A Study on Impact of Remuneration on Employees Performance With Reference To I Trend Solutions Pvt Ltd

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Abstract- *This study has been enriched in 'I TREND SOLUTIONS PVT LTD' to identify the impact of remuneration. "Remuneration is the pay or reward given to individuals for work done and also, he further identified the indicators of remuneration including basic salary, wages, health schemes, pension schemes, transport allowances overtime allowances, and responsibility allowances.*

The remuneration plays an important role in increasing the performance of the employees. It motivates them gear up their performance level. Performance is a critical factor in organizational success, helping to also improve overall productivity, profitability, and employee morale. By assessing employee performance regularly, companies can identify areas that need improvement, provide support and training to employees, and ensure that everyone is working towards the same goals. The primary objective of the study is to know the impact of remuneration on employees performance with reference to 'I TREND SOLUTIONS PVT LTD'. The secondary objective of the study to determine the impact of remuneration on the productivity, morale and overall performance of the employees, to examine the relationship between remuneration and employees performance and to explore the impact of remuneration on the quality of work.

The research design is used for the study was descriptive research design. The descriptive research means the research which is done to know the current situation of the study. The data has been collected using structured questionnaire. The sample taken for this study was 250 out of population 250 at I TREND SOLUTIONS PVT LTD. The type of sampling technique used for the study was simple random sampling.

The study show that employees are not getting proper remuneration for their work done so it leads decrease in the performance and lack of productivity in the company. There are suggestions given to the company to give alternative remuneration package for the employees and to increase the performance of the employees.

I. INTRODUCTION

In any organization tasks are performed with the help of resources; material, machine, money and most importantly men. All other resources except for human beings as employees are non- living. Employees make use of these resources to generate output without them other resources will be useless, dormant and will not produce anything. Therefore, human resource is the greatest asset any organization can have and should be given the highest priority. Ojeleye & Okoro argued that human resource provides basis for an organization to achieve sustainable competitive advantage. Since organizations are operating in a dynamic and competitive business environment, they need to develop strategies to acquire and retain the competent workforce. He also emphasizes, nowadays human asset considered to be the most important asset of any organization and in order to get the efficient and effective result from human resource motivation is necessary Remuneration is traditionally seen as the total income of an individual and may comprise a range of separate payments determined according to different rules. For example, the total remuneration of medical staff may comprise a capitation fee and a fee for services, or it may include a salary and shared financial risk .Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Performance is also important for the individual. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Moreover, performance if it is recognized by others within the organization is often rewarded by financial and other benefits. Performance is a major although not the only pre requisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization

and generally have better career opportunities than low performers.

REMUNERATION

Maicibi defined remuneration as pay or reward given to individuals for work done and also, he further identified the indicators of remuneration including basic salary, wages, health schemes, pension schemes, transport allowances overtime allowances, and responsibility allowances.

EMPLOYEES PERFORMANCE

Employee performance is defined as how well a person executes their job duties and responsibilities. Many companies assess their employees' performance on an annual or quarterly basis to define certain areas that need improvement and to encourage further success in areas that are meeting or exceeding expectations.

II. NEED FOR THE STUDY

Studying the impact of remuneration on employee performance is essential for organizations striving to optimize productivity and employee satisfaction. By understanding how compensation packages influence performance, employers can alter the remuneration structures. It will encourage employees to perform better and enhance overall workplace efficiency. This research will give clarity on the effectiveness of various compensation strategies, whether they motivate employees to excel their performance. Moreover, insights gained from this study can inform HR policies aimed at attracting and retaining top talent, ultimately contributing to the organization's success and competitiveness in the marketplace.

III. OBJECTIVE OF THE STUDY

- To know the impact of renumeration on employees 'performance
- To determine the impact of remuneration on the productivity, morale of the employees.
- To examine the relationship between remuneration and employees performance.
- To explore the impact of remuneration on the quality of work.

V. LITERATURE REVIEW

Dessler (2022), opined that remuneration is divided into 3 kinds: direct financial Payment in the form of wages, salaries, incentives, commissions, and bonuses, indirect payment in the form of benefits such as insurance and vacations, non-

financial rewards such as a more challenging job, and flexibility in working hours.

Freedman (2020) is of the opinion that along with attractive rewards and recognition if a healthy working environment is produced then employees are motivated immensely to excel in their performance. Employees take recognition emotionally which in turn boosts up the morale of employees which ultimately increases the productivity of organizations. In this way, motivated employees are retained by the organizations thus reducing extra costs of hiring.

Aswathappa (2019), accorded that an average employee in the organized sector is entitled to several benefits–financial and non-financial. The financial benefits include wages, salaries, incentives, fringe benefits, and perquisites. The non–financial benefits Include challenging job responsibility, recognition of merit, growth prospects, competent supervision, comfortable working conditions, and job-sharing among others.

Malkovich and Newman (2018) clearly stated that among all types of rewards, monetary pay is considered one of the most important and significant factors in retention. Hence, the salaries must be fair according to the employee's contribution. This gives a great sense of ownership and an interesting financial advantage for the employees. Non-financial rewards should also be provided to employees for their contributions toward any organization's success.

Rusbult & Farrell, 2017 also noted that the indirect remuneration package such as benefits could affect employee attraction and retention as it has been observed that the absence of adequate benefits serves as one of the main factors contributing to employee intention to leave. In essence, it is with great imperatives on Public Sector Employers to provide essential benefits for relatively low salaries. In support of this, Browne proved that potential employees were willing to accept lower salaries if benefits of importance to them were also offered. Employee benefits packages increase worker commitment to the organization and reduce the tendency. This makes remuneration and reward planning a vital dimension of an effective employee retention mechanism. Public Sector Organizations must see rewards as an essential element in attracting a high caliber workforce and increase their commitment to using it as a mechanism or strategy in retaining talents Remuneration offers employees some Level of security, autonomy, recognition, and improved self-worth, which consequently increases their sense of self-worth, leading to affective commitment and retention.

(Snell & Bohlander, 2016) Employee remuneration includes all forms of pay and rewards received by employees for the performance of their jobs. Direct remuneration includes employee wages, salaries, incentive-payments, bonuses and commissions, Whiles the indirect remuneration includes the fringe benefits such as health care, life insurance, subsidized lunch, leave policy, overtime, pension plan, and transportation policies. Direct remuneration serves as the most critical issue when it comes to attracting and retaining talent. Parker and Wright alluded that there is a perceived assumption that monetary value can influence employees' behavior hence fair competitive remuneration is understood to be the cornerstone of the psychological contract between an employer and his employees. As a result, some organizations may even go the extra mile of providing remuneration packages that are well above the market rate in other to attract and retain critical talents.

Mathis and Jackson (2015) also argued that a balanced, fair and competitive compensation and reward system affect the retention of employees. Thus, remuneration in the form of fringe benefits, allowances, loan schemes, training packages and pension schemes could affect employee attraction and retention. In essence, the public-sector must- see remuneration not only as basic salary but as pay and conditions of service and increase their commitment to re-define, formulate, and implement a holistic remuneration package; as opposed to annual pay rises on the integrated pay scale or the annual piece- meal increases at budget speeches as opposed to some private organizations that have a robust and proactive rewarding system.

The Equity Theory by Adams (2014) recognizes that individuals are concerned not only with the remuneration package they receive for their efforts, but also compare their pay structure with what others receive. The Equity theory posits that employees seek to maintain equity between the input that they bring into a job such as education, time, experience, commitment and effort and the outcome they receive such as promotion, recognition and increased pay against the perceived inputs and outcomes of other employees. According to the theory there should be uniformity in employee's remuneration as, if employees perceived themselves as not being paid fairly for their time and effort, this might leads to low productivity, high absenteeism and as well as quitting the job and seeking for an alternative elsewhere (Hellriegel et) Thus, in terms of retention, the theory implied that, organizations will have to develop reward systems that are perceived to be fair and equitable in the eyes of employees if they are to retain them.

VI. RESEARCH MEDHODOLOGY

RESEARCH METHOD

Research method are the strategies, processes or techniques utilized in the collection of data or evidence for analysis in order to uncover new information or create better understanding of a topic.

RESEARCH DESIGN

Research design refers to the overall plan, structure or strategy that guides a research project, from its conception to the final analysis of data.

Type of research design

- Exploratory research design
- Descriptive and diagnostic research design
- Experimental/causal research design.

The research design followed for the study is a descriptive type of research.

SAMPLE SIZE

The sample size for the research refers to the total number of the population to be included in the sample for conducting the research study, Sample of 250 respondents were obtained from the population.

SPSS (STATISTICAL PACKAGE FOR SOCIAL SCIENCE):

Statistical package for social sciences (SPSS) is mean for statistical analysis of data. It has got tools to obtain accurate result. SPSS is a computer program used for survey authoring and deployment, data mining, text analytics, statistical analysis, and collaboration & deployment.

The following statistical tools were used in this study:

- Simple percentage
- Chi square
- Correlation
- Regression
- ANOVA

Percentage analysis:

In case Percentage refers to a special kind of ratio. Percentage is used in making comparison between two or more series of data. In this study, the number of people who

responded in a particular manner is interpreted in the form of percentages.

Percentage = (No of respondents/Total no of respondents)*100

Chi-square Test:

The chi – square test is also known as non-parametric test or distribution free test is used when it is impossible to make any assumptions about population or when the researcher is unable to estimate the population's parameters. The main advantages of using non parametric test is that, the researcher can analyse qualitative data. It is used to determine whether the two variables are associated with each other or not. It helps in finding the association between two or more attributes.

Correlation:

Correlation analysis is made to determine the degree of relationship between two or more variables. It does not tell about cause and effect relationship. The values of coefficient of correlation lie between +1 to –1. When r = +1, it means there is a perfect positive correlation between the variables. When r = –1, it means there is a perfect negative correlation between the variables. When r = 0, it means no relationship between the two variables.

Regression:

Linear regression is a statistical procedure for calculating the value of a dependent variable from an independent variable. Linear regression measures the association between two variables. It is a modeling technique where a dependent variable is predicted based on one or more independent variables. Linear regression analysis is the most widely used of all statistical techniques.

Y=mX+b

VII. LIMITATION OF THE STUDY

- The study was made depending on the primary and secondary data collected which may even go wrong in some cases.
- It is difficult to understand the different opinion of the employees
- It is difficult to conclude whether the employees genuinely answered all the questions without any fear.

VIII. DATA ANALYSIS AND INTERPRETATION PERCENTAGE ANALYSIS

TABLE (a) SHOWING THE AGE OF THE RESPONDENT

S.NO	Age of respondents	No of respondents	% of respondents
1	20-25	96	38.4
2	25-30	109	43.6
3	30-35	40	16
4	Above 35	5	2
	Total	**250**	**100**

INTERPRETATION

It is observed that out of 250 respondents, 38.4 % are between 20-25 aged, 43.6% are between 25-30 aged, 16% are between 30-35 aged, 2% are above 35 aged.
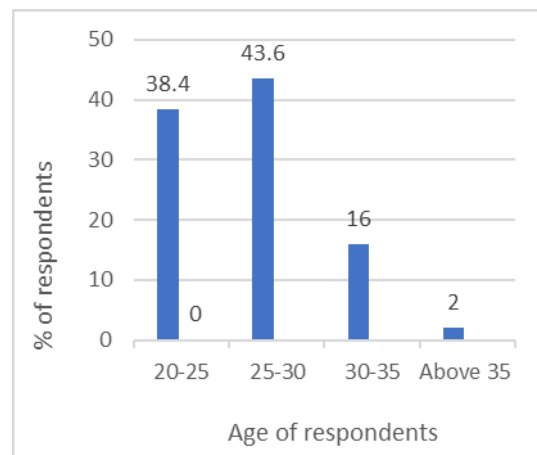
CHART SHOWING THE AGE OF THE RESPONDENT

Table (B) Showing The Gender Of The Respondents

S.NO	Gender of the respondents	No of respondents	% of respondents
1	Male	143	57.2
2	Female	107	42.8
	Total	**250**	**100**

INTERPRETATION

From the above table, it is observed that 57.2% are male and 42.8% are female respondents.

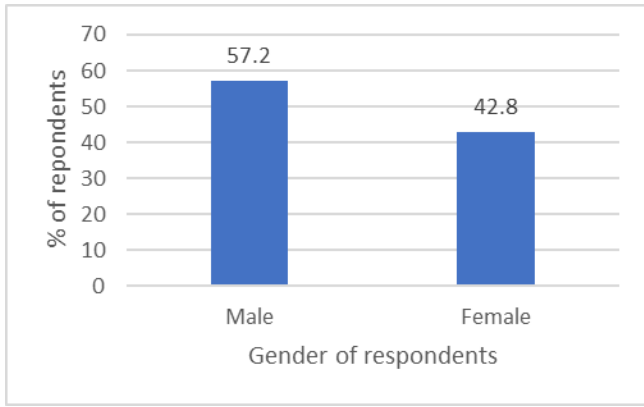**CHART SHOWING THE GENDER OF THE RESPONDENTS**

Table (C) Showing The Work Experience Of The Respondent

S.NO	Work Experience	No Of Respondents	% Of Respondents
1	1-2 years	83	33.3
2	2-3 years	102	41
3	3-4 years	38	15.3
4	Above 5 years	27	10.4
	Total	250	100

INTERPRETATION

From the above table it is observed that 41% of the respondents have 2-3 years of experience, 33.3% of the respondents have 1-2 years of experience,15.3% of the respondents have 3-4 years of experience, 10.4% of the respondents have more than 5 years of experience

CHART SHOWING THE WORK EXPERIENCE OF THE RESPONDENTS

Table (D) showing the respondents satisfaction regarding the compensation package offered by the company.

S.NO	Respondent Opinion	NoOf Respondent	%OfRespondent
1	Slightly	65	26
2	Moderately	95	38
3	Extremely	65	26
4	Not at all	25	10
	Total	250	100

INTERPRETATION

From the above table it is observed that 61.2% of the respondents are dis-satisfied, 21.6% of the respondents are satisfied, 8.8% of the respondents are highly dis-satisfied, 8.4% of the respondents are highly satisfied with the compensation package.
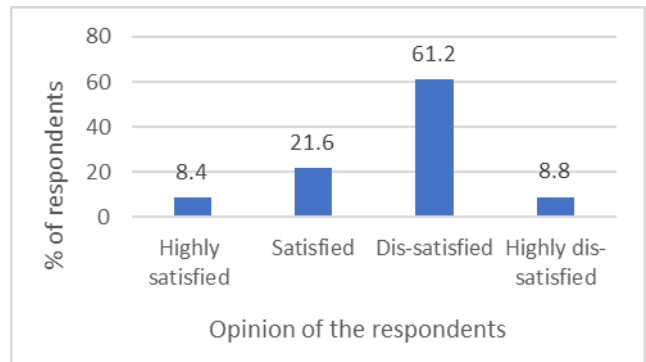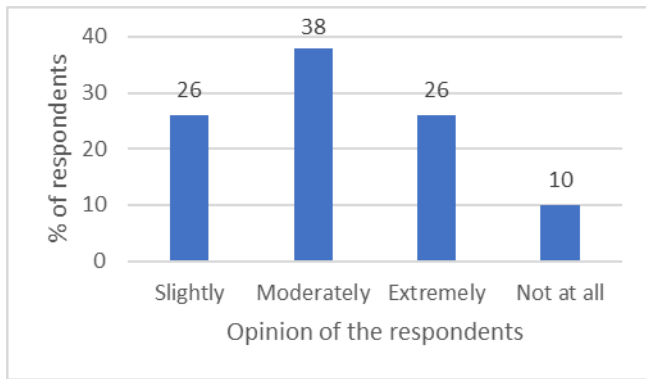

Table (E)showing the respondents opinion about financial stress due to remuneration

S.NO	Respondents Opinion	NoOf Respondents	%OfRespondents
1	Highlysatisfied	21	8.4
2	Satisfied	54	21.6
3	Dis-satisfied	153	61.2
4	Highlydis-satisfied	22	8.8
	Total	250	100

Chart showing the respondents opinion about financial stress due to remuneration level

CHI-SQUARE DIFFERENCEREMUNERATION AND PERFORMANCE LEVEL OF THE EMPLOYEES

NULL HYPOTHESIS(Ho)

There is no significant difference between the remuneration and performance level of the employees.

ALTERNATIVE HYPOTHESIS(H1)

There is a significant difference between the remuneration and performance level of the employees.

STATISTICAL TEST

Chi-square was used the above hypothesis

Remuneration received by the respondents

	Observed N	Expected N	Residual
Strongly agree	17	62.5	-45.5
Agree	93	62.5	30.5
Disagree	130	62.5	67.5
Strongly disagree	10	62.5	-52.5
Total	250		

Test Statistics

	Remuneration	Performance level of the respondents
Chi-Square	165.008^a	120.080^a
df	3	3
Asymp. Sig.	.000	.000

INTERPRETATION

Here the significance was occured and has a value is 0.000 which is less than 0.05. Hence H1 is accepted.

RESULT

There is a significant difference between remuneration and performance level of the employees.

CORRELATION DIFFERENCE BETWEEN WORK EXP AND SALARY SATISFACTION LEVEL OF THE EMPLOYEES

NULL HYPOTHESIS(Ho):

There is no significant difference between work experience and salary satisfaction level of the employees.

ALTERNATIVE HYPOTHESIS(H1):

There is a significant difference between work experience and salary satisfaction level of the employees.

STATISTICAL TEST

Correlations

		Work experience of the respondents	Salary satisfaction level of the respondents
Work experience of the respondents	Pearson Correlation	1	.781**
	Sig. (2-tailed)		.000
	N	250	250
Salary satisfaction level of the respondents	Pearson Correlation	.781**	1
	Sig. (2-tailed)	.000	
	N	250	250

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation was used the hypothesis

INTERPRETATION

Here the significant occurs 0.000 so H1 is accepted. Hence there is a significant difference between work experience and salary satisfaction level of the employees.

RESULT

Performance level of the respondents

	Observed N	Expected N	Residual
Excellent	43	62.5	-19.5
Good	114	62.5	51.5
Average	91	62.5	28.5
Poor	2	62.5	-60.5
Total	250		

The above table there is a pearson correlation value is 1. So it is a perfect positive correlation.

The above table there is a pearson correlation value is 1. So it is a perfect positive correlation.

ONE WAY ANOVA DIFFERENCE BETWEEN AGE AND PERFORMANCE OF THE EMPLOYEES

NULL HYPOTHESIS(Ho):

There is no significant difference between age of the employees and performance of the employees.

ALTERNATIVE HYPOTHESIS(H1):

There is significant difference between age of the employees and performance of the employees.

STATISTICAL TEST

One Way ANOVA was used the hypothesis

Performance level of the respondents

	Sum of Squares	df	Mean Square	F	sig.
Between Groups	79.698	3	26.566	126.933	.000
Within Groups	51.486	246	.209		
Total	131.184	249			

Performance level of the respondents

Duncan[a,b]

Age of the respondents	N	Subset for alpha =0.05
		1	2	3	4
20-25	96	1.55			
25-30	108		2.44		
30-35	41			3.00	
Above 35 years	5				3.40
Sig.		1.000	1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

Uses Harmonic Mean Sample Size = 16.389.
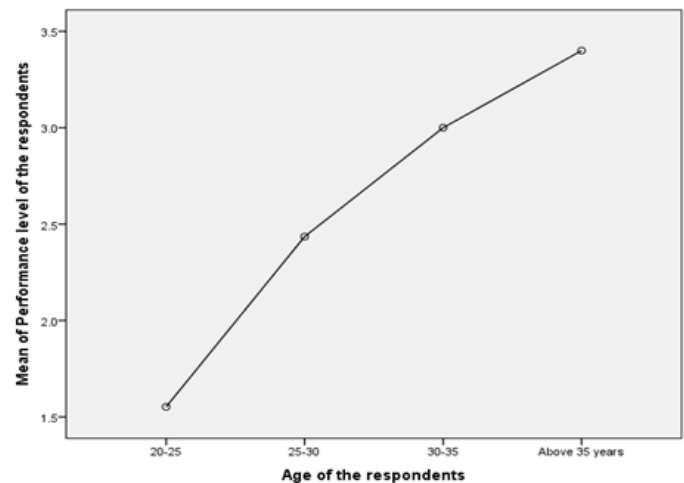
The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Means Plots

INTERPRETATION:

Here the significance was occured and has a value 0.000 which is lesser than 0.05, Hence H1 is accepted.

RESULT:

There is a significant difference between age and performance of the employees

IX. FINDINGS

- It is inferred that 43.6 % of the employees are between 25-30 aged.
- Majority 57.2 % of the employees in the organization are male
- Majority 41 % of employees in the organization have 2-3 years of experience.
- Majority 61.2 % of the employees are not satisfied with compensation package offered by the organization
- Majority 38 % of employees are facing financial stress due to their current remuneration.
- CHI Square results shows that is relationship between remuneration and employees performance
- Correlation value occurred is 1. Hence it is positive correlation between work exp and satisfaction level of the employees.
- ONE WAY ANOVA results indicates that there is a significant difference between and age and performance level of the employees.

X. SUGGESTIONS

- Remuneration structure has to be reframed so has to provide Fair and competitive pay to the employees.
- Weekly and monthly targets must be set and performance of the employees should be evaluated on a regular basis.
- Best performers of the week should be awarded with non-monetary rewards.
- Skills of the employees should be appreciated

XI. CONCLUSION

A study on impact of remuneration on employees performance has been carried out in 'I Trend solutions Pvt Ltd. The findings of the study shows that there is a significant relationship between remuneration and employee performance. The fair and competitive compensation not only serves as a motivating factor but also enhances employee engagement and productivity.

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