

## **EFFECT OF COMPENSATION AND BENEFITS ON JOB SATISFACTION AND EMPLOYEES' PERFORMANCE WITH SPECIAL REFERENCE TO VEEKESY FOOTCARE (INDIA) PVT LTD, COIMBATORE**

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### **ABSTRACT**

This study investigates the impact of compensation and benefits on job satisfaction and employee performance, with a special focus on Veekesey Footcare (India) Pvt. Ltd., Coimbatore. In the current competitive business environment, organizations must design strategic compensation and benefits systems to attract, retain, and motivate talent. The research adopts a quantitative approach using a descriptive and causal research design with a sample of 60 employees selected through simple random sampling. Findings reveal a significant positive relationship between compensation, benefits, and job satisfaction, which subsequently affects employee performance. Demographic factors such as age, education, marital status, and dependency were also found to influence perceptions of compensation and benefits. The study concludes that well-structured compensation and benefits programs play a crucial role in enhancing employee morale, satisfaction, and productivity, ultimately contributing to organizational success.

### **Key words:**

Compensation, Benefits, Job Satisfaction, Employee Performance, Motivation, Human Resource Management, Organizational Commitment, Employee Engagement,

### **INTRODUCTION**

In today's competitive business environment, organizations strive to attract, retain, and motivate employees by offering competitive compensation and benefits. Compensation refers to the monetary and non-monetary rewards that employees receive for their work, while benefits encompass additional perks such as health insurance, retirement plans, paid leave, and performance incentives. These two elements play a crucial role in shaping employees' job satisfaction and overall work performance.

The relationship between compensation, job satisfaction, and employee performance has been a subject of extensive research in human resource management (HRM). Compensation not only fulfills employees' financial needs but also serves as a recognition of their contributions. Studies suggest that competitive pay structures, performance-based bonuses, and comprehensive benefits positively impact employees' perception of job security, work-life balance, and career growth. When employees feel valued and fairly rewarded, they demonstrate greater organizational commitment and deliver superior performance.

### **Concept of Compensation and Benefits**

Compensation and benefits refer to the financial and non-financial rewards that employees receive in exchange for their work and services. These elements serve as incentives for employees to perform their duties efficiently and remain committed to the organization.

**Compensation** refers to the total rewards an employee earns for their contribution to an organization, including salaries, bonuses, and performance incentives.

**Benefits** are additional perks and advantages provided by employers to enhance employees' well-being, such as health insurance, retirement plans, paid leaves, and allowances.

### **Types of Compensation and Benefits**

Compensation and benefits play a crucial role in attracting, retaining, and motivating employees. They can be categorized into three main types: Direct Compensation, Indirect Compensation (Benefits), and Non-Monetary Benefits. Each category contributes differently to employee satisfaction and performance.

#### **1. Direct Compensation**

#### **2. Indirect Compensation (Benefits)**

#### **3. Non-Monetary Benefits**

### **Relevance of Compensation and Benefits in Organizations**

Compensation and benefits play a crucial role in the success of any organization. They are not only financial rewards for employees but also strategic tools that influence various aspects of human resource management. A well-structured compensation and benefits system directly impacts talent acquisition, employee motivation, job satisfaction, productivity, retention, and the overall company reputation.

### **Concept of Job Satisfaction**

Job satisfaction refers to an employee's overall emotional response and level of contentment with their job role, work environment, and organizational culture. It is a key indicator of workforce engagement, motivation, and commitment to the organization.

**Meaning:** Job satisfaction is the extent to which employees feel fulfilled and happy with their work. It is influenced by factors such as compensation, work-life balance, career growth, and interpersonal relationships.

### **Key Factors Influencing Job Satisfaction**

Employee satisfaction and performance are influenced by multiple factors that shape their overall experience in the workplace. Below is an in-depth explanation of six critical aspects that significantly impact job satisfaction and productivity.

**Work Environment, Compensation and Benefits, Career Development Opportunities, Work-Life Balance, Job Security, Recognition and Appreciation:**

### **Impact of Job Satisfaction on Organizational Performance**

- Higher job satisfaction leads to improved employee retention.
- Satisfied employees are more productive and engaged in their work.
- Organizations with satisfied employees experience lower absenteeism and turnover.
- Happy employees contribute to a positive workplace culture and innovation.

### **Employee Performance**

#### **Concept of Employee Performance**

Employee performance refers to the efficiency, effectiveness, and quality of work delivered by an individual in achieving organizational goals. It is a critical factor in determining business success and competitiveness.

**Meaning:** Employee performance measures how well an individual executes assigned duties and responsibilities, contributing to the organization's success.

### **Key Dimensions of Employee Performance**

Employee performance is a critical factor in determining the success of an organization. Various dimensions contribute to overall performance, ensuring that employees meet expectations, add value, and drive business growth. Below is an elaborate explanation of the key dimensions of employee performance:

**Productivity, Efficiency, Effectiveness, Work Ethics and Commitment, Innovation and Problem-Solving, Collaboration and Teamwork**

### **REVIEWS**

**Biedma Ferrer, J. M., & Medina Garrido, J. A. (2023).** “Impact of family-friendly HRM policies in organizational performance.” The research analyzes the effect of work-family reconciliation measures on workers' perceptions and behaviors. It concludes that such measures positively influence perceptual variables like job satisfaction and motivation, which in turn enhance organizational performance. Prior research has consistently highlighted that work-family reconciliation measures, such as flexible work arrangements, parental leave, and childcare support, play a crucial role in shaping employee attitudes and behaviors. These policies have been linked to improved job satisfaction, reduced stress, and increased motivation, which are key drivers of employee engagement and productivity.

- **Daneshmandi, F., Hessari, H., Nategh, T., & Bai, A. (2023).** “Examining the Influence of Job Satisfaction on Individual Innovation and Its Components: Considering the Moderating Role of Technostress.” This study explores the relationship between job satisfaction and individual innovation, considering technostress as a moderating factor. Results indicate that job satisfaction positively affects innovation and its components, while technostress moderates this relationship, particularly in idea generation and promotion. Their findings align with previous research, suggesting that job satisfaction fosters innovation by creating a supportive and motivating work environment. However, they also reveal that high levels of technostress can weaken this relationship, indicating that the pressures associated with digital transformation may offset the benefits of job satisfaction.
- **Munap, R., et al. (2021).** “Impact of Compensation and Benefits on Job Satisfaction.” The research highlights that organizational rewards, particularly salary, significantly contribute to employee satisfaction. A positive relationship exists between compensation and job satisfaction, with employees believing that meaningful rewards satisfy their needs. A structured survey questionnaire was used as the primary data collection tool, targeting employees from various industries to ensure a diverse and representative sample. The study adopted a cross-sectional research design, allowing for data collection at a single point in time to assess employees' perceptions of organizational rewards and job satisfaction. A Likert-scale format was used in the questionnaire to measure participants' agreement with statements related to compensation, benefits, and job satisfaction.

### **METHODOLOGY & ANALYSIS:**

#### **Statement of the Problem:**

Employee compensation and benefits play a crucial role in determining job satisfaction and overall performance. Organizations strive to design effective compensation structures to enhance employee motivation, productivity, and retention. However, disparities in compensation, lack of proper benefits, and inadequate reward systems often lead to dissatisfaction, decreased morale, and reduced employee efficiency.

**Objectives:**

- To Study the personal profile of the employees
- To analyze the relationship between compensation and job satisfaction.
- To explore the influence of benefits on employee job satisfaction.
- To assess the impact of compensation and benefits on employee performance

**Research Design and Sampling Methods:**

This study adopts a quantitative research approach with a descriptive and causal research design to examine the relationship between compensation, job satisfaction, and employee performance at Veekesey Footcare (India) Pvt. Ltd., Coimbatore. In the research study the researcher adopted Simple random sampling. Simple random sampling is a method of selecting a sample from a population in which every individual or item in the population has an equal chance of being selected. Sample of 60 employees were taken in to study, and there were collected.

**MAJOR FINDINGS:**

- The majority of respondents, 48.3% (29 individuals), have relationship between compensation and job satisfaction.
- The majority of respondents, 48.3% (29 individuals), are influence of benefits on employee job satisfaction.
- There is a significant association between age and compensation and job satisfaction and Employees Performance.
- There is a significant relationship between education qualification and compensation and job satisfaction and Employees Performance.
- There is a significant difference between dependence and compensation and job satisfaction and Employees Performance.
- There is a significant relationship between marital status and compensation and job satisfaction and Employees Performance.
- There is a significant relationship between age and influence on benefits on employee job satisfaction and Employees Performance.
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- There is a significant relationship between education qualification and influence on benefits on employee job satisfaction and Employees Performance.

**CONCLUSION:**

The study on the "Effect of Compensation and Benefits on Job Satisfaction and Employees' Performance with Special Reference to Veekesey Footcare (India) Pvt. Ltd., Coimbatore" highlights the vital role that well-structured compensation and benefits systems play in enhancing employee satisfaction and organizational performance. The findings demonstrate a significant positive relationship between compensation, benefits, and job satisfaction, which in turn directly influences employee productivity, commitment, and overall performance.

The research indicates that factors such as age, marital status, educational qualification, and dependency levels significantly impact employees' perceptions of compensation and benefits. These demographic variables also correlate strongly with levels of job satisfaction and work performance, emphasizing the need for personalized and equitable reward systems.

Furthermore, the study confirms that a majority of employees at Veekesey Footcare recognize the influence of compensation and benefits on their job satisfaction. When employees perceive fairness, transparency, and adequacy in the reward system, they exhibit higher motivation, loyalty, and engagement with their roles.

In conclusion, organizations like Veekesey Footcare can achieve improved workforce satisfaction and operational efficiency by investing in fair compensation structures, comprehensive benefits, and continuous evaluation of employee needs. This approach not only fosters a positive work culture but also contributes to long-term business success through sustained employee performance.

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