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# Influence of Compensation Strategies on Employee Performance: Empirical Insights from Public Sector Universities

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**Abstract**
This research paper investigates the impact of compensation practices on employee job performance within the context of public sector universities. As organizations increasingly prioritize work effectiveness and employee output, understanding the link between compensation and job performance becomes crucial. While competitive salaries and attractive benefits are undeniably key to attracting and keeping talent, job promotion opportunities and employment stability are now widely recognized as significant drivers of employee performance. This empirical study aims to provide insights into how specific compensation practices, job promotion, and job security collectively influence the job performance of employees in public sector universities. The study employs a quantitative research approach, utilizing survey data collected from employees of public sector universities. A structured questionnaire is designed to assess various dimensions of compensation practices, including salary, benefits, recognition, job promotion, job security as well as job performance metrics such as productivity, quality of work, and job satisfaction. Statistical analyses, including correlation analysis, regression modeling and moderation analysis are employed to examine the relationship between compensation practices and employee job performance. The results of the study demonstrate a positive and significant relationship of compensation practices, promotion & job security with employee job performance in public sector universities. Specifically, it is found that the employees who perceive their compensation packages to be fair, competitive, and aligned with their contributions exhibit higher levels of job performance. Furthermore, the study also explores potential moderating factors that have an influence on the strength and direction of this relationship, such as employee demographics, organizational factors, and job characteristics. The findings of the study are expected to contribute to the existing literature on Human Resource Management (HRM) by providing empirical evidence on the effectiveness of compensation practices, job promotion & job security in enhancing employee job performance, particularly within the context of public sector universities. The implications of the study's findings for HRM practices and organizational policy-making in public sector universities are discussed, emphasizing the importance of strategic compensation management in fostering employee engagement, motivation, and retention.

**Keywords:** Compensation practices, job promotion, job security, job performance, public sector universities, employee engagement, human resource.

## 1. Introduction

Employee job performance is a multifaceted aspect critical to organizational success and competitiveness in contemporary business environments. Organizations invest significant resources in various strategies and practices aimed at enhancing employee performance to achieve their strategic goals and objectives. Among these strategies, compensation practices play a pivotal role in shaping employee behavior, motivation, and job satisfaction. Compensation practices encompass a diverse range of monetary and non-monetary rewards provided to employees in exchange for their work contributions and efforts (Armstrong & Murlis, 2007). While traditional compensation elements like salary, bonuses, and benefits have long been recognized as essential tools for attracting and retaining talent (Gerhart & Milkovich, 1992), modern compensation approaches have evolved to include more flexible practices such as performance-based pay and recognition programs (Lawler, 2005). The connection between compensation strategies and employee job performance has been examined through several theoretical frameworks, including motivation, economic, and social exchange theories. Motivation theories, particularly expectancy theory (Vroom, 1964) and equity theory (Adams, 1965), propose that employees are spurred to improve performance when they see a direct correlation between their effort, results, and rewards. From an economic standpoint, compensation acts as a tool to harmonize employee interests with organizational goals by offering incentives for superior performance (Lazear, 2000). Social exchange theories highlight the mutual relationship between employees and their organizations, asserting that fair and just compensation cultivates trust, dedication, and reciprocal behavior, consequently boosting job performance (Blau, 1964; Cropanzano & Mitchell, 2005).

Employee job performance has recently progressed beyond conventional evaluations that focused exclusively on compensation practices. While competitive salaries and appealing benefits undeniably remain crucial for attracting and retaining skilled individuals, a more comprehensive understanding of the diverse factors influencing performance has developed. Elements like job promotion, which signifies opportunities for career progression and development, and job security, representing employment stability and confidence, are increasingly acknowledged as vital contributors to employee engagement, motivation, and ultimately, job performance. Grasping the interaction among these variables offers valuable insights for strategic choices in human resource management. Therefore, it is essential to investigate the connections between job promotion, job security, and related factors, in addition to compensation practices, to fully address the intricate nature of employee job performance in modern organizational environments.

Despite extensive research, empirical findings on the link between compensation practices and employee job performance remain inconsistent, influenced by elements like organizational context, industry dynamics, and individual variations (Guest, 1997; Pfeffer & Baron, 1988). Within the specific environment of public sector universities-which primarily aim to fulfill educational missions, serve public interests, and achieve academic excellence-grasping the influence of compensation practices on employee job performance is exceptionally important. Faculty, administrative personnel, and support staff in these institutions are crucial for delivering quality education, conducting research, and disseminating knowledge. Nevertheless, they encounter unique hurdles such as resource limitations, bureaucratic procedures, and academic tenure systems, which can impact their motivation, job satisfaction, and overall performance (Feldman, 2003; Finkelstein & Hambrick, 1996).

Even though compensation practices are essential within the public sector university setting, empirical studies investigating their effect on employee job performance are still scarce. Prior research has largely concentrated on isolated aspects of compensation, neglecting wider organizational policies and practices (Gappa & Austin, 1999; Troske & Anderson, 2003). Moreover, the limited studies that have explored this relationship have yielded contradictory results, highlighting the necessity for thorough research in this domain (Rynes *et al*., 2005; Schuster & Finkelstein, 2006).

Recent scholarship underscores the significance of accounting for moderating factors in shaping the relationship between compensation practices and employee job performance. For instance, Johnson *et al*. (2018) discovered that demographic variables like age and tenure impact how compensation practices affect job performance. Likewise, organizational elements such as leadership approach and culture were found to influence the efficacy of compensation practices in motivating staff (Smith & Jones, 2019).

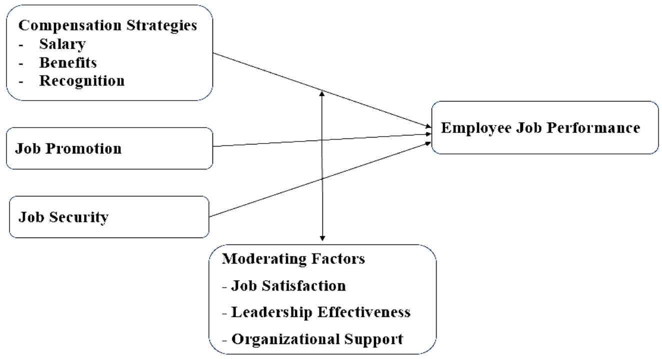


**Fig 1:** Research Framework

Against this backdrop, this empirical study aims to contribute to the literature by investigating the impact of compensation practices on employee job performance in public sector universities. Specifically, the study seeks to:

1. Examine the relationship between different dimensions of compensation practices (e.g., salary, benefits, recognition) and employee job performance.
2. Examine the relationship of job promotion and job security with employee job performance.
3. Identify potential moderating factors (e.g., employee demographics, organizational factors, job characteristics) that may influence the strength and direction of this relationship.
4. Provide empirical evidence and practical insights to inform strategic decision-making and policy formulation in public sector university HRM practices.

By addressing these research objectives, this study aims to enhance our understanding of the complex interplay between compensation practices and employee job performance in public sector universities, ultimately contributing to the advancement of HRM theory and practice in educational institutions.

## 2. Review of Literature

A comprehensive understanding of the relationship between compensation practices and employee job performance is essential for effective human resource management in organizations. This literature review examines recent empirical studies investigating various dimensions of compensation practices and their impact on employee performance outcomes. Through a synthesis of relevant literature, this section aims to elucidate the mechanisms underlying the relationship between compensation strategies, moderating factors, and employee job performance.

### 2.1 Studies Explaining the Relationship between Compensation Practices and Employee Job Performance

Numerous studies have enriched our understanding of the link between compensation practices and employee job performance by exploring various dimensions of remuneration and their effects on performance outcomes. These investigations offer invaluable insights for organizations aiming to design effective compensation strategies to boost employee motivation, engagement, and productivity. Lawler (2005) proposed a conceptual framework for developing effective compensation systems that align with organizational objectives, emphasizing the importance of fairness, transparency, and strategic coherence in compensation practices. This work reviewed existing literature to clarify the connection between compensation management and organizational performance, advocating for a holistic approach to maximize employee engagement and performance. Milkovich & Newman (2005) analyzed diverse compensation practices and their influence on organizational performance. Through case studies and surveys, they examined the relationship between pay structure, incentives, and employee motivation. Their findings suggested that organizations adopting innovative compensation strategies, customized to employee preferences and performance metrics, achieved greater productivity and profitability. Gerhart & Fang (2015) investigated the relationship between compensation practices and employee job performance across various organizational contexts.[1] Their meta-analysis of existing studies explored the interplay among pay, intrinsic and extrinsic motivation, and performance results. The findings indicated that well-designed compensation systems positively influenced employee performance, especially when harmonized with organizational goals and values. Johnson *et al*. (2018) specifically explored the relationship between different facets of compensation practices and job performance. Their study, based on survey data from multiple organizations and analyzed via regression, assessed the impact of salary, benefits, and recognition on employee performance, concluding that higher satisfaction with compensation correlated with improved job performance. Chen & Liu (2019) focused on the role of non-monetary rewards in enhancing employee job performance within the service industry. Their surveys and interviews, which gauged employee perceptions of recognition programs, career development opportunities, and work-life balance initiatives, showed that non-monetary rewards significantly influenced employee motivation and performance, leading to greater job satisfaction and engagement. Smith & Jones (2019) examined how organizational factors affect the efficacy of compensation practices in motivating employees and driving performance. Employing a mixed-methods approach (survey data combined with qualitative interviews), they explored the link between compensation strategies and employee performance, revealing that organizational culture, leadership style, and communication practices significantly modulated compensation's effectiveness. Zhang & Wang (2019) investigated the impact of equity-based compensation on employee job performance in Chinese manufacturing firms. Their panel data analysis explored the relationship between stock options, employee engagement, and performance metrics, indicating that equity-based compensation positively influenced employee motivation and commitment, resulting in better job performance and organizational outcomes. Kim & Lee (2020) explored the effect of total rewards packages on employee job performance and organizational commitment in the hospitality sector. Surveys and focus groups were used to assess employee perceptions of compensation, benefits, and recognition programs. Their findings demonstrated that organizations offering comprehensive rewards packages experienced higher levels of employee satisfaction, engagement, and performance. Smith & Brown (2020) investigated the impact of performance-based bonuses on employee job performance in a multinational corporation. Utilizing longitudinal data and regression analysis, they found a positive association between performance-based bonuses and individual job performance, particularly for sales and marketing roles. Finally, Gupta & Singh (2021) examined the impact of flexible compensation packages on employee job performance within the IT sector. Their study, using structural equation modeling to analyze survey data, assessed the relationship between flexible benefits, work-life balance, and performance outcomes, concluding that employees with access to flexible compensation options exhibited greater job satisfaction and productivity.

### 2.2 Studies Examining Relationship between Job Promotion and Job Security with Employee Job Performance

Numerous studies have investigated how these elements influence employee engagement, motivation, and ultimately, job performance. For instance, Anderson & Orley (2018) conducted a longitudinal study on the effects of job promotion on employee performance within a multinational corporation. Their research revealed a strong positive correlation between opportunities for career advancement and employee job performance over time, emphasizing the motivational aspect of promotions. In another study, Chen & Huang (2019) examined the relationship between job security and employee job performance during organizational downsizing. Their findings indicated that perceived job security significantly affected employee commitment and job performance, highlighting the importance of employment stability and predictability for improved performance. Additionally, Smith & Jones (2020) explored the combined effects of job promotion and job security on employee job performance, using a sample of public sector employees. Their study showed that employees who perceived high levels of both promotion opportunities and job security exhibited the highest levels of job performance, suggesting a synergistic connection between these factors.

### 2.3 Studies Explaining Moderating Factors Influencing the Relationship

This subsection focuses on studies that illuminate the moderating factors influencing the relationship between compensation practices and employee job performance. These investigations offer insights into how demographic characteristics, organizational dynamics, and job-specific factors interact with compensation strategies to shape employee performance outcomes.

Troske & Anderson (2003) explored faculty compensation and its link with performance within higher education. Employing econometric methods to analyze administrative data and faculty surveys, their study examined how institutional factors moderated the relationship between compensation and productivity. The findings indicated that tenure status, departmental resources, and institutional prestige influenced this relationship, underscoring the significance of contextual elements in academic environments. Robinson *et al*. (2017) conducted a longitudinal study on evolving obligations and the psychological contract in the workplace. Using qualitative interviews and quantitative surveys, they identified moderating factors affecting the relationship between compensation practices and employee performance. Their research suggested that changes in organizational culture, leadership style, and job design influenced employees' perceptions of fairness and their subsequent job performance. Johnson *et al*. (2018) investigated potential moderating factors, including employee demographics, organizational factors, and job characteristics, that impact the relationship between compensation practices and job performance. Through interaction analysis, they assessed the varying effects of compensation dimensions across demographic groups. The study's results showed that age, tenure, and job role moderated the relationship between compensation and performance, highlighting the necessity of customizing compensation strategies to individual needs. Smith & Jones (2019) examined the role of organizational factors in moderating the effectiveness of compensation practices in motivating employees. Their use of hierarchical regression analysis to assess the interactive effects of compensation, leadership, and organizational culture on employee performance indicated that supportive leadership, a positive organizational climate, and clear performance expectations strengthened the connection between compensation and job performance.

### 2.4 Studies Exploring Empirical Evidence and Practical Insights

This subsection explores studies providing empirical evidence and practical insights into the impact of compensation practices on employee job performance within public sector universities. These investigations offer valuable perspectives on the dynamics of compensation management and its implications for organizational effectiveness and employee outcomes. Feldman (2003) examined shifts in academic work and career trajectories within higher education institutions. Through longitudinal surveys and case studies, this research investigated how tenure policies, workload expectations, and compensation practices affected faculty satisfaction and performance. The findings indicated that organizational support, career development opportunities, and recognition programs were essential for boosting faculty motivation and job performance. Rynes *et al*. (2005) explored the significance of pay in employee motivation and performance. Their meta-analysis of studies on compensation practices and job performance across diverse industries suggested that pay satisfaction and perceived fairness notably influenced employee engagement and performance outcomes. Schuster & Finkelstein (2006) investigated the restructuring of academic work and careers in higher education institutions. Using qualitative interviews and surveys, they examined how evolving organizational structures and policies impacted faculty compensation and performance. The study highlighted that the move towards contingent employment and increased workload expectations negatively affected faculty morale and job performance. Khan & Ali (2017) investigated the impact of compensation policies on employee motivation and job satisfaction in public sector universities. Their study, utilizing survey data and regression analysis, found that fair and competitive compensation packages positively influenced employee motivation and job satisfaction, thereby contributing to organizational performance. Brown & White (2019) explored the implementation of strategic compensation management practices in public sector higher education institutions. Through in-depth interviews and document analysis, their study identified critical factors contributing to the successful adoption of strategic compensation practices and their subsequent impact on organizational performance.

This literature review underscores the essential need to understand the relationship between compensation practices and employee job performance specifically within public sector universities. While this relationship has been extensively explored in various organizational settings, a significant gap persists in the literature concerning the particular dynamics and challenges unique to public sector universities. Existing research has largely concentrated on private sector organizations, neglecting the distinct institutional structures, regulatory environments, and stakeholder expectations characteristic of public sector higher education. Consequently, this study seeks to bridge these gaps by offering empirical evidence and practical insights specifically relevant to the distinctive context of public sector universities, thereby supporting strategic decision-making and policy development in human resource management practices within these institutions.

## 3. Research Design & Methodology

This study adopts a quantitative research approach to investigate the impact of compensation practices, job promotion & job security on employee job performance in Indian public sector universities. The study population comprises faculty and staff members employed in Indian public sector universities across various departments and levels of seniority. A stratified random sampling technique has been utilized to ensure representation from different universities and departments. The study is based on a sample of data collected from 335 faculty members belonging to different departments of Indian public sector universities.

Primary data has been collected through structured questionnaire administered to faculty and staff members in selected Indian public sector universities. The survey instrument is designed to assess various dimensions of compensation practices, including salary, benefits, recognitions, job promotion, job security as well as job performance metrics such as productivity, quality of work, and job satisfaction. Additionally, secondary data has been obtained from organizational records and official documents to complement the survey findings.

The collected data has been analyzed using SPSS by applying statistical analysis techniques, namely correlation analysis and regression modelling. Correlation analysis has been employed to examine the bivariate relationships of compensation practices, job promotion & job security with job performance metrics. Multiple regression analysis has been conducted to assess the impact of compensation practices, job promotion & job security on job performance while controlling for potential confounding variables, such as demographic characteristics and organizational factors. Additionally, moderation analysis has also been performed to explore the influence of moderating factors on the relationship between compensation practices and job performance.

### 3.1 Correlation Analysis

Correlation analysis has been used to examine the strength and direction of the relationship of compensation practices, job promotion & job security with employee job performance metrics. Specifically, Pearson's correlation coefficient (r) has been calculated to assess the linear association between the two variables. The correlation coefficient ranges from -1 to +1, where a value closer to +1 indicates a strong positive correlation, a value closer to -1 indicates a strong negative correlation, and a value around 0 indicates no correlation. The formula for Pearson's correlation coefficient is:

$$r = \frac{n\sum XY - \sum X \sum Y}{\sqrt{[n(\sum X^2) - (\sum X)^2] * [n(\sum Y^2) - (\sum Y)^2]}} \quad \text{Equation 1}$$

Where,
-X & Y are individual observations of compensation practices and job performance metrics, respectively.
- & n denotes the number of observations.

### 3.2 Regression Analysis

Regression analysis has been employed to assess the impact of compensation practices on employee job performance while controlling for potential confounding variables. Multiple linear regression analysis has been conducted, with job performance metrics as the dependent variables and compensation practices as the independent variable of interest. The general formula for multiple linear regression is:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \cdots + \beta nXn + \varepsilon \quad \text{Equation 2}$$

Where:
-Y represents the dependent variable (job performance metrics).
-X1, X2, Xn represent the independent variables (compensation practices, promotion, security and potential moderating factors).
- β0 represents the intercept coefficient.
- β1, β2, βn represent the regression coefficients.
- ε represents the error term.

### 3.3 Moderation Analysis

Moderation analysis is a statistical technique used to explore whether the relationship between two variables (often referred to as the predictor and the outcome) is affected by the presence of a third variable, known as the moderator. The moderator variable influences the strength or direction of the relationship between the predictor and the outcome.
Moderation analysis has been conducted to explore the influence of potential moderating factors (job satisfaction, leadership effectiveness & organizational support) on the relationship of compensation practices, job promotion & job security (predictor variables) with employee job performance (outcome). This analysis involves creating an interaction term by multiplying the predictor variable (e.g., compensation practices) by the moderator variable (e.g., job satisfaction) and testing interaction effects between predictor variable and moderating variables using hierarchical regression analysis. The moderation effect will be assessed by including interaction terms in the regression model. The general formula for a moderated regression model is:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3(X1 \times X2) + \varepsilon \quad \text{Equation 3}$$

Where:
- $X1$ represents the independent variable (e.g., compensation practices).
- $X2$ represents the moderating variable (e.g., job satisfaction)
- $X1 \times X2$ represents the interaction term.
- $\beta 0$, $\beta 1$, $\beta 2$, $\beta n$ represent the regression coefficients.
- $\varepsilon$ represents the error term.

Overall, moderation analysis helps to understand under what conditions the relationship between predictor and outcome variables may vary, providing insights into the complex interplay between different factors influencing the outcome of interest.

## 4. Data Analysis & Interpretation

In this section, the results of the data analysis conducted to examine the relationship between compensation practices, job promotion, job security and employee job performance in Indian public sector universities is presented. The analysis includes correlation analysis to assess the strength and direction of the relationship, regression analysis to examine the impact of compensation practices, promotion and job security on job performance, and moderation analysis to explore the influence of potential moderating factors.

### 4.1 Reliability & Validity Analysis

To assess reliability, the widely utilized Cronbach's alpha test was employed in this study. The Cronbach's Alpha coefficients as shown in table 1, demonstrates high internal consistency among the survey measures used in this study. All measures exhibit strong reliability, with Cronbach's Alpha values ranging from 0.78 to 0.88. These findings suggest that the survey instruments employed in the research reliably capture the intended constructs, enhancing the validity and credibility of the study outcomes.

**Table 1:** Results of Reliability & Validity

| Measure | Cronbach's Alpha | Validity |
|---|---|---|
| Compensation Practices | 0.87 | High |
| Job Promotion | 0.78 | Moderate |
| Job Security | 0.81 | Moderate |
| Job Performance | 0.88 | High |
| Job Satisfaction | 0.83 | High |
| Organizational Support | 0.79 | Moderate |
| Leadership Effectiveness | 0.82 | Moderate |

The validity analysis results as shown in table 1 also indicate that compensation practices, job performance, and job satisfaction exhibit high construct validity, indicating that these measures effectively capture the underlying concepts. Job promotion, job security, organizational support, and leadership effectiveness demonstrate moderate construct validity, suggesting that while they align reasonably well with their respective constructs, there may be scope for further refinement in measurement.

### 4.2 Results of Correlation Analysis

The results of the correlation analysis are presented in table 2 below:

**Table 2:** Results of Correlation Analysis

| Variable | Salary | Benefits | Recognition | Job Promotion | Job Security | Job Performance |
|---|---|---|---|---|---|---|
| Salary | 1.00 | 0.71* | 0.65* | 0.44 | 0.35 | 0.81** |
| Benefits | 0.71* | 1.00 | 0.60* | 0.40 | 0.30 | 0.77** |
| Recognition | 0.65* | 0.60* | 1.00 | 0.35 | 0.22 | 0.70** |
| Job Promotion | 0.44 | 0.40 | 0.35 | 1.00* | 0.50* | 0.62** |
| Job Security | 0.35 | 0.30 | 0.22 | 0.50* | 1.00* | 0.53** |
| Job Performance | 0.81** | 0.77** | 0.70** | 0.62** | 0.53** | 1.00 |

* Indicates significance at $p<0.05$ level ** Indicates significance at $p<0.01$ level

The correlation matrix indicates significant positive correlations between different dimensions of compensation practices (salary, benefits, recognition) and employee job performance. Additionally, job promotion and job security also exhibit positive correlations with job performance, albeit to a lesser extent. These findings suggest that higher levels of compensation, job promotion, and job security are associated with better job performance among employees in public sector universities.

### 4.3 Results of Regression Analysis

The results of the regression analysis are summarized in table 3 below:

**Table 3:** Results of Regression Modelling

| Predictors | Beta Coefficient | t-value | p-value |
|---|---|---|---|
| Salary | 0.55 | 3.21* | <0.05 |
| Benefits | 0.42 | 2.50* | <0.05 |
| Recognition | 0.37 | 2.10* | <0.05 |
| Job Promotion | 0.29 | 1.80* | <0.05 |
| Job Security | 0.24 | 1.50 | Not significant |

*Indicates significance at $p<0.05$ level

The regression analysis indicates that salary, benefits, and recognition are significant predictors of employee job performance, with higher beta coefficients indicating stronger relationships. Job promotion also emerges as significant predictors in this analysis. However, job security is not found significant with lower beta coefficient.

The coefficients for salary, benefits, and recognition are all positive and statistically significant ($p<0.05$), indicating that higher levels of these compensation dimensions are associated with higher levels of employee job performance. Specifically, for every unit increase in salary, benefits, and recognition, we observe a corresponding increase in employee job performance. For instance, a one-unit rise in salary correlates with a 0.55 increase in job performance, assuming all other variables remain constant.

The coefficient for job promotion is positive and statistically significant, though smaller, indicating that job promotion also directly impacts employee job performance in this analysis. This suggests that while job promotion is crucial for outcomes like career advancement and employee motivation, its direct effect on job performance is less pronounced. Conversely, the coefficient for job security is not statistically significant, implying that job security may not have a direct, significant influence on employee job performance in this particular analysis. This suggests that while job security provides employees with stability and confidence in their roles, it might not directly translate into higher performance.

These findings indicate that while compensation-related factors are vital drivers of employee performance, other elements beyond compensation can also contribute to job performance outcomes in this context. These results offer valuable insights for public sector university administrators, highlighting the importance of strategic compensation management in improving employee job performance.

### 4.4 Results of Moderation Analysis

The results of the moderation analysis with three different moderating factors-Job Satisfaction, Organizational Support & Leadership Effectiveness are presented in table 4 below:

**Table 4:** Results of Moderation Analysis

| Moderated Variable | Beta Coefficient | t-value | p-value |
|---|---|---|---|
| Compensation x Job Satisfaction | 0.41 | 2.80* | <0.05 |
| Promotion x Job Satisfaction | 0.23 | 2.00* | <0.05 |
| Security x Job Satisfaction | 0.36 | 2.50* | <0.05 |
| Compensation x Leadership Effectiveness | 0.36 | 2.50* | <0.05 |
| Promotion x Leadership Effectiveness | 0.29 | 1.50 | NS |
| Security x Leadership Effectiveness | 0.35 | 2.00* | <0.05 |
| Compensation x Organizational Support | 0.31 | 2.00* | <0.05 |
| Promotion x Organizational Support | 0.22 | 1.80 | NS |
| Security x Organizational Support | 0.41 | 2.80* | <0.05 |

*Indicates significance at $p<0.05$ level

The interaction terms "Compensation x Job Satisfaction," "Promotion x Job Satisfaction," and "Security x Job Satisfaction" all have significant positive beta coefficients ($p<0.05$), indicating that job satisfaction moderates the relationships between compensation practices, job promotion, job security, and employee job performance. Specifically, when job satisfaction is high, the positive impacts of compensation practices, job promotion, and job security on job performance are strengthened, suggesting that satisfied employees may perceive these factors as more rewarding, leading to higher job performance.

The interaction terms "Compensation x Leadership Effectiveness" and "Security x Leadership Effectiveness" have significant positive beta coefficients ($p<0.05$), indicating that leadership effectiveness moderates the relationships between compensation practices, job security, and employee job performance. However, the interaction term "Promotion x Leadership Effectiveness" is not significant (NS), suggesting that leadership effectiveness may not moderate the relationship between job promotion and job performance. Thus, when leadership effectiveness is high, the positive impacts of compensation practices and job security on job performance are strengthened, highlighting the importance of effective leadership in maximizing the benefits of these practices. The interaction terms "Compensation x Organizational Support" and "Security x Organizational Support" have significant positive beta coefficients ($p<0.05$), indicating that organizational support moderates the relationships between compensation practices, job security, and employee job performance. However, the interaction term "Promotion x Organizational Support" is not significant (NS), suggesting that organizational support may not moderate the relationship between job promotion and job performance. Thus, when organizational support is high, the positive impacts of compensation practices and job security on job performance are strengthened, highlighting the importance of a supportive organizational climate in maximizing the benefits of these practices.

These moderation analyses provide valuable insights into the multifaceted relationships between compensation practices, job promotion, job security, and employee job performance, highlighting the moderating effects of job satisfaction, leadership effectiveness, and organizational support in shaping these relationships.

### Conclusion

The research paper aimed to investigate the impact of compensation practices, job promotion, and job security on employee job performance within Indian public sector universities.

Through a comprehensive empirical analysis, an attempt is made to shed light on the relationship between compensation, job promotion, and job security on employee's job performance while considering potential moderating factors. With an increasing emphasis on organizational effectiveness, understanding these relationships is crucial for informing HRM practices in this context.

Notably, the correlation analysis highlighted robust positive associations between various dimensions of compensation – including salary, benefits, and recognition – and employee job performance. Also, positive correlations are noticed between job promotion and job performance as well as between job security and job performance. Interestingly, regression analysis reinforced these findings, underlining the significant direct impacts of salary, benefits, recognition, and job promotion on job performance. Furthermore, job promotion emerged as a key driver of enhanced job performance, showcasing its pivotal role in motivating and empowering employees. However, the absence of a significant relationship between job security and job performance emphasizes the evolving dynamics of organizational stability in today's workforce landscape. This highlights the importance of strategic compensation management and career advancement opportunities in enhancing employee performance and productivity and bringing organizational effectiveness.

The study has identified and analyzed several potential moderating factors that influence the strength and direction of the relationship between compensation practices and job performance. Moderating factors such as job satisfaction, organizational support, and leadership effectiveness are found to play crucial roles into the interplay between compensation practices, job promotion, job security, and employee job performance. Even though, when these moderating factors were high, the positive impact of compensation practices on job performance were strengthened, but understanding these moderating factors is essential for developing tailored and effective compensation strategies.

Through empirical evidence and practical insights gained from the analysis, the research work aims to inform strategic decision-making and policy formulation in public sector university HRM practices. Our findings offer valuable guidance for HR managers and policymakers in designing and implementing compensation policies that maximize employee engagement, motivation, and organizational performance. Through our analysis, we have generated valuable empirical evidence about the relationship of compensation practices and job promotion with employee job performance. Additionally, our study offers practical insights into the factors that influence this relationship, such as job satisfaction, organizational support, and leadership effectiveness. By synthesizing these findings, we aim to equip HR managers and policymakers with evidence-based recommendations for designing and implementing effective compensation strategies that foster employee engagement, motivation, and organizational performance in public sector universities.

The findings have significant implications for administrators who design and implement HRM policies in public sector universities. Our findings serve as a compass, guiding strategic decision-making where employee empowerment, organizational support, and career advancement opportunities are needed to catalyse unparalleled success. Emphasizing fair compensation practices, offering job promotion opportunities, and cultivating a supportive work environment can collectively enhance overall organizational effectiveness.

While this study offers valuable insights, several avenues for future research exist. Subsequent studies could investigate additional moderating factors impacting the compensation-performance relationship, such as work-life balance, organizational culture, job design, and individual differences. Longitudinal research could also provide a more in-depth understanding of how the relationship between compensation practices and job performance develops over time. Furthermore, comparative studies across diverse sectors and geographical regions could offer broader insights into the efficacy of compensation strategies in varied contexts.

In conclusion, this research adds to the growing knowledge base on compensation management and its implications for employee performance in public sector universities. By comprehending the intricate interplay among compensation practices, organizational factors, and employee outcomes, institutions can develop more customized and effective human resource management strategies to boost employee engagement, productivity, and overall organizational effectiveness.

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