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A STUDY ON THE RELATIONSHIP BETWEEN FINANCIAL COMPENSATION AND JOB ENLARGEMENT

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Abstract

This research paper examines the association between financial compensation and job enlargement. Enhancing employee motivation and job satisfaction is the goal of job enlargement, a job design technique that broadens the range of duties and responsibilities. Financial rewards, such as salaries, commissions, and benefits, are essential for rewarding and motivating personnel. However, there is still interest in and disagreement about the precise nature of the connection between monetary remuneration and employment expansion. In order to comprehend this relationship, this paper surveys pertinent literature, investigates theoretical frameworks, and pinpoints research holes. The study's importance relies in its potential to provide organisations with knowledge on the development and implementation of efficient compensation plans that support initiatives to increase employment. This research advances knowledge of how organisations can optimise compensation practises to maximise the advantages of work expansion and foster employee engagement and performance by examining the relationship between monetary compensation and job enlargement.

Key words: Job Enlargement, Financial Compensation, Employee Performance, Employee Motivation and Job Satisfaction.

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INTRODUCTION

In the contemporary corporate environment, businesses are constantly looking for ways to boost efficiency and improve their bottom line. As it is crucial to achieving these objectives, organisations commonly use a variety of strategies to increase employee motivation, work satisfaction, and performance. Financial remuneration and employment development are the two strategies that tend to be employed in this situation.

Financial compensation refers to the rewards that employees receive in exchange for their work. It can take numerous forms, including base salary, commissions, bonuses, and profit-sharing. Financial compensation is frequently regarded as a primary motivator for employees due to the fact that it provides them with tangible advantages for their efforts.

On the other hand, job expansion comprises broadening the scope of an employee's responsibilities in order to provide greater variety and challenge. This strategy is based on the idea that giving employees greater freedom and control over their work will motivate them more and enhance their level of job satisfaction. Job expansion can also help to increase performance and job satisfaction by decreasing monotony and boredom at work.

The relationship between monetary remuneration and the success of job expansion has been the subject of numerous studies over the years. While some experts maintain that financial remuneration is the main factor influencing employee motivation and performance enhancement, others think that job expansion can have an equal or even greater impact on employee job happiness and accomplishment.

The actual data on the relationship between monetary benefits and the success of job expansion is inconclusive. However, some studies have demonstrated that increasing the scale of an employee's job can be just as

effective, if not more so, in improving performance and job satisfaction. According to some studies, the most important factor in motivating employees and enhancing performance is monetary incentive. And some studies suggest, combining financial incentives with work growth is the greatest method to boost employee engagement and performance.

How effectively monetary compensation and job expansion are implemented might depend on a variety of elements, including employee characteristics, the organizational environment, and work design. Employees who are highly motivated and satisfied with their jobs, for example, may be more likely to be promoted, whereas those who are less motivated and less satisfied with their jobs may require higher financial incentives to perform better.

It's also crucial to consider the potential benefits and drawbacks of monetary reward and job growth. Although financial rewards for employees may be genuine, they may also encourage a sense of entitlement and lower internal drive. Job expansion can boost productivity and job satisfaction, but if employees aren't given the right support or training, it can also lead to stress and burnout.

For organizational strategy and human resource management, the relationship between monetary remuneration and employment expansion has significant implications for business. Organisations must carefully design and implement policies on compensation and job expansion if they want to ensure that they are successful in motivating employees and improving performance. Managers may greatly enhance employee performance and satisfaction by providing feedback, assistance, and training.

OBJECTIVES OF THE STUDY

- To examine the impact of financial compensation on employee motivation, job satisfaction, and performance.
- To research how well job expansion improves performance and job satisfaction among employees.
- To analyse the relationship between financial compensation and job enlargement, and how they interact with each other.

LIMITATIONS OF THE STUDY

- Sample bias: The results of the study may not be accurate due to the small sample size.
- Limited geographical scope: The study may only apply to a specific or limited geographical area or region, which may limit its generalizability to other regions.

RESEARCH METHODOLOGY

This study adopts descriptive survey design to analyse the relationship between financial compensation and job enlargement. The main sources of data were primary data which was collected directly from the respondents through questionnaires, and secondary data which involves data already collected by other authors hence stored in articles, books and research reports as examples, and these data was used based on the subject matter to find out what they say about the financial compensation, job enlargement, employee motivation and job satisfaction. The sample size would be determined using a simple random sampling technique. The sample population would be selected from different organizations in different sectors, ensuring that the sample is representative of the population. The sample size for the purpose of this research is 150 respondents. Quantitative data was analysed through descriptive statistics such as frequencies

and percentages. Multiple regression and correlation analysis was done to determine the influence of financial compensation, job enlargement on employee satisfaction.

REVIEW OF LITERATURE

COMPENSATION

Güngör, 2011; Thaeifi et al., (2015) Compensation is a tool for association's use to impact workers' geste in a way that enhances their donation in achieving organizational pretensions. If the exchange relationship between hand and employer is strengthened with a price system, it can impact hand provocation.

(Summers, 2005) the compensation system comprises of financial and non-monetary prices espoused by an association for the sake of perfecting the effectiveness of its workers through increased provocation. An apparent compensation system, thus, is tempting to new workers and assists in limiting hand development.

Early and Winton (2001) compensation systems and performance appraisal help institutions to attract a largely professed pool to join and play a part in perfecting the education system. Organizations use the compensation system to increase the effectiveness and issues by adding value to hand sweats and benefactions.

Kuster and Canales (2011) companies use several compensation strategies to impact the provocation and performance of salesman and this can eventually help them to increase profit. Rewarding a hand isn't only about financial prices; it also includes stimulant and appraisal through word- of-mouth strategies to make confidence and a sense of belonging (Conger, 1989). For case, recognition and open appreciation of a hand by directors for effective work can be a source of provocation for other workers. Hart et al., (1990) stated that a company that effectively tools a price system endorses a positive bastion for workers to contend with challenges. thus, it can be concluded that awarding a hand

through financial and non-monetary compensation has significant goods on hand provocation (Berry et al., 1987).

MOTIVATION

Lindner (1998) provocation can be defined as the capability to transfigure the actions and performance of workers at the plant. It's considered the internal drive of an existent's conditioning. The cerebral and motivational aspects of mortal capital development programs should be anticipated to ameliorate overall organizational performance. In fact, provocation is the element that differentiates humans from other tools and machines used by associations to perform tasks.

Robbins and Everitt (1996) provocation are the "amenability to ply high situations of trouble toward organizational pretensions, conditioned by the trouble's capability to satisfy individual requirements." For this sake, associations are supposed to establish effective motivational strategies to comprehend workers' determination and productivity.

Güngör (2011) statistically set up that provocation has a significant effect on the position of hand performance and workers with high provocation situations appear to perform better than their counterparts.

Grant (2008) on the assessment of hand provocation set up a positive relationship between motivated workers and organizational task performance. The findings revealed that compensation and job appraisal are the leading factors that can enhance the provocation of workers. Several cerebral studies revealed that provocation results in different kinds of positive actions that are prerequisites for an association to perform well (Ryan & Deci, 2000). To quote Dwight Eisenhower's statement, "provocation is the art of getting people to do what you want them to do because they want to do it," it can be comprehended that provocation is a drive

that encourages people to perform effectively in agreement with the organizational requirements (Achim et al., 2013).

JOB SATISFACTION

Locke (as cited in Yang and Lee 2009) defined Job satisfaction as an enjoyable or positive emotional state performing from the appraisal of bones job. Smith et al., (as cited in Galanou et al., 2010) The passion an employee has for his work is referred to as job satisfaction.

Banjoko (2006) revealed that exploration substantiation had considerably indicated that pay has a motivational value but that the direct relationship between pay and performance is contingent on the data that:

- Increased pay is tied to advanced performance and that workers are suitable to see direct relationship between increased pay and advanced performance similar that only the loftiest players get the loftiest prices.
- The workers perceive acceptable degree of fairness between their pay and their work sweats.
- The workers forcefully believe that better performance will always lead to further pay.
- The workers also believe that their trouble will always affect in better performance and hence better pay.

Job satisfaction confines include satisfaction with pay, promotional openings, borderline benefits, contingent prices (appreciation and recognition), supervision, co-workers, nature of work itself, communication, and work conditions (Spector 1985). colourful exploration findings had established the significance of job satisfaction on the achievement of organisational pretensions. External work factors similar as administrator relations, pay, colleague relations and organisation culture significantly impact hand satisfaction and commitment to the organisation (Pepe 2010).

Yang and Lee (2009) exploration on the influence of job satisfaction on development intention suggested that organisations that are serious about hand development need to ameliorate hand job satisfaction. directors who want to design commission programs to reduce development rate must keep in mind that these programs must first target the workers job satisfaction.

Galanou et al (2010) reasoned “The term of job satisfaction has come a veritably significant one, now that directors seek for practices which are likely to make people more satisfied and thus, more productive. In a check conducted by Danish and Usman (2010) on the impact of price and recognition on job satisfaction and provocation, it was concluded that:

- directors can give recognition to workers by sitting with workers, having informal addresses spending time with them in form of a combine regale or differently in other conditioning like asking about their families and other pivotal aspects related to their particular life.
- Operating procedure should be fairly enforced as procedural justice is relatively important for hand motivational programmes. The directors should let the workers share in decision making so that workers feel that their opinion is important for the organisation development.

EMPLOYEE PERFORMANCE

Otley (1999) Performance is divided into organizational and employee’s performance. Job performance in numerous associations is still subjectively measured, that is it is not singly measured and will be dependent on other factors in the work terrain. Job performance is regarded as the results attained from the work of a hand (Hunter, 1986). Whether a person performs their work responsibilities and obligations satisfactorily is determined by their staff performance. Another way to describe hand performance is how effectively employees do job-related conditioning given to them about installations handled and how well they perform similar exercises (Bruce, 2010).

Campbell (1993) hand performance is a metric for how successfully a person completes tasks that are all dependent on a single person. He further defines performance in relation to geste which differentiates performance from issues. issues affect from external influences as well as an existent’s outgrowth, which can be in the form of non-observable conduct similar as opinions and answers. still, performance is under an existent’s control whether it is internal or behavioural. Muhammad (2013) explains that hand performance is among the leading factors that influence an association’s success. The position of productivity of an individual hand is benefits both the workers and the association.

DATA ANALYSIS AND RESULTS

Regression analysis

TABLE 1: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392 ^a	.154	.130	.657

a. **Dependent Variable:** Overall level of job satisfaction.

b. **Predictors:** (Constant), daily working hours, Educational Qualification, employed with current employer, Age

TABLE 2: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.367	4	2.842	6.579	<.001 ^b
	Residual	62.633	145	.432		
	Total	74.000	149			

TABLE 3: COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.815	.301		9.365	<.001
	Age	-.145	.072	-.231	-2.003	.047
	Educational Qualification	.166	.103	.141	1.611	.090
	Employed with current employer	.226	.069	.364	3.285	.001
	Daily working hours	.196	.095	.176	2.060	.041

INTERPRETATION:**Assuming the significance level $P < 0.10$**

Overall, the model suggests that younger age, being employed with the current employer, higher the educational qualification and longer daily working hours are positively associated with job satisfaction.

TABLE 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.583	.340	.322	.580

a. Dependent Variable: overall level of job satisfaction.

b. Predictors: (Constant), level of productivity increased since being given additional responsibilities through job enlargement **with** increased financial compensation, taking on additional responsibilities or tasks **without** a corresponding increase in pay or benefits, taking on additional responsibilities or tasks with a corresponding increase in pay or benefits, financial compensation determines level of job satisfaction.

TABLE 5: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.180	4	6.295	18.697	<.001
	Residual	48.820	145	.337		
	Total	74.000	149			

TABLE 6: COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.782	.288		6.189	<.001
	Taking on additional responsibilities or tasks without a corresponding increase in pay or benefits.	.101	.043	.177	2.334	.021
	Taking on additional responsibilities or tasks with a corresponding increase in pay or benefits.	.092	.051	.138	1.785	.076
	Financial compensation determines level of job satisfaction.	.237	.069	.299	3.435	<.001
	Level of productivity increased since being given additional responsibilities through job enlargement with increased financial compensation.	.149	.071	.166	2.082	.039

INTERPRETATION:

Assuming the significance level $P < 0.10$,

The model indicates that variables related to additional responsibilities, financial compensation and increased productivity are positively associated with job satisfaction.

TABLE 7: CORRELATIONS

	overall level of job satisfaction	financial compensation is adequate with the level of responsibility
overall level of job satisfaction. Pearson Correlation	1	.437
	Sig. (2-tailed)	<.001
	N	150
financial compensation is adequate with the level of responsibility	Pearson Correlation	.437
	Sig. (2-tailed)	<.001
	N	150

INTERPRETATION:

There is a significant positive correlation between overall level of job satisfaction and financial compensation is adequate with the level of responsibility. The correlation coefficient is 0.437. This means that as the perception of financial compensation being adequate with the level of responsibility increases, the overall level of job satisfaction tends to increase as well. The significance level of < 0.001 indicates that this correlation is highly statistically significant at the 0.01 level (2-tailed).

TABLE 8: CORRELATIONS

		overall level of job satisfaction	training helped to manage the additional responsibilities through job enlargement
Overall level of job satisfaction.	Pearson Correlation	1	.355
	Sig. (2-tailed)		<.001
	N	150	150
Training helped me to manage the additional responsibilities through job enlargement	Pearson Correlation	.355	1
	Sig. (2-tailed)	<.001	
	N	150	150

INTERPRETATION:

There is a significant positive correlation between overall level of job satisfaction and training helped to manage the additional responsibilities through job enlargement. The correlation coefficient is 0.355. This means that when individuals perceive that training or support has helped them manage additional responsibilities through job enlargement, their overall level of job satisfaction tends to be higher. The significance level of < 0.001 indicates that this correlation is highly statistically significant at the 0.01 level (2-tailed).

CONCLUSIONS

The paper concludes that job enlargement is an effective approach to job design that can improve employee motivation, involvement, and training, leading to

increased organizational productivity. The study also found that financial compensation is an important factor in determining the success of job enlargement initiatives. Organizations should consider both job enlargement and financial compensation to improve employee performance. To attract and retain exceptional employees, organizations should ensure that their financial compensation structure is fair and competitive. Additionally, organizations should regularly assess their remuneration and job expansion policies to ensure they align with employee expectations.

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