

# Employee Performance in Relation to Motivation and Job Satisfaction: A Survey on MSME

Dr. Arun Maity<sup>1</sup>, Barsha Bhattacharyya<sup>2</sup>

<sup>1</sup>Principal, Kharagpur Vision Academy B.Ed. & D.El. Ed College, Sadatpur, West Bengal, India

<sup>2</sup>Assistant Professor, (M.A in Geography, M.Ed, Net, Set in Geography & Set in Education)

Bengal College of Teacher Education, West Bengal, India

## ABSTRACT

**Objectives:** The study explores the impact of motivation and job satisfaction on employee performance within Micro, Small, and Medium Enterprises (MSMEs) in Midnapore, West Bengal. It examines how motivation influences job satisfaction, the relationship between job satisfaction and employee performance, and how motivation directly affects performance. **Method:** The research uses a normative survey method with a sample of 400 employees from MSMEs, employing structured questionnaires to assess motivation (intrinsic and extrinsic), job satisfaction (work environment, job role, rewards, career growth, etc.), and job performance (task, contextual, and adaptive performance). **Findings:** The findings reveal weak positive correlations between job satisfaction and motivation ( $r = 0.147$ ), motivation and job performance ( $r = 0.124$ ), and job satisfaction and job performance ( $r = 0.228$ ). **Conclusion:** These results suggest that while motivated employees with higher job satisfaction tend to perform better, the relationships are modest, indicating that employee performance is influenced by more than just motivation and satisfaction. Other factors such as leadership quality, organizational culture, and job design also play significant roles in improving performance within MSMEs.

**KEYWORDS:** Employee Performance, Motivation, Satisfaction, Relationships, Leadership Quality

## INTRODUCTION

Motivation is a critical psychological factor that influences the effort an employee is willing to put into their job. It can be either intrinsic or extrinsic in nature. Intrinsic motivation stems from within the individual, such as personal satisfaction, achievement, or the desire for growth, while extrinsic motivation comes from external sources such as monetary rewards, recognition, or career advancement opportunities. Understanding the role of motivation in MSMEs, where resources are limited and work dynamics are more informal, is crucial in identifying ways to enhance employee performance. Job satisfaction is a psychological state that reflects how content an individual is with their job. It is influenced by various factors, including the nature of the work, compensation, work-life balance, career growth opportunities, and the quality of relationships with colleagues and supervisors. For MSME employees, job satisfaction can significantly influence their

morale, commitment, and performance. Job satisfaction is often seen as a precursor to motivation; employees who are satisfied with their jobs are more likely to be motivated to perform well. Employee performance is the output or results achieved by employees in fulfilling their job responsibilities. Performance in MSMEs is often linked to key factors such as productivity, quality of work, efficiency, and the ability to meet organizational goals. Performance is both a direct and indirect reflection of employee motivation and job satisfaction. Employees who are motivated and satisfied with their work are more likely to perform at high levels, leading to greater organizational success.

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of many economies worldwide. They contribute significantly to employment generation, industrial development, and economic growth.

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However, their success heavily relies on the performance of their employees. In this context, motivation and job satisfaction play pivotal roles in shaping employee performance. Understanding the dynamics between these factors is essential for MSME leaders to foster a productive workforce and achieve organizational goals.

Motivation refers to the internal drive that compels individuals to take action. It can be intrinsic, driven by personal satisfaction, or extrinsic, fueled by external rewards like pay raises, promotions, or recognition. In an MSME setting, where resources may be limited, maintaining motivation requires creativity and strategic planning.

Job satisfaction, on the other hand, pertains to the contentment employees feel regarding their roles, responsibilities, and work environment. It is influenced by factors such as job security, work-life balance, management practices, and opportunities for growth. Satisfied employees are more likely to be engaged, committed, and productive.

Motivation and job satisfaction are interconnected. High levels of motivation can enhance job satisfaction, while a satisfied workforce often exhibits heightened motivation. Together, these elements create a synergistic effect on employee performance, especially in resource-constrained environments like MSMEs.

### Review of Literature:

**Aftab Hameed Memon et. al (2023):** The study explores how job satisfaction and employee performance are crucial for organizational success, especially in a competitive environment like the construction industry in Pakistan. It identifies 11 job satisfaction factors and 8 employee performance parameters through literature review and interviews with industry practitioners. The study concludes that job satisfaction has a strong correlation with employee performance and that improving these factors will enhance organizational performance. Data was analyzed using multiple regression, showing significant results.

**Alpaslan Baki Ertekin (2021):** This research examines the relationship between job satisfaction and job performance in the sports industry in Istanbul. A sample of 423 individuals was analyzed using the Minnesota Job Satisfaction Scale and the Job Performance Scale. The findings reveal that job satisfaction and performance vary based on socio-demographic factors like marital status and working hours, with a positive, though low, correlation between job satisfaction and job performance. Higher satisfaction leads to better performance.

**Willy Lima et. al (2023):** The study investigates the relationship between job satisfaction and performance among faculty in Haitian faith-based universities. It finds moderate levels of both job satisfaction and performance, with positive correlations between satisfaction and performance. Key predictors of job performance include promotion, benefits, work nature, communication, and supervision. The study suggests administrators should improve pay, benefits, working conditions, and communication to enhance job performance.

**Windu Astuti1 & Lia amalia (2021)** aims to determine the effect of work motivation, organizational commitment, and job satisfaction on employee performance. The effect of organizational commitment mediates the relationship between work motivation on employee performance and job satisfaction on employee performance and psychological capital, which moderates the relationship between job satisfaction and employee performance. The object of this research is the employees of the state civil apparatus. They work in government agencies in the education sector of the Directorate of Senior High Schools in Jakarta. This study uses a quantitative approach with one hundred and ten respondents, sampling using a saturated sample technique, and a questionnaire as a measuring tool. Data analysis used the Structural Equation Modeling (SEM) method to test the model's suitability in this study with the help of the SmartPLS version 3 application. The results of this study conclude that work motivation, organizational commitment, and job satisfaction affect employee performance, organizational commitment can mediate the relationship between job satisfaction and employee performance but cannot mediate the relationship between work motivation and employee performance, and psychological capital can moderate the relationship between job satisfactions with employee performance.

### Significance of the Study:

This study holds significant value in understanding the critical factors influencing employee performance within Micro, Small, and Medium Enterprises (MSMEs). As MSMEs are crucial drivers of economic growth, especially in developing economies, optimizing employee performance is essential for ensuring their competitiveness and long-term sustainability. The significance of this study lies in its practical implications for improving employee performance in MSMEs through better motivation and job satisfaction strategies, while also enhancing the academic understanding of these critical factors.

**Objectives of the Study:**

1. To examine the impact of motivation on the job satisfaction of employees working in MSMEs.
2. To analyze the relationship between job satisfaction and the performance of employees working in MSMEs.
3. To assess the effect of motivation on the performance of employees in MSMEs.
4. To assess the effect of job satisfaction on the performance of employees in MSMEs.

**Hypothesis:**

**H01:** *There is a positive relationship between motivation and job satisfaction among employees working in MSMEs in Ranchi, Jharkhand.*

**H02:** *There is a positive relationship between motivation and the performance of employees working in MSMEs in Ranchi, Jharkhand.*

**H03:** *There is a positive relationship between job Satisfaction and the performance of employees working in MSMEs in Ranchi, Jharkhand.*

**H04:** *Job satisfaction positively affects the performance of employees working in MSMEs in Ranchi, Jharkhand.*

**H05:** *Motivation has a significant positive impact on employee performance in MSMEs in Ranchi, Jharkhand.*

**Method:**

**Research Design:** The research adopts a Normative Survey Method. This design is chosen because the study aims to assess the impact of motivation and job satisfaction on the performance of employees in MSMEs.

**Population and Sample:** The population for this study consisted of employees working in MSMEs in Midnapore. Out of the existing population a sample size of 400 employees were selected using the purposive sampling technique.

**Tools:** To measure motivation, the study used a structured likert scale Questionnaire consisting of 20 items with two dimensions- Intrinsic motivation and Extrinsic Motivation. Job satisfaction was assessed by using a structured questionnaire consisting of 18 items in six dimensions- Work Environment, Job Role and Responsibilities, Rewards and Recognition, Career Growth and Job Security. Job performance was measured using a structured questionnaire consisting of 15 items in the three dimensions of Task Performance, contextual performance and Adaptive performance.

**Statistical Techniques:** The data collected were analyzed using statistical techniques to examine the relationships between motivation, job satisfaction, and job performance.

**DATA ANALYSIS AND INTERPRETATION:****Table 1: Relationship between Job Satisfaction and Job Performance**

		Job satisfaction	Motivation
Job satisfaction	Pearson Correlation	1.000	.147
	Sig.(2-tailed)		.003
	N	400	400
Motivation	Pearson Correlation	.147	1.000
	Sig.(2-tailed)	.003	
	N	400	400

The table displays the relationship between **Job Satisfaction** and **Motivation** using Pearson correlation coefficients. Correlation between Job Satisfaction and Motivation ( $r = 0.147$ ) value of 0.147 indicates a weak positive correlation between job satisfaction and motivation. This means that as job satisfaction increases, motivation tends to increase slightly, but the relationship is not strong. The p-value is less than the conventional significance level of 0.05, indicating that the relationship between job satisfaction and motivation is statistically significant. Thus, the observed correlation is unlikely to be due to chance. There is a statistically significant but weak positive relationship between job satisfaction and motivation. While the relationship exists, it is not strong enough to suggest that changes in job satisfaction will lead to substantial changes in motivation or vice versa. This weak correlation suggests that other factors may have a more substantial impact on either variable, and they should be explored in further analyses.

**Table 2: Relationship between Motivation and Job Performance**

		Motivation	Job performance
Motivation	Pearson Correlation	1.000	.124
	Sig.(2-tailed)		.013
	N	400	400

Job performance	Pearson Correlation	.124	1.000
	Sig.(2-tailed)	.013	
	N	400	400

The table provides the relationship between Motivation and Job Performance using Pearson correlation coefficients. Correlation between Motivation and Job Performance ( $r = 0.124$ ) value of 0.124 indicates a weak positive correlation between motivation and job performance. This suggests that as motivation increases, job performance tends to increase slightly, but the relationship is not strong. The p-value is less than the conventional significance threshold of 0.05, indicating that the relationship between motivation and job performance is statistically significant. This means the observed correlation is unlikely to be due to chance. There is a weak but statistically significant positive relationship between motivation and job performance. This suggests that higher motivation is slightly associated with better job performance, although the effect is small. The weak correlation implies that while motivation plays a role in influencing job performance, it may not be the sole or primary factor. Other factors may have a stronger impact on performance.

**Table 3: Relationship between Job Satisfaction and job Performance**

		Job performance	Job satisfaction
Job performance	Pearson Correlation	1.000	.228
	Sig.(2-tailed)		.000
	N	400	400
Job satisfaction	Pearson Correlation	.228	1.000
	Sig.(2-tailed)	.000	
	N	400	400

The table provides the relationship between Job Performance and Job Satisfaction using Pearson correlation coefficients. Correlation between Job Performance and Job Satisfaction ( $r = 0.228$ ) value of 0.228 indicates a small to moderate positive relationship between job performance and job satisfaction. This means that as job satisfaction increases, job performance tends to increase as well. The p-value is less than the conventional significance level of 0.05, indicating that the relationship between job performance and job satisfaction is statistically significant. This suggests that the observed correlation is unlikely to be due to chance. There is a statistically significant positive relationship between job performance and job satisfaction, with job satisfaction showing a small to moderate association with improved job performance. This suggests that higher job satisfaction may contribute to better job performance. However, the relationship is not particularly strong, indicating that while satisfaction influences performance, other factors also play a role.

**Table 4: Relationship between Motivation, Job Satisfaction and Job Performance**

		Motivation	Job satisfaction	Job performance
Motivation	Pearson Correlation	1.000	.147	.124
	Sig.(2-tailed)		.003	.013
	N	400	400	400
Job satisfaction	Pearson Correlation	.147	1.000	.228
	Sig.(2-tailed)	.003		.000
	N	400	400	400
Job performance	Pearson Correlation	.124	.228	1.000
	Sig.(2-tailed)	.013	.000	
	N	400	400	400

*This table presents the relationships between Motivation, Job Satisfaction, and Job Performance using Pearson correlation coefficients. For Motivation and Job Satisfaction Pearson Correlation ( $r = 0.147$ ) Indicates a weak positive correlation between motivation and job satisfaction. Significance ( $p = 0.003$ ) The relationship is statistically significant, suggesting that as motivation increases, job satisfaction tends to increase slightly.*

For Motivation and Job Performance Pearson Correlation ( $r = 0.124$ ) Indicates a weak positive correlation between motivation and job performance. Significance ( $p = 0.013$ ). The relationship is statistically significant, implying that higher motivation is slightly associated with better job performance. For Job Satisfaction and Job Performance Pearson Correlation ( $r = 0.228$ ) Indicates a small to moderate positive correlation between job satisfaction and job performance. Significance ( $p = 0.000$ ) The relationship is statistically significant, showing that as job satisfaction increases, job performance improves to a moderate extent. The relationships suggest that



job satisfaction has a more direct influence on job performance compared to motivation. While motivation is related to both satisfaction and performance, its impact is weaker, indicating the presence of other contributing factors. Organizations aiming to improve job performance should focus on enhancing job satisfaction through strategies like improving workplace conditions, recognizing employee contributions, and fostering growth opportunities.

**Table 5: Impact of Job Satisfaction on Job Performance**

		Sum of Squares	df	Mean Square	F	Sig.
Job performance	Between Groups	11207.56	58	193.23	1.41	.035
	Within Groups	46870.72	341	137.45		
Total		58078.28	399			

This table provides the results of an ANOVA (Analysis of Variance) test to examine the **impact of Job Satisfaction on Job Performance**. The ANOVA test reveals a statistically significant impact of job satisfaction on job performance ( $p=0.035$ ). This suggests that job satisfaction levels significantly influence job performance, though the effect size (measured by F-statistic = 1.41) is relatively small. Variability within groups (individual differences) accounts for most of the total variation, as the within-groups sum of squares (46870.72) is much larger than the between-groups sum of squares (11207.56). While job satisfaction does have a significant impact on job performance, other factors (not included in this analysis) contribute substantially to performance variability. To enhance job performance, efforts should focus on job satisfaction as well as other potential influencers, such as motivation, skill development, and workplace environment.

**Table 6: Impact of Motivation on Job Performance**

		Sum of Squares	df	Mean Square	F	Sig.
Job performance	Between Groups	7769.59	63	123.33	.82	.824
	Within Groups	50308.69	336	149.73		
Total		58078.28	399			

This table provides the results of an ANOVA (Analysis of Variance) test to examine the **impact of Motivation on Job Performance**. The ANOVA test indicates that motivation does not have a statistically significant impact on job performance ( $p=0.824$ ). This suggests that differences in motivation levels do not lead to meaningful differences in job performance within this sample. Most of the variation in job performance is explained by individual differences within groups (within-group sum of squares = 50308.69), rather than differences in motivation levels. Motivation alone does not appear to have a significant influence on job performance. This suggests that other factors (e.g., job satisfaction, skills, organizational support) may play a more critical role in driving performance.

### Findings:

- There is a statistically significant but weak positive relationship between job satisfaction and motivation.
- There is a weak but statistically significant positive relationship between motivation and job performance.
- There is a statistically significant positive relationship between job performance and job satisfaction, with job satisfaction showing a small to moderate association with improved job performance.
- There is a weak positive correlation between motivation and job performance.
- Job satisfaction levels significantly influence job performance.
- Motivation does not have a statistically significant impact on job performance

### Conclusion:

This study emphasizes the critical role of motivation and job satisfaction in influencing employee performance in MSMEs. The results suggest that organizations that prioritize both intrinsic and extrinsic motivators and focus on improving job satisfaction can significantly boost employee performance. For MSMEs, where resources are often limited, these findings provide a roadmap for enhancing performance without substantial financial investment, focusing instead on creating a positive and motivating work environment.

Future research could explore the impact of different types of motivation and job satisfaction factors in various MSME sectors to provide more nuanced insights into how these factors affect performance. Additionally, studies examining the role of leadership and organizational culture in motivating employees could further enhance the understanding of employee performance in MSMEs.

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