

Employee compensation, employee satisfaction, and employee performance: Basis for comprehensive compensation and satisfaction framework

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Abstract

This study aims to determine the impact of employee compensation and employee satisfaction in employee performance among local university teachers in China. The respondents are teachers from five selected universities in Heilongjiang Province of China. The study shows the complex relationship among compensation, satisfaction, and performance. Organizations can boost productivity and become desirable workplaces in the competitive market by providing a well-rounded approach to employee compensation and fostering growth and well-being. To put it succinctly, it is urgent that they comprehend the interplay between pay, contentment, and output, and that strategies be adjusted accordingly. Organizations can use the provided recommendations as a road map toward creating a culture that recognizes and makes use of this dynamic relationship for long-term success.

Keywords: employee compensation, employee satisfaction, employee performance

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1. Introduction

The State Council of China released Guidelines for the Implementation of Performance Pay in Compulsory Schools in 2008, requiring K-9 schools to implement a teacher performance pay system beginning January 1, 2009. The decision to pay teachers based on their performance prompted a significant shift in human resource management in China's public sectors. Teachers' wages were mandated to be 70% basic compensation and 30% incentive income under the new teacher performance pay scheme. Basic wage is generally decided and distributed by local human resource management, finance, and education authorities, and is largely dependent on local economic level, consumption level, and teachers' responsibility (Hua, 2018).

According to Liu, et. al.,(2018), the reform of teacher performance compensation reflected policy decentralization in China since it allowed local government organizations and schools to make judgments. Since 2001, the central government has relinquished responsibility over curriculum and evaluation through the New Curriculum Reform, another major step in education reform toward decentralization. Furthermore, the pay-for-performance notion, which derives from capitalistic thinking, contradicts the communist system's assumption that instructors should be paid equally provided they have the same background (i.e., teaching experience, professional rating, and educational level). To some extent, the reform aimed to mitigate the impact of hierarchical human resource systems, which tied instructors' wages only to their background, by integrating a competitive mechanism, teaching performance. The usual remuneration focus switches from instructors' backgrounds to teaching performance and student results. According to Davidescu et al., (2020), job satisfaction is a critical aspect that cannot be emphasized, reflecting a confluence of psychological, physiological, and environmental factors that influence an employee's job satisfaction, emotional stability, and conscientiousness. Concerning an employee's position at work, contentment may be defined as emotional attitudes on the employee's side toward the responsibilities that they do. This has a huge influence on teachers' motivation, which has a substantial impact on productivity and, as a result, the overall performance of the organization.

Teacher performance pay has been in place in China for eight years, but teachers' impressions of its execution have seldom been studied. Exploring teachers' views is one way to hear teachers' voices, check implementation practices, and assess outcomes. To bridge that gap, this descriptive-correlational research aims to determine the level of teacher compensation, teacher satisfaction, and teacher performance in five selected Chinese Universities.

Objectives of the Study - This study aimed to determine the impact of employee compensation and employee satisfaction in employee performance in local university teachers industry in China. Specifically, it aimed to describe the employee compensation in terms monetary compensation, benefits, recognition and non-monetary compensation; determine the employee satisfaction in view of work it- self, leader behavior, personal growth, interpersonal relationships, and job competency; determine the impact of employee compensation and satisfaction in employee performance in terms of task performance, interpersonal performance, adaptation performance; test the significant relationship of employee compensation and employee satisfaction to employee performance and develop a comprehensive compensation and satisfaction framework to improve employee performance.

2. Methods

Research Design - This study made use of a descriptive-correlational design to systematically describe the population, characterize the circumstances, and evaluate the variables that are being tested. The

descriptive-correlational research design is a combination of both the descriptive method and the correlational method. Descriptive research design is a methodological approach in research aimed at depicting or detailing the characteristics, behaviors, attitudes, perspectives, or perceptions of a particular group or population being studied. Unlike experimental research, descriptive research does not aim to establish causal relationships between variables or predict future outcomes. Instead, its primary objective is to provide a comprehensive and precise portrayal of the gathered data, which can be valuable for formulating hypotheses, exploring trends, and identifying patterns within the data (Hassan, 2022). Advocates for the flexibility of descriptive designs argue that it surpasses the practice of forcing a research technique into a design ill-suited for the intended study's nature. However, critics have scrutinized this approach, highlighting concerns about the blending of methods and the limited availability of literature clearly defining it. The descriptive design can serve as the foundation for a thorough investigation. A descriptive design allows the researcher to select methodologies best suited to a practice-based research aim due to the flexibility of the methods utilized (DeMarco, 2023).

On the other hand, correlational research design can take on either a relational form, leading to correlation analysis, or a predictive form, leading to regression analysis. The relational form of correlational research design is utilized when there is a requirement to ascertain the existence, magnitude, and direction of correlations between two variables. Conversely, when the aim is to establish a predictive relationship between the predictor and the outcome or criterion variable, a predictive correlational design is employed. (University of Phoenix, 2020). This study is primarily based on a survey questionnaire which was designed by the researcher and subjected to a reliability test. To obtain the data, the questionnaire will be sent to the respondents through WeChat and email and to be accomplished and received through the same medium. Statistical analyses procedure will be done in SPSS version 28 using the applicable statistical methods to obtain data pertaining to the weighted mean, test of significant differences, and correlations.

Research Participants - The research respondents are teachers who are purposively selected from 5 universities in Heilongjiang Province, China. There are 300 teachers from different levels and positions. Eighty-one (81) of the teachers were selected from Heilongjiang Institute of Technology (HIT), 63 of the teachers from Heilongjiang International University (HIU), 54 of the teachers from East University of Heilongjiang (EUH), 52 of the teachers from Harbin Guangsha College (HGC), and 50 of the teacher respondents were from Harbin Huade University (HHU).

Data Gathering Instrument - The study used a questionnaire as a primary data collection means. This was used to determine the employee compensation of the teacher respondents in their respective universities pertaining to monetary compensation, benefits, recognition, and non-monetary compensation; to evaluate the teacher-respondents regarding their employee satisfaction as regards to work, leaders' behavior, personal growth, interpersonal relationships, and job competency; and to determine the employee performance in terms of task performance, interpersonal performance, and adaptation performance. Prior to developing the research questions, the research spent time researching and reading related literatures regarding the study variables and dimensions which served as a guideline and basis for the statements in the research questionnaire. The data gathering tool was based on a four-point Likert scale which were fully evaluated by the researcher's adviser and experts in the field.

In the initial section of the questionnaire, the researcher ascertained the demographic characteristics of the participating teachers, including their age, gender, position, highest level of education, and years of service at the school. This segment aimed to provide the researcher with insights into the background and profile information of the teacher respondents. In the second part of the survey questionnaire, the researcher determined the extent of employee compensation of the teachers in the selected schools among four variables – monetary compensation, benefits, recognition, and non-monetary compensation. In the third part of the survey questionnaire, the researcher made an assessment of the extent of employee satisfaction of the teachers using five (5) dimensions which include work, leaders' behavior, personal growth, interpersonal relationships, and job competency. In the fourth part of the survey questionnaire, the researcher determined the performance of the teachers in terms of

their task performance, personal performance, and adaptation performance.

This study employed a Likert scale to gauge the opinions of teachers regarding the issues under investigation. The Likert scale consisted of four points, with response options ranging from "Strongly Agree" to "Strongly Disagree." The weight assigned to each option ranged from 1 to 4, with 1 representing the lowest (Strongly Disagree) and 4 indicating the highest (Strongly Agree). The grading on the Likert Scale for this study was as follows: 3.5-4 for Strongly Agree, 2.5-3.49 for Agree, 1.5-2.49 for Disagree, and 1.00-1.49 for Strongly Disagree. After being reviewed by the research adviser and other university experts, the questionnaire was validated as the researcher incorporated changes from all comments and suggestions given by the research adviser. The draft of the content validation will be presented by the researcher as a proof of validation of the survey questions. For the purpose of reliability, the questionnaire was subjected to Cronbach Alpha reliability test. This was done by collecting data from at least 20 teacher respondents in order to determine whether the survey questions are excellent, good, or acceptable. The results from the Cronbach alpha reliability will be tabulated with subsequent scores and interpretation. After conducting the reliability test using Cronbach alpha coefficient, the table below shows the results garnered from the test.

Table 1

Reliability Results

Variables	No. of Items	α value	Interpretation
Employee Compensation			
Monetary Compensation	5	0.811	Good
Benefits	5	0.824	Good
Recognition	5	0.821	Good
Non-monetary compensation	5	0.842	Good
Overall	20	0.878	Good
Employee Satisfaction			
Work	5	0.844	Good
Leaders' Behavior	5	0.845	Good
Personal Growth	5	0.792	Acceptable
Interpersonal Relationship	5	0.877	Good
Job Competency	5	0.889	Good
Overall	25	0.803	Good
Employee Performance			
Task Performance	5	0.867	Good
Interpersonal Performance	5	0.873	Good
Adaptation Performance	5	0.758	Acceptable
Overall	15	0.808	Good

Legend > 0.9 =Excellent; >0.8=Good;>0.7=Acceptable;>0.6=Questionable;>0.5=Poor;<0.5=Unacceptable

George and Mallery (2003) provide the following rules of thumb: “_ > .9 – Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor, and _ < .5 – Unacceptable”

Reliability results showed that the Cronbach’s alpha for employee compensation (0.878), employee satisfaction (0.803) and employee performance (0.808) suggesting that the items have a good level of internal consistency.

Data Gathering Procedure - The final questionnaire, following inclusion of ideas and recommendations from the research adviser, was utilized as a data collection instrument by the researcher. After passing the reliability test, the results were encoded and distributed to the teacher respondents through their emails and WeChat account. Prior to administering the questionnaire, the researcher sent a formal letter to the respective deans from the school departments requesting permission to conduct the questionnaire to the teacher respondents. Also prior to sending the formal letter, the researcher established communication links with the five universities (Heilongjiang Institute of Technology, Heilongjiang International University, East University of Heilongjiang, Harbin Guangsha College, and Harbin Huade University); and the schools indicated if they are all willing to allow participation. Upon receiving final approval for participation from the universities, the questionnaire was distributed online to 300 teacher respondents via email and WeChat accounts provided by their respective institutions. Following this, the researcher proceeded to summarize, analyze, and interpret the collected data.

Ethical Considerations - To safeguard the quality and integrity of the study, ethical considerations will be adhered to throughout the research process, ensuring that any information obtained is solely utilized for research purposes. The researcher's professional judgment and personal interests have remained unaffected since the beginning. All necessary permissions were obtained prior to conducting the survey. Participants were provided with a clear explanation of the research and its objectives. They were assured that the research would solely serve academic purposes and would not compromise their safety or privacy. To ensure the willingness of the target respondents to answer the study questions, the researcher sought their agreement through letters and communication. Additionally, anonymity and confidentiality of respondents were safeguarded by not requesting their names on the questionnaires. The researcher was also ensured that respondents answer voluntarily and according to their own preferences. Lastly, measures were taken to prevent any harm or damage to research participants, with their safety and security being of utmost importance.

Data Analysis - Several statistical methods were employed to tally, encode, and evaluate the pertinent documents and data. Frequency distribution, weighted mean, and Pearson's Product Moment Correlation were utilized in accordance with the study objectives. Moreover, statistical software was used to analyze all data. Specifically, the SPSS 28.0 program was used to assess the reliability and validity of the collected data.

3. Results and discussion

Table 2

Summary Table on Employee Compensation

Key Result Areas	Composite Mean	VI	Rank
Monetary Compensation	2.49	Disagree	4
Benefits	2.61	Agree	2
Recognition	2.73	Agree	1
Non-monetary Compensation	2.57	Agree	3
Grand Composite Mean	2.60	Agree	

Legend: 3.50-4.00=Strongly Agree; 2.50-3.49=Agree; 1.50-2.49=Disagree; 1.00-1.49=Strongly Disagree

Table 2 presents the summary on employee compensation. The grand composite mean of 2.60 implies that while employees generally value non-monetary rewards (recognition and benefits) more than just salary (monetary compensation). This finding aligns with research suggesting that a well-rounded compensation strategy that incorporates both monetary and non-monetary rewards is crucial for employee satisfaction and retention (Amabile et al., 2019). With the lowest composite mean (2.49) and ranked disagree, employees seem dissatisfied with their base salary or other forms of monetary compensation. Ranked 1st with a score of 2.73 (Agree), recognition appears to be the most valued aspect of employee compensation. This aligns with research by Arshadi et al. (2018) who found that recognition programs can be motivating factors for employees and reduce turnover intentions. Both benefits (ranked 2 with a score of 2.61 and Agree) and non-monetary compensation (average of monetary and recognition scores, ranked 3 with a score of 2.57 and Agree) are seen favorably, but there is still potential for improvement.

Table 2

Summary Table on Employee Satisfaction

Key Result Areas	Composite Mean	VI	Rank
Work Itself	2.55	Agree	2.5
Leader Behavior	2.56	Agree	1
Personal Growth	2.55	Agree	2.5
Interpersonal Relationships	2.54	Agree	4
Job Competency	2.52	Agree	5
Grand Composite Mean	2.54	Agree	

Legend: 3.50-4.00=Strongly Agree; 2.50-3.49=Agree; 1.50-2.49=Disagree; 1.00-1.49=Strongly Disagree

The analysis of employee satisfaction data, when examined in the context of existing scholarly literature, presents a comprehensive depiction. Although compensation continues to be a fundamental aspect, employee satisfaction is a complex construct that encompasses various factors such as recognition, adaptability, leadership, and interpersonal relationships. In order to achieve success, organizations must prioritize the cultivation of an environment that not only provides incentives, but also acknowledges, supports, and appreciates its workforce. The provided table presents an overview of various aspects of job satisfaction, categorized into five key result areas: work itself, leader behaviour, personal growth, interpersonal relationships, and job competency. The evaluation of each domain is conducted by calculating a composite average score, which is subsequently associated with a verbal interpretation spanning from strongly disagree to strongly agree. The ranking of these scores is determined by their relative significance ranging from 2.50 to 3.49.

The ranking of leader behaviour is the highest, occupying the first position, whereas job competency is ranked the lowest, occupying the fifth position. The respondents perceive both the work itself and personal growth as equally important, as indicated by their shared ranking of 2.5. The factor with the highest level of significance in relation to employee satisfaction is leader behaviour, with a mean score of 2.56. Based on the extant literature, it is evident that the presence of effective leadership characterized by positivity, transformation, and empowerment plays a pivotal role in fostering employee satisfaction. Leaders who possess the ability to identify and acknowledge individuals' potential, facilitate their development, and establish an inclusive approach to decision-making have the capacity to exert a positive impact on the level of job satisfaction experienced by their subordinates. The strong correlation observed between leader behaviour and work itself suggests that employees place a significant emphasis on the intrinsic characteristics of their tasks, nearly equal to the importance they assign to their leaders. The two factors that have been identified as significant in this study are the work itself and personal growth, both of which received a rating of 2.55. These areas are interconnected and hold significant importance. Employees experience a sense of satisfaction from engaging in their assigned tasks and benefiting from opportunities for personal and professional growth. The literature pertaining to this topic emphasizes the importance of work engagement, adaptability, and the necessity for ongoing learning in the contemporary and ever-changing work environment. In addition, it is crucial to emphasize the importance of preparedness for change and the congruence between individual development and the objectives of the organization.

Interpersonal relationships (2.54, the establishment of positive interpersonal relationships has been found to have a significant impact on various aspects of the workplace, including job satisfaction, burnout reduction, and the promotion of collaborative efforts. The aforementioned studies suggest that various factors, both external and internal in nature, exert an influence on these relationships. The cultivation of positive interpersonal relationships, the provision of emotional support, and the exchange of valuable information among colleagues can significantly enhance the overall well-being and productivity within a professional setting. The job competency score is 2.52. This relates to the capacity of an employee to carry out tasks with efficiency and effectiveness. The existing body of literature highlights several factors that have been identified as potential influencers of job performance. These factors encompass leadership style, clarity of tasks, mechanisms for feedback, and interpersonal skills. The significance of adaptability in job performance is a prominent theme, particularly in industries characterized by rapid change.

The data exhibit a strong correlation with the comprehensive body of literature available. The role of compensation and benefits in job satisfaction is foundational, despite not being explicitly referenced in the table. The ranking demonstrates that although compensation holds importance, the conduct of leaders and prospects for personal development carry equal, if not greater, significance. Additionally, the significance attributed to interpersonal relationships within the professional setting, as indicated in the table, is further emphasized by research that highlights the value of soft skills, peer associations, and a favorable psychosocial atmosphere. The significance placed on adaptability, as evident in both the table and the literature, highlights the dynamic nature of contemporary work environments. These settings are characterized by unforeseeable obstacles that necessitate employees to possess flexibility and agility. Moreover, the prominence placed on leadership within the various

datasets and research findings underscores its crucial significance in shaping individuals' levels of job satisfaction. There is a positive correlation between effective leadership styles, such as transformational and authentic leadership, and elevated levels of employee satisfaction and engagement. The analysis of employee satisfaction data, in conjunction with the existing body of scholarly literature, yields a comprehensive comprehension of the factors that influence workplace satisfaction. The authors highlight the complex and diverse aspects of job satisfaction, which are shaped by a combination of intrinsic factors such as personal development and leadership behaviour, as well as extrinsic factors such as compensation. Organizations that aspire to achieve elevated levels of employee satisfaction and diminished turnover rates should allocate resources towards the implementation of robust leadership training programs, the provision of continuous learning opportunities, and the cultivation of a workplace culture that fosters positive interpersonal relationships. The paradigms governing employee performance have experienced significant shifts in the rapidly evolving dynamics of the modern work environment. The utilization of data, in conjunction with extensive scholarly sources, provides a comprehensive understanding of this process of development, uncovering a merging of conventional and modern elements that impact the productivity and effectiveness of employees.

Table 3

Summary Table on Impact in Employee Performance

Key Result Areas	Composite Mean	VI	Rank
Task Performance	2.83	Agree	3
Interpersonal Performance	2.84	Agree	2
Adaptation Performance	2.99	Agree	1
Grand Composite Mean	2.89	Agree	

Legend: 3.50-4.00=Strongly Agree; 2.50-3.49=Agree; 1.50-2.49=Disagree; 1.00-1.49=Strongly Disagree

Table 3 offers a quantitative perspective on employee performance in various critical domains. This statement emphasizes the importance of adaptation, interpersonal relations, and task execution in relation to performance. The alignment of all three dimensions within the 'Agree' spectrum indicates a consistent trend. However, the nuanced differences in their composite mean values provide insights into the evolving priorities of the workplace. The prominence of Adaptation Performance in the current business landscape serves to underscore the fundamental importance of flexibility and adaptability in modern organizational contexts. On the other hand, task performance, despite being fundamental, seems to have a somewhat diminished impact. The concept of interpersonal performance, situated between two domains, emphasizes the importance of proficient communication and collaboration.

The inclusion of references to the extensive body of literature on human resources and workplace dynamics enhances the depth and scholarly nature of this narrative. The literature highlights the significance of adaptability, which reflects the dynamic and uncertain characteristics of contemporary enterprises. In light of the dynamic nature of the corporate environment, characterized by ongoing technological advancements, geopolitical shifts, and global crises such as pandemics, it is crucial for employees to possess the capacity to adapt and assimilate effectively. The process extends beyond mere adaptation to unfamiliar tasks, encompassing unforeseen situations, acquisition of unfamiliar methodologies, and acceptance of emerging technologies. The contemporary professional, therefore, is not solely responsible for executing tasks, but rather possesses the ability to adapt and solve problems efficiently. Nevertheless, despite the increasing recognition of adaptability, the fundamental significance of task performance persists. In the realm of literature, task performance is defined as encompassing the fundamental duties associated with specific job roles. The influence of the subject under consideration is characterized by its multifaceted nature, which is determined by various factors such as leadership styles, employee satisfaction, feedback mechanisms, and the immediate work environment. The slight decrease in the composite mean value of this area compared to the others may indicate a more widespread change in how the workplace is perceived. Although the efficient execution of tasks remains crucial, there is a growing emphasis on the holistic development and adaptability of employees in contemporary evaluations. Interpersonal skills play a crucial role in connecting adaptability and task performance.

The second tier of Interpersonal Performance places emphasis on the widely recognized significance of effective communication, collaboration, and relationship building in achieving success in the workplace. In contemporary times characterized by a prevalence of teamwork and cross-functional collaborations, the capacity to effectively communicate, comprehend, and cooperate is of equal importance to task execution and adaptability to changes. In addition to these three dimensions, the literature highlights other relevant factors that contribute to a more comprehensive understanding of the narrative. Compensation, encompassing both financial and non-financial forms, is a longstanding and influential mechanism for shaping performance. In a highly competitive environment where there is a fierce competition for skilled individuals, the implementation of equitable and inventive methods for remuneration can serve as distinguishing factors, positively impacting motivation and involvement in all three domains of performance. Concurrently, job satisfaction, which is influenced by a variety of factors ranging from work flexibility to the quality of leadership, emerges as a significant determinant. Elevated levels of satisfaction consistently lead to increased performance, whether it is in tasks, interpersonal relationships, or adaptability.

According to the existing literature, it is widely acknowledged that leadership has evolved beyond its traditional role as a mere supervisory function. Contemporary leadership, particularly transformational leadership, entails the cultivation of innovation, facilitation of adaptive performance, and establishment of a milieu characterized by mutual respect and growth. Contemporary effective leaders possess the ability to identify and cultivate various performance dimensions, thereby guaranteeing optimal performance across all aspects within their teams. The interconnection of these factors, encompassing personal development and professional interactions, culminates in a central motif: equilibrium. In contemporary work environments, there is a growing need for a cohesive approach that recognizes the interdependence of task completion, flexibility, and interpersonal dynamics as integral components of overall performance. The evolution of employee performance is therefore not solely reliant on individual metrics, but rather a complex fabric composed of various interrelated elements. In the context of the contemporary work environment, the acknowledgment and cultivation of interdependence emerge as a guiding principle for organizations striving for exceptional performance.

Table 4 shows the Relationship Between Employee Compensation and Employee Satisfaction. Within the realm of human resource management, compensation has consistently been regarded as a fundamental cornerstone. However, to what extent does it correlate with the various dimensions of employee satisfaction? To investigate this inquiry, it is imperative to conduct a thorough analysis of the correlation between different forms of remuneration and the fundamental factors that impact employee contentment. Initially, the data suggests a compelling finding: there is no statistically significant correlation between monetary remuneration and the variables being examined, namely work, leadership behavior, personal development, interpersonal connections, and job proficiency. This notion poses a challenge to the conventional belief system that places monetary incentives at the forefront as the main driving force.

Table 4

Relationship Between Employee Compensation and Employee Satisfaction

Variables	rho	p-value	Interpretation
Monetary Compensation			
Work Itself	0.102	0.077	Not Significant
Leader Behavior	0.024	0.684	Not Significant
Personal Growth	0.109	0.058	Not Significant
Interpersonal Relationships	0.095	0.102	Not Significant
Job Competency	0.091	0.116	Not Significant
Benefits			
Work Itself	0.031	0.594	Not Significant
Leader Behavior	0.163**	0.005	Significant
Personal Growth	0.162**	0.005	Significant
Interpersonal Relationships	0.047	0.413	Not Significant
Job Competency	-0.011	0.845	Not Significant

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Recognition			
Work Itself	0.072	0.212	Not Significant
Leader Behavior	0.102	0.079	Not Significant
Personal Growth	0.068	0.242	Not Significant
Interpersonal Relationships	-0.090	0.118	Not Significant
Job Competency	0.029	0.618	Not Significant
Non-monetary Compensation			
Work Itself	0.105	0.069	Not Significant
Leader Behavior	0.021	0.714	Not Significant
Personal Growth	0.119*	0.039	Significant
Interpersonal Relationships	0.036	0.532	Not Significant
Job Competency	0.090	0.121	Not Significant

** . Correlation is significant at the 0.01 level/* . Correlation is significant at the 0.05 level

Although it is widely acknowledged that a substantial salary is appealing, empirical evidence indicates that the relationship between financial compensation and intrinsic job satisfaction is not as straightforward as previously assumed. The data becomes particularly compelling when examining the areas of benefits and non-monetary compensations. The former demonstrates noteworthy positive associations between leader behaviour and personal growth. Fundamentally, when employees perceive a rise in benefits, their satisfaction with leadership and personal growth opportunities also increases simultaneously. This is consistent with the extensive body of literature on the topic that emphasizes the significance of transformational leadership, encompassing aspects such as decision-making, delegation, and the identification of individual subordinates' capabilities.

The increased focus on non-monetary forms of compensation serves to solidify its importance. The data suggests a strong correlation between non-monetary incentives and individual development. Non-material rewards, such as expressions of appreciation or the provision of extra time off, seem to enhance an employee's perception of their personal growth. This aligns with the sentiments expressed in the literature, which emphasize the inclination of younger employees towards personal and professional growth. However, the data does not exhibit a distinct correlation between recognition and the factors mentioned above. This situation poses a dilemma, considering the vast body of literature that advocates for recognition as a driver for decreasing employee turnover and enhancing employee engagement. The aforementioned discrepancy may serve to highlight the complex and diverse aspects associated with the concept of recognition.

The potential impact of this phenomenon on employee satisfaction may exhibit a more intricate nature, manifesting through indirect pathways and being influenced by mediating factors that were not accounted for in the current research. Interpersonal relationships, although often portrayed in literature as predictors of professional achievement and contentment, exhibit a complex association with financial remuneration based on empirical evidence. It presents a fundamental inquiry: Despite the undeniable significance of interpersonal relationships, is their connection to financial and other material advantages tenuous? The solution, it appears, resides within the complexities of human psychology and the multitude of factors that contribute to job satisfaction. The complexity and depth of employee satisfaction can be likened to a mosaic. The relationship between compensation and different aspects of job satisfaction is not always straightforward or linear, despite compensation being a fundamental element in all its forms. Organizations are required to surpass the conventional boundaries and embrace a comprehensive approach. To truly enhance employee satisfaction, it is imperative to combine the emphasis on leadership quality, the provision of personal growth opportunities, and the cultivation of strong interpersonal relationships with both monetary and non-monetary incentives.

The complex interplay between employee compensation and its impact on performance has been a subject of interest for both practitioners in the industry and scholars in the academic community for a considerable period of time. Through a meticulous analysis of Table 5 within the context of the extensive body of literature, one is able to discern patterns that both reinforce certain established beliefs and present challenges to others.

Table 5*Relationship Between Employee Compensation and Employee Performance*

Variables	rho	p-value	Interpretation
Monetary Compensation			
Task Performance	0.031	0.587	Not Significant
Interpersonal Performance	0.048	0.405	Not Significant
Adaptation Performance	0.117*	0.042	Significant
Benefits			
Task Performance	0.004	0.939	Not Significant
Interpersonal Performance	0.150**	0.009	Significant
Adaptation Performance	0.071	0.218	Not Significant
Recognition			
Task Performance	0.040	0.493	Not Significant
Interpersonal Performance	0.060	0.301	Not Significant
Adaptation Performance	0.052	0.372	Not Significant
Non-monetary Compensation			
Task Performance	0.096	0.096	Not Significant
Interpersonal Performance	0.047	0.422	Not Significant
Adaptation Performance	0.106	0.066	Not Significant

***. Correlation is significant at the 0.01 level/**. *Correlation is significant at the 0.05 level*

Central to this discussion is the significance of remuneration within the domain of human resource management. Compensation encompasses more than a quantitative representation of an individual's financial worth as an employee. On the contrary, it functions as a representation of the significance and reliance an organization bestows upon its employees. Monetary remuneration, fringe benefits, acknowledgment, and non-monetary incentives serve as fundamental factors influencing employees' perception of their position and subsequent performance within the organization. Upon further examination of table 5, a notable pattern emerges in the domain of adaptation performance. The dimension in question, as emphasized in scholarly literature, encompasses qualities such as innovative problem-solving and adeptness in navigating uncertain work environments. The analysis of the data indicates a noteworthy association between financial remuneration and the ability to adapt. This implies that providing employees with appropriate compensation may potentially increase their propensity to take initiative, engage in innovative problem-solving, and adapt quickly to changes. However, the complexity increases when examining the domain of interpersonal performance. The dimension of performance, which plays a crucial role in achieving collective organizational success, appears to exhibit a noteworthy correlation with benefits.

The existing body of literature supports this assertion, indicating that the provision of shared benefits such as health privileges or collective entertainment opportunities can foster a sense of being esteemed. These emotions, in return, have the potential to enhance interpersonal connections, cultivating a cohesive and cooperative atmosphere within the workplace. However, there is a noticeable deviation that is worthy of attention. Despite being emphasized as important in literature, recognition does not demonstrate a significant correlation with any of the performance dimensions presented in the table. Although it is widely recognized that employee engagement and reduced turnover intentions are influenced by it, the direct impact of this factor on performance remains unclear based on available data. The aforementioned observation suggests that although recognition contributes to overall engagement and commitment, its impact on task-specific performance or adaptation may be relatively limited. Furthermore, it is important to acknowledge the significance of non-monetary compensation, even though it may not exhibit a strong statistical correlation. The literature fervently promotes the significance of its role, particularly in sectors with limited financial resources. The provision of such compensation has the potential to stimulate creativity and enhance job satisfaction, which are essential for the long-term sustainability of an organization.

Table 6*Relationship Between Employee Satisfaction and Employee Performance*

Variables	rho	p-value	Interpretation
Work Itself			
Task Performance	0.128*	0.026	Significant
Interpersonal Performance	-0.005	0.927	Not Significant
Adaptation Performance	0.033	0.564	Not Significant
Leader Behavior			
Task Performance	0.050	0.391	Not Significant
Interpersonal Performance	0.140*	0.015	Significant
Adaptation Performance	0.098	0.092	Not Significant
Personal Growth			
Task Performance	0.093	0.110	Not Significant
Interpersonal Performance	0.137*	0.018	Significant
Adaptation Performance	0.068	0.238	Not Significant
Interpersonal Relationships			
Task Performance	0.067	0.249	Not Significant
Interpersonal Performance	0.177**	0.002	Significant
Adaptation Performance	0.032	0.575	Not Significant
Job Competency			
Task Performance	0.033	0.567	Not Significant
Interpersonal Performance	0.038	0.512	Not Significant
Adaptation Performance	0.086	0.137	Not Significant

***. Correlation is significant at the 0.01 level/**. *Correlation is significant at the 0.05 level*

Within the extensive field of organizational studies, the relationship between employee satisfaction and their performance has consistently garnered significant attention from both academic researchers and industry professionals. The information presented in table 18, along with the findings derived from an extensive review of relevant scholarly sources, provides a nuanced comprehension of this intricate phenomenon.

The available data indicates that there is a notable correlation between the fundamental aspects of work, such as its intrinsic nature and the specific tasks involved, and the level of task performance. This correlation is consistent with the existing literature, which highlights the significant role of job satisfaction in improving employee productivity. The significance of offering employees roles that they perceive as meaningful and fulfilling is underscored by the existence of a positive correlation between work satisfaction and task performance. The subject under consideration is not merely an abstract notion, but rather a concrete element within the work environment that carries direct consequences for productivity. Remarkably, leadership, a crucial component of organizations, appears to exert a greater impact on interpersonal relationships rather than on outcomes related to tasks. Transformational leaders are known for their ability to inspire and engage employees by providing a clear vision and motivation. However, empirical evidence suggests that the most significant influence of leadership behaviour is observed in the domain of interpersonal performance. This phenomenon can be understood as a practice in which leaders cultivate improved team dynamics, acknowledge the unique capabilities of individuals, and consequently cultivate work environments that are characterized by greater harmony and collaboration. The existing body of literature illuminates the significance of personal development in fostering both individual and organizational success. Nevertheless, the data presents an intriguing indication that the main area of impact lies within interpersonal performance. It can be postulated that individuals who place importance on personal growth and derive satisfaction from it may possess or cultivate qualities that improve interpersonal interactions. The individual's propensity for collaboration, active solicitation of feedback, and shared pursuit of personal development potentially leads to enhanced interpersonal dynamics.

One of the strongest correlations discovered from the data pertains to the association between interpersonal relationships and interpersonal performance. This concept appears to possess an intuitive nature while also bearing substantial significance. The existing body of literature and empirical evidence consistently support the notion that positive interpersonal relationships in the workplace, characterized by mutual support, empathy, and efficient communication, play a crucial role in fostering job satisfaction. These relationships serve as a form of

protection against burnout, effectively maintaining employee engagement and productivity. Nevertheless, the absence of data regarding the substantial impact of job competency on performance necessitates thoughtful consideration. Although the importance of competency cannot be denied, its limited role as a direct predictor of performance dimensions implies that while employee competence is necessary, other factors may have a stronger influence on performance outcomes. Upon synthesizing these various strands, it becomes apparent that the correlation between employee satisfaction and performance is complex and multifaceted. Various performance dimensions are influenced by interwoven elements such as work essence, leadership, personal growth, and interpersonal relationships. In order to fully leverage the capabilities of their workforce, organizations must acknowledge and take proactive measures based on these insights. By cultivating an atmosphere that effectively integrates purposeful tasks, influential guidance, opportunities for individual development, and strong interpersonal connections, organizations can strategically navigate towards enhanced productivity, while concurrently guaranteeing employee satisfaction, motivation, and loyalty. The success of a company in the ever-changing business landscape is significantly dependent on the composition and performance of its workforce. Therefore, the implementation of a proficient employee compensation strategy plays a crucial role in guaranteeing enhanced employee performance and overall organizational productivity.

First and foremost, a comprehensive research and role analysis form the foundation of a successful compensation strategy. Regular engagement in market research is crucial for companies, as it enables them to establish a competitive position within the industry landscape. The remuneration associated with a position should not solely be a superficial representation of the job title, but rather should be commensurate with the level of responsibilities, required skills, and the significance of the role within the organization. The implementation of this practice guarantees parity and impartiality within the remuneration framework, thereby fostering a sense of confidence and reliance among employees. Nevertheless, the base salary merely represents a fraction of the overall picture. The implementation of performance-based increments and bonuses has the potential to foster a culture that emphasizes meritocracy. When employees become aware of the direct impact of their efforts on their earnings, it serves as a motivating factor that encourages them to exhibit greater levels of proactivity, innovation, and commitment. By implementing a compensation structure that links bonuses to both individual and team performance, organizations can cultivate a collaborative work environment while simultaneously acknowledging and incentivizing individual achievements. However, it is imperative that the vision be oriented towards the long-term. Long-term incentives, such as the provision of stock options or equity, can play a crucial role in driving performance and motivation for individuals in pivotal positions. Not only do they secure essential personnel, but they also involve them as stakeholders in the company's future, thereby establishing a connection between individual achievement and organizational advancement. Deferred compensation plans serve to strengthen the long-term relationship between employers and employees, thereby promoting workforce continuity and stability. However, it would be narrow-minded to concentrate exclusively on financial incentives. As expounded upon in various scholarly investigations, non-financial advantages hold comparable significance in influencing an employee's affiliation with the organization. Professional development programs serve the dual purpose of enhancing the skills of employees and demonstrating the company's commitment to fostering their personal and professional advancement. Moreover, it should be noted that recognition programs, despite their apparent simplicity, can exert The aforementioned advantages demonstrate an organization's human-centered orientation, signifying its commitment to prioritizing the welfare and equilibrium between work and personal life for its employees. Nevertheless, feedback is a paramount element that is frequently disregarded. The development of a compensation strategy should not be approached as a universally applicable solution, as it necessitates adaptation and evolution over time. The utilization of regular employee surveys and the implementation of an open-door policy can provide significant and invaluable insights into the efficacy of the compensation system. The focus lies not only on addressing deficiencies, but also on adjusting to the evolving requirements and ambitions of the labour force.

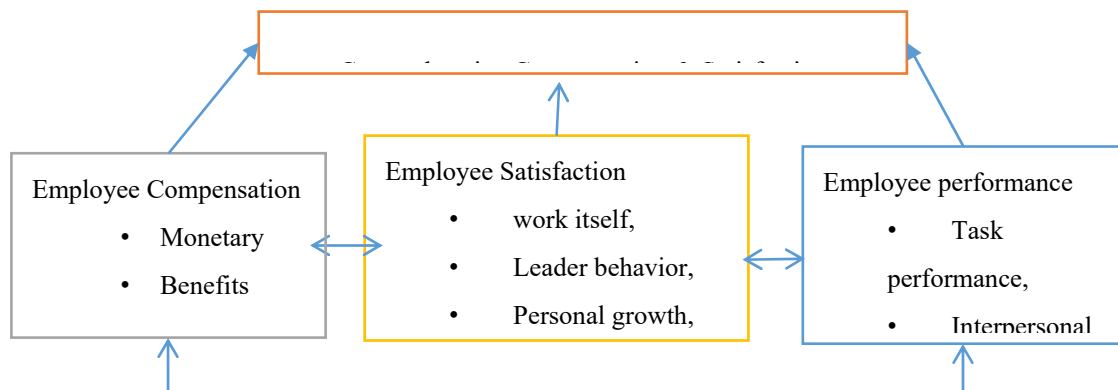
Comprehensive Compensation & Satisfaction Framework

Figure 2. Comprehensive Compensation & Satisfaction Framework

At first, employee compensation is complex. It goes beyond the monthly paycheck. Our investigation showed that while monetary compensation is still important, benefits—tangible and intangible—are becoming more important. Modern companies offer health benefits, retirement plans, flexible work hours, and parental leaves. These and regular monetary appraisals make up an employee's evaluation package. Recognition, though intangible, boosts employee morale and purpose. Regularity and authenticity of recognition are more important than grand gestures, according to the findings. Finally, companies are investing heavily in non-monetary compensation like professional development and a good work environment. However, organizations provide these elements differently. Several factors affect employee satisfaction. The employee's daily work received mixed reviews. Many are happy in their jobs, but they want variety and role changes to avoid monotony. Leadership, often overlooked, is crucial to job satisfaction. Transformative and inclusive leadership were praised, while autocracy was condemned. Personal growth opportunities like training and upskilling are now essential. Data also showed the importance of workplace relationships. Job satisfaction is affected by cohesive teams, open communication, and a positive work environment. Regular training is needed because job satisfaction increased when employees felt competent. The impact on employee performance showed clear patterns. Compensation and recognition affected task performance. When workers felt valued, they worked harder and produced more. In contrast, healthy interpersonal relationships boosted interpersonal performance. The study found that cohesive teams outperformed fragmented teams. When employees were happy with their jobs, especially leadership and growth opportunities, their adaptation performance was best.

A key question in this study was how employee compensation and satisfaction affect performance. The results were clear. Performance always improved when monetary, benefits, recognition, and non-monetary compensation met employee expectations. Increased employee satisfaction across defined parameters directly correlated with higher organizational output. The study shows the complex relationship between compensation, satisfaction, and performance. Organizations can boost productivity and become desirable workplaces in the competitive market by providing a well-rounded approach to employee compensation and fostering growth and well-being.

4. Conclusions and recommendations

The respondents have moderately agreed on their employee compensation package, including monetary compensation, benefits, recognition, and non-monetary compensation. The respondent employees are moderately satisfied on the work itself, leadership behavior, personal growth, interpersonal relationships, and job competency. Task performance, interpersonal relationship performance, and adaptation performance have moderate impact on employee performance. There is significant relationship between employee satisfaction to employee performance in terms of task performance and interpersonal performance, and significant relationship between employee compensation as to monetary and benefits to employee performance as regard to adaptation and interpersonal performance. A comprehensive compensation and satisfaction framework is formulated to

improve employee performance.

Given the extensive research on the interrelationships between salary, job satisfaction, and productivity, the following recommendations are proposed: The companies may keep employee compensation competitive and fair by reviewing it annually or biennially in light of industry standards. The company may conduct regular employee surveys to measure employee satisfaction. The company may establish a continuous feedback mechanism to improve employee satisfaction. The company may use the proposed framework to have focus on comprehensive compensation and satisfaction of employees. Future researchers may conduct further study considering the broader organizational context such as leadership style, communication practices, and corporate culture influence the effectiveness of compensation and satisfaction initiatives.

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