

# A STUDY ON EFFECTIVENESS OF COMPENSATION AND ATTRACTING BENEFITS

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## ABSTRACT

This study has been enriched in BCUBE VENTURES LLP (DACE) to identify the current/existing compensation and its packages whether it is satisfying and benefiting the employees in a long-term basis. Compensation packages compensate employees based on various factors that can be studied. Compensation and benefits refers to the monetary and non-monetary rewards an employee receives from their employer in exchange for their work. Together, they make up a total compensation package, which may include salary, bonuses, insurance, retirement contributions, and various other perks aimed at attracting, motivating, and retaining employees. Overall compensation is the top factor that job seekers consider when accepting a new job. At the same time, compensation, benefits, and related taxes can account for up to 70% of business costs, highlighting the importance of getting comp & ben right at your company. The research design is used here is descriptive research design. The descriptive research design means the research which is done to know the current situation of the study. The data has been collected here is based on structured questionnaire. The sample taken for this study was 205 out of 430 population at BCUBE VENTURES LLP (DACE). The type of sampling technique Used for the study was simple random sampling. This study shows that the workers are getting the benefiting and satisfying packages, whether the management does take measures are not at BCUBE VENTURES LLP (DACE).

## INTRODUCTION

In the changing landscape of contemporary workplaces, the strategic management of human resources plays a pivotal role in the success and sustainability of organizations. Among the various facets of HR management, the design and implementation of effective compensation and attracting packages stand out as critical components influencing employee satisfaction, engagement, and overall organizational performance. This study delves into the nuanced realm of compensation strategies, aiming to unravel the intricacies that make them not only competitive but also compelling in attracting and retaining top talent. The war for talent is intensifying, and organizations are increasingly recognizing the significance of comprehensive compensation packages as a key differentiator in the quest for skilled and motivated professionals. As the workforce expectations evolve, encompassing not only monetary benefits but also an array of non-financial incentives, organizations are compelled to reassess and optimize their compensation structures to align with the ever-changing needs and aspirations of their employees. Compensation management is the process of managing, analyzing, and determining the salary, incentives, and benefits each employee receives. Compensation management is a crucial part of any talent management and retention strategy. Creative compensation includes monetary and non-monetary benefits companies can employ to boost engagement and productivity, reduce attrition, and attract top talent.

How is compensation used?

Compensation is a tool used by management for a variety of purposes to further the existence of the company. Compensation may be adjusted according the the business needs, goals, and available resources.

Compensation may be used to:

- ☐ Recruit and retain qualified employees.
- ☐ Increase or maintain morale/satisfaction.
- ☐ Reward and encourage peak performance.
- ☐ Achieve internal and external equity.
- ☐ Reduce turnover and encourage company loyalty.
- ☐ Modify (through negotiations) practices of unions.

### INDUSTRY PROFILE

Salem Steel Plant, a special steels unit of Steel Authority of India Ltd, pioneered the supply of wider width stainless steel sheets / coils in India. The plant can produce austenitic, ferritic, martensitic & low-nickel stainless steel in the form of coils & sheets with an installed capacity of 70,000 tonnes / year in Cold Rolling Mill & 3,64,000 tonnes / year in Hot Rolling Mill. Its steel melting shop can produce 1,80,000 tonnes of slabs per annum. In addition, the plant has country's first top-of-the-line stainless steel blanking facility with a capacity of 3,600 tonnes / year of coin blanks & utility blanks / circles.



**Product Mix**

PRODUCT-MIX TONNES/ANNUM	
Cold rolled stainless steel flat product (Coils/Sheets/Blanks)	66,600
Hot rolled stainless steel/No 1/ carbon steel flat produc (Coils/Sheets)	2,72,000
Total Saleable Steel	3,39,200

## NEED FOR THE STUDY

- The need for this study is underscored by the dynamic shifts in the contemporary workforce landscape, marked by diverse expectations, career aspirations, and lifestyle preferences.
- Organizations face formidable challenges in talent acquisition and retention, necessitating an advanced understanding of the elements within compensation packages that serve as magnets for skilled professionals.
- Recognizing the direct link between employee satisfaction and organizational performance, there is a critical imperative to investigate how compensation strategies influence these factors, contributing to enhanced overall organizational effectiveness.
- To remain competitive in the talent market, organizations must stay abreast of industry benchmarks and best practices in compensation.
- This study is essential for organizations striving to develop packages that not only meet but exceed industry standards.
- High employee turnover can be costly and detrimental to organizational success, making it imperative to understand how compensation impacts retention and fosters loyalty.

## OBJECTIVE OF STUDY

### PRIMARY OBJECTIVE:

- ☐ A comprehensive study on compensation and other packages.

### SECONDARY OBJECTIVES:

- ☐ Examine the current practices of compensation structure in the industry.
- ☐ Evaluate the impact of compensation on employee satisfaction.
- ☐ To study about the employees' preferences and expectations towards compensation.

## SCOPE OF THE STUDY

This study aims to comprehensively analyze effective compensation and attraction packages in today's organizational landscape. Through cross-sectional examination across diverse industries, it will identify trends and variations in compensation structures, benchmark against competitors, and highlight best practices for talent acquisition and retention. Assessing both monetary and non-monetary aspects, the study will explore industry-specific nuances to provide tailored approaches. Recommendations will be provided to optimize compensation strategies, ensuring alignment with organizational objectives. Additionally, the study will forecast emerging trends, guiding organizations in adapting to evolving workforce expectations, ultimately offering a holistic understanding for achieving a competitive edge in talent management.

## REVIEW LITERATURE

**Aniedi Michael James. (2024).** COMPENSATIONMANAGEMENT AND EMPLOYEE COMMITMENT. Research Journal of Management Practice, 4(1), 13-25. The study examined the relationship between compensation management and employee's commitment in Thorn Power Company (IPC) in Ikot Abasi Local Government Area of Akwa Ibom State, Nigeria. There are 207 respondents were taken. The structured questionnaire were used to collect the data which is primary. The analysis approach was Pearson's product moment correlation through SPSS. The result of the study shows there is a significant relationship with employee's commitment in ( $p=0.000<0.05$ ); and skilled-based pay has positive and significant relationship with employee's commitment in ( $p=0.000<0.05$ ). The company suggested to maintain a consistent compensation pattern to have committed workforce.

**Anis Zohriah, Puji Lestari.(2023).** Improving the Professionalism and Performance of Education Personnel through Compensation Management. Jurnal Iqra' : Kajian Ilmu Pendidikan, 8(2), 256--280. The study Compensation management still refers to rank, class, and seniority not based on its performance. Salaries are paid at the same value according to the scale, class and length of service but for the provision of current performance allowances have been calculated in different performance achievements.

The study was conducted on State Madrasahs of Cilegon City. The study used a correlation method that aims to detect the degree of association of variables in a factor with variables in another based on the correlation coefficient that shows the degree of relationship between two variables. The study also be seen from the correlation value of the calculation of  $0.812 > r$  table 0.281 and can even be seen from the calculated value of  $9.546 > t$  table 1.677. Compensation management had a strong role in improving the professionalism of personnel

**Gasic, D., Berber, N., & Slavic, A. (2023).** Effects of the Compensation System and Socio demographic Factors on the Attitudes of Employees in the Republic of Serbia. Management:Journal Of Sustainable Business And Management Solutions In Emerging Economies, . doi:10.7595/management.fon.2022.0016. Due to the increasing globalization and the emergence of crises that directly impact the compensation system in the Republic of Serbia, the authors conducted research on this topic to determine the current situation, and to investigate the effects on employees' attitudes. The research study collected the sample of 764 employees from various companies. The collection of data was done with questionnaire method. The dependent variable job satisfaction and engagement. The data processing was conducted in IBM SPSS VER.26. the results shows that there is a relationship between the age, gender, job and with the compensation had a significant relation with the data.

**Ogwu , S. O., Okereke. (2023).** Compensation Management and Employee Performance of Mortgage Banks in Abuja. Asian Journal of Economics, Finance and Management, 5(1), 313- 322. At the starting stage the research was to study about the employee workings and compensation that are offered for them at a satisfactory level. The sample for the study was 171 and the analysis taken (descriptive and inferential analysis). The correlation done with the variables of two seniority-based and skill-based pay. The result showed that the compensation are equally distributed in both seniority-based and skill-based pay.

**Onuorah, A. N., & Okeke, N. C. (2023).** COMPENSATION MANAGEMENT: A TOOL FOR ORGANIZATIONAL GROWTH AND EMPLOYEE PERFORMANCE. Advance Journal of Management and Social Sciences, 7(2). Retrieved from This study suggests that the compensation is a tool for organizational

growth and employee performance. It deals with the both financial and non- financial compensation to improve the retention. The main objective of this study to examine the performance based.

## RESEARCH METHODOLOGY

### DATA COLLECTION METHODS:

Data collecting tool: Questionnaire

### Source of data collection:

Primary data and secondary data

### SAMPLING METHODS:

Sampling: Simple random sampling

Population: 430

Sample size: 215

### STATISTICAL TOOL:

- Simple percentage
- Chi-Square
- Correlation
- Regression
- ANOVA

### HYPOTHESIS USED:

**CORRELATIONS:** THE DIFFERENCE BETWEEN COMPENSAION REFLECTION ON SKILLS AND WORKINGS AND OFTEN RECEIVING COMPENSATION FOR THE CONTRIBUTION.

**REGRESIION:** DIFFERENCE BETWEEN EXPERIENCE OF THE RESPONDENTS AND TRANSPARENCY REGARDING COMPENSATION POLICIES.

**ANOVA:** THERE MAY BE A VARIANCE AMONG BENEFITS ADDED TO YOUR SALARY AND RECOGNITION AND APPRECIATION.

**CHI SQUARE:** THERE MAY BE NO ASSOCIATION BETWEEN THE EXPERIENCE OF THE RESPONDENTS AND FAIRNESS OF THE PERFORMANCE APPRAISAL METHODS.

## DATA ANALYSIS AND INTERPRETATIONPERCENTAGE ANALYSIS

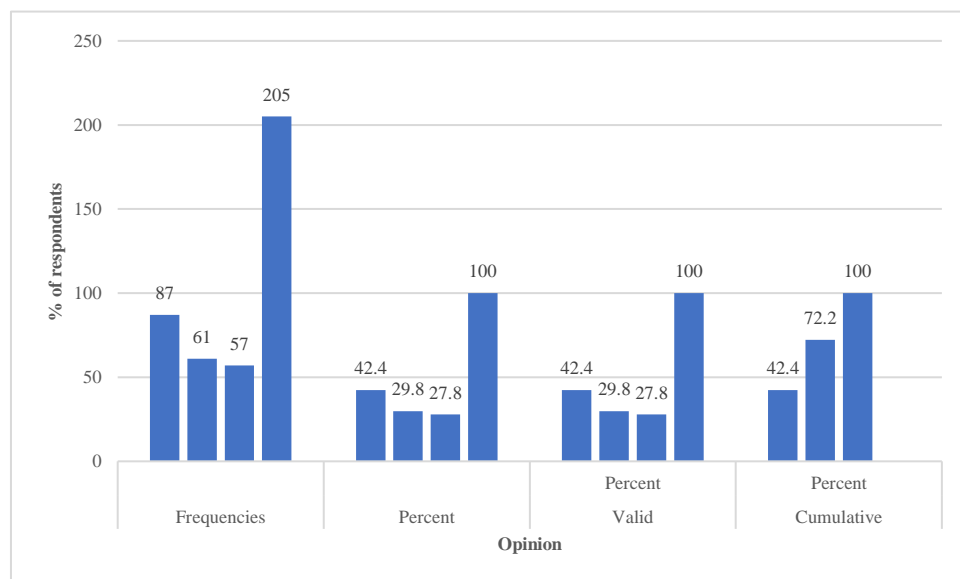
**Table -2.1 showing Age of the respondents:**

AGE	Frequencies	Percent	Valid Percent	Cumulative Percent
18-25	87	42.4	42.4	42.4
25-30	61	29.8	29.8	72.2
30-50	57	27.8	27.8	100.0
Total	205	100.0	100.0	

Interpretation:

The 18-25 Age Group: 42.4% of the respondents fall within this age range, 25-30 Age Group: 29.8% of the respondents are between 25 and 30 years old, 30-50 Age Group: The remaining 27.8% of respondents are aged between 30 and 50. This breakdown indicates that a significant portion of the respondents, 42.4%, are in the 18-25 age group, followed by 29.8% in the 25-30 age range, and finally, 27.8% in the 30-50 age group. This distribution highlights a relatively younger respondent base, with a majority falling below the age of 30.

**Chart – 2.1(a) showing Age of the respondents:**



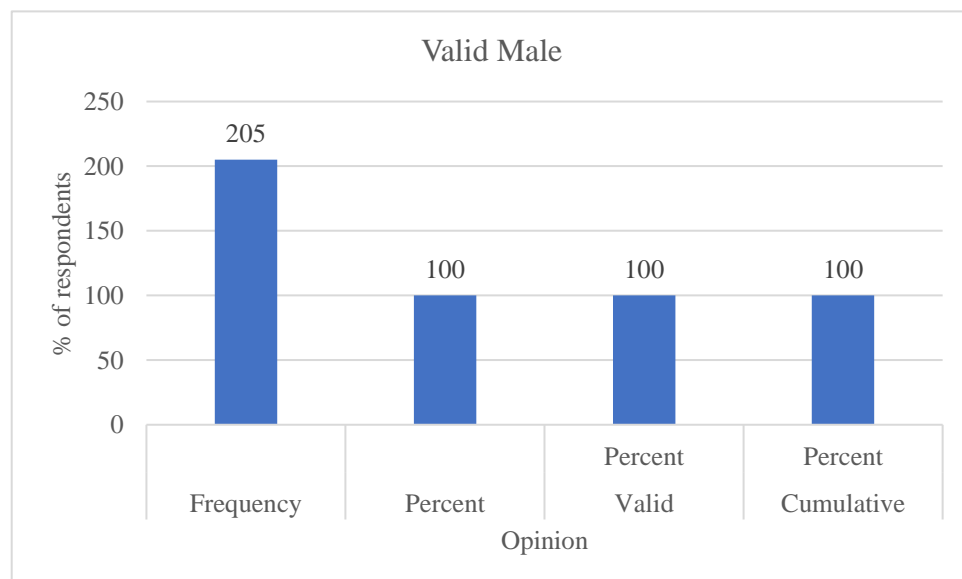
**Table - 2.2 showing the Gender of the respondents:**

Gender of the respondents					
MALE		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	205	100.0	100.0	100.0

Interpretation:

Male Respondents: 100% of the respondents are male. This data indicates that all the respondents in the study are male, as reported in the sources provided.

**Chart – 2.2(a) showing Gender of the respondents:**





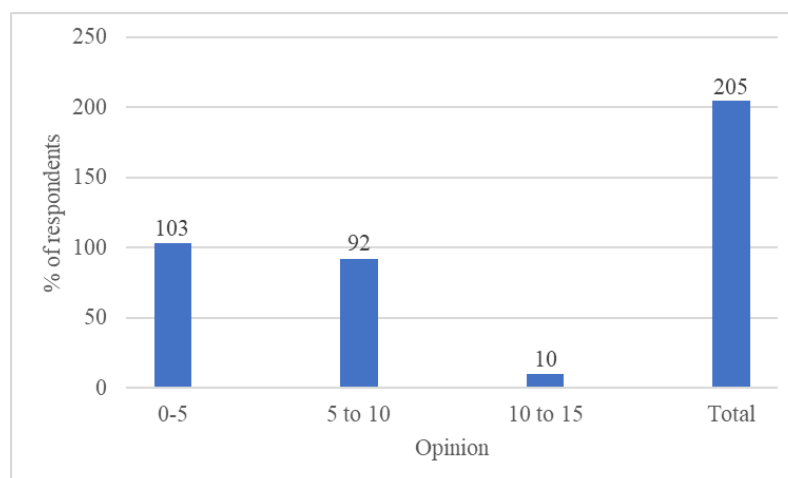
**Table - 2.3 showing the Experience of the respondents:**

Experience of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5 years	103	50.2	50.2	50.2
	5-10 years	92	44.9	44.9	95.1
	10-15 years	10	4.9	4.9	100.0
	Total	205	100.0	100.0	

Interpretation:

Nearly 0-5 years Experience: 50.2% of the respondents have 0-5 years of experience. 5-10years Experience: 44.9% of the respondents have 5-10 years of experience. 10-15 years Experience: The remaining 4.9% of respondents have 10-15 years of experience. This breakdown illustrates that a significant portion, 50.2%, of the respondents have 0-5 years of experience, followed by 44.9% with 5-10 years of experience, and a smaller percentage, 4.9%, with 10-15 years of experience

Chart - 2.3(a) showing the Experience of the candidates:



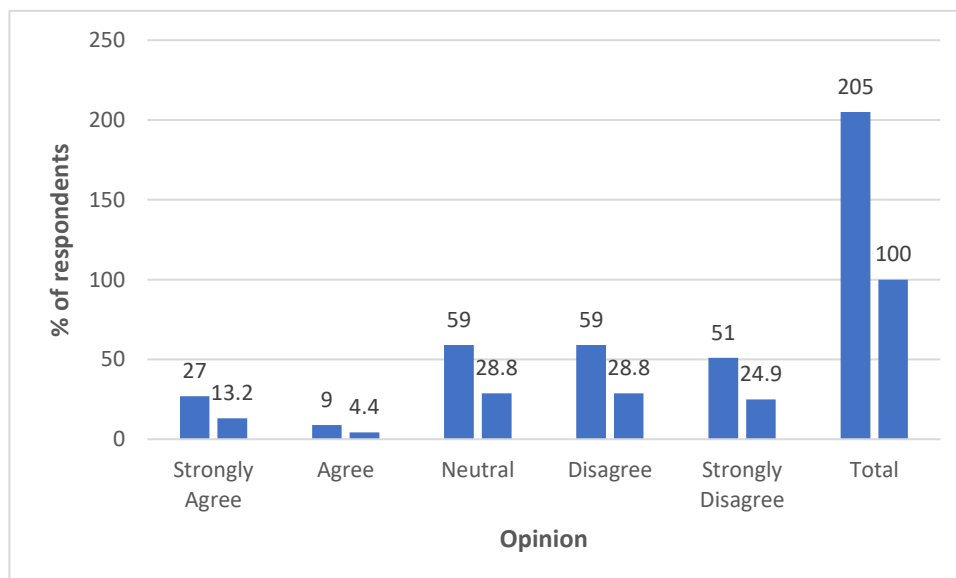
## 2.4 showing the response towards the compensation aligning with expectation:

Does compensation aligns with your expectations					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	27	13.2	13.2	13.2
	Agree	9	4.4	4.4	17.6
	Neutral	59	28.8	28.8	46.3
	Disagree	59	28.8	28.8	75.1
	Strongly Disagree	51	24.9	24.9	100.0
	Total	205	100.0	100.0	

### Interpretation:

This breakdown shows a range of opinions among respondents, with a significant portion disagreeing that benefits are added to their salary, while others hold varying degrees of agreement or neutrality on this matter. The responses regarding whether compensation aligns with individuals' expectations show a mixed sentiment, with a notable portion expressing disagreement or strong disagreement, while others are neutral or in agreement with the alignment of compensation with their expectations.

Chart – 2.11(a) showing the response towards the compensation aligning with expectation:



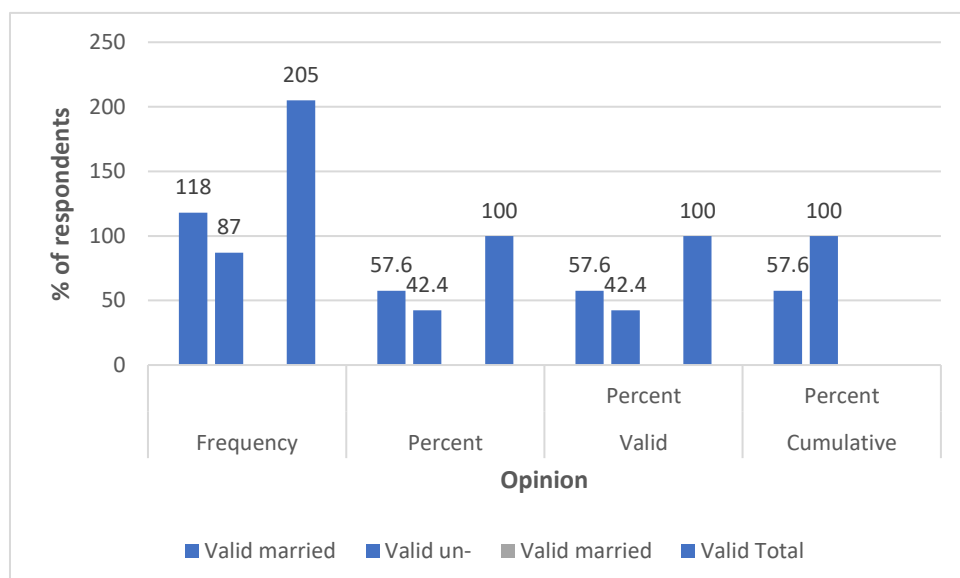
**Table – 2.5 showing the marital status of the respondents:**

Marital status of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	married	118	57.6	57.6	57.6
	un-married	87	42.4	42.4	100.0
	Total	205	100.0	100.0	

Interpretation:

Married Respondents: 57.6% of the respondents are married. Unmarried Respondents: 42.4% of the respondents are unmarried. This breakdown indicates that the majority of the respondents, 57.6%, are married, while 42.4% are unmarried.

**Chart – 2.5(a) showing the Marital status of the respondents:**



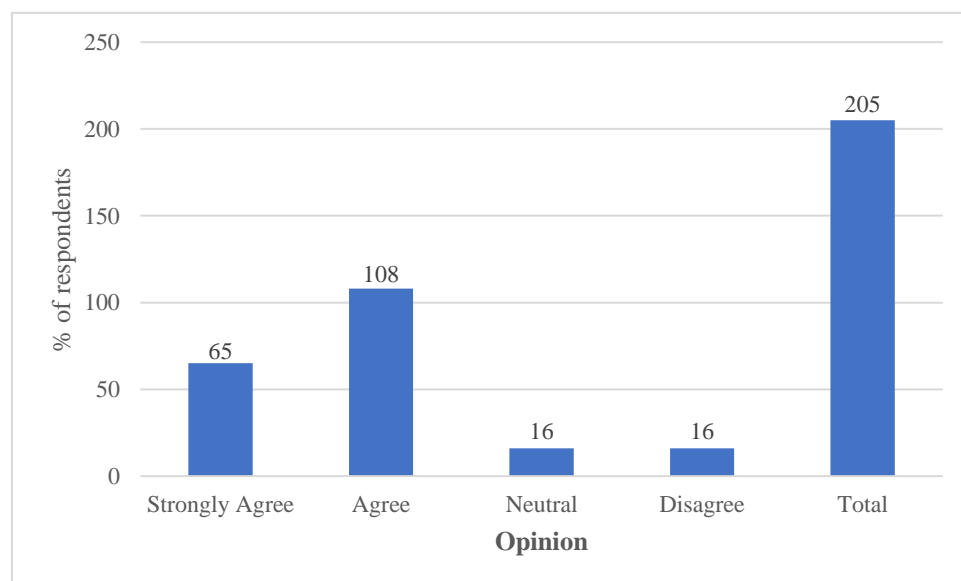
**Table – 2.6 showing the Response towards good basic compensation:**

Response about the good basic compensation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	65	31.7	31.7	31.7
	Agree	108	52.7	52.7	84.4
	Neutral	16	7.8	7.8	92.2
	Disagree	16	7.8	7.8	100.0
	StronglyDisagree	-	-	-	-
	Total	205	100.0	100.0	

Interpretation:

Strongly Agree: 31.7% of the respondents strongly agree that good basic compensation is important, Agree: 52.7% of the respondents agree that good basic compensation is essential, Neutral: 7.8% of the respondents are neutral about the importance of good basic compensation, Disagree: 7.8% of the respondents disagree with the significance of good basic compensation. This breakdown shows that a significant portion, 84.4%, either strongly agree or agree that good basic compensation is crucial, while a smaller percentage, 7.8%, are neutral or disagree with this notion.

**Chart – 2.6(a) showing the Response towards good basic compensation:**



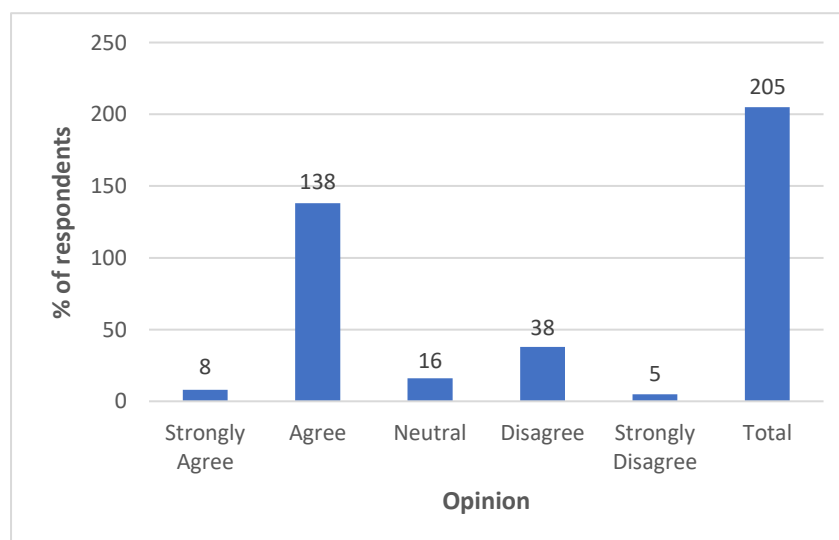
**Table – 2.7 showing the Response regarding the Queries of compensation benefits:**

Queries carrying within					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	3.9	3.9	3.9
	Agree	138	67.3	67.3	71.2
	Neutral	16	7.8	7.8	79.0
	Disagree	38	18.5	18.5	100.0
	Strongly Disagree	5	2.4	2.4	81.5
	Total	205	100.0	100.0	

Interpretation:

Moreover 1.00: 3.9% of the respondents gave a response of 1.00, 2.00: 67.3% of the respondents provided a response of 2.00, 3.00: 7.8% of the respondents chose the response 3.00, Disagree: 2.4% of the respondents disagreed with the queries carrying within, 4.00: 18.5% of the respondents selected the response 4.00. This distribution shows that a majority, 67.3%, of the respondents chose the response 2.00, followed by 18.5% selecting 4.00, while smaller percentages were distributed among other response options for queries carrying within.

**Chart – 2.7(a) showing the Response regarding the Queries of compensation benefits:**



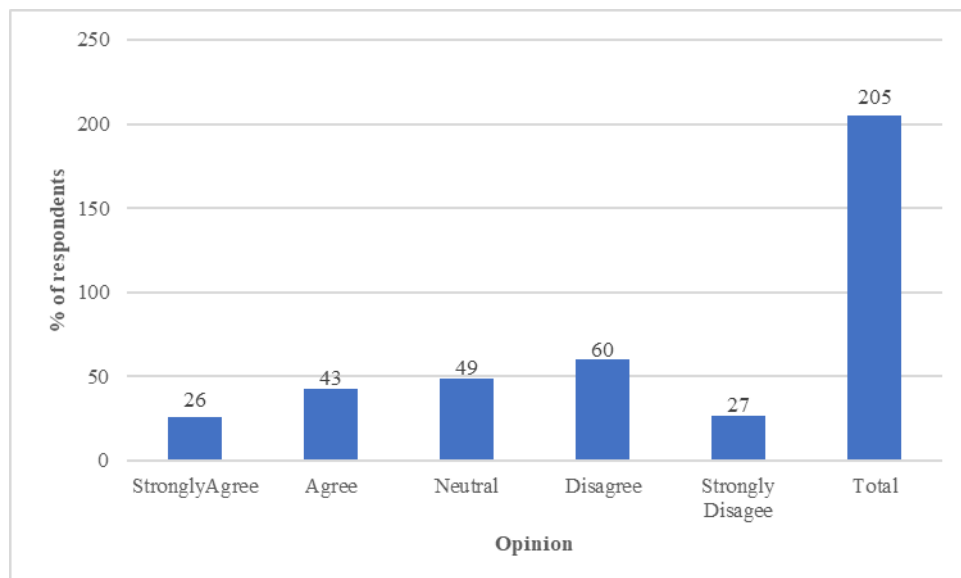
**Table – 2.8 showing the response towards compensation Motivates to perform work:**

compensation Motivates you to perform work					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	StronglyAgree	26	12.7	12.7	12.7
	Agree	43	21.0	21.0	33.7
	Neutral	49	23.9	23.9	57.6
	Disagree	60	29.3	29.3	86.8
	Strongly Disagee	27	13.2	13.2	100.0
	Total	205	100.0	100.0	

Interpretation:

The breakdown of responses regarding how compensation motivates individuals to perform work shows varying levels of motivation attributed to compensation, with a significant portion of respondents indicating that compensation plays a role in motivating their work performance across different levels.

Chart – 2.8(a) showing the response towards compensation Motivates to perform work:



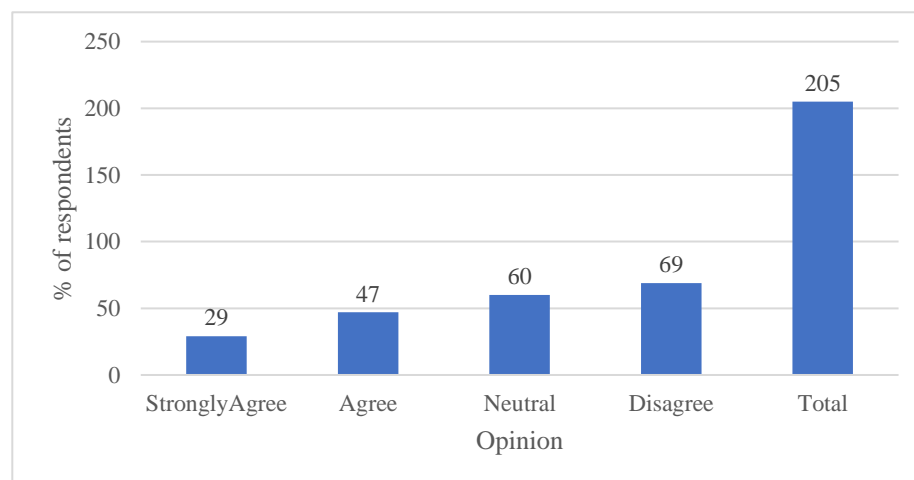
**Table – 2.9 showing the Response towards overall job satisfaction on impact of compensation:**

Towards overall job satisfaction					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	29	14.1	14.1	14.1
	Agree	47	22.9	22.9	37.1
	Neutral	60	29.3	29.3	66.3
	Disagree	69	33.7	33.7	100.0
	Strongly Disagree				
	Total	205	100.0	100.0	

#### Interpretation:

Nearly 1.00: 14.1% of the respondents, 2.00: 22.9% of the respondents, 3.00: 29.3% of the respondents, 4.00: 33.7% of the respondents. This distribution indicates that a significant portion of respondents reported higher levels of job satisfaction, with 33.7% expressing the highest level of satisfaction. The data suggests that a majority of respondents are generally satisfied with their jobs, especially those falling into the 3.00 and 4.00 categories.

**Chart – 2.9(a) showing the Response towards overall job satisfaction on impact of compensation:**



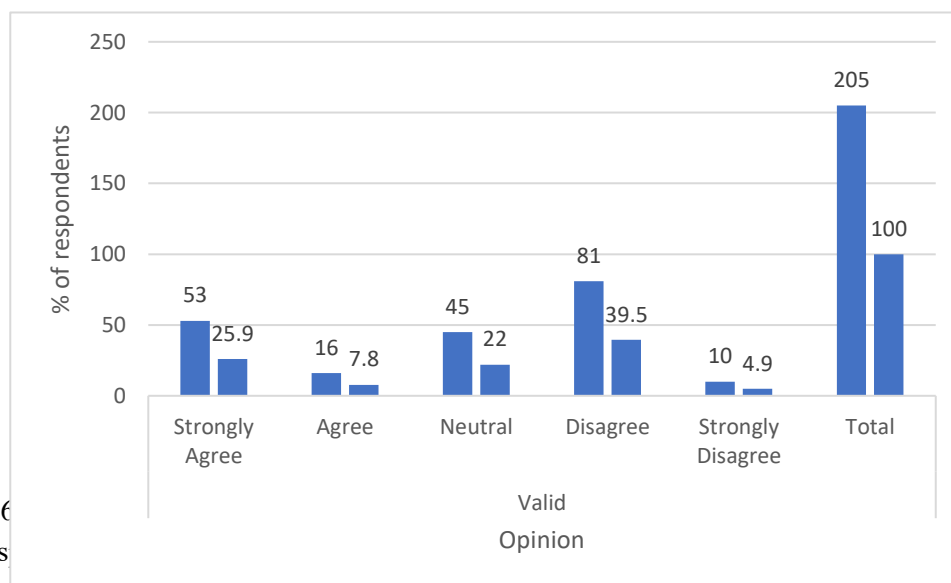
**Table – 2.10 showing the response towards the benefits added to your salary:**

Does benefits added to your salary					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	53	25.9	25.9	25.9
	Agree	16	7.8	7.8	33.7
	Neutral	45	22.0	22.0	55.6
	Disagree	81	39.5	39.5	95.1
	Strongly Disagree	10	4.9	4.9	100.0
	Total	205	100.0	100.0	

#### Interpretation:

Strongly Agree: 25.9% of the respondents strongly agree that benefits are added to their salary. Agree: 7.8% of the respondents agree that benefits are added to their salary. Neutral: 22.0% of the respondents are neutral about whether benefits are added to their salary. Disagree: 39.5% of the respondents disagree that benefits are added to their salary, Strongly Disagree: 4.9% of the respondents strongly disagree that benefits are added to their salary.

**Chart – 2.10(a) showing the response towards the benefits added to your salary:**



#### FINDINGS

- Nearly 60% of the respondents are satisfied with the compensation.
- The respondents are not satisfied with the compensation.

structures.  
in the view of



- The study shows that 50.8%, skills and workings are positively affected by the recognition often received by the respondents.
- The research study shows that 24.29% of the respondents shows that higher the experience the transparency of the compensation structure.
- The respondents (24.9%) are not agreeing the new alteration and announcements about the compensation in a starting stage.
- Only 19% of the respondents shows that organization has a positive work culture.
- Nearly 4.9% of the respondents reveal that they would recommend the organization to others.
- Overall the respondents are not getting trained was about 22%.
- 7.8% of the respondents reveal that they are not receiving performance appraisal.
- The paired sample t –test shows that the experience of the respondents is relates with the transparency of the policies known by them is significant (0.00).
- Majority 60.5% of respondents disagreed towards regarding compensation policies.
- Majority 55.6% of respondents strongly agreeing that response towards non- monetary is important than salary.
- Majority 69.8% of respondents agreed that the response towards the accuracy of performance appraisal and its fairness.
- 42.9% of respondents are neutral about often regarding rewards and recognition.

## SUGGESTIONS

- The company may create opportunities to increase the improvisation of the existing compensation structure, including salary, bonus, and other incidental benefits.
- Maintaining transparency within the organization could potentially reduce organizational conflicts compared to the past two years.
- The industry may consider improving monetary compensation by 2% compared to the current rate to maintain rapport and enhance organizational functioning.
- As per the lawful act, the company may kindly notify the possibility of implementing the Workmen Compensation Act section 7.
- Majority 57.1% of respondents disagreed towards the recommendations of the organization to others in a good manner.

## CONCLUSION

As per the study the respondents having the queries, suggestions and in their point of view the compensation is not fair and acceptable. They lack the knowledge of the benefits and other factors (accidental, medical, pay-off factors). Hence the organization (BCUBE VENTURES LLP) may provide the knowledge and know the needed factor of the respondents in depth to settle and find out the laggings and monetary circulation. Finally the organization and respondents may or might strive to delegate the necessary compensation factors.

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