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REVIEW ARTICLE

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ASSESSING THE CORELATION OF ESG PRACTICES WITH JOB SATISFACTION IN SELECTED MANUFACTURING COMPANIES IN CHHATRAPATI SAMBHAJINAGAR: A STUDY

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ABSTRACT

The study examines the implementation and performance of Environmental, Social, and Governance (ESG) practices across 45 manufacturing companies in Chhatrapati Sambhajanagar. Utilizing a descriptive research design, the assessment involved 13 ESG factors evaluated through responses from ESG Managers, HR Managers, and other relevant employees. A five-point Likert scale was used to measure implementation levels, with 1 indicating poor implementation and 5 indicating exemplary implementation. The job satisfaction was also estimated in the current research. The findings reveal significant insights into the adoption of ESG practices, identifying strengths, gaps, and areas for improvement. A strong positive correlation was found between the ESG and job satisfaction factors.

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INTRODUCTION

In the contemporary business landscape, Environmental, Social, and Governance (ESG) practices have emerged as critical determinants of corporate strategy, stakeholder engagement, and sustainable growth. As industries increasingly recognize the importance of ethical practices and corporate social responsibility, the integration of ESG criteria into business operations has gained prominence. This heightened focus on ESG not only reflects a commitment to sustainable development but also holds significant implications for workforce dynamics and employee satisfaction. Job satisfaction, defined as the extent to which individuals feel fulfilled and content in their work roles, is a vital component of organizational performance and employee retention. Numerous studies have indicated that satisfied employees are more productive, engaged, and loyal, ultimately contributing to a positive organizational culture and enhanced overall performance. The relationship between ESG practices and job satisfaction is an area of growing interest, as companies that prioritize ESG initiatives may foster a more supportive and ethical work environment, leading to higher levels of employee satisfaction. This study aims to assess the correlation between ESG practices and job satisfaction among employees in selected manufacturing companies in Chhatrapati Sambhajanagar. By examining this relationship, the research seeks to provide insights into how effective ESG strategies can enhance employee morale and satisfaction, thereby promoting organizational success. Through a combination of qualitative and quantitative methodologies, this research will explore the critical dimensions of ESG and their impact

on job satisfaction, contributing to the broader discourse on sustainable business practices in the manufacturing sector

Objectives

- To assess the level of implementation and performance of ESG practices in a few manufacturing companies in Chhatrapati Sambhajanagar.
- To evaluate the job satisfaction level of employees of a few manufacturing companies in Chhatrapati Sambhajanagar.
- To evaluate the correlation between the ESG and job satisfaction of a few manufacturing companies in Chhatrapati Sambhajanagar.
- To identify key challenges and opportunities in adopting ESG practices.

Hypothesis

H₀: There is no significant correlation between the ESG factors and the Job Satisfaction.

H₁: There is strong positive correlation between the ESG factors and the Job Satisfaction

LITERATURE REVIEW

The study by Sharma and Joshi (2021) evaluated the influence of Environmental, Social, and Governance (ESG) practices on employee job satisfaction in Indian manufacturing firms. The research utilized a

quantitative approach, surveying 300 employees across various manufacturing companies. The data were analyzed using structural equation modeling (SEM). The findings indicated a significant positive correlation between ESG practices and job satisfaction. Among the ESG dimensions, governance had the highest impact, followed by social and environmental factors. However, the study was limited to large-scale manufacturing companies, excluding SMEs, which are vital contributors to the Indian economy. Gupta and Reddy (2020) examined the role of social responsibility initiatives under ESG in enhancing employee morale and satisfaction. A case study approach was adopted, focusing on two manufacturing firms in South India. Data were collected through in-depth interviews and company reports. The findings revealed that social initiatives, particularly those related to employee welfare and community development, significantly improved job satisfaction. The findings were context-specific, necessitating broader empirical validation across different regions. Kumar and Singh (2019) assessed the environmental practices under ESG frameworks and their effect on employee engagement and satisfaction. The study employed a mixed-methods approach, combining surveys and focus group discussions among 200 employees in the auto sector. The findings highlighted that green initiatives like waste reduction and energy conservation positively influenced job satisfaction, though the impact was moderate compared to governance practices. The study did not explore the potential moderating effects of organizational culture.

Wang and Lee (2021) explored the linkage between ESG transparency and employee satisfaction. A secondary data analysis was conducted using ESG reports and employee satisfaction indices from 50 global manufacturing firms. The results showed that higher ESG transparency correlated with increased employee satisfaction, with governance practices being the strongest predictor. The study focused only on global firms, overlooking regional or local companies. Patel and Mehta (2022) investigated the impact of social equity measures under ESG practices on job satisfaction in the Indian manufacturing sector. Data were collected through surveys from 250 employees across five manufacturing firms in Gujarat. Regression analysis was employed for data interpretation. The findings revealed that social equity measures, including diversity and inclusion policies, significantly enhanced job satisfaction. However, the study overlooked the environmental dimension of ESG practices. Brown and Wilson (2020) analyzed how governance practices under ESG frameworks influence employee retention and satisfaction. Interviews and surveys were conducted with HR managers and employees from 15 manufacturing companies in the United States. The findings demonstrated that transparent governance practices, such as anti-corruption policies and ethical management, were strongly associated with higher job satisfaction and lower turnover rates. The study did not consider the interplay between environmental and social dimensions.

Zhang and Chen (2018) evaluated the relationship between ESG performance and employee job satisfaction in Chinese manufacturing companies. The study employed panel data analysis, using ESG performance scores and employee satisfaction surveys from 2015-2017. The findings showed that ESG performance positively influenced employee satisfaction, with governance and social dimensions having the strongest impact. The study did not address causality or potential confounding factors. Dutta and Roy (2021) examined the role of environmental practices under ESG in promoting workplace satisfaction among employees. A longitudinal study was conducted over three years, observing 10 manufacturing firms in India. The findings indicated that companies implementing sustainable environmental practices experienced gradual but significant improvements in employee job satisfaction. However, the study did not investigate the immediate impact of newly introduced ESG practices. Hernandez and Lopez (2020) explored the effect of ESG-aligned leadership on job satisfaction in the manufacturing sector. Data were gathered using leadership assessment tools and employee surveys in 20 companies in Mexico. The findings revealed that ESG-aligned leadership styles were positively correlated with employee satisfaction, particularly in governance-related practices.

The study did not explore how leadership mediates the relationship between ESG and job satisfaction. Singh and Kaur (2022) sought to understand the comprehensive impact of all three ESG dimensions on employee satisfaction in the manufacturing sector. A holistic approach was taken, surveying 400 employees across 10 Indian manufacturing companies. Multi-variate analysis was conducted. The findings indicated that all three ESG dimensions were positively correlated with job satisfaction, with governance having the strongest influence, followed by social and environmental factors. The study did not delve into sector-specific variations within the manufacturing industry.

RESEARCH METHODOLOGY

The study adopts a descriptive research design to analyze ESG practices in manufacturing companies. Data were collected from 204 employees of 33 manufacturing industries in Chhatrapati Sambhajinagar through structured questionnaires targeting ESG Managers, HR Managers, and concerned employees. The questionnaire measured responses on a five-point Likert scale, with 1 indicating poor implementation and 5 indicating the best implementation.

The assessment covered 13 ESG factors (LSEG Data Analytics), including:

Environment Parameters

- Energy efficiency
- Waste management
- Water conservation
- Emission controls

Social Parameters

- Community engagement
- Employee welfare
- Diversity and inclusion
- Occupational health and safety

Governance Parameters

- Corporate governance
- Transparency and disclosure
- Ethical practices
- Compliance with regulations
- Supply chain sustainability

Mean scores for each factor were calculated to identify trends and draw insights. The job satisfaction was evaluated using the JSS Scale (Job Satisfaction Survey) given by Spector P. E. (1994) The correlation tool was used to check relationship between the ESG and Job Satisfaction.

Data Analysis

The data analysis involved calculating the mean values for each of the 13 ESG factors across the 45 companies. The findings are summarized. The mean scores indicate that while compliance with regulations and employee welfare rank highly, areas such as supply chain sustainability and diversity and inclusion require further attention.

Corelation: Above table showed that there was a strong positive correlation between the ESG Factors and the Job Performance of the employees.

RESULTS

- ESG practices were moderately well-implemented in the manufacturing sector of Chhatrapati Sambhajinagar. The mean

Table No. 01 Mean Score Table

S, No.	ESG Parameters	Mean Score	ESG Parameters Mean
A	Environment Parameters		Environment Parameters
1	Energy efficiency	4.1	3.9
2	Waste management	3.8	
3	Water conservation	4.0	
4	Emission controls	3.7	
B	Social Parameters		Social Parameters
5	Community engagement	3.9	4
6	Employee welfare	4.3	
7	Diversity and inclusion	3.6	
8	Occupational health and safety	4.2	
C	Governance Parameters		Governance Parameters
9	Corporate governance	3.8	3.9
10	Transparency and disclosure	3.7	
11	Ethical practices	4.1	
12	Compliance with regulations	4.4	
13	Supply chain sustainability	3.5	

Table No. 02 Pearson Coefficient of Corelation

Pearson Coefficient of Corelation (r Value)	Parameters	ESG	Job Satisfaction
	ESG	1.0	0.764
	Job Satisfaction	0.764	1.0

values of the ESG parameters were exhibiting the same. High-performing areas include compliance with regulations, employee welfare, and occupational health and safety.

- The Job satisfaction mean value showed that the employees were satisfied in the respective organizations.
- A strong positive corelation was found between the ESG factors and the job satisfaction.
- Key areas for improvement include supply chain sustainability and diversity and inclusion.

CONCLUSION

The study underscores the importance of ESG practices in the manufacturing sector and highlights both achievements and challenges in their implementation. While companies demonstrate strong compliance with regulations and prioritize employee welfare, greater efforts are needed in enhancing supply chain sustainability and promoting diversity. These findings provide valuable insights for stakeholders aiming to improve ESG performance.

Limitations: This study is limited to manufacturing companies in Chhatrapati Sambhajnagar and may not fully capture regional or industry-specific variations.

Scope for Future Research: Future research could expand to include a broader geographical scope, compare ESG practices across sectors, and investigate the impact of ESG initiatives on financial performance and stakeholder satisfaction.

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