

How The Compensation Management and Welfare Measure Influence Job Satisfaction? A Study with Special Reference in Bsnl to Three Different Ssas Using Modeling



Management

KEYWORDS : Compensation Management and Welfare Measure, Job Satisfaction & JDI Scale.

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ABSTRACT

The present study investigates that the Compensation Management and Welfare Measure and its impact towards Job Satisfaction with special reference to BSNL, three different SSA (Secondary Switching Area)s namely Trichy, Thanjavur and Madurai SSA using SEM Modeling. To examine the Compensation Management and Welfare Measure are associated with Job Satisfaction using by Job Descriptive Index (JDI) Scale among BSNL employees. The JDI scale included Work, Supervision, Pay, Promotions, and Co-worker. Based on the findings, Compensation Management and Welfare Measure gives good impact to Job Satisfaction for the employees, because Job Satisfaction employees would make a positive contribution to their respective BSNL and may lead to increase the effectiveness of the BSNL. Some important implications for future research are also derived from the study.

INTRODUCTION

The soundness of compensation management depends upon the amount of wage or salary paid to an employee for a fair days work. Despite the conclusions of morale studies, wage or salary is significant to most of the employees as it constitutes a major share of their income. Fringe benefits are those benefits which are provided by an employer to or for the benefit of an employee and which are not in the form of wages, salaries and time-related payment. Thus, fringe benefits are those monetary and non-monetary benefits given to the employees during and post-employment period which are connected with employment but not to the employee's contributions to the organization.

Job satisfaction involves liking for the work and acceptance of the pressures and aspirations connected with that work (Anjaneyulu, 1970). Schneider and Snyder (1975) explained job satisfaction as follows. "It is most adequately conceptualized as a personality evaluation of conditions existing on the job (Work and Supervision) or outcomes that arise as a result of having a job (Pay and Security). Job satisfaction is the perception of internal responses (i.e., Feelings)".

All types of work are not inherently satisfying. People engaged in the work which is not satisfying in itself naturally look for satisfaction from sources external to it. But job satisfaction does promote happiness, success and efficiency in one's professional activity.

Job satisfaction is an integral component of organizational health and an important element in industrial relations. The level of job satisfaction seems to have some relations with various aspects of work behaviour such as accidents, absenteeism, turnover and productivity. Several studies have revealed varying degrees of relationship between human resource development practices and job satisfaction. But whether work behaviour is the cause or effect of job satisfaction is not clear.

BSNL is the only service provider, making focused efforts & planned initiatives to bridge the rural-urban digital divide in ICT sector. In fact there is no telecom operator in the country to beat its reach with its wide network giving services in every nook & corner of the country & operates across India except New Delhi & Mumbai. Whether it is inaccessible areas of Siachen glacier or North-Eastern regions of the country, BSNL serves its customers with a wide bouquet of telecom services namely Wireline, CDMA mobile, GSM mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP, IN Services, FTTH, etc.

The BSNL Tamil Nadu Telecom Circle office is situated in Chennai as like state Headquarters, it is further divided in to Secondary Switching Areas (SSA) as like Revenue Districts. The BSNL TN Telecom Circle consists of 17 SSAs, the names of the SSAs are Coimbatore, Cuddalore, Dharmapuri, Erode, Karaikudi, Kumbakonam, Madurai, Nagercoil, Nilgiris, Pondyicherry, Salem, Thanjavur, Tirunelveli, Madurai, Tuticorin, Vellore, and Virudhunagar SSA.

REVIEW OF LITERATURE

Ghazanfar et al., (2011) examined the relationship between satisfaction with compensation and work motivation. The main finding of study was: satisfaction and compensation can be factor of work motivation, flexible pay is not a motivation factor in the job with the employee holding; benefits do not have a significant impact on work motivation.

Suresh and Aparna (2012) revealed to show that it professionals are very much dissatisfied with fringe benefits, nature of work and contingent reward, while moderately satisfied with pay promotion and supervision factors.

Jebamalairaj and Pichumani (2012) studied that labour welfare measures enable workers to live a richer and a more satisfactory life and it contribute to the productivity of labour and efficiency of the enterprise. It also enhances the standard of living of workers by indirectly reducing the burden on their purse. It also promotes harmony with similar service obtaining in the neighbourhood community where the enterprise is situated. It is based on an intelligent prediction of the future needs of industrial workers, and be so designed as to offer a cushion to absorb the shock of industrialization and Urbanization to workers.

Sharma (2013) revealed that a significant difference exists in the motivation level of the employee with regards to various compensation components- Basic salary, short and long term incentives, benefits and services.

Naresh Babu and SatyaNarayana (2013) stated that Employee welfare is flexible and elastic and differs widely with time and region, industry, social value and customs, degree of industrialization the general social-economic development of the people and the political ideologies prevailing at a particular time. It is also modelled according to the age groups, socio-cultural background, and educational level of workers in various industries. Industrial progress depends on satisfied labour force and in this connection the importance of labour welfare measures was accepted long back.

Usha (2014) an attempted has been made to analysed the policies concerned with the remuneration and fringe benefits and

satisfaction status of non-teaching staff of APS University Rewa. The hypothesis of this research works the prevailing policies and practices of remuneration and fringe benefits of the university are congenial and there is high degree of satisfaction in relation to salary and fringe benefits. . Result indicates that the satisfaction score in relation to remuneration and fringe benefits appears average for group A, very good for group B, and extremely poor for group C. The overall score of the university are extremely poor /unsatisfactory.

Gopinath & Shibu (2014 a & b) confirmed that the HRD practices related entities and its impact towards job satisfaction in BSNL at various workplaces. The BSNL has a clear, fair and well Appraisal and Reward policy, which makes the employees, were highly satisfied **Gopinath & Shibu (2014 c)**.

OBJECTIVES OF THE STUDY

To know how the Compensation Management and Welfare Measure influence Job Satisfaction factor with special reference to BSNL employees.

HYPOTHESIS OF THE STUDY

Based on the review of literature, the following null hypotheses were formulated to meet the research questions of the study:

H₁ : Compensation Management and Welfare Measure has a positive impact on job satisfaction in terms of work.

H₂ : Compensation Management and Welfare Measure has a positive impact on job satisfaction in terms of supervision.

H₃ : Compensation Management and Welfare Measure has a positive impact on job satisfaction in terms of pay.

H₄ : Compensation Management and Welfare Measure has a positive impact on job satisfaction in terms of promotion.

H₅ : Compensation Management and Welfare Measure has a positive impact on job satisfaction in terms of co-workers.

PERIOD OF THE STUDY

This study covers a period of four months from January to June 2014.

RESULTS AND FINDINGS

Table No.1: Results of Measurement Model – Compensation Management &Welfare Measure (CM &WM) and Job Satisfaction

Regression Weights			Standardized Loadings	Standard Error	t-value	P< .001	CR	AVE
CM&WM8	<---	CM&WM	.775	-	-. ^a	-	0.884	0.720
CM&WM3	<---	CM&WM	.712	.041	20.130	0.001		
CM&WM6	<---	CM&WM	.664	.040	18.814	0.001		
CM&WM9	<---	CM&WM	.622	.043	17.630	0.001		
CM&WM7	<---	CM&WM	.595	.037	16.841	0.001		
W3	<---	Work	.598	-	-. ^a	-	0.834	0.631
W4	<---	Work	.652	.091	12.600	0.001		
W6	<---	Work	.688	.071	8.997	0.001		
S2	<---	Supervision	.569	-	-. ^a	-	0.881	0.653
S3	<---	Supervision	.549	.108	11.230	0.001		
S5	<---	Supervision	.669	.135	12.353	0.001		
PY1	<---	Pay	.561	-	-. ^a	-	0.875	0.640
PY3	<---	Pay	.631	.080	14.140	0.001		
PY6	<---	Pay	.659	.068	11.274	0.001		
PR4	<---	Promotion	.761	-	-. ^a	-	0.870	0.692
PR3	<---	Promotion	.774	.047	22.217	0.001		
PR2	<---	Promotion	.820	.043	23.154	0.001		
CW3	<---	Co-Workers	.605	-	-. ^a	-	0.720	0.563
CW1	<---	Co-Workers	.703	.200	10.381	0.001		
CW4	<---	Co-Workers	.517	.104	7.792	0.001		

^a Indicates a parameter fixed at 1.0 in the measurement model.

The measurement model of ‘compensation management & welfare measure and job satisfaction’ showed that all the items loaded highly on their corresponding factors, confirming the unidimensionality of the constructs and providing strong empirical evidence of their validity. The resulting measurement model was $\chi^2_{(154)} = 503.724$, $p = .000$, $GFI = .949$, $AGFI = .931$, NFI

METHODOLOGY

SAMPLE FRAME

The universe of the study is 4640 employees of BSNL which consists of executives & non-executives, technical & non-technical cadres and both gender of three SSA's namely Trichy, Thanjavur and Madurai. Of the universe a sample size of 928 respondents (Exactly 20%) were selected by Stratified Proportionate Random Sampling Method.

DATA COLLECTION METHOD

The study depends mainly on the primary data collected through a well-framed and structured questionnaire. This study was carried out through survey method using questionnaires as the main instrument. Impact to Job Satisfaction using Job Descriptive Index (JDI) Scale by **Smith, et. al. (1969)** among the employees of the study unit. The JDI scale included Work, Supervision, Pay, Promotion, and Co-worker.

STATISTICAL TOOLS

The validity and reliability of the questionnaires were measured. The internal consistencies of scale were assessed through computing Cronbach's Test. The questionnaire shows the reliability value is 0.9. Implication from these values indicates that all of the items used for each component in the questionnaire have a high and consistent reliability values. CFA model and path model in AMOS were used for this study.

LIMITATION OF THE STUDY

The outcome of the study will be applicable only to these respondents. Further, it cannot be stated that the inferences are universal to the entire BSNL. But adequate caution is taken to make the study more objective and empirical.

STATEMENT OF PROBLEM

BSNL has different level of cadres and also Job Satisfaction is varying at different levels. Job Satisfaction of the employees dependent on various factors. This factor has to be developed with needs to be studied further. BSNL has High level of stress and different age factor changes in organisation, so the needs to further study.

= .907, CFI = .933, TLI = .917, IFI = 0.933, RMSEA = .049 and RMR = 0.038, which indicated a good fit. The t-values for the loadings were high, demonstrating adequate convergent validity.

Table No.2: Results of Model Fit for Measurement Model – Compensation Management &Welfare Measure and Job Satisfaction

Fit indices	Acceptable Levels
$\chi^2_{(154)} = 503.724$	
CMIN (χ^2/df) = 3.2709 ($p < .000$)	Less than 1.0 is a poor model fit; more than 5.0 reflects a need for improvement
GFI = .949	More than 0.90
AGFI = .931	More than 0.90
CFI = .933	More than 0.95
TLI = .917	More than 0.90
NFI = .907	More than 0.90
IFI = .933	More than 0.90
RMR = .038	Less than 0.050
RMSEA = .049	Less than 0.080

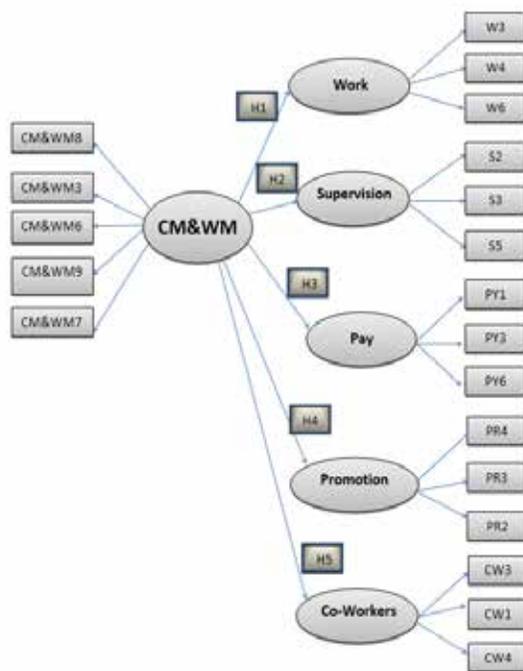
Table No.3: Results of Path Model – Compensation Management &Welfare Measure and Job Satisfaction

Regression Weights		Standardized Loadings	Standard Error	t-value	P< .001
Work	<--- CM&WM	.329	.021	6.154	0.001
Supervision	<--- CM&WM	.533	.021	8.468	0.001
Pay	<--- CM&WM	.517	.023	8.734	0.001
Promotion	<--- CM&WM	.725	.045	16.307	0.001
Co-Workers	<--- CM&WM	.419	.022	4.292	0.001

The results of structural model analysis showed that as hypothesized, compensation management & welfare measure (t-value = 6.154, p = .000) had positive and significant relationship with work and therefore H₃₁ was supported. The model revealed a positive and significant effect of compensation management & welfare measure (t-value = 8.468, p = .000) on supervision and therefore H₃₂ was supported. Compensation Management & Welfare Measure (t-value = 8.734, p = .000) had strong influence on pay, thereby H₃₃ was supported. Significant and positive effect of compensation management & welfare measure (t-value = 16.307, p = .000) on promotion supported H₃₄. Compensation Management & Welfare Measure (t-value = 4.292, p = .000) was significantly related to co-workers. Hence, support was found for H₃₅. Table No.4 lists the hypotheses results.

Hypothesis	Relationship	Supported/Not supported
H ₁	CM&WM – Work	Supported
H ₂	CM&WM – Supervision	Supported
H ₃	CM&WM – Pay	Supported
H ₄	CM&WM – Promotion	Supported
H ₅	CM&WM – Co-Workers	Supported

Fig: Compensation Management & Welfare Measure and Job Satisfaction



DISCUSSIONS

1) Job Satisfaction with regard to Work

Compensation management and welfare measures originate to be the best predictor of work satisfaction. It clearly shows that the employees are compensated in accordance with their productivity and performance. Also, through the effective implementation of welfare policies, the organisation keep employees safe and secured which results in work satisfaction.

2) Job Satisfaction with regard to Supervision

Compensation management and welfare measures originate to be the best predictor of supervision satisfaction. It clearly shows that the employees are compensated in accordance with their productivity and performance. Also, through the effective implementation of welfare policies, the organisation keep employees safe and secured which results in Supervision satisfaction.

3) Job Satisfaction with regard to Pay

Compensation management and welfare measures seem to be the best predictor of job satisfaction with regard to pay. It clearly shows that the employees are compensated in accordance with their productivity and performance. This will bring the better pay satisfaction.

4) Job Satisfaction with regard to Promotion

Compensation management and welfare measures found to be the effective predictor of job satisfaction with regard to promotion. It is found that, there is a close linkage between the compensation policies, welfare measures and factors causing employees satisfaction on promotion.

5) Job Satisfaction with regard to Co-Workers

Compensation management and welfare measures originate to be the best predictor of co-workers. It shows that all employees are compensated based on their work completion. There is no variation in compensation as well as in welfare facilities based on the nature of co-workers.

CONCLUSION

This research study made an effect to analysis the impact of job satisfaction on compensation management and welfare measures of the BSNL employees. The job satisfaction of BSNL employee was evaluate by using work, supervision, pay, promotion and co worker in JDI scale. The researcher concluded based on the analysis and discussion, Compensation Management and Welfare Measure gives good impact to Job Satisfaction for the employees, because Job Satisfaction employees would make a positive contribution to their respective BSNL and may lead to increase the effectiveness of the BSNL. BSNL has well a compensation management system, which is at par with industrial standards. This makes the employees were highly job satisfaction.

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