



# A Study On Impact Of Compensation Towards Employee Performance And Motivation With Reference To Teemage Builders-Tiruppur

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## ABSTRACT

This study investigates the impact of compensation on employee motivation and performance at Teemage Builders, Tiruppur. Compensation, including salary, incentives, and non-monetary benefits, significantly influences employee engagement, job satisfaction, and retention. A structured survey was conducted to assess employee perceptions of fairness in pay, timely salary disbursement, and the effectiveness of performance-based rewards. The findings suggest that while fair and timely compensation enhances motivation and reduces turnover, delays and inadequate incentives lead to dissatisfaction and lower productivity. The study highlights the importance of structured compensation policies that align with employee expectations and organizational goals to ensure a motivated workforce and sustainable business growth.

**Keywords:** Compensation, Employee Motivation, Job Satisfaction, Performance-Based Rewards, Employee Retention.

## INTRODUCTION

Employee motivation and performance are critical factors in organizational success, and compensation plays a pivotal role in shaping them. Compensation is not only about salaries but also includes benefits, incentives, bonuses, and recognition. At Teemage Builders, an organization specializing in precast construction, employee satisfaction with compensation significantly impacts workforce productivity. However, challenges such as salary delays, insufficient performance incentives, and perceived inequities in pay structure can reduce motivation. This study aims to analyze how compensation influences employee performance and motivation

at Teemage Builders and to recommend improvements that align employee expectations with organizational objectives.

## OBJECTIVES

- To analyses the relationship between compensation and employee motivation at Teemage builders
- To identify the key factors of compensation that influence employee performance.
- To Identify the strategies for improving compensation policies to boost motivation and performance.

## REVIEW OF LITERATURE

**Insinger, J. (2024).** In her work, Insinger emphasizes the importance of positive psychology in motivating employees. She notes that leaders who foster psychological safety and authenticity can enhance team morale and performance. By creating an environment where employees feel safe to express ideas without fear of judgment, leaders can boost motivation and drive better performance outcomes.

**Price, M. (2024).** In "Happy Economics," Price argues that employee happiness and engagement are directly linked to increased productivity and profitability. He challenges traditional beliefs that dissatisfaction drives economic results, suggesting instead that happy employees are more productive, innovative, and dedicated, which in turn boosts overall profits.

**Meier, S. (2024).** In "The Employee Advantage," Meier posits that investing in employee well-being leads to business success. He supports this claim with case studies demonstrating that personalized approaches to meet diverse employee needs result in a more motivated and high-performing workforce.

**Mendez-Scheib, K., & Elliott, B. (2024).** In their analysis of return-to-office mandates, the authors argue that simply requiring in-person work may not effectively boost worker engagement and could potentially decrease it. They highlight that engagement has been a longstanding challenge, even before the pandemic, and removing flexibility can lead to disengaged employees. Their research suggests that providing flexibility, autonomy, and skill-building opportunities are more promising strategies for enhancing worker engagement and motivation.

## RESEARCH METHODOLOGY

- **Research Design:** Descriptive research design.
- **Data Collection:** Primary data from employee surveys and interviews; secondary data from HR reports and industry studies.
- **Sampling Technique:** Census method (all employees at Teemage Builders were considered).
- **Statistical Tools Used:**

➤ **Chi-Square Test:** To analyze relationships between compensation factors and motivation.

- **ANOVA:** To compare the impact of different compensation levels on performance.
- **Regression Analysis:** To determine the extent to which compensation influences employee productivity.

## ANALYSIS AND INTERPRETATION

Variable		Frequency	Percentage
Age	19-25	107	76.4%
	26-35	21	15.0%
	36-45	9	6.4%
	Above 45	3	2.1%
Gender	Male	48	34.3%
	Female	92	65.7%
Marital Status	Single	61	43.6%
	Married	79	56.4%
Educational qualification	Diploma	10	7.1%
	Integrated pg course	1	7%
	Postgraduate	34	24.3%
	Undergraduate	95	67.9%
	Diploma	10	7.1%
Year of Experience	1-3 years	36	25.7%
	4-6 years	12	8.6%
	less than 1 year	83	59.3%
	More than 6 years	9	6.4%

## INTERPRETATION

The demographic profile of respondents at Teemage Builders indicates a predominantly young workforce, with 76.4% aged 19-25, and a significant female majority (65.7%). A balanced marital status distribution is observed, with 56.4% married and 43.6% single. Educational qualifications show that 67.9% are undergraduates, while 24.3% hold postgraduate degrees, reflecting a preference for higher education in recruitment. Notably, 59.3% of employees have less than one year of experience, suggesting a high intake of fresh graduates or new hires, while only 6.4% have more than six years of experience, indicating potential employee turnover or a focus on entry-level hiring. This data highlights the need for structured training programs and retention strategies to enhance workforce stability and long-term productivity.

**CHI SQUARE****TABLE SHOWING THE RELATIONSHIP BETWEEN AGE GROUP AND EMPLOYEE PERFORMANCE**

	Value	df	Asymptotic Significance (2-sided)
<b>Pearson Chi-Square</b>	<b>15.588<sup>a</sup></b>	<b>12</b>	<b>.211</b>
<b>Likelihood Ratio</b>	<b>13.004</b>	<b>12</b>	<b>.369</b>
<b>Linear-by-Linear Association</b>	<b>.508</b>	<b>1</b>	<b>.476</b>
<b>N of Valid Cases</b>	<b>140</b>		

**INTERPRETATION**

The Chi-Square test results ( $\chi^2 = 15.588$ ,  $p = 0.211$ ) indicate that the p-value is greater than 0.05, leading to a failure to reject the null hypothesis. This suggests no statistically significant association between age group and perception of fairness in the company's performance evaluation system, implying that employees across different age groups perceive fairness similarly.

**ANNOVA****TABLE SHOWING THE RELATIONSHIP BETWEEN MARITAL STATUS AND MOTIVATION**

	Sum of Squares	df	Mean Square	F	Sig.
<b>Between Groups</b>	<b>2.080</b>	<b>1</b>	<b>2.080</b>	<b>1.254</b>	<b>.265</b>
<b>Within Groups</b>	<b>228.856</b>	<b>138</b>	<b>1.658</b>		
<b>Total</b>	<b>230.936</b>	<b>139</b>			

**INTERPRETATION**

The ANOVA result ( $p = 0.265$ ) shows that the p-value is greater than 0.05, leading to a failure to reject the null hypothesis. This implies that there is no statistically significant difference in employee motivation based on marital status, suggesting that being single or married does not significantly impact motivation levels.

**REGRESSION ANALYSIS****TABLE SHOWING THE RELATIONSHIP BETWEEN MONTHLY SALARY, GENDER, JOB MOTIVATION WITH EMPLOYEE PRODUCTIVITY**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Model
(Constant)	3.525	.407		8.654	.000
5.Monthly salary	-.028	.096	-.025	.293	.770
7.What motivates you most about your job at the company?	-.096	.084	-.100	1.148	.253
2.Gender	.103	.221	.040	.466	.642

**INTERPRETATION**

The regression analysis results show that the p-values for monthly salary (0.770), job motivation (0.253), and gender (0.642) are all greater than 0.05, meaning we fail to reject the null hypothesis. This indicates that none of these factors have a statistically significant effect on employee productivity

**FINDINGS**

- ❖ Age of Respondents: Majority (76.4%) are between 19-25 years. Only 2.8% are above 36 years, indicating a predominantly young workforce.
- ❖ Gender of Respondents: Higher female representation (65.7%)
- ❖ Educational Qualification: Most employees (6/7.9%) have undergraduate degrees. 24.3% hold postgraduate qualifications.
- ❖ Work Experience: 59.3% have less than one year of experience. Only 6.4% have more than six years of experience.
- ❖ Monthly Salary: 35% earn less than ₹15,000. 30% earn ₹15,001 - ₹25,000. 18.6% earn more than ₹35,000.
- ❖ Marital Status: Majority (82.1%) are single.
- ❖ Regression Analysis: Impact of Salary, Job Motivation, and Gender on Productivity
  - None of these factors had a significant effect on productivity
- ❖ Chi-Square Analysis: Relationship Between Age & Performance Evaluation
  - No significant relationship found

## ❖ ANOVA: Marital Status &amp; Employee Motivation

- No significant difference in motivation based on marital status

**SUGGESSTION**

1. **Timely Salary Payments:** Ensuring regular salary disbursement will improve job satisfaction and trust.
2. **Structured Incentive Plans:** Linking rewards to performance can drive higher engagement.
3. **Career Advancement Opportunities:** Implementing mentorship programs and skill development workshops will enhance retention.
4. **Recognition Programs:** A formal system for recognizing employee contributions will enhance motivation.
5. **Work-Life Balance Initiatives:** Flexible work schedules and wellness programs can improve employee satisfaction.

**CONCLUSION**

This study underscores the strong impact of compensation on employee motivation and performance at Teemage Builders. While salary remains a crucial factor, career growth opportunities, timely payments, and recognition programs significantly affect job satisfaction. Organizations that implement structured compensation policies aligned with employee expectations will foster a motivated, committed workforce.

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