

**A STUDY ON EMPLOYEE COMPENSATION PRACTICES AND JOB SATISFACTION IN  
FLOW MATICS PVT. LTD, BENGALURU**

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**ABSTRACT**

This study investigates the relationship between compensation practices and job satisfaction within Flow Matics Pvt. Ltd. The aim was to determine whether there exists a significant difference in job satisfaction among employees based on varying compensation practices. The research design encompassed a comprehensive survey of employees across different departments, collecting data on compensation factors and measuring job satisfaction levels. The analysis of the data revealed that contrary to expectations, there was no significant difference in job satisfaction across various compensation practices. This finding challenges the commonly held belief that compensation practices have a direct impact on employee job satisfaction. The implications of this study emphasize the need for a deeper understanding of the complex factors that contribute to job satisfaction beyond monetary rewards.

**Keywords:** Compensation practices, job satisfaction, Motivation, performance appraisal, Environment satisfaction.

**INTRODUCTION:** Compensation refers to all the benefits and money an employee receives in exchange for their job. This includes their base salary, any potential bonuses or incentives, as well as any benefits they are eligible for, such as health insurance, retirement plans, and paid time off. Compensation can influence employee recruitment, retention, and motivation, making it a crucial component in the organization. It involves designing and revising the company's compensation structure, analyzing compensation data to make sure it is competitive in the job market, or creating plans to promote fair and equitable compensation practices throughout the organization.

**MAIN COMPONENTS OF COMPENSATION MANAGEMENT**

- Salary or Wage
- Dearness and other allowances
- Incentives
- Fringe benefits and perquisite

**OBJECTIVES OF THE STUDY**

- To study how compensation management influences job satisfaction
- To study the relationship between compensation management and job satisfaction
- To know how compensation motivate the employees towards achieving the organization and personal goals
- To suggest the company to develop a positive work environment and to retain the employees by providing (fair) good compensation.

**LITERATURE REVIEW**

SL NO	AUTHOR'S NAME	JOURNAL NAME	BRIEF
1	BOJO. Bolanle Odunlami,	International Journal of Managerial Studies and Research	A study on Compensation Management and Employees Performance in the Manufacturing Sector, A Case Study of a Reputable Organization in the Food and Beverage Industry The study aims to determine the extent to which compensation management affects employee performance. To evaluate the relationship between working condition and employee performance, and to access the rate at which welfare services affect employee performance.
2	Shota Otomasa	Journal of Accounting, Auditing & Finance	<u>A study on Management earnings forecasts as a performance target in executive compensation contracts.</u> This article investigates whether and how Japanese firms use management earnings forecasts as a performance target for determining executive cash compensation. These findings suggest that management earnings forecasts are important for improving contract efficiency as well as for providing useful information to investors in the capital market.
3	Ziska Fields	Journal of Social Sciences	Compensation Management and Employee Job Satisfaction: A Case of Nigeria. The present study is an attempt to investigate the relationship between compensation management and employees' job satisfaction in Nigeria's Insurance Sector. The findings indicate that the respondents are not satisfied with the compensation they receive in the insurance industry; they regard it as inadequate and insufficient.

4	Mohsin Bashir	International Journal of Business and Social Science	A study on the Role of Demographic Factors in the Relationship between High-Performance Work Systems and Job Satisfaction. This study explores the role of demographic factors in the relationship between HPWS and job satisfaction. The results reveal that academic faculty rank and the nature of tenure moderate the relationship between HPWS and job satisfaction. We did not find that gender and age had any moderating effect on the relationship between the perception of the existence of HPWS and job satisfaction.
5	Rafia Hasan	European Journal of Business and Management Research	A study on the Impact of the Working Environment on Job Satisfaction. To investigate the effect of the workplace on job satisfaction through the quantitative and qualitative evaluation of contributing individuals. results of the study, based on the findings, employees from both firms concur that a pleasant work environment has a beneficial influence on job satisfaction. At the same time, they discussed the component's thoughts for a better working atmosphere. Conclusion of the study, the working environment affects how happy you are at work.

**RESEARCH METHODOLOGY**

## **RESEARCH DESIGN**

Descriptive research is used to describe the most recent conditions in the company, whereas Analytical research is used to analyze the data by applying research tools.

## **SAMPLING FRAMEWORK**

**POPULATION:** In this research work the data is retrieved from 100 employees of Flow Matics Pvt. Ltd.

**SAMPLE DESIGN:** Non-probability sampling refers to a sampling technique where individuals are selected based on factors other than random selection. In non-probability sampling, the researcher has control over the selection process and deliberately chooses individuals who are readily available or who possess specific characteristics of interest.

**SAMPLING METHOD:** Convenience sampling involves selecting individuals who are easily accessible and available to participate in the study.

## **SOURCE OF DATA**

**PRIMARY DATA:** Primary data is also referred to as fresh data which is collected for the first time. The primary data for the study is gathered through the use of questionnaires.

**SECONDARY DATA:** Secondary data is any existing data or information that has been gathered and examined by the business or other sources for purposes aside from your present project. The information related to the organization is obtained through the company website records and company magazines.

## **QUESTIONNAIRE DESIGN AND METHOD OF DATA COLLECTION**

**QUESTIONNAIRE DESIGN:** Based on the objective of the study standardized questionnaire was prepared with multiple choice questions using the Likert scale to indicate their agreement and disagreement with specific statements related to the objectives of the study.

**METHOD OF DATA COLLECTION:** The survey was conducted through a structured questionnaire.

## **HYPOTHESIS**

H0: There is no significant relationship between Compensation Management and Job Satisfaction

H1: There is a significant relationship between Compensation Management and Job Satisfaction

## **STATEMENT OF THE PROBLEM**

This study's aim is to better understand how compensation management affects job satisfaction. The study specifically attempts to investigate the relationship between employee job satisfaction levels and compensation management strategies in the organization under study. The study will concentrate on the company's strategies for managing compensation, such as salary, bonuses, benefits, and recognition programs, and how these policies affect employee job satisfaction. The results of this study should provide insight into the advantages and disadvantages of the present compensation management strategies and point out potential areas for development in order to improve employee job satisfaction levels.

## **DATA ANALYSIS AND FINDINGS**

**CORRELATION**

		The organization's set basic salary is good and appropriate	The organization's salary scale is accurate and fair	The travel allowances provided by the company is convenient	The organization's incentives are fair and accurate	Are you satisfied with overall compensation and benefits package that organization provides	Job Satisfaction
The organization's set basic salary is good and appropriate	Pearson Sig. N	1 .274** 100	.169 .006 100	.093 .093 100	-.088 .383 100	.177 .078 100	-.023 .824 100
The organization's salary scale is accurate and fair	Pearson Sig. N	.274** .006 100	1 .118 .240 100	.118 .240 100	.016 .876 100	.175 .082 100	.129 .200 100
The travel allowances provided by the company is convenient	Pearson Sig. N	.169 .093 100	.118 .240 100	1 .239* .017 100	.239* .017 100	.095 .349 100	.112 .268 100
The organization's incentives are fair and accurate	Pearson Sig. N	-.088 .383 100	.016 .876 100	.239* .017 100	1 .027 .790 100	.027 .790 100	.120 .234 100
Are you satisfied with overall compensation and benefits package that organization provides	Pearson Sig. N	.177 .078 100	.175 .082 100	.095 .349 100	.027 .790 100	1 .053 100	.194 .053 100
Job Satisfaction	Pearson Sig. N	-.023 .824 100	.129 .200 100	.112 .268 100	.120 .234 100	.194 .053 100	1 .053 100

**INTERPRETATION**

The organization's set basic salary  $p = 0.824$  which is  $> 0.05$ , The organization's salary scale is accurate and fair  $p = 0.200$  which is  $> 0.05$ , The travel allowances provided by the company  $p = 0.268$  which is  $> 0.05$ , The fair and accurate incentives  $p = 0.234$  which is  $> 0.05$ , The overall compensation and benefits package  $p = 0.053$  all are greater than 0.05, hence there is no significant relationship between job satisfaction and compensation practices.

**CONCLUSION**

This survey reveals that while pay is still a crucial component of total job satisfaction, other elements including the work environment, opportunities for growth, recognition, and work-life balance are also crucial. The lack of a significant difference in job satisfaction across different compensation practices suggests that Flow Matics Pvt. Ltd should implement a comprehensive strategy to raise satisfaction among workers. The company must prioritize developing an encouraging work environment, offering opportunities for professional growth, encouraging open communication, and attending to the various demands of its employees.

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