

A Study On Impact Of Compensation And Benefits On Employee Retention In Swasthik Plascon Pvt. Ltd

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Abstract- Employee retention has become one of the major concerns for organizations in today's competitive business environment. Compensation and benefits play a vital role in improving employee satisfaction and reducing employee turnover. The present study aims to analyse the impact of compensation and benefits on employee retention in Swasthik Plascon Pvt. Ltd. The study was conducted among employees working in the organization a structured questionnaire. Both primary and secondary data were used for the research. The collected data were analysed using percentage analysis, correlation analysis, and chi-square analysis. The findings reveal that salary structure, incentives, overtime payment, medical benefits, and leave policies significantly influence employee retention. The study concludes that effective compensation and benefit policies improve employee motivation, job satisfaction, and loyalty toward the organization.

I. INTRODUCTION

Human resources are considered the most valuable assets of every organization. Employee retention refers to the ability of an organization to retain its employees for a long period. Organizations invest significant resources in recruiting, training, and developing employees. Therefore, retaining skilled employees has become essential for organizational success.

Compensation and benefits are important factors that influence employee performance and retention. Compensation includes salary, wages, incentives, bonuses, and overtime payments provided to employees for their work. Benefits include medical facilities, leave policies, insurance, retirement benefits, and other welfare measures offered by the organization.

A good compensation and benefit system helps employees feel valued and motivated. Employees who are satisfied with their compensation are more likely to remain with the organization for a longer period. This study focuses on understanding how compensation and benefits influence employee retention in Swasthik Plascon Pvt. Ltd.

II. OBJECTIVES OF THE STUDY

- To study the compensation and benefit practices followed in Swasthik Plascon Pvt. Ltd.
- To analyse the relationship between compensation and employee retention.
- To identify the impact of benefits and welfare measures on employee satisfaction.
- To evaluate employee opinions regarding salary, incentives, and overtime policies.
- To provide suggestions for improving employee retention through better compensation policies.

III. HYPOTHESIS OF THE STUDY

Null Hypothesis (H₀)

There is no significant relationship between compensation and benefits and employee retention in Swasthik Plascon Pvt. Ltd.

Alternative Hypothesis (H₁)

There is a significant relationship between compensation and benefits and employee retention in Swasthik Plascon Pvt. Ltd.

IV. RESEARCH METHODOLOGY

Research Design

The study is descriptive in nature and focuses on analysing employee opinions regarding compensation and benefits.

Sources of Data

Primary Data

Primary data were collected directly from employees through a structured questionnaire.

Secondary Data

Secondary data were collected from journals, company records, websites, books, and previous research articles.

Sample Size

The study was conducted among 120 employees working in SwashthikPlasconPvt. Ltd.

Sampling Technique

Convenience sampling method was used for selecting respondents

Tools Used for Analysis

- Percentage Analysis
- Correlation Analysis
- Chi-Square Test
- Tables and Graphical Representation

V. DATA ANALYSIS AND INTERPRETATION

Age Distribution of Respondents

The study reveals that the majority of employees belong to the age group of 26–35 years, indicating that young employees form a major portion of the workforce.

Gender Distribution

The analysis shows that male employees constitute a higher percentage of respondents compared to female employees.

Employee Opinion on Salary Structure

Most employees agreed that the salary provided by the company is fair according to their job responsibilities. This indicates positive satisfaction toward salary structure.

Incentives and Bonus Policy

A large percentage of employees stated that incentives and bonus schemes motivate them to improve their performance and productivity.

Overtime Payment Policy

The majority of respondents expressed satisfaction with overtime payment policies, stating that payments are fair and timely.

Medical and Welfare Benefits

Employees reported that medical benefits and welfare measures provided by the company positively influence their job satisfaction and loyalty.

Correlation Analysis

The correlation analysis indicates a strong positive relationship between compensation practices and employee retention. Salary structure policy showed the highest positive correlation with employee retention followed by incentives and overtime payment.

Chi-Square Analysis

The chi-square test results indicate that there is a significant relationship between employee satisfaction and compensation benefits. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted.

VI. FINDINGS OF THE STUDY

- Most employees are satisfied with the compensation system provided by the company.
- Incentives and bonus policies positively influence employee motivation.
- Overtime payment policies improve employee satisfaction levels.
- Medical and welfare benefits contribute to employee loyalty and retention.
- Fair compensation practices reduce employee turnover intention.
- There is a positive relationship between compensation benefits and employee retention.

VII. SUGGESTIONS

- The company shall revise salary structures periodically according to industry standards.
- The company shall introduce additional performance-based incentives for employees.
- The company shall improve welfare measures and health-related benefits.
- The company shall provide career development and promotion opportunities.
- The company shall conduct regular employee satisfaction surveys to identify employee expectations.

VIII. CONCLUSION

The study concludes that compensation and benefits have a significant impact on employee retention in SwasthikPlasconPvt. Ltd. Employees are more likely to remain in the organization when they receive fair salaries, incentives, overtime payments, and welfare benefits. Effective compensation practices improve employee motivation, job satisfaction, and organizational commitment. Therefore, organizations should continuously improve their compensation and benefit policies to retain skilled employees and achieve organizational growth.

IX. FUTURE WORK

Future studies can be conducted by including a larger sample size and comparing compensation practices across different manufacturing industries. Researchers may also analyze the impact of work-life balance, training, and career growth opportunities on employee retention.

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