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# Determinants of Overall Employee Satisfaction Among Medical Professionals in Puducherry

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### Abstract

Employee overall satisfaction is the extent that an employee believes in the mission, purpose and values of an organization and act as motivation for the employee. Thus, this study aimed to analyze the factors influencing employee overall satisfaction. Many factors that influence employee satisfaction. In this research, pay, benefits, allowance, bonus and recognition are the factors considered as the determinants of employee satisfaction. The determinant variables are taken as the independent variable and employee overall employee satisfaction taken as the dependent variable. For these variables a structured questionnaire has been constructed based on this previous research work available in the area. A proper questionnaire has been used to collect the primary data. The Descriptive type of research is applied in the methodology. A purposive sampling technique is used to select the sample size. Around 445 medical professionals such as doctors, nurses and paramedical staff have been approached for primary data collection. The collected data are analysed with correlation and multiple regression. The results show that pay, benefits, allowance, bonus and recognition have been related and influenced the medical professional job satisfaction.

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### Introduction

The theory stated with reference to compensation, it can be read to mean that a worker with subjective expectation that a particular course of action will bring about reward will act to acquire pay for as long as the value of pay is strong for them. Pay serves as an instrument for bringing about effort tendencies aimed at targeted reward. Thus pay assumes the use of valence because it has instrumental power for gaining other desired outcomes in life. For example meeting physiological, social esteem and other needs becomes easy. So, compensation is a useful tool in bringing about performance, punctuality, and commitment at work. Expectancy theory is one of the important ways that a manager can use to motivate employees and the emphasis is on equitable wage being given to them in correlation to their performance that will cause greater organizational efficiency and performance (Safakli and Ertanin, 2012). Work provides meaning and purpose to life and it may be closely related with happiness. The wellbeing of a person in a workplace may depend upon job satisfaction. There is no common agreement about the definition of job satisfaction, even though there is a

wide usage of the term “job satisfaction” in day-to-day life and scientific research. There is no common agreement about the definition of job satisfaction even though there is avoid usage of the term job satisfaction in day-to-day life and science. Different authors have various approaches in defining job satisfaction. Job satisfaction is a complex concept. Job satisfaction is a combination of psychological, physiological and environmental conditions that makes an individual truthfully satisfied with his or her work (Hoppock, 1935). The job satisfaction is due to a combination of external and internal factor that result in a feeling of satisfaction in his or her workplace (Vroom, 1964).

### Review of Literature

Heyman and Ariely (2004) stated that there are two-market theories, they divide four types of social relationships into two markets based on Fiske’s relational theory. In detail, the monetary market contains market-pricing relationships (MP), while the social market is related to common sharing (CS), authority ranking (AR), and equality matching (EM). They discuss the relationship between monetary compensation and

nonmonetary compensation. The monetary compensation is positively related to the effort people want to exert, while effort contribution is not sensitive to the magnitude of the gift given in the social market. It is found that in social market relationships, people are more likely to be altruistic, in other words, they are insensitive to non-monetary compensation. It means that the different non-monetary compensations may have similar motivational influences. Whereas in the monetary market, people tend to care more about reciprocity and the effort exerted is positively related to the magnitude of the compensation.

Ali and Ahmed (2009) confirmed that there is a statistically significant relationship between reward and recognition respectively, also motivation and satisfaction. It is revealed that if recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction.

Andrew and Kent (2007) stated that employees stay committed with the help of rewards and recognition. Rewards and recognition are the most important factors for performance of employees. The purpose of reward and recognition is to create an environment through which employees can achieve job satisfaction. It is argued that employees can boost up morale and level of spiritedness through reward and recognition. Reward and recognition are important for employee engagement. There is an effect of rewards and recognition on employee engagement. By providing rewards and recognition employees can increase performance, motivation and productivity. It is found that reward and recognition are linked directly with employee engagement. If rewards and 54 recognition are used effectively in organization then a good productive environment will develop which makes employees energetic to complete tasks and achieve goals.

Hasibuan (2005) stated that compensation management becomes very important in a business organization. Employees who have adequate qualifications and competencies generally see high fees as a consequence of its ability. Determining compensation levels, lifestyle, status, self-esteem and feelings of employees towards the organization. Own compensation package consisting of salary, allowances the principal expenditure which critically affect the competitive position of the company. The company interests with the compensation that is obtained in exchange for greater work performance of employees. While interest on the compensation received by employees, which can meet the needs and desires and become a household economic security. Gupta (2014) stated that organizations are increasingly interested in retaining right talents while targeting for new talents; measuring employees satisfaction provides an indication of how successful the organization is in fostering a conducive environment which nurtures great attitude among employees towards their Job and company . Employing is one of the key factors of the organization's success. No organization can succeed without a certain level of commitment and effort from its employees. Organizations' often attempt to satisfy their employees to gain their commitment and loyalty. The concept of employee satisfaction is a multi-dimensional and inter disciplinary term that has attracted the attention of researchers and practitioners from different disciplines such as psychology, human resource management, and organizational behavior. In the case of compensation, employees' satisfaction towards compensation is likely to be determined by their beliefs about the compensation coverage and the values they place upon

that compensation. Employees' who believe they are well provided for by compensation and value their coverage are likely to develop a positive attitude or a sense of satisfaction with their compensation. Positive attitudes about compensation can lead to behavioural intentions to maintain the relationship with the compensation provider.

### Research Problem

The relationship between organizational compensation system and employees performance is indispensable, though some surrounding factors may determine the satisfaction one derives from the other. The high inflation rate which has led to high cost of living, low income and purchasing power can be a reason for poor performance. The question now is, can there be a compensation system that could adequately have an effect on employee's performance? How often is this system reviewed? Yet the quiet employees may have been doing the bulk of the work. From this, there is a need for management to build its reward system along the line of actual performance and actual level of work, input and productivity. Therefore, the problem of trying to figure out these loopholes with the intent of correcting them forms the basis for this research. Therefore, this study aims to assess the existing compensation management practice of the hospital and the perception of employees toward the practices. In doing this, the existing compensation management practices are assessed from varied dimension such as alignment with individual, team and organizational performance, compliance to the law of the country, competitiveness in the labor market, contextual fitness with business and HR 31 strategies, equity, and fairness aspects, transparency to employees, and flexibility to change occur in the external or internal environment.

### Objectives of the Study

1. To analyse the relationship between compensation management practices and employee satisfaction.
2. To analyse the effect of compensation management practices on employee satisfaction

### Hypothesis of the Study

**H1:** Compensation management practices have been related to employee satisfaction.

**H1:** The compensation management practices have influenced employee satisfaction.

### Research Methodology

**Type of Research:** Descriptive research type is applied for this research work. Variables considered for this study alignment, compliance, competitiveness, transparency, equity, fearlessness, consistency, conceptual fitness and flexibility as the independent variable, employee satisfaction is taken as the dependent variable.

**Sampling Procedure** This study medical profession such as doctors, nurses and paramedical staff are considered as population, from this population 445 sample respondents taken as sample size through purposive sampling on previous research work. Questionnaire has been distributed to the sample respondents. Statistical Tools Used Pearson correlation and multiple regression analysis have been applied to that stated hypothesis. Results and Discussion The researcher presents the profile of the employee, employee perception towards the study variables, factors influencing drivers for employee satisfaction.

**Table 1:** Relationship between effective compensation management practices and overall employee satisfaction in the hospital.

Effective Compensation management practices	Overall employee satisfaction in the hospital	
	r-value	p-value
Alignment	-0.687	0.001
Compliance	0.282	0.001
Competitiveness	0.642	0.001
Transparency	0.621	0.001
Equity	0.417	0.001
Fairness	0.592	0.001
Consistency	-0.575	0.001
Contextual fitness	0.606	0.001
Flexibility	0.487	0.001

Table 1 explains the relationship between the effective compensation management practices in the hospital and overall employee satisfaction in the hospital.

H<sub>1</sub>: The effective compensation management practices in the hospital have a relationship with overall employee satisfaction in the hospital.

In order to test the above stated hypothesis, a person correlation test is executed. The calculated p values for all the effective compensation management practices in the hospital when correlated with the overall employees satisfaction in the hospital are found to be significant at one percent level and hence the above stated hypothesis gets accepted. Further the correlation value ranges from 0.642 to-0.687. From the r values it is observed that the employees working in the

hospital highly rated the effective compensation practice of competitiveness followed by the flexibility given to the employees (0.642), transparency (0.621), contextual fitness (0.606), fairness (0.592), flexibility (0.487), equity (0.417) compliance (0.282), consistency (-0.575) and alignment (0.687). From the result it is observed that the effective compensation practices of compliance, equity, fairness, contextual fitness and flexibility have significant and positive relationships with the overall employee's satisfaction in the hospital whereas the effective compensation practices of consistency and alignment in the hospital have significant but negative relationships with the overall employee's satisfaction in the hospital.

**Table 2:** The effect of effective compensation management practices on overall employee satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.807 <sup>a</sup>	.651	.644	.58257	
ANOVA <sup>a</sup>					
Model	Sum of Squares	Df	Mean Square	F-value	Sig.
Regression	275.486	9	30.610	90.190	.000 <sup>b</sup>
Residual	147.635	435	.339		
Total	423.121	444			
Coefficients					
Effective compensation management practices	Unstandardized Coefficients		Standardized Coefficients	t-value	Sig.
	B	Std. Error	Beta		
(Constant)	.429	.179		-2.395	.017
Alignment	.582	.069	.449	8.478	.000
Compliance	.010	.024	.014	.421	.674
Competitiveness	.272	.053	.300	5.174	.000
Transparency	.105	.064	.081	1.635	.103
Equity	-.188	.040	-.179	-4.661	.000
Fairness	-.039	.059	-.034	-.660	.509
consistency	.077	.059	.065	1.312	.190
Contextual fitness	.096	.045	.093	2.142	.033
flexibility	.209	.044	.196	4.786	.000

Table 2 displays the effect of compensation management practices on overall employee satisfaction in the hospital.

H<sub>1</sub>: The effective compensation management practices have an effect on overall employee's satisfaction.

To examine the above stated hypothesis multiple linear regression is applied. Here the effective compensation management practices are considered as independent variables and overall employee's satisfaction have been taken as dependent variables. From the ANOVA model summary result it is observed that the f- value is 90.190 and p-value is 0.001 which is significant at one percent level. Therefore the above stated hypothesis gets accepted. The adjusted R<sup>2</sup> value reveals that the variance explains the influence of independent

variables on dependent variables. Here the adjusted R<sup>2</sup> value is 0.644 which shows that the effective compensation management practices of the hospital have influenced the overall employee's satisfaction at 64.4 percent level. Further the regression coefficient value explains the strength of association between the compensation management practices and overall employees satisfaction It is expressed by the following equation, Overall employees satisfaction = 0.429 +0.582 (alignment) +0.010 (compliance) +0.272 (competitiveness) +0.105 (transparency) +0.077 (consistency) +0.096 (contextual fitness) +0.196 (flexibility) -0.188 (equity) -0.209 (fairness). From the regression equation it is clearly interpreted that for one unit increase in overall employee's

satisfaction the compensation management practices of alignment have influenced at 0.582 level while other factors remain constant. Similarly the effective compensation management practices of compliance, competitiveness, transparency, consistency, contextual fitness and flexibility have influenced the overall employees satisfaction at 0.010,0.272,0.105,0.077,0.096 and 0.196 levels respectively when the respective other factors remain constant. However, for one unit decrease in the overall employees satisfaction the compensation management practices of equity and fairness have influenced at -0.188 and -0.209 respectively while other factors remain constant.

From this it is concluded that the effective compensation management practices of alignment, compliance, competitiveness, transparency, flexibility, contextual fitness and consistency are having positive effect on overall employee's satisfaction whereas the compensation management practices of equity and fairness are having negative effect on the overall employee's satisfaction in the hospital.

### Findings

It is inferred that the effective compensation practices of compliance, equity, fairness, contextual fitness and flexibility have significant and positive relationships with the overall employee's satisfaction in the hospital whereas the effective compensation practices of consistency and alignment in the hospital have significant but negative relationships with the overall employee's satisfaction in the hospital.

It is inferred that the effective compensation management practices of alignment, compliance, competitiveness, transparency, flexibility, contextual fitness and consistency are having positive effect on overall employee's satisfaction whereas the compensation management practices of equity and fairness are having negative effect on the overall employee's satisfaction in the hospital.

### Conclusion

This research aimed to analyze the determinants of employee satisfaction. The result shows that alignment, compliance, competitiveness, transparency, equity, fearlessness, consistency, conceptual fitness and flexibility determines employee satisfaction. So, engagement is a perception that places continuous improvement, changes and flexibility at the empathy of what it means. Engagement is a condition of intellectual and emotional pledge to a group that will assist accomplish organization.

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