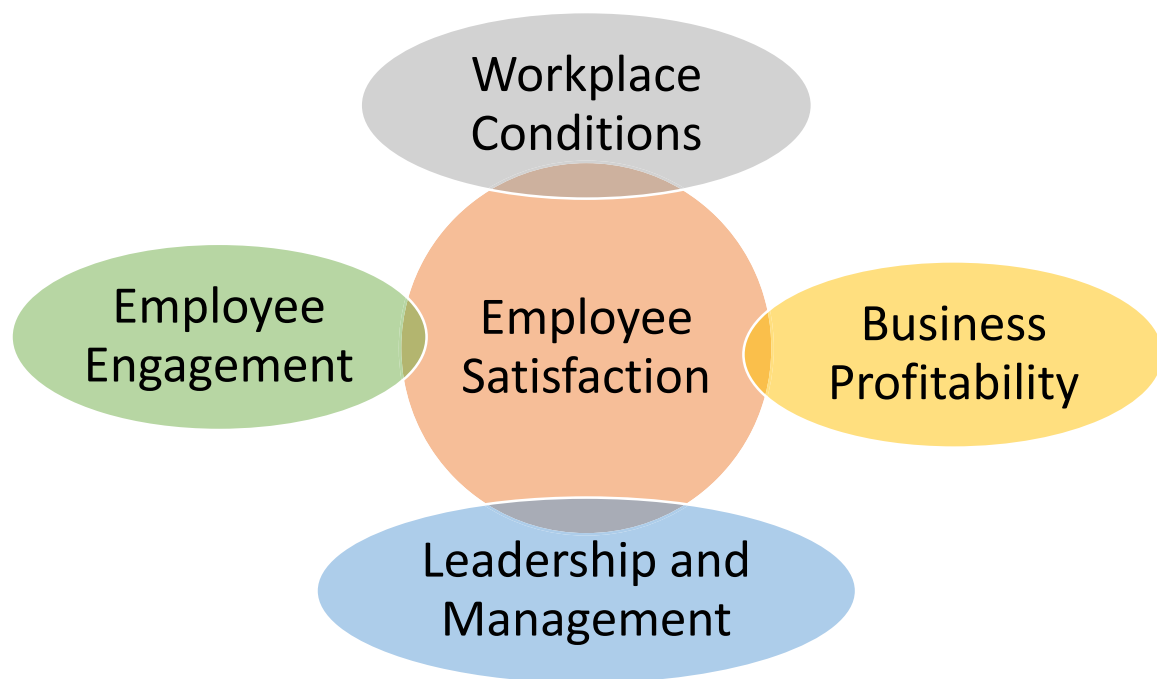
1. Introduction

1.1 Overview of the Study

Employee satisfaction is, therefore, a state of contentment, appreciation and motivation concerning the working environment. It includes satisfaction, work life, rewards, promotions, methodology, directions, culture, and perceptions experienced by the employees in their rightful posts. A satisfied employee is thus a committed employee, a performing employee and an employee who is least likely

to quit the organization (Vu & Nwachukwu, 2021). On the other hand, business profitability refers to the extent to which these business ventures have been able to earn profits in relation to their total sales, total assets and total equity in a given period. The measure of the business success is always its profitability, where profitability can be defined by factors like management, cost control, customer satisfaction and optimization of resources, to mention but a few.

Source(Zacharias et al., 2021)



Source(Zacharias et al., 2021)

Figure 1: Theoretical Framework of Employee Satisfaction and Business Profitability

This paper looks at the correlation between the levels of satisfaction among employees and the level of profitability within the business. Holding a positive attitude towards the work environment in the organisation has been attributed to increased levels of employee productivity and, in turn, increased profitability of the business. Happy employees voluntarily work harder and do not intend to go elsewhere, which minimizes replacement costs, reduces cases of absenteeism and thus augments profitability. This is why it becomes essential to comprehend this relationship if the organisations want to achieve better lives for the employees and the organisational financial performances.

This paper aims to discover the positive relationship be-

tween employee satisfaction and business profitability to determine how organisational conditions and commitment affect companies' revenue enhancement. In particular, this study will seek to find out the possible ways in which leadership style, recognition programme, and work environment can boost workers' satisfaction and, consequently, positively impact profitability. Some of the secondary sources to be used to analyse this subject matter include surveys on how these elements function from the previous studies and other literature.

1.2 Research Question and Objectives

The research question that will guide this study is:

How do workplace conditions and employee engagement contribute to a company's financial success?

The main objectives of this study are:

1. To review existing literature on employee satisfaction and business profitability.
2. To examine the factors influencing employee satisfaction and their impact on business profitability.
3. To evaluate the role of workplace conditions, leadership, and employee engagement in driving financial success.
4. To analyze how employee satisfaction affects key financial indicators such as revenue, profitability, and organizational growth.
5. To provide practical recommendations for businesses on how to improve employee satisfaction to boost profitability.

1.3 Significance of the Study

Thus, the facts distinguishing between levels of employee satisfaction and business profitability are significantly valuable to businesses. It serves as a helpful guide for improving organizational performance by using resources to achieve better financial returns. Therefore, from a managerial perspective, this study contributes significantly to understanding the dollar value of enhancing employee satisfaction, particularly in situations such as high turnover, high absence, and low organisation commitment. In this sense, the various aspects that can be employed and implemented in a business organization to bring positive change to its employees ultimately affect its profitability and overall performance in the market.

There are various advantages to be derived by the companies which strive to improve their employees' satisfaction level. Firstly, happy employees will not leave the organization, meaning there will be little spent on recruitment and training of employees in cases where organisations have high turnover rates. Also, employees who have prouder feelings towards their work and organization are helpful in a way that they are more productive and creative (Son, Kim & Kim, 2021). Thirdly, when the employees are making for their employers to have their rights respected, they are helpful in delivering efficient customer service, which in turn will make the customers loyal and satisfied, increasing their sales and revenues. Therefore, businesses that seek to formulate policies that would eventually increase employee satisfaction should be assured that such undertaking helps generate sustainable profits; hence, this study will immensely benefit managers and business owners who want to improve their firms' performance.

1.4 Scope of the Study

Theoretical frameworks: This study will only embrace

secondary research. Therefore, the data will include articles from peer-reviewed academic journals, case studies, and official reports that have looked into the effect of employee satisfaction levels on business profitability. Secondary data is significant for a broader topic investigation because it collects information from various industries and geographical regions. The data selection period will be from 2010 to the present since current and more recent trends can be more informative regarding the tendencies in OCB, employee engagement and profitability.

The populations of interest in this study shall comprise industries that attach a lot of importance to the satisfaction of their employees and, thus, their population, including the technology, healthcare, retail, and manufacturing industries. Though, the chosen study will be pretty comprehensive, it will pay more attention to the public enterprises regarding their opinions on the relationship between employee engagement and profitability. This scope helps to include a range of views in the study and to have a composite idea about the conditions in the workplace and their correlation with the company's financial performance.

Thus, this work will also present how the economic environment, technology, and other social trends affect the employees' satisfaction and the company's profit rates. However, most of the emphasis will be placed on internal factors over which the organizations may have some control.

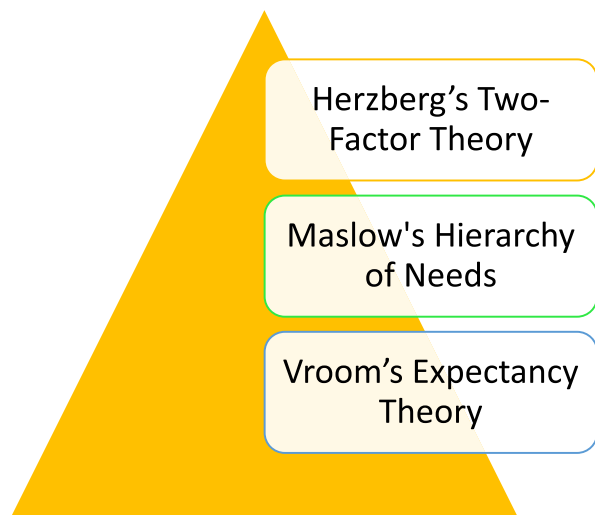
2. Literature Review

2.1 The Concept of Employee Satisfaction

This complex area encompasses various aspects of the organization that gauge how happy an existing employee is. It concerns working conditions that may include satisfaction with pay, occupancy, work and personal life, prospect for development, and interpersonal interactions at the workplace (Ali, 2021). There are several definitions of employee satisfaction, and the most common characteristic is that it refers to the extent to which their expectations, requirements and wants are fulfilled in the workplace. The critical theory for studying employee satisfaction is the Two-Factor Theory by Herzberg, which argues that there are factors that affect the satisfaction and dissatisfaction of employees: Motivators and Hygiene factors. They directly relate to satisfaction through influencing people's perceptions of opportunities such as personal development, appreciation and accomplishment at the workplace (Voordt & Jensen, 2021). Those factors, which are hygiene factors such as salary, job security and working conditions, are effective in avoiding dissatisfaction but not necessarily in creating satisfaction.

Another critical theory that can be mentioned here is the theory of motivation by the ABC of needs, better known as Maslow's Hierarchy of Needs, which categorises the fundamental human needs into five levels: physiological, safety, belongingness/love, esteem and self-actualization. Basic employee needs are said to be satisfied to get higher-level needs satisfied (Showkat et al., 2022). Thus, the findings of this study indicate that higher-level needs are more likely to contribute to job satisfaction than lower-level needs. Vroom's Expectancy Theory also aids towards explaining the level of satisfaction among employees as per this theory: employees are inclined to act in a way expected to have positive results by achieving the desired goals such as incentives.

Source(Dar and Sakthivel, 2022)



Source(Dar and Sakthivel, 2022)

Figure 2: Key Theories of Employee Satisfaction

A large number of factors affect the satisfaction of the employees, and most of them are interconnected. Working conditions are one of the main factors because they externify the impact on the employees' comfort and efficiency directly (Hajiali et al., 2022). Proper workplace characteristics relate positively to employees' satisfaction, whereas improper workplace characteristics have the opposite effect. Leadership is another crucial aspect since the management approach towards work and people determines the organisational culture and staff members' perceptions about their responsibilities (Sainju et al., 2021). Restrictive, communicative, friendly/disposal leadership contribute to satisfaction and dissatisfaction caused by autocratic or inefficient leadership.

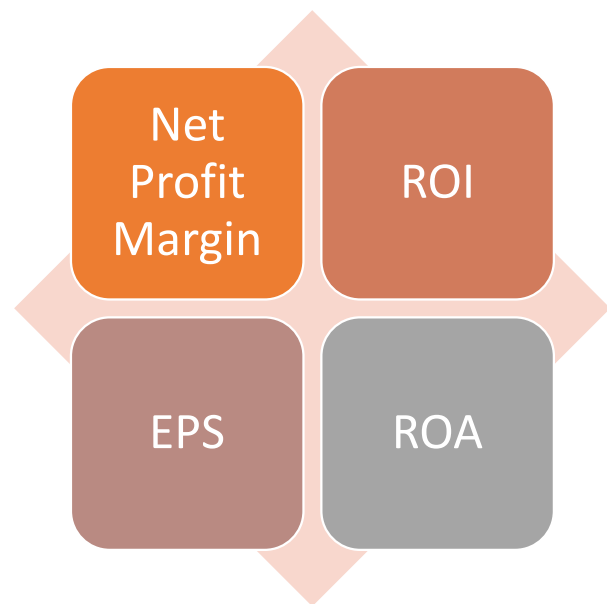
Remuneration is also crucial in enhancing the levels of satisfaction of employees. In the same respect, pay, or-

ganizational benefits and provisions of avenues for improved financial remunerations are valued organizational attributes by employees (Ramlawati, 2021). In addition, other factors such as job security, promotion opportunities, appreciation, and interpersonal relationships within the workplace also play an essential role in satisfaction.

2.2 The Concept of Business Profitability

Business profitability implies an organisation's efficiency in generating income compared to expenditure or its assets and equity. It plays a significant role in conducting any business on how successful it is financially and is key to the overall survival and the company's subsequent expansion (Jaworski & Czerwinka, 2022). Profitability measures the aptitude of any company to make a profit and control the cost it incurs in its operations. It could be measured in terms of Key Performance Indicators such as net profit margin, return on investment (ROI), return on assets (ROA), and Earnings before interest and taxes (EBIT) (Roman & Grudzień, 2021). HOionic Metrics explain how effectively a business organization can utilize resources, make sales and control costs. Net Profit Margin, ROI, EPS, ROA)

Source(Roman and Grudzień, 2021)



Source(Roman and Grudzień, 2021)

Figure 3: Key Performance Indicators (KPIs) for Business Profitability

Indeed, you cannot think of any business without considering profitability since it facilitates a company's reinvestment, dividend payout to shareholders, growth, and the ability to manage through thick and thin (Fauziyah et al.,

2022). It has been a maxim for any business organization that it needs to be profitable to sustain and grow since competition is very stiff. This will lead to the ability to attract investors, manage and develop human capital, and the ability to be successful in producing goods and services for the market.

Various KPIs can be used to measure the business' profitability. Some are gross margin, which reveals the proportion by which revenue of the company surpasses the cost of the goods sold; operating margin, which demonstrates how profitable the main business of the specific company is; and net margin, which includes all expenses, including taxes and interest expenses. Other relevant ratios consist of the performance of the share, which include ROI, which measures the amount of capital invested in Allowed time, and EPS, which depicts profit per productivity per any given share for shareholders (Okumuş, Demirci & Gül, 2024). These are some of the critical indicators in assessing the general financial status of an entity and its prospects.

2.3 Link Between Employee Satisfaction and Business Profitability

Several scholarly research research the link between employee satisfaction and the organization's financial performance, and the latest literature reviews show a positive correlation between the two. The article has noted that tangible and intangible employee satisfaction leads to high investment returns. These are significant achievements like increased employee performance rates, reduced workforce volatility, and improved customer responsiveness or satisfaction.

For example, Beuren, dos Santos and Theiss, (2021) have established the fact that the satisfaction of the employees affects the organization's performance, profitability and productivity. Finally, the authors stated that their research revealed that the employee satisfaction index was positively related to customer satisfaction, which positively impacted the company's financial performance. Similarly, a meta-analysis by Ahmad and Raja, (2021) showed a moderate but comparatively robust positive relationship between satisfaction with one's job and economic performance.

This has drawn more studies suggesting that satisfied employees are likely to be committed and dedicated to their tasks, hence increasing productivity and reducing absenteeism. This implies that engrossed employees enhance their contribution to organizational objectives since that determines profitability. Contented employees also tend to remain loyal to their employers, thereby cutting staff turnover costs and attracting new employees.

On the positive side, however, some studies do not support this working relationship to any extent. They tried to suggest the chain of argument that states that profitability and satisfaction of the employees have not been strongly positive, let alone direct. For example, another study by Pio, (2021) observed that the relationship between employee satisfaction and profitability varied in some industries and was not quite strong because satisfaction was not a key interest in the sectors. Other criticisms refer to the kind of data used to measure the human effectiveness of human resource management and say that employee satisfaction levels may not necessarily correlate with market trends, competition, and strategic business management, which are determinants of organizational profitability.

2.4 Factors Affecting Both Employee Satisfaction and Profitability

Employee satisfaction and organizational profit are correlated as the following factors affect both. Speaking of essential aspects, it is necessary to mention the work environment as it influences workers' physical and psychological conditions (Triansyah et al., 2023). Properly lit offices free from health hazards, adequate equipment, and other working amenities help maintain a satisfactory work environment, which enhances productivity and returns for the firm.

Other key factors that affect both employee satisfaction and organizational profitability include leadership modes. Expressly, transformational leadership has incorporated encouraging, appealing and empowering ways that impact the employees' satisfaction level, thus leading to healthier balance sheets (Sypniewska et al., 2023). On the other hand, autocratic leadership may create certain dissatisfaction and bring adverse effects on the morale of the employees that will negatively impact the firm's profitability in the long run.

Another key aspect that dictates the satisfaction and profitability of the business is Communication within the firm. When the workers and the management can hold precise and transparent discussions, this will help build trust and encourage every employee to improve work productivity in the organization. It will enhance the morale of the employees (Chatzoudes & Chatzoglou, 2022). Furthermore, when employees know the company's vision and mission statements and contribution to the firm, they are motivated to improve the business's revenues.

Employee engagement is related to satisfaction and is a fundamental factor in increasing company profits. Commitment in the employees increases one's focus and interest in work and can lead to increased productivity for the organization. Rank recognition programs, career advance-

ment and a good working environment make the employees more dedicated, thus leading to better performance and, therefore, high revenues.

Regarding technology and the new form of work that has become common, there are benefits that employees are bound to appreciate in terms of satisfaction and the profitability of their organizations. Due to advancements in technology in Communication and organization, businesses have resulted in a decrease in cost and an increase in efficiency (Xuecheng et al., 2022). Also, incorporating a policy such as working from home has been adopted since it increases employee satisfaction. It enables one to balance work and other aspects of their life, which in turn affects the business's productivity and profitability.

2.5 Gaps in Literature

Although there are numerous studies done on the link between employee satisfaction and organizational profitability, some of the gaps have followed. Of the foregoing, there is minimal industry type research done. There is, however, a need for a more elaborate analysis of how this correlation exists in the various sub-sectors of the economy, such as the health sector, the IT industry and so on. Due to the different organizational features of multiple sectors, satisfaction might be transformed differently in each industry, thus affecting its link with profitability.

Furthermore, the existing literature mainly encompasses the survey research based on employee satisfaction, which involves errors related to self-report. In the future, it would be helpful to employ more concrete measures of satisfaction like the performance achieved by the com-

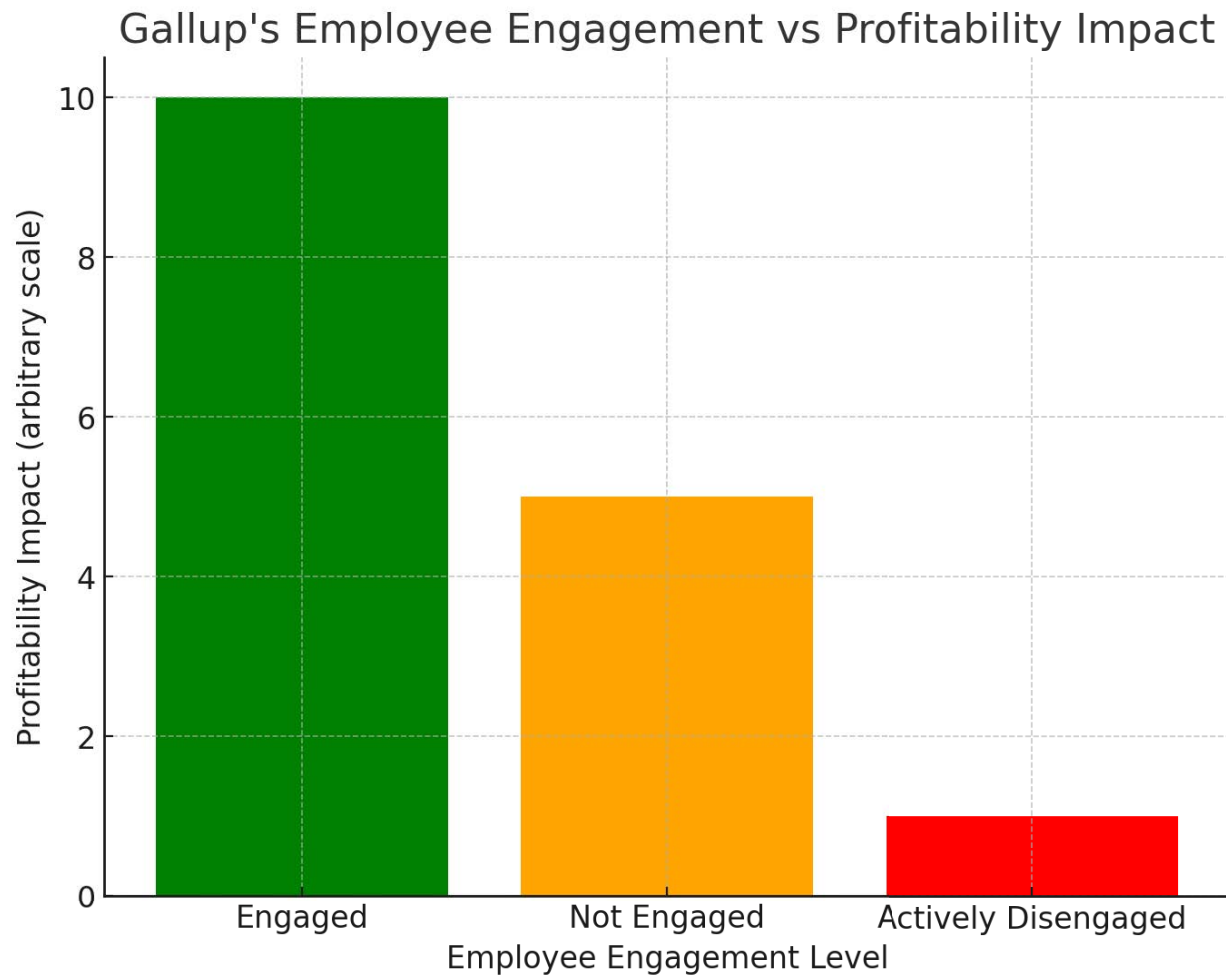
pany or satisfaction performers from third parties. One limitation is that most authors consider only the short-term impacts of employee satisfaction; research on the long-term correlation between sustained satisfaction and increased profitability of the business is scarce.

3. Discussion

3.1 Analysis of Secondary Data

First, in line with the hypothesis that employee satisfaction positively affects business profitability, the results of secondary data analysis show a significant correlation. Indeed, by conducting various studies such as Gallup's Employee Engagement Data, Towers Perrin's Engagement Survey and Service-Profit Chain Model, we see that researching statistics proves that satisfied employees mean better financial performance.

According to Gallup's Employee Engagement Data, it was ascertained that employee engagement at the workplace leads to productivity improvement in employees and, thus, an increase in overall profitability. In his study by Gallup, the writer asserts a positive correlation between employee engagement with customer satisfaction and financial performance (Hastuti, 2022). This can be seen easily when their engagement level is compared to other companies. According to an employee, engagement is likely to contribute more towards achieving the organizational objectives, which increases profit. This is presented in the following chart demonstrating how engagement levels differ and how it would affect the company's profitability.



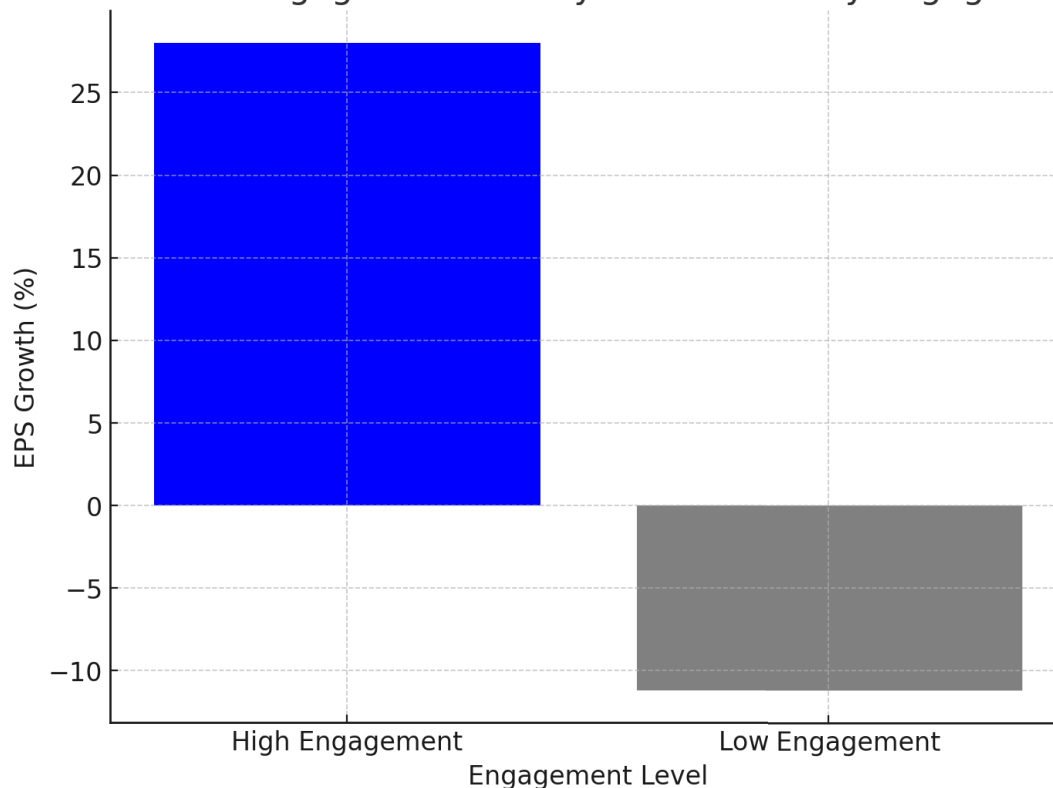
Source(Salas-Vallina et al., 2020)

Figure 4: Gallup's Employee Engagement Vs Profitability Impact

This is supported by Towers Perrin's Engagement Survey, which pointed out that organizations that promoted employee engagement attained an EPS of 28% in contrast to firms whose engagement was low by 11.2%. According to the analysis, it is evident that employee engagement affects financial performance (Svava Rán Karlsdóttir 1974,

2019). Business entities where the level of engagement is relatively higher show better profitability, consequently proving that satisfaction of the employees is not only a morale booster but also a profitability booster in the corporate world. This chart shows high and low engagement firms concerning this EPS growth.

Towers Perrin's Engagement Survey: EPS Growth by Engagement Level



Source(Sapta et al., 2021)

Figure 5: Towers Perrin's Engagement Survey: EPS Growth By Engagement Level

Additionally, the Service Profit Chain Model used in the service industry depicts a straight relationship between employee satisfaction, customer satisfaction, and profitability. In turn, satisfied employees predict good performance and higher loyalty. It, therefore, has a positive relationship with profitability because customers tend to

be more confident with a particular product or service (Liu et al., 2024). In this precise chart, one can establish the direction of the flow from employee satisfaction to profitability within several tiers that significantly influence the business outcomes in one way or another.



Source(Bellet et al., 2023).

Figure 6: Service-Profit Chain Model: Employee Satisfaction To Profitability

Another investigation by a different source entitled Employee Happiness and Productivity presents information proving that happy employees work harder. The studies and statistics show that those who are happier at work produce 12% more than the low level of happy employees (Bellet et al., 2023). The need for the business to achieve

higher results in the specific industry can be directly linked to this productivity improvement. When employee satisfaction is considered and improved, business outcomes will also be enhanced regarding productivity and profits. The following chart shows the correlation between the employees' happiness and the productivity increase.



Source((Havaei et al., 2021).

Figure 7: Employee Happiness And Productivity

3.2 The Role of Workplace Conditions

The working environment is one of the primary concerns that directly impact employees' productivity and organizational profit. As highlighted by other authors, environmental factors such as comfort and safety remain crucial for employees' health. Gallup's Employee Engagement Data findings show that employees who feel safe and comfortable at the workplace will likely be engaged. This has a direct bearing on the financial performance implication of the company (Havaei et al., 2021). When issues to do with disabilities at the workplace, safety, and surrounding, like the provision of ergonomic furniture, are given attention, employees return more satisfied, thus boosting profitability.

The other benefits include liberties like working from home, which has positively affected the staff. Telecommuting allows staff to have a proper work-life balance, which is essential to increase the staff's motivation and

efficiency (Yildirim & Eslen-Ziya, 2020). This type of work is associated with increased employee engagement and satisfaction, a fantastic opportunity to be creative in solving a given task, thus increasing productivity and positively affecting the company's performance.

Towers Perrin's Engagement Survey also has statistical backing to make people realise the impact of the physical workplace in managing and improving engagement (Basalamah, 2021). Due to elaborate work arrangements and such privileges as work-life balance, client-focused, and other substantial employee benefits, high-engagement organizations reap the fruits of financial returns, as the employees do not look for alternative opportunities abroad.

3.3 Employee Engagement and Motivation

Employee engagement is a motive that plays a significant role in a company, resulting in business performance. An efficient and committed workforce performs well and

remains loyal to their positions and even beyond through giving extra efforts towards the organization's objectives (Siswanto et al., 2021). The data gathered from the Employee Engagement through Gallup reveal that the result predicts profitability. Expectant officers formally commit themselves towards working harder, are loyal to organizational goals and objectives, and take full responsibility for all assigned responsibilities thus enhancing profitability. Well-motivated employees are also known to impact customer satisfaction positively; this, in turn, results in a positive organizational profitability cycle because satisfied employees result in satisfied customers. This is further depicted in the Service-Profit Chain Model, where the company's aim at ensuring that its employees are satisfied results in increased customer loyalty and, thus, increased profitability. When studying the employees' happiness, it is found that motivation has a significant place in the efficiency of employees (Jiang & Luo, 2020). It has been shown that happy employees are more productive than non-happy employees who come up with more ideas, perform better and generate better financial returns. Many pieces of research from different authors have revealed a correlation between pleasure and productivity; in this case, more productivity amounts to better organisational performance given by employee motivation. The Employee Happiness and Productivity Chart's success lies in the fact that it defines how the level of happy employees is reflected in higher productivity and, before, higher profitability.

3.4 Leadership and Management Practices

Other factors that have implications on employee satisfaction and profitability include leadership. It has been found that leadership can improve or boost employee engagement by establishing clear communication with the employees, rewards and rewards, and facilitating the best employee effort (Salas-Vallina et al., 2020). The Service-Profit Chain Model articulates the significance of leadership in creating what is desirable and good for employees, creating value, improving customer satisfaction and generating profit. If leaders show that they are approachable and open, promote the idea of the programme and encourage their workers to get involved, then satisfaction levels can be reached.

The Towers Perrin's Engagement Survey also points out that transformational leadership, which can be defined as encouraging and inspiring employees, has a positive relationship with the level of engagement (Garengo & Betto, 2022). Their leaders' engagement with human resources leads to their commitment, productivity, and, hence, the company's profitability. Therefore, this kind of leadership

aids in synchronizing the personal objectives of an employee within the organization and makes employees, as well as the organization as a whole, more composed, efficient and profitable.

3.5 Cultural and Organizational Factors

The significance of developing a solid and coherent foundation cannot be overestimated as it helps satisfy employees and, therefore, work towards keeping the business profitable. It has been discovered that having a positive and good attitude toward an organization's culture has a strong relationship with employee's motivation and commitment at the workplace (Zacharias et al., 2021). This, in turn, results in an increase in productivity, customer satisfaction and profitability of the business.

It is a fact that most organizations with a positive organizational culture claim low turnover rates, high employee morale, and higher performance. A strict business culture is a significant factor in all industries; however, it is critical in organizations where employees meet or communicate with customers daily, like the retail or customer care industries (Sapta et al., 2021). In this case, relative to the employees' density, acknowledging them makes them perform better to satisfy the customer, hence increasing profitability.

3.6 Industry-Specific Analysis

While it is clear that employee satisfaction may lead to increased profitability, the degree of the connection may differ depending on the specific industry. For instance, in the health sector, workers' satisfaction will go hand in hand with patient treatment, leading to increased revenue for a hospital (Fardiansyah et al., 2025). Likewise, in other organizations, such as retail and customer services, the level of satisfaction among workers is directly related to that of the customers, which determines the bottom line. The Service-Profit Chain highlights the correlation between and impacts of employee satisfaction that enables service providers to deliver good service to their customers, hence achieving customer loyalty in organizations from the service sector.

In other industries, for instance, technology or manufacturing, the personnel's happiness may have a slightly lesser impact on the operating profits but a significant impact on improving innovation and productivity (Prakriti Koirala et al., 2025). Well-motivated human resources in these sectors are likely to solve organizational exercises creatively – thus cutting costs, enhancing the quality of products and making the products more competitive in the market, positively affecting profitability.

4. Conclusion

4.1 Summary of Key Findings

This paper aims to empirically investigate the relationship between employee satisfaction and the profitability of business establishments through a review of empirical literature and research. This research concluded that the level of satisfaction of employees directly affects the profitability of the enterprise. Engaged, productive and satisfied employees allow such business organizations to reap higher financial returns. Prominent indicators of employee satisfaction in the workplace involve the working environment, managerial behaviours, involvement, and business culture. According to the study, which identifies key factors that influence attitude to work, requirements for a positive work climate include a positive working environment, leadership backing, proper communication, and career enhancement. In addition, the key factors of engagement and motivation are critical in determining satisfaction and organization profitability. A positive attitude is a reason for the employees to work harder, be more creative, and contribute to the financial prosperity of the company.

Among the intervention areas, strategic leadership practices, such as transformational leadership, were seen to be effective in increasing employee satisfaction and profitability. Also, it is essential to note that high employee satisfaction improves business performance when the employee and corporate values are in line. Secondary data analysis showed that employee satisfaction positively affected profitability in this and other industries but that there were differences based on the industry. Indeed, companies registered under healthcare technology-oriented sectors accrue high benefits due to the human resource management policies that focus on the well-being of the employees. Still, even industries such as retail and manufacturing observe an improved profitability ratio owing to the increase in morale and productivity of employees.

4.2 Implications for Businesses

The conclusion drawn from this research is significant towards enhancing the profit making of firms. By investing in an environmentally and psychologically sustainable work climate, organizations should provide their employees with the necessary tools, encouragement, and chances for self-actualization. Any leader's virtue is to ensure that they encourage their employees, foster good relationships, and reward them. This ensures that the relations with employees are healthy, thus leading to happy employees, increased productivity and profitability.

The most critical issue widely accepted is to create good

relations where everyone is interested in getting involved. Companies can plan promotions, incentives, and employee engagement in a way that they should offer the ladders for growth, appreciating the ideas and visions of their employees. It is thus apparent that businesses that consider their employee's well-being are sure to benefit from lower turnover rates, less absenteeism and high productivity, all of which are direct positive financial. In addition, companies should also bear in mind the perspectives of their industry when coming up with measures that can be employed to improve the satisfaction of the employees in a business. For instance, when applied in the healthcare industry, the aim at safety and needs of individuals as patients will, in one way or the other, increase the results or outcomes of the patients, enhancing the overall profitability of the business.

4.3 Limitations of the Study

However, certain limitations need to be clarified while using secondary data in this study. Secondary data sources depend on past research, which was collected using a different approach and time frame. Often, sources may not meet the current context or industry requirements. Also, the studies reviewed may be sensitive to several sources of bias; for instance, the data collected from employees through self-generated questionnaires about their level of satisfaction may be biased. A particular limitation of the study lies in the inability to conduct a comparative analysis of specific case scenarios or point to specific research data, which could further elaborate on the issue of the correlation between high employee satisfaction levels and enhanced business profitability within various areas of the business.

4.4 Suggestions for Future Research

The study has some limitations that can be further investigated in future research papers. Academic scholars can conduct surveys and/or interview employees and managers from many different continents to understand what affects satisfaction and profitability. It would also be more beneficial to conduct industry-based research to identify the specifics of links between employee satisfaction and business profitability in various fields. In addition, more research could be done on the consequences of ECR on profitability, as many look at short-term results. Additional research questions regarding current trends like working from home, using robots and artificial intelligence to serve the employees or improving productivity and profitability would also be informative. These fields are emerging dynamically, and profound knowledge of them might enhance the understanding of organizational change and companies' profitability in the future.

5. Reflection

Considering the given task of evaluating the link between the degree of employee satisfaction and the results of a business's profitability, this issue allowed me to investigate an essential but overlooked aspect of company management. In the process, there is an appreciation of how moderate levels of employee satisfaction make a clear correlation to achieving better returns in the short run and sustainable long-term benefits for a given company.

One of the significant findings in the report is that employee satisfaction is theoretical and has explicit benchmarks that can be identified through defining indicators such as productivity, turnover rate, and customer satisfaction. The result further supported the assertion that better organizational culture, good management, and promoting tone at the top, which increases the engagement levels amongst staff, deliver better business performance.

It has also been depicted from the secondary data analysis that different industries have different degrees of effects depending on the satisfaction of the employees. For instance, the healthcare industry of the organization would greatly benefit from employee engagement, which is positively related to patient satisfaction and organizational performance. This made me understand that employee satisfaction should be analyzed according to the context and particularities of the industry.

What I found interesting and fulfilling in practicing this assignment was that it offered practical steps that businesses should follow to enhance employees' work satisfaction and organizational revenue, like embracing transformational leadership and other personnel support systems. It can be most beneficial for managers and business people involved in the organization since it has information that focuses on transforming the organizational culture and increasing profitability.

In conclusion, preparing this report helped me improve my analytical skills and enhance my knowledge regarding the relationship between the well-being of the employees and the success of the business. In this regard, it has helped me develop a basis to react to similar problems.

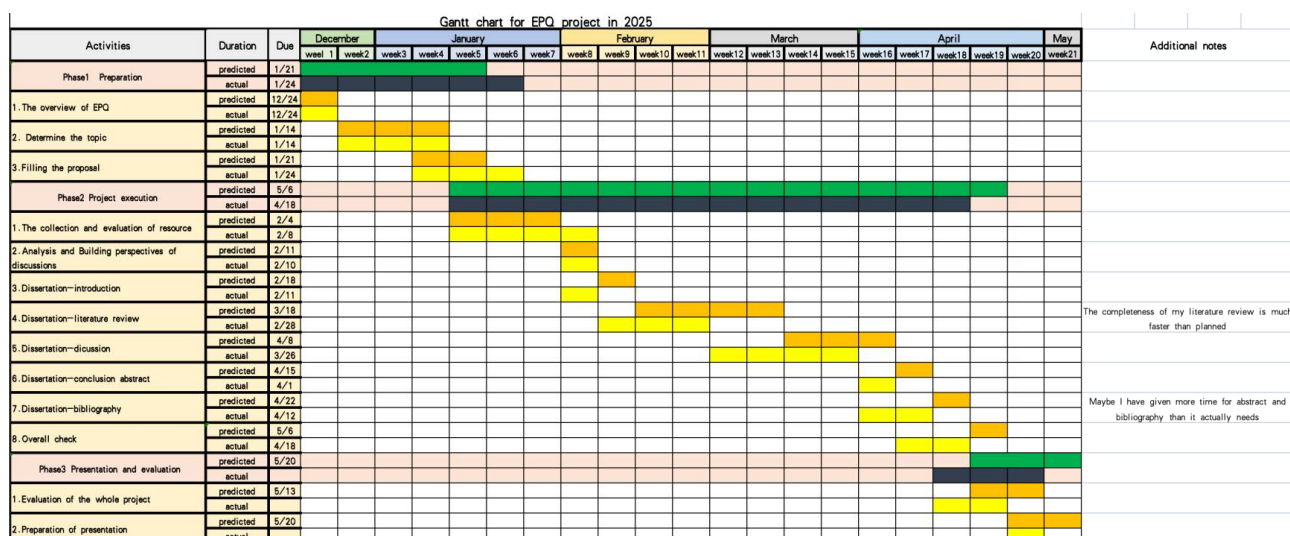
References

- Ahmad, M.R. and Raja, R. (2021). Employee Job Satisfaction and Business Performance: The Mediating Role of Organizational Commitment. *Vision: The Journal of Business Perspective*, 25(2), p.097226292098594. doi:<https://doi.org/10.1177/0972262920985949>.
- Ali, B.J. (2021). An Empirical Study of Employees' Motivation and Its Influence Job Satisfaction. [online] *papers.ssrn.com*. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3822723.
- Basalamah, M.S.A. (2021). The role of work motivation and work environment in improving job satisfaction. *Golden Ratio of Human Resource Management*, [online] 1(2), pp.94–103. doi:<https://doi.org/10.52970/grhrm.v1i2.54>.
- Bellet, C., Jan-Emmanuel De Neve and Ward, G. (2023). Does Employee Happiness Have an Impact on Productivity? *Management science*, 70(3). doi:<https://doi.org/10.1287/mnsc.2023.4766>.
- Beuren, I.M., dos Santos, V. and Theiss, V. (2021). Organizational resilience, job satisfaction and business performance. *International Journal of Productivity and Performance Management*, 71(6). doi:<https://doi.org/10.1108/ijppm-03-2021-0158>.
- Chatzoudes, D. and Chatzoglou, P. (2022). Factors Affecting Employee Retention: Proposing an Original Conceptual Framework. *International Journal of Economics and Business Administration*, X(Issue 1), pp.49–76. doi:<https://doi.org/10.35808/ijeba/748>.
- Fardiansyah, I.E., Jumady, E. and Djaharuddin, D. (2025). Leadership and Organizational Commitment in Improving Employee Performance: The Role of Job Satisfaction as a Mediator. *Golden Ratio of Human Resource Management*, [online] 5(1), pp.221–231. doi:<https://doi.org/10.52970/grhrm.v5i1.862>.
- Fauziyah, F., Dwiarta, I.M.B., Afkar, T., Utomo, S.P. and Purwanto, T. (2022). MEASURING THE PROFITABILITY LEVEL OF ISLAMIC COMMERCIAL BANKS IN INDONESIA. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, [online] 6(2), p.1001. doi:<https://doi.org/10.29040/ijebar.v6i2.5437>.
- Garengo, P. and Betto, F. (2022). The role of organisational culture and leadership style in performance measurement and management: A longitudinal case study. *Production Planning & Control*, 35(2), pp.1–19. doi:<https://doi.org/10.1080/09537287.2022.2058431>.
- Hajiali, I., Fara Kessi, A.M., Budiandriani, B., Prihatin, E., Sufri, M.M. and Sudirman, A. (2022). Determination of Work Motivation, Leadership Style, Employee Competence on Job Satisfaction and Employee Performance. *Golden Ratio of Human Resource Management*, [online] 2(1), pp.57–69. doi:<https://doi.org/10.52970/grhrm.v2i1.160>.
- Hastuti, S. (2022). Pengukuran level keterikatan karyawan (employee engagement) dengan q12 gallup pada pt. Xt. *Saraq Opat: Jurnal Administrasi Publik*, 4(1), pp.54–70. doi:<https://doi.org/10.55542/saraqopat.v4i1.182>.
- Havaei, F., Ma, A., Staempfli, S. and MacPhee, M. (2021). Nurses' workplace conditions impacting their mental health during COVID-19: A cross-sectional survey study. *Healthcare*, [online] 9(1), p.84. doi:<https://doi.org/10.3390/healthcare9010084>.
- Jaworski, J. and Czerwinka, L. (2022). PROFITABILITY AND WORKING CAPITAL MANAGEMENT: EVIDENCE FROM THE WARSAW STOCK EXCHANGE. *Journal of Business Economics and Management*, 23(1), pp.180–198. doi:<https://doi.org/10.3846/jbem.2022.15087>.

- Jiang, H. and Luo, Y. (2020). Driving Employee Engagement through CSR Communication and Employee Perceived Motives: The Role of CSR-Related Social Media Engagement and Job Engagement. *International Journal of Business Communication*, 61(2), p.232948842096052. doi:<https://doi.org/10.1177/2329488420960528>.
- Liu, W., Huang, M. and Feng, W. (2024). Optimized Profit Allocation Model for Service Alliance Transactions Considering Risk. *Electronics*, [online] 13(23), p.4648. doi:<https://doi.org/10.3390/electronics13234648>.
- Okumuş, A., Demirci, E. and Gül, M. (2024). Contemporary Challenges and Practices in Logistics and Supply Chain Management. [online] Istanbul University Press. doi:<https://doi.org/10.26650/b/ss05et50.2024.016>.
- Pio, R.J. (2021). The mediation effect of quality of worklife and job satisfaction in the relationship between spiritual leadership to employee performance. *International Journal of Law and Management*, 64(1), pp.1–17. doi:<https://doi.org/10.1108/ijlma-07-2018-0138>.
- Prakriti Koirala, Baburam Timsina, Digvijaya Koirala and M.S. Kamalaveni (2025). Study on Job Satisfaction among the Employees of Nepal Rastra Bank (NRB). SSRN Electronic Journal. [online] doi:<https://doi.org/10.2139/ssrn.5075240>.
- Ramlawati, R. (2021). External alternatives, job stress on job satisfaction and employee turnover intention - UMI Repository. Umi.ac.id. [online] doi:<http://repository.umi.ac.id/708/1/peer%20review%20ramlahh.pdf>.
- Roman, M. and Grudzień, P. (2021). The Essence of Agritourism and Its Profitability during the Coronavirus (COVID-19) Pandemic. *Agriculture*, 11(5), p.458. doi:<https://doi.org/10.3390/agriculture11050458>.
- Sainju, B., Hartwell, C. and Edwards, J. (2021). Job satisfaction and employee turnover determinants in Fortune 50 companies: Insights from employee reviews from Indeed.com. *Decision Support Systems*, 148, p.113582. doi:<https://doi.org/10.1016/j.dss.2021.113582>.
- Salas-Vallina, A., Alegre, J. and López-Cabrales, Á. (2020). The challenge of increasing employees' well-being and performance: How human resource management practices and engaging leadership work together toward reaching this goal. *Human Resource Management*, 60(3), pp.333–347. doi:<https://doi.org/10.1002/hrm.22021>.
- Sapta, I.K.S., Muafi, M. and Setini, N.M. (2021). The Role of Technology, Organizational Culture, and Job Satisfaction in Improving Employee Performance during the Covid-19 Pandemic. *The Journal of Asian Finance, Economics and Business*, [online] 8(1), pp.495–505. doi:<https://doi.org/10.13106/jafeb.2021.vol8.no1.495>.
- Showkat Ahmad Dar and Sakthivel, D.P. (2022). Maslow's Hierarchy of Needs Is still Relevant in the 21st Century. [online] ResearchGate. Available at: https://www.researchgate.net/profile/Showkat-Dar-13/publication/368327434_Maslow.
- Siswanto, S., Maulidiyah, Z. and Masyhuri, M. (2021). Employee engagement and motivation as mediators between the linkage of reward with employee performance. *The Journal of Asian Finance, Economics and Business*, [online] 8(2), pp.625–633. Available at: <http://repository.uin-malang.ac.id/7855/>.
- Son, J.H., Kim, J.H. and Kim, G.J. (2021). Does employee satisfaction influence customer satisfaction? Assessing coffee shops through the service profit chain model. *International Journal of Hospitality Management*, [online] 94(94), p.102866. doi:<https://doi.org/10.1016/j.ijhm.2021.102866>.
- Svava Rán Karlsdóttir 1974 (2019). Reviewing employee engagement as a concept and how it is measured with an employee engagement survey in an Icelandic industrial production organisation. What do employee surveys tell us about employee engagement? [online] Skemman.is. Available at: <https://skemman.is/handle/1946/40006> [Accessed 11 Mar. 2025].
- Sypniewska, B., Baran, M. and Kłos, M. (2023). Work engagement and employee satisfaction in the practice of sustainable human resource management – based on the study of Polish employees. *International Entrepreneurship and Management Journal*, 19(3), pp.1069–1100. doi:<https://doi.org/10.1007/s11365-023-00834-9>.
- Triansyah, F.A., Wang, H. and Stefania, S. (2023). Factors Affecting Employee Performance: A Systematic Review. *Journal Markcount Finance*, 1(2), pp.118–127. doi:<https://doi.org/10.55849/jmf.v1i2.102>.
- Voordt, T. van der and Jensen, P.A. (2021). The impact of healthy workplaces on employee satisfaction, productivity and costs. *Journal of Corporate Real Estate*, [online] 25(1). doi:<https://doi.org/10.1108/jcre-03-2021-0012>.
- Vu, H.M. and Nwachukwu, C. (2021). Influence of entrepreneur competencies on profitability and employee satisfaction. *International Journal of Management and Enterprise Development*, 20(1), p.1. doi:<https://doi.org/10.1504/ijmed.2021.113635>.
- Xuecheng, W., Iqbal, Q. and Saina, B. (2022). Factors affecting employee's retention: Integration of situational leadership with social exchange theory. *Frontiers in Psychology*, 13(872105), pp.1–13.
- Yildirim, T.M. and Eslen-Ziya, H. (2020). The Differential Impact of COVID-19 on the Work Conditions of Women and Men Academics during the Lockdown. *Gender, Work & Organization*, 28(1). doi:<https://doi.org/10.1111/gwao.12529>.
- Zacharias, T., Rahawarin, M.A. and Yusriadi, Y. (2021). Cultural Reconstruction and Organization Environment for Employee Performance. *Journal of Ethnic and Cultural Studies*, 8(2), pp.296–315.

Appendix

Time management



Resources Management

1. Job satisfaction not USED

[website]wikipedia not Authority

https://en.wikipedia.org/wiki/Job_satisfaction

2. What is Employee Satisfaction | Employee Satisfaction Surveys | Employee Feedback Forms

not USED

[video]SurveySparrow

https://www.youtube.com/watch?v=j6Meb_VByLg

3. Employee satisfaction: What it means and how to improve it. not USED

[website]ZENDESK

<https://www.zendesk.com/blog/employee-satisfaction-guide/>

4. Employee Job Satisfaction and Business Performance: The Mediating Role of Organizational Commitment USED

The Journal of Business Perspective, 25(2), 2021 Authority

<https://doi.org/10.1177/0972262920985949>.

5. What is Employee Satisfaction? not USED

[website]SIMPPLR

<https://www.simplr.com/glossary/employee-satisfaction/>

6. An Empirical Study of Employees' Motivation and Its Influence Job Satisfaction. USED

papers.ssrn.com. , 2021 Authority

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3822723.

7. What is Profit? (Gross Profit, Operating Profit, Net Income) | From A Business Professor

not USED

[video]Business school Authority

<https://www.youtube.com/watch?v=R8voRf5BjdA>

8. The role of work motivation and work environment in improving job satisfaction.

USED

Golden Ratio of Human Resource Management, 1(2), 94–103., 2021 Authority

<https://doi.org/10.52970/grhrm.v1i2.54>.

9. Does Employee Happiness Have an Impact on Productivity? USED

Management science, 70(3)., 2023 Authority

<https://doi.org/10.1287/mnsc.2023.4766>.

10. Organizational resilience, job satisfaction and business performance. USED

International Journal of Productivity and Performance Management, 71(6)., 2021

Authority

<https://doi.org/10.1108/ijppm-03-2021-0158>.

11. This is what makes employees happy at work | The Way We Work, a TED series

not USED

[video]TED Authority

<https://www.youtube.com/watch?v=PYJ22-YYNW8>

12. Factors Affecting Employee Retention: Proposing an Original Conceptual Framework.

USED

International Journal of Economics and Business Administration, X(Issue 1), 49–76.

Authority

<https://doi.org/10.35808/ijeba/748>.

13. Leadership and Organizational Commitment in Improving Employee Performance: The Role of Job Satisfaction as a Mediator. USED
Golden Ratio of Human Resource Management, [online] 5(1), pp.221–231. , 2025 Authority
<https://doi.org/10.52970/grhrm.v5i1.862>.
14. MEASURING THE PROFITABILITY LEVEL OF ISLAMIC COMMERCIAL BANKS IN INDONESIA. USED
International Journal of Economics, Business and Accounting Research (IJEBAR), 6(2),1001.,2022 Authority
<https://doi.org/10.29040/ijebar.v6i2.5437>.
15. The role of organisational culture and leadership style in performance measurement and management: A longitudinal case study. USED
Production Planning & Control, 35(2), pp.1–19., 2022 Authority
<https://doi.org/10.1080/09537287.2022.2058431>.
16. Determination of Work Motivation, Leadership Style, Employee Competence on Job Satisfaction and Employee Performance. USED
Golden Ratio of Human Resource Management, 2(1), pp.57–69. , 2022 Authority
<https://doi.org/10.52970/grhrm.v2i1.160>.
17. Pengukuran level keterikatan karyawan (employee engagement) dengan q12 gallup pada pt. Xt. Saraq Opat: USED
Jurnal Administrasi Publik, 4(1), pp.54–70., 2022 Authority
<https://doi.org/10.55542/saraqopat.v4i1.182>.
18. Nurses' workplace conditions impacting their mental health during COVID-19: A cross-sectional survey study. USED
Healthcare, [online] 9(1), p.84. , 2021 Authority
<https://doi.org/10.3390/healthcare9010084>.
19. PROFITABILITY AND WORKING CAPITAL MANAGEMENT: EVIDENCE FROM THE WARSAW STOCK EXCHANGE. USED
Journal of Business Economics and Management, 23(1), pp.180–198., 2022 Authority
<https://doi.org/10.3846/jbem.2022.15087>.
20. Driving Employee Engagement through CSR Communication and Employee Perceived Motives: The Role of CSR-Related Social Media Engagement and Job Engagement. USED
International Journal of Business Communication, 61(2), 2020 Authority
<https://doi.org/10.1177/2329488420960528>.
21. Optimized Profit Allocation Model for Service Alliance Transactions Considering Risk. USED
Electronics, 13(23), p.4648., 2024 Authority
<https://doi.org/10.3390/electronics13234648>.
22. Contemporary Challenges and Practices in Logistics and Supply Chain Management. USED
Istanbul University Press., 2024 Authority
<https://doi.org/10.26650/b/ss05et50.2024.016>.
23. The mediation effect of quality of worklife and job satisfaction in the relationship between spiritual leadership to employee performance. USED
International Journal of Law and Management, 64(1), 1–17., 2021 Authority
<https://doi.org/10.1108/ijlma-07-2018-0138>.
24. Study on Job Satisfaction among the Employees of Nepal Rastra Bank (NRB). USED
SSRN Electronic Journal., 2025 Authority
<https://doi.org/10.2139/ssrn.5075240>.
25. External alternatives, job stress on job satisfaction and employee turnover intention - UMI Repository. USED
Umi.ac.id., 2021 Authority
<http://repository.umi.ac.id/708/1/peer%20review%20ramlahh.pdf>.
26. The Essence of Agritourism and Its Profitability during the Coronavirus (COVID-19) Pandemic. USED
Agriculture, 11(5), 458., 2021 Authority
<https://doi.org/10.3390/agriculture11050458>.
27. Job satisfaction and employee turnover determinants in Fortune 50 companies: Insights from employee reviews from Indeed.com. USED
Decision Support Systems, 148, 113582., 2021 Authority
<https://doi.org/10.1016/j.dss.2021.113582>.
28. The challenge of increasing employees' well-being and performance: How human resource management practices and engaging leadership work together toward reaching this goal. USED
Human Resource Management, 60(3), pp.333–347., 2020 Authority
<https://doi.org/10.1002/hrm.22021>.
29. The Role of Technology, Organizational Culture, and Job Satisfaction in Improving Employee Performance during the Covid-19 Pandemic. USED
The Journal of Asian Finance, Economics and Business, 8(1), 495–505. , 2021 Authority
<https://doi.org/10.13106/jafeb.2021.vol8.no1.495>.
30. Maslow's Hierarchy of Needs Is still Relevant in the 21st Century. USED
ResearchGate. , 2022 Authority

https://www.researchgate.net/profile/Showkat-Dar-13/publication/368327434_Maslow.

31. Employee engagement and motivation as mediators between the linkage of reward with employee performance. USED

The Journal of Asian Finance, Economics and Business, 8(2), 625–633., 2021 Authority
<http://repository.uin-malang.ac.id/7855/>.

32. Does employee satisfaction influence customer satisfaction? Assessing coffee shops through the service profit chain model. USED

International Journal of Hospitality Management, 94(94), p.102866., 2021 Authority
<https://doi.org/10.1016/j.ijhm.2021.102866>.

33. Reviewing employee engagement as a concept and how it is measured with an employee engagement survey in an Icelandic industrial production organisation. What do employee surveys tell us about employee engagement? USED

Skemman.is., 2019 Authority
<https://skemman.is/handle/1946/40006>

34. Work engagement and employee satisfaction in the practice of sustainable human resource management – based on the study of Polish employees. USED

International Entrepreneurship and Management Journal, 19(3), 1069–1100., 2023 Authority
<https://doi.org/10.1007/s11365-023-00834-9>.

35. Factors Affecting Employee Performance: A Systematic Review. USED

Journal Markcount Finance, 1(2), 118–127., 2023 Authority

<https://doi.org/10.55849/jmf.v1i2.102>.

36. The impact of healthy workplaces on employee satisfaction, productivity and costs.

USED

Journal of Corporate Real Estate, 25(1)., 2021 Authority
<https://doi.org/10.1108/jcre-03-2021-0012>.

37. Influence of entrepreneur competencies on profitability and employee satisfaction.

USED

International Journal of Management and Enterprise Development, 20(1), 1. , 2021 Authority
<https://doi.org/10.1504/ijmed.2021.113635>.

38. Factors affecting employee's retention: Integration of situational leadership with social exchange theory. USED

Frontiers in Psychology, 13(872105), 1–13., 2022 Authority

39. The Differential Impact of COVID-19 on the Work Conditions of Women and Men Academics during the Lockdown. USED

Gender, Work & Organization, 28(1)., 2020 Authority
<https://doi.org/10.1111/gwao.12529>.

40. Cultural Reconstruction and Organization Environment for Employee Performance.

USED

Journal of Ethnic and Cultural Studies, 8(2), 296–315., 2021 Authority