

A Study on the Impact of Compensation Policy on Employee Satisfaction in Sutex Fabrics and Knits

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Abstract

Compensation may be a methodical approach to providing value to workers in exchange for work accomplished. The compensation policy and the recompense system of an organization are viewed by the employees as pointers of the management's attitude and apprehension toward them. A good compensation system should be able to appeal to and hold employees, give them an impartial deal, keep the organization modest and motivate employees to perform their best. The existing study aim of this research is to study the inclusive compensation policy of the company, identify the various types of compensation provided by the company and recognize the satisfaction level of employees with their Compensation. A total of 101 executives and employees were studied by organized questionnaires. The data were analysed using SPSS software. A Likert type scale was used to evaluate answers erratic from strongly agree to strongly disagree. Validity & reliability test were applied to confirm the suitability of data & authenticity of responses. Non-Parametric tests were used such as Mann-Whitney U and Kruskal-Wallis H tests. This article aims to provide a midway between employers & employees to satisfy their needs of payment and performance as well as create a more positive work atmosphere.

Company Profile: -

The company been in Textile Industry since 1970 and we had started with the business of Manufacturing Shuttle Looms and till date we are catering the market. They entered into the market for Manufacturing of Woven fabrics and Warp Knitted fabrics since 2005.

The company's Plant is situated at Delad Village, Sayan Road near Surat, which is 16 kms away from Surat Railway Station and our approach to National Highway No 8 is about 7kms. They are having 93 Water Jet Machines, 5 Knitting Machines and 4 Circular Machines with advance technology to achieve our production on time and with good quality. The company's fabric is crafted using high quality yarns to meet

specific requirements of our clients. Under the supervision of their team, they have been able to meet exact demand of our clients within time. The company have multiple clients not only in Gujarat but also in other states of India. They are glad to have Clients like Arvind Mills and SCM Garments Pvt Ltd, who associate with them for a long time and help them to serve them better. They are supported with the state-of-the-art infrastructural base that help them to meet various needs of clients. They also suggest specific fabric to our clients as per their field.

The company work process is supervised by their experts who possess rich experience and knowledge in their fields. They promote our workforce to attend important workshops and training sessions to keep them updated from the latest market trends. they even motivate their team for the progress of their lives and factory.

Key Words: Compensation, Compensation policy, Validity test, reliability test, non-Parametric test, Work flexibility.

Introduction

The compensation policy is the elementary document, which drives the element of the compensation practices in the organization. As the compensation strategy sets the high-level compensation goalmouths of the organization, the compensation policy describes the minutiae of the individual compensation mechanisms, their behaviour and their role in the compensation outline of the organization.

To meet the organisational objective of fascinating, gratifying and recalling talent, compensation is transported through a composition of methods as below

- Annual Guaranteed Pay
- Variable Pay
- Long Term Pay
- Non-Cash Benefits

Essential & Importance of Study of compensation policy

- To gratify the employee, create a more positive work environment.
- The study is in sight for employees as a key priority for the employer to satisfy their careers.

Literature Review

Baledi & Alsaed (2017) This study's purposes were to inspect the effect of compensation on cultivating the performance of employees through job satisfaction. The outcomes exhibited that the compensation affects the employee's performance and job satisfaction unswervingly, job satisfaction upshot the employee's performance directly although the effect of compensation on the employees over job satisfaction is negative so in this case, the job satisfaction doesn't play the part of mediator amongst compensation and employees' performance in a Jordanian newspaper. **Darma & Supriyantoon (2017)** considered "The effect of compensation on satisfaction and employees' performance". This article's purposes are to limit the effect of compensation on employee satisfaction and employee performance and employee satisfaction to arbitrate the upshot of compensation on employee performance. The outcomes display that compensation affects employee satisfaction and employee performance at PT. **Pratama et.al (2021)** declared in the study on "The Influence of Transformational Leadership, Job Satisfaction, Motivation and Compensation on Mathematics School Teacher Performance" that there is no positive and significant influence between transformational leadership to job satisfaction. **Rood & Holdnak, (2013)** acknowledged from the research on "An analysis of compensation patterns and job satisfaction issues of resort recreation professionals" that overall satisfaction is the most significant predictor of expressed intentions to stay and managers should consider multiple strategies to address related factors. **Davidescu et al., (2020)** study on "Work flexibility, job satisfaction, and job performance among Romanian employees" purposes to explore the association between employee development and worktime and workspace elasticity as appropriate characteristics of sustainable HRM, job satisfaction and job performance and to identify how to reshape HRM in the appearance of "future work" challenges. Upshot shows if the challenge is to restructure the actual human resource management leading to an upsurge in both employee job satisfaction and organizational routine as important outcomes of sustainable HRM.

Research Objectives

The aim of the research is to study the following objectives:

- To study overall compensation policy of the company.
- To recognize the various types of Compensations provided by the company.
- To identify the satisfaction level of employees of their Compensation.

Research Methodology

This study is grounded on primary data as the secondary information is not appropriate for quantitative scale measurement. A comprehensive structured survey questionnaire was used to collect data from the

participants' convenience sampling method from Sutex Fabrics and Knits Pvt. Ltd. 120 questionnaires were dispersed in the companies. At the end to collect data 101 respondents were received. Lastly, the valid data (n) used for this study mounted at 101. The survey was led during December 2021 to April 2022 by face-to-face interviews in the organization. Statistical methods cast-off to analyze the data that we composed from the respondents is statistical software SPSS for the statistical analysis. Throughout this study, the responses and information together from the survey were tested using statistical techniques like Cronbach's alpha were used to test normality. The data collected from 101 respondents were analysed by means of descriptive statistics. In totalling, Mann-Whitney U and Kruskal-Wallis H test was cast-off to recognize the satisfaction level of employees of their Compensation.

Hypothesis Development

Based on objectives of the research, the following hypothesis is developed:

Ho1: There is no impact of gender on employee's satisfaction.

Ho2: There is no impact of designation on employee's satisfaction.

FINDINGS OF THE STUDY

Demographic Profile

Frequency

Variable	Frequency	Percent (%)
Age (n=101)	9	8.9
Less than 20	41	40.6
21-30	34	33.7
31-40	15	14.9
41-50	2	2.0
More than 50		
Designation (n=101)	33	32.7
Top Management	49	48.5
Middle Management	19	18.8
Lower Management		

Experience (n=101)	29	28.7
0-2 years	28	27.7
2-5 years	25	24.8
5-7 years	14	13.9
7-10 years	5	5.0
More than10 years		
Shift (n=101)	62	61.4
Day Shift	23	22.8
Night Shift	16	15.8
Both		
Gender (n=101)	68	67.3
Male	33	32.7
Female		
Marital Status (n=101)	58	57.4
Married	40	39.6
Unmarried	3	3.0
Divorced		

From the above table, we can say that 8.9% of respondents are from the age group of less than 20, 40.6% of respondents are from the age group of 21-30, 33.7% of respondents are from the age group of 31-40, 14.9% of respondents are from the age group of 41-50 and 2% of respondents are from the age group of more than 50 at the company. So, it can be interpreted that the majority of the employees belong to the 21-30 age group. We can say that 32.7% of respondents are from the top management, 48.5% of respondents are from the middle management and 18.8% are from the Lower management respectively. So, it can be interpreted that the majority of the employees belong to middle management. We can say that 28.7% of respondents have experience of 0 to 2 years, 27.7% of respondents have experience of 2 to 5 years, 24.8% of respondents have experience of 5 to 7 years, 13.9% of respondents have experience of 7 to 10 years and 5% of respondents having experience of more than 10 years. So, it can be interpreted that the majority of the employees have experience of 0 to 2 years. We can say that 61.4% of respondents are doing the day shift, 22.8% of respondents are doing the night shift and 15.8% of respondents are doing the day shift. So, it can be interpreted that the majority of the employees are doing the day shift in the company. We can say that 67.3% of respondents are males and the rest are females. So, it can be interpreted that the majority of

the employees are males. we can say that 57.4% of respondents are married, 39.6% of respondents are unmarried and 3% of respondents are divorced. So, it can be interpreted that the majority of the employees are married.

Test StatisticsMann-Whitney test

	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)	Null Hypothesis
Satisfaction with the company's compensation policy of the company.	1030.500	3376.500	-0.784	0.433	Accepted
Company should increase compensation to its employees.	1070.500	1631.500	-0.411	0.681	Accepted
Compensation policy of the company is unbiased.	958.000	1519.000	-1.266	0.205	Accepted
Awareness of compensation that is provided to employees in your organisation	1009.500	1570.500	-0.876	0.381	Accepted
Compensation policy is updated at regular intervals	1015.500	1576.500	-0.820	0.412	Accepted
Compensation policy is framed with the consultation of employees.	897.500	1458.500	-1.740	0.082	Accepted
Feedback of employees is taken after compensation is	1115.000	1676.000	-0.054	0.957	Accepted

provided to employees.					
Performance of Employees is affected positively by compensation provided by the company.	991.500	3337.500	-1.039	0.299	Accepted
Employees feel motivated whenever they are provided compensation.	896.000	3242.000	-1.847	0.065	Accepted
Employees feel like continue to do job in the same organisation owing to compensation policy of the company.	1113.500	1674.500	-0.069	0.945	Accepted

Grouping Variable: 5. Gender

Test StatisticsMann-Whitney test:

The above table shows that there is no impact on gender employee’s satisfaction (like They are satisfied with the company’s compensation policy of the company, Company should increase compensation to its employees, Compensation policy of the company is unbiased, They are aware of compensation that is provided to employees in their organisation, Compensation policy is updated at regular intervals, Compensation policy is framed with the consultation of employees, Feedback of employees is taken after compensation is provided to employees, Their performance is affected positively by compensation provided by the company, They feel motivated whenever they are provided compensation, They feel like continue to do job in the same organisation owing to compensation policy of the company.) as the significance test value is greater than 0.05 (Null Hypothesis is Accept).

Test Statistics Kruskal Wallis Test

Statements	Kruskal-Wallis H	Df	Asymp. Sig.	Null hypothesis
Satisfaction with the company's compensation policy of the company.	1.254	2	0.534	Accepted
Company should increase compensation to its employees.	0.283	2	0.868	Accepted
Compensation policy of the company is unbiased.	0.518	2	0.772	Accepted
Awareness of compensation that is provided to employees in your organisation	0.382	2	0.826	Accepted
Compensation policy is updated at regular intervals	0.188	2	0.910	Accepted
Compensation policy is framed with the consultation of employees.	0.843	2	0.656	Accepted
Feedback of employees is taken after compensation is provided to employees.	0.396	2	0.821	Accepted
Performance of Employees is affected positively by compensation provided by the company.	0.303	2	0.860	Accepted
Employees feel motivated whenever they are provided compensation.	0.432	2	0.806	Accepted
Employees feel like continue to do job in the same organisation owing to compensation policy of the company.	0.727	2	0.695	Accepted

a. Kruskal Wallis Test

b. Grouping Variable: 2. Designation

Here all significance Test value is greater than 0.05 (Null Hypothesis Accept). So that there is no impact of designation on employee's satisfaction (like They are satisfied with the company's compensation policy of

the company, Company should increase compensation to its employees, Compensation policy of the company is unbiased, They are aware of compensation that is provided to employees in their organisation, Compensation policy is updated at regular intervals, Compensation policy is framed with the consultation of employees, Feedback of employees is taken after compensation is provided to employees, Their performance is affected positively by compensation provided by the company, They feel motivated whenever they are provided compensation, They feel like continue to do job in the same organisation owing to compensation policy of the company.)

Conclusion

So, from the research I accomplish that compensation policy gives higher impression on employee's satisfaction in Sutex fabrics and knits. Furthermost of the factors like satisfaction, compensation policy, unbiased, policy updating, consultation with employees, feedback, motivation, and salary standing displays high agreement from the sideways of employees. The respondents generally get compensation once in two years which necessitates more attention from the company. Company can custom it as an instrument of impetus to employees.

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