

DETERMINANTS OF EMPLOYEE COMPENSATION IN NEPALESE ORGANIZATIONS

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fulfillment of the requirements for the Master's Degree

by

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “DETERMINANTS OF EMPLOYEE COMPENSATION IN NEPALESE ORGANIZATIONS”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor. It has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Miss Sujata Bhandari has defended research proposal entitled “DETERMINANTS OF EMPLOYEE COMPENSATION IN NEPALESE ORGANIZATIONS”, successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Asso. Prof. Dr. Kapil Khanal and submit the thesis for evaluation and viva voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled “DETERMINANTS OF EMPLOYEE COMPENSATION IN NEPALESE ORGANIZATIONS” presented by Sujata Bhandari a candidate for the degree of master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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This study entitled “DETERMINANTS OF EMPLOYEE COMPENSATION IN NEPALESE ORGANIZATIONS” has been prepared in partial fulfillment for the Degree of Master of Business Studies (MBS) under the Faculty of Management, Tribhuvan University is based on research models involving the management accounting of commercial banks in Nepal.

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Sujata Bhandari

May, 2024

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ABBREVIATIONS

AD	:	Anno Domini
ANOVA	:	Analysis of Variance
AP	:	Appraisal
COM	:	Commitment
CRM	:	Customer Relationship Management
Fair	:	Fairness
Fig.	:	Figure
H ₀	:	Null Hypothesis
IT	:	Information Technology
Ltd.	:	Limited
Max.	:	Maximum
Min.	:	Minimum
MSQ	:	Minnesota Satisfaction Questionnaire
N	:	Neutral
No.	:	Total number of observations
RE	:	Reward
S.D	:	Standard Deviation
SA	:	Strongly Agree
SD	:	Strongly Disagree
SERVQUAL	:	Service Quality
SPSS	:	Statistical Package for Social Science
SWE	:	Satisfaction with Empowerment

ABSTRACT

Employee pay is a crucial aspect of the employer-employee dynamic, impacting the performance of both parties involved. This study seeks to investigate the correlation between employee financial compensation and their overall job satisfaction, including extrinsic and intrinsic factors. Utilizing a Convenience sampling method, this research employs descriptive and causal research designs. Statistical tools such as ANOVA, T-tests, correlation, and regression analysis are applied. The study focuses on commercial banks in Kathmandu Valley, using questionnaires to gauge the influence of compensation on employee satisfaction.

This research examines Employee Compensation as the outcome variable, with commitment, rewards, appreciation, and fairness as the predictors. The findings indicate a robust positive correlation between appreciation and commitment, as well as between rewards and appreciation. Regression analysis demonstrates that commitment, rewards, appreciation, and fairness all exert a positive and statistically significant influence on Employee Compensation.

Key word: Performance appraisal, Employee motivation, Nepalese commercial bank

CHAPTER – I

INTROUCTION

1.1 Background of the Study

This study aims to ascertain whether and to what degree there is a relationship between an employee's pay and their general, extrinsic, and intrinsic job satisfaction in Nepalese cooperative finance. The purpose of this research is to ascertain whether and to what degree there is a relationship between the monetary remuneration received by employees and their intrinsic, extrinsic, and overall job happiness. The literature makes clear that one important weakness in recent studies on worker motivation and satisfaction has been the absence of an employee as the focus of the study. Research conducted over the last thirty years has demonstrated that intrinsic motivating elements, as opposed to extrinsic rewards like monetary pay, are what drive and satisfy workers more (Bennett et al., 2024).

However, the majority of research on monetary compensation and rewards has been carried out in lab studies with university students, rather than concentrating on workers who work to make a living. The Work Adjustment Program (Weiss et al., 1967) marked the beginning of the brief history of worker satisfaction research. The Work Adjustment Program conducted studies on employee motivation and satisfaction. As a result, the Work Adjustment Program was among the first official discussions to acknowledge that employees experience both intrinsic and extrinsic happiness in addition to general satisfaction. The Minnesota Satisfaction Questionnaire, which is used to gauge employee satisfaction, originated in the 1960s as a result of the Work Adjustment Program (Alfatihah et al., 2021).

The Work Adjustment Program acknowledged that an employee needed to feel appreciated by their place of employment and that there needed to be a reciprocal relationship between the employer and the worker in which the employee performed a task that benefited the workplace and the worker gained a minimal degree of satisfaction for a job well done (Weiss et al., 1967). For a significant portion of recent history, a number of employers and researchers believed that incentives from the outside world, like money, were the main sources of motivation for employees to perform their jobs (Olafsen et al, 2020).

Early research by Skinner, which recommended rewarding positive conduct, was popularized in the middle to late 1900s (Black & Allen, 2018). This idea in rewarding positive conduct has been demonstrated in the workplace by offering incentives to employees who meet deadlines, goals, and other criteria. For a large portion of history, goal-focused organizations followed the standard of monetary incentive, and this practice is still common today (Carter, Hotchkiss & Mohseni, 2020). Intrinsic motivational variables cause workers to be more motivated for longer periods of time and with lower expectations of reward. Intrinsic motivation can be undermined by outside benefits. Ryan acknowledged that, when used properly, external rewards may not undermine intrinsic drive, but he also noted that, despite efforts, it is impossible to prevent the adverse impacts (Shan et al., 2022).

The main paper pointing out the gap in the literature said that further research is required to fully comprehend employee financial compensation and employee happiness when examining autonomous versus managed motivation. Investigating the elements influencing employee motivation and satisfaction while looking at management needs support and psychological assistance. A similar declaration stating the necessity for additional research on employee monetary pay and employee satisfaction was made by Yen and Huang (2017), who focused on employee compensation and performance. Employee performance and job satisfaction were directly impacted by employee remuneration (Yen & Huang, 2017).

Therefore this study examines the relationship of reward, commitment, appreciation, fairness and Employee compensation. Also analyze the impact of reward, commitment, appreciation and fairness on Employee compensation.

1.2 Problem Statement

A study examining financial performance is a fundamental process that yields insights into various aspects of a company's operations. These include its profitability, liquidity, earning potential, operational efficiency, creditworthiness, capital sources and utilization, financial accomplishments, and overall standing. Such insights serve to gauge how effectively a company utilizes its financial resources for profitability.

In the context of manufacturing companies, those operating within the Nepalese financial landscape have shown satisfactory performance in the short term, particularly those that have secured significant shares of the market. The implementation of government policies promoting economic liberalization has created favorable conditions for foreign investors, leading to a rapid influx of joint venture banks and financial institutions. However, the burgeoning manufacturing sector has intensified competition among companies.

In Nepal, there exists inconsistency in terms of profitability, operating expenditures, and shareholder dividend distribution among manufacturing companies. Hence, the research problem outlined in the study aims to discern the underlying reasons behind these variations (Mishra, 2018).

The performance of a bank's finances hinges on both internal and external factors. Internally, it's influenced by factors specific to the bank, such as its activities as reflected in its financial statements. Externally, it's affected by the broader economic performance (Shrestha, 2020).

Financial institutions (FIs) aim to maximize returns for their stakeholders while also supporting economic development, a significant goal in countries like Nepal. One common challenge in underdeveloped nations, including Nepal, is insufficient capital formation and its effective utilization. To tackle this issue and contribute to the national economy, manufacturing companies have played a crucial role by mobilizing deposits and offering various loan products.

The banking sector in Nepal has faced several crises, notably in the 1990s through the early 2000s. These crises were fueled by factors like high levels of non-performing loans and inadequate provisioning, resulting in profit erosion, liquidity problems, and deteriorating asset quality. To address these challenges, consolidation measures have been introduced to confront the issues directly (Budathoki, 2013).

Manufacturing firms are observed to extend loans solely on a short-term basis, using movable assets as collateral, while exhibiting reluctance towards long-term investments due to perceived safety concerns over profit potential (Athanasoglou & Matthaios, 2005). Criticism has been levied against commercial banks for predominantly serving affluent

communities at the expense of neglecting the economically disadvantaged, thereby adversely affecting the nation's economic growth (Athanasoglou & Matthaios, 2005).

Furthermore, the study delves into assessing the financial performance and capital utilization of manufacturing firms in Nepal, aiming to identify the factors influencing variations in capital, profits, liquidity, and investment. Additionally, it examines the extent to which banks comply with regulations set forth by the Nepal Rastra Bank (NRB) and compares the financial and managerial aspects of selected banks. Specifically, the study addresses the following issues: proceed with the outlined issues.

- i. What is the current status of reward, commitment, appreciation and fairness on Employee compensation of employees?
- ii. Is there any relationship between reward, commitment, appreciation, fairness and Employee compensation?
- iii. How does reward, commitment, appreciation and fairness effect on Employee compensation?

1.3 Objectives of the Study

The purpose of study is to determine if and to what extent a relationship exists between employee monetary compensation and employee general, extrinsic, and intrinsic job satisfaction within the Nepal. The variables of this study are employee monetary compensation, employee job satisfaction, employee extrinsic job satisfaction, and employee intrinsic job satisfaction.

- i. To analyze about the status of reward, commitment, appreciation and fairness on Employee compensation of employees.
- ii. To examine the relationship between reward, commitment, appreciation, fairness and Employee compensation.
- iii. To analyze the impact of reward, commitment, appreciation and fairness on Employee compensation.

1.4 Research Hypothesis

H_{1a}: There is a significant correlation between employee monetary compensation and employee reward ($\rho \neq 0$).

H_{2a}: There is a significant impact between employee monetary compensation and employee commitment ($\rho \neq 0$).

H_{3a}: There is a negative correlation between employee monetary compensation and employee appreciation ($\rho = 0$).

H_{4a}: There is a significant impact between employee monetary compensation and employee fairness ($\rho \neq 0$).

1.5 Rationale of the Study

This study looked into the fundamental requirements of employees and whether or not there is a connection between pay and job happiness. Self-determination theory research has been used by several HR departments in large American companies to argue that employee motivation and satisfaction are more closely related to the organization's culture, employee programs, and employees' dedication to the company than to pay. Therefore, more investigation is required to determine whether and how much of a relationship there is between employee satisfaction and monetary pay. This study may validate the view that many have misapplied self-determination theory, as proposed by Olafsen et al. (2018), or it may demonstrate that the idea that compensation has no influence on employee happiness is not false. By contributing to the large body of research aimed at comprehending worker motivation, satisfaction, output, and fundamental requirements, this study will close the knowledge gap. If an employee's basic requirements are not being met, it is difficult for them to be pleased in their place of employment (Olafsen et al., 2018).

The study's practical consequences could aid firms in comprehending the essential benefits to provide their workforce in order to optimize their level of performance and contentment. The study's findings gave businesses a better knowledge of how much to pay workers if they want to please, inspire, and keep them on board. Organizations should use more knowledge about what inspires and satisfies employees to their advantage as well as that of the employee.

1.6 Limitations of the Study

The limitations of the study are as follows:

- i. The sample size of in this study is 400, questionnaire responses from employees.

- ii. The study is predominantly based on primary source of data regarding the determinants of employee's satisfaction. Therefore, the reliability of conclusions of the study depends upon the accuracy of the information provided by the respondents.
- iii. It may also be noted that only primary data are considered for the study purpose. Data analysis conducting secondary is not taken into consideration. Hence the result of the study is not broad and flexible. It is limited to the perception of employees.
- iv. This research is concern with organization employee's compensation so the finding of this study will may not be generalized.

CHAPTER - II

LITERATURE REVIEW

Employee compensation is a significant part of an employee/employer relationship. The rate of compensation affecting performance of both the employee and the employer (Daramola, 2019). The following is a review of the existing literature related to employee compensation.

2.1 Conceptual Review

2.1.1 Reward

Reward is positive outcomes that are earned as a result of employees' performance and are aligned with organizational goals (Salah, 2016). Rewards and their influence on organization have become an important concern. Adams (1965) explained that both financial and psychological rewards were related with job satisfaction. Individual compared their input-output ratio that reflects rewards received in return from the work and compare those rewards for identification of satisfaction from that job. In any organization, an employee wanted to feel that their contributions and work performance are being rewarded. Employees felt de-motivated when unpaid. De-motivated employees influence their co-workers which lead to higher turnover. Researchers have identified theories on individual behavior towards rewards and factors affecting job satisfaction.

Intrinsic rewards

Herzberg and Wernimont (1971) stated that intrinsic rewards were associated with doing the job. An intrinsic reward was derivations of challenges and opportunities of the task, rendering a platform to use individual skills and creativities depicting responsibility of the task bearer. Intrinsic rewards were analyzed from content of the task itself and were self-directed. Intrinsic rewards are intangible psychological rewards that include appreciation, positive attitude, and sense of achievement, individual recognition and personal growth. Intrinsic rewards encompass motivational virtues of the job such as training, job rotation, clarity in autonomy role and are basically derived from the content of the job itself (Gomez & DB, 1992).

Intrinsic rewards in an organization are achievement, variety, challenge, autonomy, responsibility, personal and professional growth, job recognition, appraisal from superiors

and co-workers, status and feelings of self-esteem (Mahaney & Lederer, 2006). An organizational strategic goal can be achieved when the employees are self-motivated. Honig and Martin (1993) identified that intrinsic rewards increased self-esteem and accomplishment. Quality results are expected when employees felt pride on works and are directed in achieving goals. The success of the team depends on individual efforts through collaborative approach, rewards and challenges of the job should motivate to achieve the goal.

Skinner (1953) proposed reinforcement theory which explained that behavior and attitude of individual is driven by specific circumstances. Intrinsically motivated employee's work outcomes do not depend on external stimulus, pressure or temptation but rather performed for some sort of contest entailed. The study analyzed three intrinsic rewards task autonomy, task significance and task involvement which showed positive significant correlation with job satisfaction (Clifford, 1985). Task autonomy is the degree of freedom to perform task whereas task significance is defined as the degree of significance of the task as a contribution to work process. Task involvement refers the challenges and interests of task.

Extrinsic rewards

Extrinsic rewards could either be in monetary form or form of promotions received by employee (Munir, 2016). Extrinsic rewards are an outcome of work recognition of an employee (Nzelum et al., 2019). Salary, bonus, incentive and promotions are most common forms of extrinsic rewards. Rewards increase the level of efficiency and performance of employees to increase the success of an organization. Kilimo (2016) stated that extrinsic rewards are result from the work, mainly consisting of elements like salary, job security, additional monetary benefits, promotions, private office or space. Extrinsic rewards are tangible form of rewards given by the management to their employee on regular basis (Ndungu, 2017).

Extrinsic rewards affected employee job performance and satisfaction. Ozutku (2012) found that extrinsic rewards exhibit affirmative impact on employee performance. Riasat, Aslam and Nisar (2016) revealed that there is significant relationship between extrinsic rewards and work performance. Both intrinsic and extrinsic rewards are important for high job performance, job satisfaction and strategic success of an organization.

Organization should focus on extrinsic rewards which are most important factors for job satisfaction and better performance. Salary should be sufficient and reasonable. Medical allowances and promotion packages should also be provided along with salary as extrinsic rewards show big impact on employee satisfaction.

2.1.2 Job Satisfaction

Brief and Weiss (2002) defined job satisfaction as a sensation that employees have about their work environment and their expectations towards work. Employees have certain expectations, needs from the job along with certain responsibilities. Employees are satisfied after fulfillment of desires. Davis and Nestrom (1985) explained that job satisfaction has close linkage with an individual's behavior and performance in the work place. Job satisfaction is a key component leading to recognition, income, and promotion and achieving goals that lead to feeling of fulfillment (Kaliski, 2007). Job satisfaction represents a feeling that appears as a result of the perception that the job fulfills psychological and materialistic needs.

Monetary compensation such as pay, promotion, incentive and bonus are equivalently important as non-monetary compensation for job satisfaction (Furham, Eracleous, & Chamorro, 2009). Smith (1997) defined the job satisfaction as the level to which an individual has a positive attitude towards job, either in general or towards a specific dimension. An employee satisfaction resulted high retention in organization (Spector, 1997).

Sarwar and Abugre (2013) claimed that an employee is more loyal and dedicated towards an organization if the employee has more job satisfaction. Job dissatisfaction occurs as a result of less pay and low incentives. Chew (2005) and Pare and Trembley (2007) revealed that public sector managers were more job security oriented rather economic rewards. Bjorkman and Budhwar (2007) examined that public sector employees were intrinsically motivated by intrinsic rewards in comparison to private sector employees who gave more importance on extrinsic rewards motivation to be extrinsically motivated. Vandenberghe and Trembley (2008) found that reward is significantly related to job satisfaction across occupational status group. Zaini, Nilufar and Syed (2009) proposed that private sector employees are motivated by extrinsic rewards whereas public sector employees are motivated by intrinsic rewards. Ramlall (2004) argued that private sector

managers place greater value on economic rewards than public sector managers who are more job security oriented. However, both monetary compensation and benefits alongside non-monetary rewards are important variables for job satisfaction in both sectors.

Job satisfaction is significantly determined by number of factors. Okpara (2002) stated factors such as pay, work environment, supervision, relationship with co-workers and opportunities for promotion determine job satisfaction. Job satisfaction is a result of an evaluation of the job's characteristics. Robbins (2003) identified four main primary factors that determine job satisfaction, such as rewards, supportive work environment, work challenges and supportive colleagues. Kleemann and Matuschek (2002) depicted that employees reward on basis of contribution gave high job satisfaction. Factors like fringe benefits and employees recognition are important for job satisfaction.

Amabile, Hill, Hennessey and Tighe (1994) concluded that employee job satisfaction guided through rewards and rewards increased work engagement. Organizations have created a balance between the performance of the employees and job commitment. Rewards and motivation are two main factors for job satisfaction (Ali & Ahmed, 2009). Variations in rewards and recognition bring positive changes in attitude of an employee and satisfaction from work. Rewards are directly correlated to self-motivation and high job satisfaction. Job satisfaction was significant determiner of professional behavior and predictor of turnover, absenteeism and leaves (Elangovan, 2001).

Both intrinsic and extrinsic rewards are crucial for job satisfaction, employee motivation and attainment of goals of an organization. The other factors besides monetary payment are healthy environment to work, work recognition, non-repetitive and tedious work culture (Shanks, 2007). The balance between extrinsic and intrinsic motivators is of utmost importance for job satisfaction.

2.2 Theoretical Review

2.1.1 Affective event theory

The idea of affective events explains how an employee's internal factors, including their thoughts, feelings, and emotions, are connected to the stimuli and their responses to various incidents that happen at work. This relationship has a substantial impact on an

employee's job satisfaction and performance. The degree of autonomy, the product of labor, or some other aspect of employment could represent the expectations that the employees had of the organization, according to an analysis of those expectations. Expectations and the workplace environment influence an employee's degree of satisfaction (Thompson & Phua, 2012).

2.1.2 Equity theory

The equity theory clarified how a person viewed justice in social interactions. The study found that the analysis of the other party's effort is done, and that the amount of input obtained from a relationship is compared to the output during a social transaction. According to Adams' (1965) hypothesis, when there is a social inequality between two social groups or individuals, the employee is more likely to experience stress or dissatisfaction due to differences in the input and output of effort. In most organizations, disparities in compensation are a cause for concern, as determined by equity theory analysis. According to research by Adams (1963), workplace inequality raises stress and tension and may cause employees to respond differently from what is expected of them by the business (Berscheid & Walster, 1973).

2.1.3 The theory of job characteristics

A research framework was presented by Hackman and Oldham (1976), Jackson (2009), and Dugguh (2008) to examine the relationship between employment attributes and job outcomes and satisfaction. The following job characteristics have the potential to have a significant impact on job outcomes: task identity (the degree to which the job requires completion of a whole and identifiable piece of work that involves doing a job from start to finish with a visible outcome); task variety (the degree to which a job requires a variety of different activities in carrying out the work and involves the use of different individual skills and talents); and task significance (the degree to which the job has substantial impact on people's lives or work in other departments of an organization or in the external. Job autonomy refers to how much freedom, independence, and discretion an employee has in scheduling work and choosing the methods to complete it. Job feedback, on the other hand, is the extent to which completing the tasks required of them by their jobs allows them to receive clear and concise feedback on their performance.

Three crucial psychological states are impacted by key job characteristics: knowing the actual consequence, experiencing responsibility for work outcomes, and experiencing meaningfulness. Critical psychological states have a significant impact on work-related outcomes, including performance, motivation, job satisfaction, and absenteeism. According to the notion, not every individual has the same impact; nonetheless, those who have a great desire to feel both professionally and psychologically accomplished are significantly impacted.

According to Armstrong (2010), incentive is one of the main variables influencing the exchange connection between an employer and an employee. By directing employees' performance and conduct, an employer can use a compensation system as a tool to draw in and keep the most qualified staff members. Wilcox, Ingram, and Bellenger (1984). Rewards might be given to employees based on their commitment, output, and conduct, which would keep them happy and motivated. The study emphasized the significance of rewards and how they affect workers' attitudes and behaviors. According to Henderson (2003), incentives are desirable materialistic, monetary, or psychological benefits that an employer provides to a worker in recognition of their performance, dedication, and hard work. An organization should implement an alternative reward structure in addition to monetary incentives.

Effective reward management, according to Aktar, Sachu, and Ali (2012), involves process, policy, and strategy setting. By improving each employee's performance and production, an organizational goal was accomplished. In addition to appropriate compensation and benefits for employees, there should be non-financial incentives including training, recognition, and more job responsibility to meet strategic goals. Rewards may motivate staff members to work extra hard to come up with innovative ideas, which will benefit companies overall from the higher performance of rewarded staff members.

Nnaji and Egbunike (2015) investigated how employees' attitudes and behaviors are influenced by corporate goals. A clear organizational objective aids in the creation of the rewards program. The amount that an employee contributes to the organization and the amount that the company contributes to the individual should be balanced. Organizations must inspire workers both individually and collectively Pratheepkanth (2011). A system

of rewards within the company could help preserve equilibrium between the individual and the group.

Encouraging individuals with the knowledge, skills, and abilities that the organization needs can help achieve a strategic goal. Kilmann and Allen (2001). A reward system should be created to guarantee that workers are motivated to fulfill organizational goals and are in line with the company's strategy. Incentives have a direct impact on each person's attention span and have been shown to support dedication, adaptability, productivity, and personal growth. Larry Howard and Dougherty (2004) In order to align reward systems with the strategic direction of the organization, they should be connected to the actions, attitudes, commitments, and accomplishments of employees. Both internal and external awards can enhance an organization's use of its people resources. Oliver and Kerrin (2002). An organization organized both monetary and non-monetary prizes for an employee's contribution of high-quality work.

Organizational reward management systems aided in luring in and keeping talented workers who were qualified, competent, and skillful. Galbraith (1973). The policies and consequences of an organization determine the reward management system. Rewards are determined by the strategic goal of the company and how well it is achieved through employee participation, performance, dedication, behavior, and competence. Maintaining and inspiring a talented workforce promoted a positive workplace culture and assisted in accomplishing organizational goals. Employees are more motivated by extrinsic benefits than by intrinsic ones, such as future growth chances, flexible work schedules, decision-making opportunities, training, and fair appraisals (Goodale, Koerner, & Rooney, 1997). Organizations shouldn't limit themselves to financial transactions.

2.1.4 Herzberg's two-factor theory

Frederick Herzberg, a psychologist, created the two-factor theory of motivation, sometimes referred to as the dual-factor theory or the motivation hygiene theory, in the 1950s after examining the answers of 200 engineers and accountants regarding their attitudes toward their jobs, both good and bad. According to Herzberg, some aspects of a job lead to contentment while other aspects of a job shield against unhappiness. According to Herzberg, there is no such thing as satisfied satisfaction or dissatisfied dissatisfaction Juneja (2020).

2.1.5 Expectancy theory

Victor H. Vroom of the Yale School of Management originally put forth expectation theory as a theory of motivation in 1964 Vroom (1995). It describes the mental procedures that a person goes through when making decisions about choice, or choosing. According to expectation theory, people make decisions about their conduct based on the results they anticipate from it. Put another way, we make decisions based on what we anticipate will happen. We may put in more hours at work because we anticipate receiving a raise in compensation. On the other hand, expectation theory also implies that our decision-making process is impacted by our perception of the likelihood of those rewards. In this case, employees might have put in more effort if they had been guaranteed a wage increase rather than just assuming they might. Three components form the basis of expectation theory.

2.1.6 Three-dimensional theory of attribution

The theory of attribution clarifies how we interpret both our own and other people's actions. Regarding attribution, there are several theories. According to Bernard Weiner's Three Dimensional theory of attribution, people attempt to ascertain the motivations behind our actions. This theory mainly depends on human behavior, motivation, and cause and effect. Weiner contends that the explanations we give for our actions can shape our conduct moving forward. When a student fails an exam, for instance, they may assign several reasons for it, and this explanation will influence their motivation going forward. Weiner postulated that the qualities of an attribution were more significant than its particulars, such as unluck or a lack of diligence in one's studies. Three primary attributes of attributions, in Weiner's opinion, can influence future motivation (Mark, 2019).

2.1.7 Job characteristics theory

A research framework was presented by Hackman and Oldham (1976), Jackson (2009), and Dugguh (2008) to examine the relationship between employment attributes and job outcomes and satisfaction. Task identity (the degree to which the job requires completion of a whole and identifiable piece of work which involves doing a job from start to finish with a visible outcome), task significance (the degree to which the job has substantial impact on people's lives or work in other departments of an organization or in the external environment), and skill variety (the degree to which a job requires a variety of different activities in carrying out the work and involves the use of different individual skills and

talents) are job characteristics that can highly influence job outcomes, Job autonomy refers to how much freedom, independence, and discretion an employee has in scheduling work and choosing the methods to complete it. Job feedback, on the other hand, is the extent to which completing the tasks required of them by their jobs allows them to receive clear and concise feedback on their performance.

Three crucial psychological states are impacted by key job characteristics: knowing the actual consequence, experiencing responsibility for work outcomes, and experiencing meaningfulness. Critical psychological states have a significant impact on work-related outcomes, including performance, motivation, job satisfaction, and absenteeism. According to the notion, not every individual has the same impact; nonetheless, those who have a great desire to feel both professionally and psychologically accomplished are significantly impacted.

According to Armstrong (2010), incentive is one of the main variables influencing the exchange connection between an employer and an employee. By directing their performance and conduct, an employer could use a reward system as a tool to draw in and keep the most qualified workers (Bellenger, Wilcox & Ingram, 1984). Rewards might be given to employees based on their commitment, output, and conduct, which would keep them happy and motivated. The study emphasized the significance of rewards and how they affect workers' attitudes and behaviors. Henderson (2003) defined rewards as a valued financial, materialistic or psychological outcomes received from an employer in exchange for an employee's hard work, performance and contribution. An alternative reward system should an organization introduced along with financial rewards.

Aktar, Sachu and Ali (2012) stated that effective reward management deals with setting process, policies and strategies. An organizational goal was achieved by enhancing productivity and performance of every individual employee. Financial rewards as well as non-financial rewards like training, recognition, increased job responsibility to achieve strategic goals besides employee benefits and proper pay. Rewards could encourage employee to put best efforts to generate newer ideas and hence, organizations can gain better from overall increased performance of rewarded employees.

Encouraging individuals with the knowledge, skills, and abilities that the organization needs can help achieve a strategic goal. (Kilmann & Allen, 2001). A reward system should be created to guarantee that workers are motivated to fulfill organizational goals and are in line with the company's strategy. Incentives have a direct impact on each person's attention span and have been shown to support dedication, adaptability, productivity, and personal growth. Larry Howard and Dougherty (2004) In order to align reward systems with the strategic direction of the organization, they should be connected to the actions, attitudes, commitments, and accomplishments of employees. Both internal and external awards can enhance an organization's use of its people resources (Oliver & Kerrin, 2002). An organization organized both monetary and non-monetary prizes for an employee's contribution of high-quality work.

Talented employees who were competent, skilled, and qualified were attracted to and retained by organizations with the use of incentive management systems. Galbraith (1973). The incentive management system in an organization is determined by its policies and consequences. The company's strategic aim and the degree to which employee engagement, performance, dedication, behavior, and competence help achieve it will decide rewards. Sustaining and motivating a skilled workforce helped achieve organizational objectives and fostered a positive work environment. Extrinsic perks, such as opportunities for future growth, training, flexible work hours, and input into remuneration decisions, tend to drive employees more than intrinsic ones (Goodale, Koerner, & Rooney, 1997). Financial transactions shouldn't be the only thing that organizations do.

2.1.8 Evaluative Congruity Theory

Evaluative congruity theory, also known as EC theory, is a dual-process model that explains how attitudes are formed and altered. Although EC theory has a wider range of applications, its primary objective is to explain how attitudes originate and evolve. According to the EC theory, attitudes are developed through two distinct assessment processes: "incorporating" evaluations and "social comparison" evaluations. While social comparison assessments need extra processing work, it is assumed that integrating evaluations are processed automatically. The degree to which a customer's feelings are consistent with the attitudes and evaluative ideas they have about the consuming experience is known as "evaluative congruity." It can be used for any kind of service,

including retail, healthcare, hospitality, and leisure. Other fields including management, marketing, and organizational behavior have also embraced evaluative congruity.

2.1.9 Attribution Theory

Compared to pleasure models, models of complaining and dissatisfaction have made greater use of the Attribution theory. This theory of the customer satisfaction model views customers as information-processing rationalists who look for explanations for the occurrence of certain purchase outcomes, like unhappiness. These factors could be the product itself, the service, the cost, or even the salesperson.

These causes are often highly correlated, or related to one another; this phenomenon is known as inter-correlated attributions. If true, we can employ a more basic model that assigns one of these causes as the "blame." The primary cause is then the reason that occurs the most frequently. In the field of social psychology, Fritz Heider, Dorwin Cartwright, and Leonard Bostwick created the attribution theory in a work named "The Psychology of Judgment." The writers of this article made the point that judgments made by people are reasonable and that rational judgments can exist in certain situations. According to these academics, attribution must meet three requirements: coherence or connection, consistency, and consensus. The idea that humans must find explanations for outcomes as they occur is part of the consistency criteria.

2.1.10 Job satisfaction

According to Brief and Weiss (2002), an employee's perception of their workplace and expectations for it constitutes their level of job satisfaction. Workers have demands and expectations from their jobs in addition to specific duties. Workers are happy when their desires are met. According to Davis and Nestrom (1985), an individual's conduct and performance at work are closely related to their level of job satisfaction. Achieving goals that lead to a sense of fulfillment and getting recognition, money, and promotions are all dependent on having a happy job. Kaliski (2007). A sensation that arises from the belief that one's work satisfies both psychological and materialistic requirements is known as job satisfaction. For job satisfaction, monetary remuneration—such as salary, bonuses, incentives, and promotions is just as significant as non-monetary compensation. (Eracleous, Furham, & Chamorro, 2009). According to Smith (1997), a person's degree of job satisfaction is determined by how good their attitude is toward their work, whether it

be in general or with regard to a particular aspect. High employee retention was the outcome of employee happiness at (Spector, 1997).

According to Sarwar and Abugre (2013), when an employee is happier at work, they will be more devoted to and faithful to the company. Low compensation and rewards lead to job unhappiness. According to studies by Chew (2005) and Pare and Trembley (2007), managers in the public sector were more concerned with job security than financial gain. According to Bjorkman and Budhwar (2007), personnel in the public sector were more intrinsically driven by intrinsic rewards than those in the private sector, who placed a higher value on extrinsic benefits. Vandenberghe and Trembley (2008) discovered a substantial relationship between reward and job satisfaction for all occupational status groups. According to Zaini, Nilufar, and Syed's (2009) theory, employees in the public sector are driven by intrinsic rewards, whereas those in the private sector are driven by extrinsic ones. According to Ramlall (2004), managers in the private sector are more concerned with financial gains than their counterparts in the public sector, who are more focused on job security. Nonetheless, non-cash incentives as well as monetary pay and perks are significant factors in determining job satisfaction in both industries.

Numerous factors have a substantial impact on job satisfaction. Okpara (2002) said that aspects including compensation, benefits, coworker relationships, supervision, and advancement chances affect how satisfied one is with their job. An assessment of the qualities of the work leads to a determination of job satisfaction. According to Robbins (2003), there are four basic aspects that influence job satisfaction: challenges at work, incentives, a positive work environment, and supporting coworkers.

Research by Kleemann and Matuschek (2002) showed that rewarding employees based on their contributions resulted in high job satisfaction. Job satisfaction is influenced by elements like employee recognition and fringe perks. Amabile et al. (1994) came to the conclusion that incentives enhanced work engagement and helped employees feel more satisfied with their jobs. Companies have struck a balance between workers' dedication to their jobs and their performance. Job satisfaction is mostly influenced by two factors: motivation and rewards (Ahmed & Ali, 2009).

Variations in rewards and recognition bring positive changes in attitude of an employee and satisfaction from work. Rewards are directly correlated to self-motivation and high job satisfaction. Job satisfaction was significant determiner of professional behavior and predictor of turnover, absenteeism and leaves (Elangovan, 2001).

For job satisfaction, employee motivation, and the accomplishment of organizational goals, both intrinsic and extrinsic compensation are essential. A healthy work environment, job recognition, and a non-repetitive and tiresome work culture are additional considerations in addition to monetary compensation. Shanks, 2007. For job happiness, striking a balance between inner and extrinsic motivators is crucial. According to Akintoye (2000), money is a key motivator for employee satisfaction in part because it represents abstract ideals like achievement, stability, status, authority, and a sense of accomplishment. According to Dartey (2010), workers who receive recognition from superiors and peers for their contributions and whose opinions are taken seriously are more likely to be devoted and content with their occupations. According to Flynn (1998), pay and recognition initiatives boost morale and maintain a positive work environment by fostering a relationship between employee self-motivation and individual performance. Programs' primary goal is to establish a framework for linking employee performance to remuneration and rewarding it, since this eventually promotes job satisfaction. An employee's motivation level will eventually rise in response to an unanticipated gain in recognition, compensation, and praise (Motta, 1995).

2.2 Empirical Review

Salah (2016) examined the influence of reward types (extrinsic, intrinsic, social and rewards mix) on employee performance in mining company of Jordan. Three hundred and eight employees, or sixty percent of the five hundred and thirteen target population, worked for Unified Mining Companies in southern Jordan. A total of 268 self-designed questionnaires were returned by workers, out of the 308 that were delivered to them at their place of employment; only 250 of them were appropriate for statistical analysis. For data analysis, both inferential and descriptive statistics were applied. The research's goal was in line with the statistical tools. Frequency tables, percentages, means, and standard deviations were calculated and interpreted in a meaningful way for this goal. To ascertain whether there is a significant association between the independent variables (rewards

types: extrinsic, intrinsic, social, and rewards mix) and the dependent variable (employee performance), inferential statistics such as the Pearson product moment correlation coefficient (r) were utilized. Analysis and interpretation were performed with a significance level of 0.05. The results showed a statistically significant correlation between the different kinds of rewards and workers' productivity. According to the study's findings, if management intends to improve employee performance, they must be deeply committed to the cause of employee rewards.

Burton (2018) conducted a research on a study of motivation: how to get your employees moving. The majority of businesses in today's workforce want motivated workers who are prepared to work, but they often lack an understanding of what actually inspires people. If workers had a stake in the company's success, businesses might operate more effectively. In order for a person—and especially an employee—to flourish in the job, certain needs must be satisfied. The study aims to investigate various motivation theories, their applicability in the workplace, and the ways in which managers can put the theories into practice to guarantee contented and driven workers. Motivation comes in two flavors: non-financial and financial. This study focuses on the use of both monetary rewards and non-monetary rewards by companies to inspire their workforce. These days, money isn't always abundant when it comes to employee motivation, so it's critical to know how managers may instill a sense of value in their staff without going over budget. For the best outcomes, both kinds must be implemented strategically.

Stello (2019) further stated that Herzberg's Two-Factor theory of job satisfaction: An Integrative Literature Review, if an employee is not satisfied, it is unlikely the employee is motivated. Herzberg (1987) described worker motivation and satisfaction as interrelated functions synonymous to each other. Ryan and Deci (2017) agreed with Dawis, Lofquist and Weiss (1968) workers are motivated by external and internal factors. The practice of imposing external motivators on employees while maintaining that internal motivators are superior in terms of long-term employee happiness and motivation. Employee motivation and satisfaction are often undermined or harmed by external motivating forces. Examining fundamental psychological requirements that are driven by internal variables to provide greater levels of motivation and contentment.

Yamin (2020) conducted a study seeking to understand factors effecting employee motivation and environmental factors' relationship with employee retention and organizational performance. The organizational environment and intrinsic motivational elements were determined by the study to have a good impact on employee retention. The study also discovered that staff retention and organizational competitiveness had an impact on organizational performance. It conclude that employee retention and an organization's performance are related, demonstrating the importance of staff retention for an organization's ability to function.

Bellmann and Hubler (2021) researched on working from home, job satisfaction and work-life balance - robust or heterogeneous links? It is examined if and under what circumstances working from home enhances or detracts from work-life balance and job satisfaction. Personal qualities, job characteristics, skills, and employment properties are the blocks of variables that are calculated alone and in combination to affect work-life balance and job satisfaction. Regression with the least angle is used to choose the variables. The method of entropy balancing is applied to ascertain causal effects. The study looks into whether private or work-related factors determine imbalances, if firm-specific regulations and the control group's choice have an impact on the outcomes, and if imbalances only occur during free time. While the consequences of remote work on work-life balance are generally unfavorable, no obvious effects have been found with regard to job satisfaction. In contrast to job-conditioned features, there is no evidence that the imbalance is conditioned by private interests. Working from home is associated with greater happiness than wanting to work from home, higher job satisfaction, and no worse work-life balance under a rigorous contractual arrangement than under a nonbinding commitment. Numerous talents, occupational attributes, personality qualities, and job factors are included as determinants. The investigation focuses on the causation problem. The question of whether using different control and treatment groups produces different outcomes is examined. The empirical study is based on recently released three-wave German data.

Gross, Ingerfurth, and Willems (2021) researched on employees as reputation advocates: looking at aspects of job satisfaction that explain employees' intention to recommend. The study's objective is to offer evaluations of the job satisfaction levels of patients and/or employees. In light of this, we adopt a quantitative-exploratory methodology to examine,

for 1,022 workers in two German hospitals, how eleven aspects of workers' job satisfaction account for their desire to advocate changes on behalf of the hospital where they are employed. We also investigate this for various staff categories. Our findings demonstrate that distinct employee work satisfaction characteristics account for referral intention for several employee groups, including administrative staff, physicians, and nurses. We examine the implications for practice and future study, placing our findings in the context of the extensive yet dispersed management literature that is pertinent to work satisfaction and organizational reputation.

Bhardwaj, Mishra and Jain (2021) investigated on an analysis to understanding the job satisfaction of employees in banking industry. This study aims to investigate the relationship between employee satisfaction and position in different commercial banks, including public and private banks in Rajasthan, as well as the impact of several variable factors on employee satisfaction. The elements that contribute to a greater degree of job satisfaction are described in this study. These elements have to do with the management, pay, promotion, restructuring, pay, safety at work, and relationships inside the workplace. The findings of the study indicate a favorable relationship and association between job satisfaction and benefits such as compensation, benefits, job stability, advancement chances, and positive working relationships. The survey's findings also indicate that while most bank workers in the banking industry are content with their workplace culture, pay and schedules continue to be the biggest concerns.

Ali and Anwar (2022) conducted a research on an empirical study of employees' motivation and its influence job satisfaction. The importance of human resource management in business is growing these days because people and their knowledge are the key factors influencing an organization's productivity. The assessment of employee happiness is a key component of human resource management. Employers must ensure that worker satisfaction is high since it is a prerequisite to higher worker productivity, responsiveness, quality, and recognition. This thesis examines the degree of motivation at work and employee happiness. It also addresses how employee satisfaction is impacted by culture. This thesis's theoretical framework encompasses ideas like motivation, job satisfaction, and disparities in rewards. The rapport and communication between management and staff is one of the organization's greatest assets.

Fakai (2022) conducted a research on performance appraisal on employees' motivation in commercial banks of Sokoto state, Nigeria. Organizations utilize performance appraisal as a technique to gauge employee productivity, which is typically gauged by the organization's growth, evaluation of its progress, and social acknowledgment. The study's objective was to ascertain how performance management and objective production affected the motivation of workers in commercial banks. One hundred and seventy-two managers and staff members from ten Sokoto state-based commercial banks with national permission were chosen at random to provide data. The survey design used in the study was descriptive. The participants were given an online questionnaire divided into three sections. The demographic data was shown in a statistical table with an understandable explanation. Regression analysis and chi-square methods were used to examine the two hypotheses, respectively. Since the null hypotheses were rejected at the significant level of 0.000 in every test, it was evident that every variable was significant. The results showed that, with a 0.000 p-value, objective production significantly affects employees' motivation.

Aryal, Hamal and Bhatta (2022) performance appraisal, job satisfaction and organizational commitment in Nepalese Commercial Banks. This study looks at how job satisfaction and performance reviews affect employees' organizational loyalty in Nepalese commercial banks. Using structured surveys with Likert-type items, the respondents' opinions have been evaluated based on the primary data. Based on 172 responses, the survey's response rate is 78 percent of the total sample size obtained from 16 Nepalese commercial banks. In this study, descriptive and causal research designs were used. While several linear regression models have been employed to investigate the relevance and effects of work satisfaction and performance appraisal on employee organizational commitment in Nepal's commercial banks, the Pearson correlation coefficient has been utilized to analyze the link. The findings indicate that employee organizational commitment is favorably correlated with job satisfaction and performance reviews. Thus, the study comes to the conclusion that the key variables influencing workers' organizational commitment are job satisfaction and performance reviews. Since this study is limited to commercial banks, it is possible for future research to take into account other banking institutions, employee profiles, and human resource management aspects.

Shrestha and Bhattarai (2022) conducted a research on contribution of job satisfaction to organizational citizenship behavior: a survey of the school teachers of Nepal. In an organizational context, it is believed that both Job Satisfaction (JS) and Organizational Citizenship Behavior (OCB) are essential. The partnership between OCB and JS enhances school efficacy in a number of ways. In light of this, the purpose of this study was to investigate the connection between them using a cross-sectional survey design and a post-positivist mindset. Correlation and regression analysis were used to examine the data that were randomly selected from 345 respondents, and the social capital and social exchange theory was then applied to understand the results. The findings validated the favorable correlation between job happiness and organizational citizenship behavior, so providing additional reinforcement for educators' exceptional job performances and high levels of productivity. Similar to how job happiness and organizational citizenship behavior are related, these two factors boost teachers' organizational effectiveness and dedication to fostering higher academic accomplishment in the classroom.

Mulang (2022) researched on analysis of the effect of organizational justice, work life balance on employee engagement and turnover intention. When needs are not satisfied and there is perceived injustice and a lack of work-life balance in the organization, people may become disinterested and consider leaving. This study takes a quantitative method, and the key data used in it are answers to a questionnaire that was distributed to all 70 of the sample's employees at PT. BSB–Kalla Group. A quantitative approach to data analysis was employed, utilizing SEM and the Smart PLS. According to the study's findings, work-life balance and organizational fairness cannot be mediated by employee involvement when it comes to turnover intention. The two independent variables' positive and substantial effects on the dependent variable are displayed by the direct effect. The two independent variables have a negative impact on the dependent variable on turnover, which is indirectly mediated by employee engagement. This study concludes that the application of organizational justice to the business determines turnover intention and that employee engagement serves as a mediating variable to create a work-life balance for each employee. These findings are supported by the research and discussion previously described.

Ortiz-Bonnin (2023) conducted a research on work-life balance satisfaction in crisis times: from luxury to necessity - The role of organization's responses during COVID-19

lockdown. This study looks at how work-life balance (WLB) and organization-reported COVID-19 responses (SOCV19R) satisfaction together improve people's subjective well-being and performance during a COVID-19 lockdown. An online survey with three waves was used to collect the data for this time-lag study in Spain between March and May, 2020. Process and Hierarchical Multiple Regression were employed to test the theories. There were no significant direct correlations found between SOCV19R and performance or subjective well-being. Rather, SOCV19R improved workers' performance and well-being by raising their level of satisfaction with WLB (complete mediation). The assessment of SOCV19R as an organizational support tool during crises is what makes this study novel. According to this study, an effective organizational response to a crisis like the pandemic promotes workers' work-life balance and aids in improving their performance and well-being. We might draw the conclusion that in Spain, work-life balance (WLB) was considered a luxury during prosperous times but became essential during hard times. The current study offers suggestions for useful applications and teaches human resource managers lessons for upcoming emergencies or comparable work environments.

Yukongdi and Shrestha (2023) conducted a research on the influence of affective commitment, job satisfaction and job stress on turnover intention: A study of Nepalese bank employees. This study looked at how bank workers in Nepal felt about their intention to leave their jobs in relation to job stress, job satisfaction, and affective commitment. A questionnaire-based survey of 282 workers of a bank in Kathmandu was used to gather data. Multiple regression analysis was employed for data analysis. The findings indicated that job stress had a favorable impact on turnover intention, but emotional commitment and job satisfaction had a negative effect. In particular, affective commitment and job stress were found to have a greater impact on turnover intention than job satisfaction. There is a discussion of the study's practical consequences.

Meiryani, Huang et al. (2024) investigated the effect of voluntary disclosure on financial performance: empirical study on manufacturing industry in Indonesia. Their study focused on companies included in the LQ45 Index and aimed to understand the influence of Corporate Social Responsibility (CSR) on financial metrics such as Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). The researchers employed purposive sampling to select manufacturing companies from the LQ45 Index

and utilized secondary data from the CSRI and annual reports spanning from 2018 to 2020. Through quantitative analysis techniques including descriptive statistics, assumption tests, and simple linear regression, they found that CSR significantly affects ROA but not ROE or NPM for LQ45 manufacturing companies. The study suggests that as consumer loyalty increases, sales and profitability also rise, indicating a potential avenue for future research exploring the relationship between CSR and financial performance in Indonesian Manufacturing Public Companies.

Sandberg, Alnoor, and Tiberius (2024) conducted research exploring the relationship between Environmental, Social, and Governance (ESG) ratings and financial performance within the European food industry. Their study utilized ordinary least squares regression to examine this connection over a span of four years (2017-2020). Financial performance was assessed using Return on Assets (ROA) and Return on Equity (ROE), while ESG ratings were sourced from the CSR Hub database. The findings indicate that higher ESG ratings correlate with improved financial performance, although the impact is relatively modest. This aligns with prior research suggesting a positive association between ESG ratings and financial outcomes. However, the study also underscores a tendency for ESG ratings to gravitate towards the average, prompting a reevaluation of their effectiveness in gauging genuine ESG practices.

Table 1

Summary of Empirical Review

S.N	Date	Article	Methodology	Variables	Findings
1	Ortiz-Bonni (2023)	Work-life balance satisfaction in crisis times: from luxury necessity–The role of organization's responses during COVID-19	The data of this time-lagged in study were gathered through an online survey with three-waves between March and May 2020 in Spain (N 5 167). Hierarchical	Dep-Compensa tion, Indep- reward, gifts	Direct relationships between SOCV19R and subjective well-being and performance were not significant. Instead, SOCV19R increased employees' well-being and performance through a higher satisfaction with

		lockdown.	multiple regression and PROCESS were used to test the hypotheses.		WLB (full mediation).
2	Yuko ngdi and Shrest ha (2023)	The Influence of Affective Commitment, Job Satisfaction and Job Stress on Turnover Intention: A Study of Nepalese Bank Employees	Data were analyzed using multiple regression analysis.	Indep- Turnover intention, affective commitment, job stress Dep - job satisfactio n,	The results suggested that affective commitment and job satisfaction had a negative effect, while job stress had a positive influence on turnover intention. Specifically, job satisfaction had the strongest effect on turnover intention, followed by job stress and affective commitment.
3	Ali and Anwar (2022)	An Empirical Study of Employees' Motivation and Job Satisfaction	A quantitative technique applied and a total of 140 questionnaires were distributed, however 128 participants properly filled out the questionnaires	Dep - Job satisfactio n, Indep - Motivatio n, reward, compensat ion, incentive and recognitio n	The results show that compensation as motivation has significant positive influence on job satisfaction. The results show that compensation as motivation has significant positive influence on job satisfaction.
4	Mulan	Analysis of The	This study uses a	Indep -	Turnover intention is

g	Effect of Organizational Justice, Work life Balance Employee Engagement and Turnover Intention.	of quantitative approach, with the type and source of data in this study being primary data in the form of a questionnaire given to the entire sample of 70 employees	Performan ce, Dep - balance, intention	determined by the application of organizational justice to the company and creates a work-life balance for each employee through employee engagement as a mediating variable.	
5	Aryal, hamal and Bhatta (2022)	Performance Appraisal, Job Satisfaction and Organizational Commitment in Nepalese Commercial Banks	Pearson correlation coefficient and multiple linear regression models have been used	Dep- Organizational Dep - nt, Independen ce appraisal and employees job satisfactio n	The result reveals that performance appraisal and job satisfaction are positively related to employee organizational commitment. The study, therefore, concludes that job satisfaction and performance appraisal are the important factors affecting employees' organizational commitment.
6	Watkins and Fusch (2022)	Employee Monetary Compensation and Employee Job Satisfaction	The sample consisted of N = 129 employees of Fortune 500 companies	Dep- Employee s monetary compensat ion	It was found a statistically significant positive relationship exists between employee rate of monetary

				Indep - compensation and general, employee overall, intrinsic extrinsic, and intrinsic and job satisfaction. extrinsic job satisfactio	
7	Shrestha and Bhattarai (2022)	Contribution of Job Satisfaction to Organizational Citizenship Behavior: A Survey of the School Teachers of Nepal	The data collected randomly from 345 respondents were analyzed using correlation and regression analysis	Dep - Job satisfaction Indep- citizenship behavior	The results confirmed the positive relationship between job satisfaction and organizational citizenship behavior, which further supports teachers' high job performances and work productivity.
8	Fakai (2022)	Performance Appraisal on Employees' Motivation in Commercial Banks of Sokoto State, Nigeria	The study adopted a descriptive survey design. The study adopted a descriptive survey design.	Dep- Performan Indep- employee performan ce, employee motivation	The findings indicated that objective production has a significant impact on employees' motivation also the performance management has a significant impact on employees' motivation.
9	Bhardwaj (2021)	An analysis to understanding the job satisfaction of employees in banking industry	The sample technique is convenient sampling. A structured	Dep- Satisfactio n, Indep- working	The survey results also show that the majority of bank employees in the banking sector are satisfied as far as work

				closed-end Questionnaire is used and the type of questions are dichotomous and likert scale.	hour, incentives	culture is concern but salaries and timings are still remain main concern for them.	
10	Gross (2021)	Employees reputation advocates: Dimensions of employee job satisfaction explaining employees' recommendation intention	as	Uses quantitative- exploratory approach, for 1,022 employees in two German hospitals	Dep- Satisfactio n Indep - Training and incentives, hour, perceived value	The results show that there are different employee job satisfaction dimensions explaining recommendation intention for different employee groups such as nurses, doctors, or employees in the administrative field.	
11	Bellm ann (2021)	Working home, satisfaction work-life balance-robust or heterogeneous links?	from job and	To select variables, least regression applied. The entropy balancing approach is used to determine causal effects	the angle is The approach is used to determine private interest	Dep - Employee performan ce Indep- satisfactio n, work life balance, private interest	- - No clear effects of remote work on job satisfaction are revealed, but the impact on work-life balance is generally negative. If the imbalance is conditioned by private interests, this is not corroborated in contrast to job conditioned features. Employees working from home are happier than those who want to

						work at home, job satisfaction is higher and work-life balance is not worse under a strict contractual agreement than under a nonbinding commitment
12	Harala yya (2021)	Work Balance Employees Karanja Industries Ltd, Bidar.	Life of at both primary and secondary data. The survey method used also instruments used for the research are questionnaires.	Data for the study is collected from both primary and secondary data. The survey method used also instruments used for the research are questionnaires.	Dep - Work life balance Indep - satisfactio n, profit margin, relationshi p	- Company's board because of high profit margin. Usage of modern technology. It is having centralized control system which is not useful for sudden decisions. Dealers are showing interest in purchasing the company's board because of high profit margin. They are having good and excellent infrastructure and ultra-structure facilities. The employees-employer relationship is very good.
13	Novia nti (2021)	The Effect of Job Autonomy Turnover Intention: Mediation Role	This study uses a quantitative approach with online questionnaire	This study uses a quantitative approach with online questionnaire	Dep - job satisfactio n Indep- work-life	The results showed that work autonomy significantly affected job satisfaction, work-life balance, and

	of Work-Life Balance, and Job Satisfaction in the Banking Sector.	data collection. Data was collected by distributing questionnaires (online and offline) using a Likert scale ranging from 1-5.	balance, and turnover intention has a significant effect on turnover intention. However, job satisfaction has no significant effect on turnover intention.
14	Deepika and Kanagaraj (2018)	Impact of Employees' Organizational Effectiveness	of The data has been collected through secondary source. Indep- Intrinsic motivation, extrinsic motivation, Dep- employee' s performan ce
			The motivation leads to high level of initiative and creativity from the employee and where monitoring is difficult, motivation is therefore extremely important for ensuring high quality performance.

2.4 Research gap

The psychological comfort of employees can be measured with the help of job satisfaction. Employee morale is boosted through gratitude and acknowledgment, which leads to higher production. The use of rewards in assessing employee performance is crucial. Even though there is growing interest in the study of employee work satisfaction, just a few scholars have looked at it in Nepal. Higher turnover issues that make it difficult to achieve organizational goals are something that Nepalese organizations must deal with. Employee turnover is primarily caused by a lack of job satisfaction. The true cause of employee work satisfaction needs to be addressed by the organization. Employee gave both monetary and non-monetary awards top importance.

Subedi and Chaudhary (2014) identified intrinsic factors, extrinsic factors and social factors significantly effects on job-satisfaction. The study was conducted among government employees of Nepal where factors like salary and facilities, supervision, promotion, fringe benefits, pension work opportunity was major concerned for employees. The study concluded that employee decision to engage in organization is depend on both monetary and non-monetary rewards.

Similarly, Rehman and Lashari (2010) concluded that rewards are strong determinant of job satisfaction. Employee's job satisfaction are determined by the factors like: task autonomy, task significance, satisfaction with empowerment, social rewards and organizational rewards. Other study conducted on rewards and job satisfaction have various dimensions. The most study conducted in Asian and European countries. Limited study was conducted in Nepal. Rewards as a major job satisfaction indicator in organization.

The primary goal of this research is to comprehend how rewards or compensation impact job happiness and satisfaction. Task autonomy, task relevance, and task participation are the three intrinsic reward identified by (Rehman & Lashari, 2010). Further, Khawaja and Anwar (2012) examined the impact of extrinsic rewards, such as salary, bonuses, promotions, and fringe benefits, on employee satisfaction relative to intrinsic rewards. The study focuses on how intrinsic and extrinsic rewards affect job happiness and adds information for future job satisfaction studies. There is a research gap because no Nepalese study that compares the effects of intrinsic and extrinsic rewards on HR satisfaction at Nepalese commercial banks could be located during the research for this dissertation.

CHAPTER - III

RESEARCH METHODOLOGY

This study will use a quantitative methodology. In order to prevent the researcher from directing the subject during the study and to objectively examine the data produced by the instrument, a quantitative study will be chosen rather than a qualitative or mixed method. In addition to the Likert scale instrument (Weiss et al., 1967), the most effective approach for handling the numerical data obtained from the Minnesota Satisfaction Questionnaire is a quantitative one.

3.1 Research Design

The process and methods for gathering the required data are specified in the research design. In order to quantify, evaluate, and categorize the attributes of the independent variables—that is, the dependent variables of the banks—that have an impact on their profitability, this study uses a descriptive research approach. Similar to that, after an action or event has already happened, this study similarly used the causal comparative research method to identify correlations between independent and dependent variables.

3.2 Population and sampling procedure

Three cooperative finance limited entities Kumir Savings, Mukul Savings, and Nation Cooperative provided the sample for this investigation. There are only 400 respondents because there were only 400 questionnaires given. The study's sample was chosen using the convenience sampling approach.

3.3 Nature and source of data collection

Completed questionnaires from respondents served as the main source of data for this study. Using Google Docs, an organized survey was distributed by email, Viber, Facebook Messenger, and Viber. The questionnaire respondents were not under any obligation to appease the researcher and could freely respond to the questions in accordance with their own conscience. The primary data for the study consisted of information obtained from these surveys.

3.4 Method of analysis

The Minnesota happiness Questionnaire (Dawis et al., 1998) to measure employee job satisfaction, as well as demographic inquiries will be used in this study. The questionnaire will be administered online through Survey Monkey, LinkedIn, and email. The statistical analysis of the gathered data will be done with SPSS.

3.5.1 Data Analysis Tools

Every research project starts with data analysis and presentation. To obtain accurate findings from this study, a variety of descriptive and analytical approaches were used to assess the data. To accomplish the study's goal, a number of statistical and mathematical techniques have been applied. The following is a brief presentation of the several instruments used in this study:

Descriptive Statistics

Several statistical techniques have been employed in this work to compare the Figures and derive a single, significant result. Here are brief explanations of the statistical instruments.

Mean

The arithmetic mean is the most often used and well-liked metric for summarizing all of the data in one variable. It is computed by dividing the total number of things by the sum of all the items. The average value during the study period is represented by the means of the various variables.

Standard deviation

The degree to which individual objects vary from a core value is known as dispersion. The absolute dispersion is measured by the standard deviation. The standard deviation increases with the degree of dispersion. A high level of observational regularity and series homogeneity is indicated by minimal standard deviations, and vice versa.

Correlation analysis

One statistical method for describing how closely one variable is related to another is correlation analysis. The current investigation has employed simple correlation. The

correlation coefficient between the ensuing financial variables has been computed, analyzed, and displayed in a matrix format.

Coefficient of determination (r^2)

A measure of the degree of linear relationship or correlation between two variables—one of which is dependent and the other independent is called the coefficient of determination. Stated differently, r is the overall percentage variance in the dependent variables. There are values for the coefficient of determination that range from zero to one. Only when the unexpected variation is zero, or when every data point in the scatterplot falls precisely on the regression line, can a value of one occur.

Regression analysis

Regression analysis indicates movement direction but not relative movement in the variables under investigation. We can determine the relative movement in the variables with the use of regression analysis. Analysis of regression for the given variable.-have been computed and analyzed.

Multiple regression analysis can be used to quantify and estimate econometrically the elements that influence estimations of the monetary compensation. A statistical technique that makes it easier to estimate or forecast the value of the dependent variable from the value of the independent variable is multiple regression analysis. Extrinsic, general, and intrinsic job happiness are regarded as independent factors in this study, whereas employee monetary pay is the dependent variable. Multiple coefficient of determination, standard error of estimate, and least squares approaches are typically computed for this purpose in multiple regression analysis. The equation for multiple regression is

$$\text{Model 1: } EC = a + b_1R + b_2C + b_3A + b_4FE_i$$

Where

a = Regression intercept, which indicates MPS does not go below this point even if other variables have zero value.

b 's = Multiple regression coefficient.

R = Reward

C = Commitment

A = Appreciation

F = Fairness

3.5 Research Framework

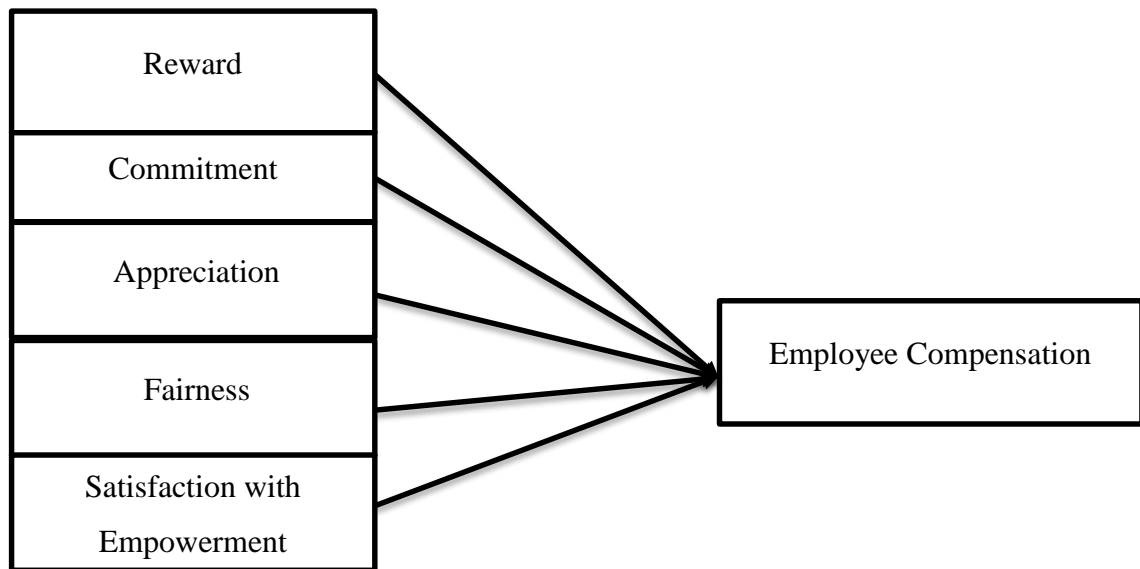


Figure 1

Research Framework

Source: Kalogiannidis (2021)

Definition of variables

Compensation

Wages, bonuses, salaries, and commission plans are all considered forms of compensation. The majority of excellent workers are aware of their value and will not accept less, particularly when rivals are prepared to take advantage of their potential. Generally speaking, compensation is a financial payment made to a person in return for their work. What employees earn at work is their remuneration. Together with commission and any other benefits or privileges associated with the particular employee's role, it also comprises compensation or earnings.

Reward

A reward is something you receive, for instance, as compensation for your hard work, good behavior, or community service. The advantages that come from doing or possessing that thing are what it is.

Commitment

Employee commitment is defined as a person's emotional connection to and fulfillment from empowerment inside a company. Employee commitment is the relationship that exists between an employee and an organization, making the person wish to stay on staff and support the business in achieving its goals.

Appreciation

The act of acknowledging and appreciating an employee's contributions to the workplace, whether through official or informal means, is known as employee appreciation. Employees are prone to lose interest in their work and get demotivated in the absence of recognition. Because of this, yearly employee recognition is essential. Saying "thank you" for a job well done, for finishing a project promptly, or for arriving early and prepared for a meeting can all be considered little acts of appreciation in the workplace.

Fairness

The attribute of treating people fairly, equitably, or rationally: He truly believed in justice and detested injustice. According to Adams' equity theory of motivation, people must believe that the compensation they receive for their contributions is just and comparable to that of their peers in order for them to be motivated.

CHAPTER – IV

RESULTS AND DISCUSSION

Observation and Analysis is very important stage of research study. Observation is the process of organizing the data in tabular form and placing the available data in reasonable form. Analysis is done to portrait the financial figures in tabular or in graphical form so that recommendation can be given for the remedial measure. Present chapter will discuss the various aspects of employee's satisfaction and its impact on work life balance so that recommendation can be given for remedial purposes.

4.1 Demographic Study of Respondents

Table 2

Demographics characteristics of respondents

Respondent Character	No. of Responses	Percentage
Gender		
Male	136	34
Female	264	66
Total	400	100
Age		
Under 25	8	2
26-35	336	84
36-45	40	10
46-55	12	3
Over 55	4	1
Total	400	100
Present Position		
Manager	12	3
Officer	64	16
Worker	280	70
Other	44	11
Total	400	100
Earning Per Month		
Up to Rs.25000	139	34.75
4.75Rs.25001- Rs.50000	130	32.50
Rs.50001- Rs.75000	74	18.50
Above Rs.75000	57	14.25
Total	400	100.00

Source: Self-Opinion

Out of 400 respondents, (34.0 percent) were males while the rest (66.0 percent) were females. The number of male respondents were 136 and the number of female respondents were 264. The majority of the respondents, i.e. (84.0 percent), were between

26 to 35 years of age, followed by respondents age of 36-45 (10 percent), 46 to 55 years (3 percent), under age of 25 (2 percent) and over 55 years (1 percent).

In terms of job position or designation, the majority of the respondents, i.e. (70 percent) belonged to the worker position, followed by Officers who were (16 percent), people working in the other designation other than the stated one were (11 percent) and managers were (3 percent) and majority of the respondents has a per month income of under Rs.25000 (34.75 percent) followed by per month income between Rs.25,001 to Rs50,000 (32.50 percent), per month income between Rs.50,001 to Rs.75,000 (18.50 percent) and per month income of more than Rs.75,000 (14.25 percent).

4.2 Descriptive Statistics

Descriptive statistics are brief informational coefficients that summarize a given data set, which can be either a representation of the entire population or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability (spread). Measures of central tendency include the mean, median, and mode, while measures of variability include standard deviation, variance, minimum and maximum variables.

Table 3

Descriptive statistics for Commitment

S.N	Particular	Min	Max	Mean	SD
1	Organizations offer training based on accurate needs analysis.	1.00	5.00	3.153	1.363
2	In order to learn my thoughts regarding staff needs, a training session has been scheduled.	1.00	5.00	3.347	1.323
3	My ability to improve the general abilities needed for job has improved thanks to training.	1.00	5.00	3.281	1.336
4	During a training session, my trainer urges me to participate by giving me a challenging scenario.	1.00	5.00	3.152	1.279
5	Because I took part in the training program, my career aim is now more in saving.	1.00	5.00	3.355	1.326

Source: SPSS Output

Table 3 shows descriptive statistics of an individual item and as a whole of commitment sub-factor. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of

commitment is 2.724, which is smaller than 3, with standard deviation of 1.156. This shows that work life balance of satisfaction could be achieved through effective commitment.

Table 4

Descriptive Statistics of Reward

Particular	Min	Max	Mean	SD
The suggestion system serves as a motivator for staff members to look for ideas that could benefit the company.	1.00	5.00	2.963	1.238
The purpose of employee appraisals is to encourage attendance during training.	1.00	5.00	2.957	1.324
Reductions in absenteeism, turnover, and lost time are provided by the incentive plans.	1.00	5.00	2.612	1.009
Positive results of reward benefits are seen in the performance of the employees.	1.00	5.00	2.856	1.186
Plans with incentives encourage workers to be more productive and efficient	1.00	5.00	2.718	1.142

Source: SPSS Output

Table 4 shows descriptive statistics of individual items and as a whole of reward income sub-factor. There are five statements used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of training and reward income is 2.821, which is not greater than 3 but close to it, with standard deviation 1.180. This shows that compensation could be achieved through effective reward income.

Table 5

Descriptive Statistics of Satisfaction with Empowerment

Items	Min	Max	Mean	SD
I have a lot of flexibility in how I carry out my regular task.	1.00	5.00	3.22	1.327
I get a sense of satisfaction from the work I do.	1.00	5.00	3.60	1.341
With the kind of work I do, I get to use my true abilities and capabilities.	1.00	5.00	3.47	1.416
I feel a sense of personal fulfillment from my work.	1.00	5.00	3.17	1.223
My effort makes a substantial contribution to the organization's smooth operation.	1.00	5.00	3.17	1.541

Source: Survey, 2023

Table 5 shows descriptive statistics of individual items and as a whole of satisfaction with empowerment. There are five statements used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of

satisfaction with empowerment is 3.326, which is greater than 3, with standard deviation 1.369. This shows that employee compensation may be right Compensation through satisfaction with empowerment.

Table 6

Descriptive Statistics of Appreciation

Items	Min	Max	Mean	SD
The rate at which my pay increases in relation to the appraisal's findings	1.00	5.00	3.18	1.349
My immediate supervisor expressed gratitude and admiration for me when I received a high assessment score.	1.00	5.00	3.35	1.321
The evaluation procedure offers impartial justification for an upgrading.	1.00	5.00	3.28	1.352
The bank's employee rewards program helps to raise staff performance.	1.00	5.00	3.17	1.286
Respect and gratitude for one another foster relationships between managers and employees.	1.00	5.00	3.32	1.359

Source: Survey, 2023

Table 6 shows descriptive statistics of particular items of Appreciation. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of Appreciation is 3.26, which is greater than 3, with standard deviation 1.334. This shows that right Employee Compensation could be achieve through Appreciation.

Table 7

Descriptive Statistics of Fairness

Particular	Min	Max	Mean	SD
The current performance evaluation process is fair and objective, allowing the employee to be evaluated for both strengths and weaknesses.	1.00	5.00	3.153	1.363
The actual capabilities of the employees are measured by the present model of performance appraisal.	1.00	5.00	3.347	1.323
Performance criteria that emphasize the goals and outcomes of the appraisal are communicated to both the direct supervisor and the employees.	1.00	5.00	3.281	1.336
For the purpose of gathering confidential data for employee performance reviews, several models are employed.	1.00	5.00	3.152	1.279
For efficient performance measurement, each administrative level has established performance standards.	1.00	5.00	3.355	1.326

Source: SPSS Output

Table 7 shows descriptive statistics of an individual item and as a whole of fairness sub-factor. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of fairness is 3.257, which is greater than 3, with standard deviation of 1.325. This shows that performance appraisal could be achieve through effective fairness.

Table 8

Descriptive Statistics of Employee Compensation

Items	Min	Max	Mean	SD
As a result of their performance reviews, employees understand the value of prizes and the incentives offered by the bank.	1.00	5.00	3.24	1.323
In my opinion, the pay scale and supplementary perks are reasonable, and they are encouraging me to raise my performance review.	1.00	5.00	3.61	1.336
According to me, all job categories should benefit from the "end of service benefits" in the reward law, which secures their future and inspires them to do better.	1.00	5.00	3.49	1.407
Comparing your just salary to that of others will determine how motivated you are to work.	1.00	5.00	3.17	1.215
Indirect pay boosts productivity and enhances performance (health insurance, retirement perks, etc.).	1.00	5.00	3.17	1.544

Source: Survey, 2023

Table 8 shows descriptive statistics of Employee Compensation on Nepalese stock market. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of Compensation factor is 3.36, which is greater than 3, with standard deviation 1.365. This shows good Compensation in investment.

4.2.1 Descriptive statistics of Variables

Table 9

Descriptive Statistics of Employee Compensation

Variables	Min	Max	Mean	SD
Commitment	1.00	5.00	3.257	1.365
Reward	1.00	5.00	3.227	1.325
Satisfaction with empowerment	1.00	5.00	3.326	1.337
Appreciation	1.00	5.00	3.260	1.369
Fairness	1.00	5.00	3.360	1.334

Source: SPSS Output

Table 9 shows descriptive statistics of employee Compensation, factor of investors. There are five factor of compensation that are used to measure the variables. Each of factor submitted their overall result in the five point Likert scale. This shows good Employee Compensations in context of monetary compensation.

4.2.2 Correlation Analysis

Under this section, to achieve research objective two to examine the relationship between Commitment, Reward, Satisfaction with Empowerment, Appreciation and Employee Compensation. Correlation has been used.

Table 10

Correlation between Dependent and Independent Variables

	Commitment	Reward	Satisfaction	Appreciation	Fairness
Commitment	1				
Reward	0.025	1			
Satisfaction	-0.050	0.037	1		
Appreciation	0.107*	0.081	-0.094*	1	
Fairness	-0.024	-0.008	0.118**	-0.004	1

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

* . Correlation is significant at 0.05 level (2-Tailed).

Source: SPSS Output

The effective factors is significantly correlated with the employee compensation. Those factors have shown the significant correlation with the reward and satisfaction. The relationship between the appreciation and commitment ($r = 0.107$, $0.000 < 0.05$) was found to be strongly positively correlated reward and appreciation ($r = 0.118$).

4.2.3 Regression Analysis

Effect of Commitment, Reward, Satisfaction with Empowerment, Appreciation and Fairness on Employee Compensation

Table 11

Model summary of Employee Compensation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765a	.585	.581	.42371

a. Predictors: (Constant), COM, RE, SWE, APP, Fair

Table 12

ANOVA table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.843	4	24.961	139.035	.000b
	Residual	70.914	395	.180		
	Total	170.758	399			

a. Dependent Variable: EC

b. Predictors: (Constant), COM, RE, SWE, APP, Fair

Table 13

Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.082	.109		.754	.451
	COM	.095	.044	.080	2.154	.032
	RE	.375	.048	.342	7.811	.000
	SWE	.110	.039	.122	2.791	.006
	AP	.376	.042	.393	9.028	.000
	Fair	.437	0.018	.311	7.324	.000

a. Dependent Variable: EC

*. The variable is statistically significantly at 0.05 level

Source: SPSS Output

Table 13 indicates tested model is suitable for further analysis ($F = 139.035$; p -value < 0.05). In addition R-square depicts 58.50 percent in Employee Compensation explained by variation in independent variables (Commitment, Reward and Satisfaction with Empowerment, Appreciation and Fairness).

Similarly, table 13 reveals that COM has positive and significant effect on Employee Compensation ($\beta = 0.080$, $P < 0.05$). It means, if COM increased by 1 unit, then EC leads to increase by 0.095 units. Likewise, RE, SWE, AP and Fair has also positive and significant effect on EC which indicates that if RE, SWE, AP and Fair increase by 1 unit then EC leads to increase by 0.375, 0.110 and 0.376 respectively.

4.3 Discussion

Based on above review, the first objective of the study shows the factors of behavioral biases that influence Employee Compensation. The respondents agreed to all the statements categorized under various sections like 'commitment, reward and satisfaction

with empowerment, appreciation, fairness and employee compensation. In another words, they believe that the justice in the evaluation of their work and capabilities with tied rewards or direct and indirect compensations encourage them to improve their efficiency at work. This shows good Compensation.

Similarly, the second objective shows the relationship between factors of satisfaction (Commitment, Reward, satisfaction with empowerment and Appreciation) and Employee Compensation. The effective biases is significantly correlated with the Employee Compensation. Those Biases have shown the significant correlation with the reward and satisfaction with empowerment. The relationship between the Employee compensation and Satisfaction with Empowerment was found to be strongly positively correlated followed by that with reward and appreciation. The multiple correlation coefficient shows that percentage of the variation in Employee compensation is explained by five variables viz. commitment, satisfaction with empowerment, reward, appreciation and fairness. The ANOVA for regression model shows that the relationship between the Employee Compensation and explanatory variables are statistically insignificant and this is similar to the findings of Fakai (2022) and Kellie (2018) but opposite to the findings of Weeraratne (2018).

Lastly, the third objectives reveal the effect of satisfaction factors (commitment, reward, satisfaction with empowerment and appreciation) on Employee Compensation. It shows the regression analysis of dependent and independent variables which shows R-square that depicts 58.50 percent in employee compensation explained by variation in independent variables (commitment, reward, satisfaction with empowerment and appreciation). Commitment has positive and significant effect on Employee Compensation. It means, if commitment increased by 1 unit, then compensation leads to increase. Likewise, commitment, reward, satisfaction with empowerment and appreciation has also positive and significant effect on compensation which indicates that if commitment, reward, satisfaction with empowerment and appreciation increase by 1 unit then compensation leads to increase. This study is consistent with the findings of Chhapra et al. (2018) but contradict with the findings of Dangol and Manandhar (2020); Adil, Singh and Ansari (2022).

CHAPTER – V

SUMMARY AND CONCLUSION

5.1 Summary

Organizational performance refers to evaluating an employee's behavior towards particular work or assignments in an organization. Performance evaluation is associated with establishing how best or poorly an individual executed or accomplished a specific task or job. Motivation is among the many factors that influence or affect an employee's job performance and, consequently, influence organizational performance.

The aim of the research is to analyze how the employee remuneration is affected by commitment, reward, fairness, and appreciation. A casual and descriptive research design was adopted for the investigation. All co-operative finance professionals made up the study's population. Three cooperative finance limited entities Kumari Savings, Mukul Savings, and Nation Cooperative provided the sample for this investigation. The study uses primary data with only 400 respondents. The study's sample was chosen using the convenience sampling method. Employees provided quantitative data for collection. Completed questionnaires from respondents served as the main source of data for this study. Using Google Docs, an organized survey was distributed by email, Viber, Facebook Messenger, and Viber.

In a similar vein, Employee compensation was considered a dependent variable, and the study's independent variables included reward, commitment, recognition, fairness, and satisfaction with empowerment. The research employs descriptive statistics, specifically regression analysis and correlation. With SPSS version 24, correlation and regression analyses are performed to determine the relationship and impact of independent factors on dependent variables.

5.2 Conclusion

In summary, this study set out to determine whether employee work satisfaction and the percentage of monetary remuneration they receive are related. This study found a statistically significant positive relationship between the rate of employee monetary compensation and employee job satisfaction using the Minnesota Satisfaction

Questionnaire to examine the rate of employee monetary compensation against general, extrinsic, and intrinsic employee job satisfaction.

The study's conclusions show that the information about an employee and the information about a worker differs fundamentally. The results of this study show that while extrinsic variables like financial rewards may have a detrimental impact on an employee's motivation and contentment, employee satisfaction is not. Instead, this study shows a favorable relationship between workers' financial pay and job happiness. These results imply that greater rates of monetary remuneration were associated with higher levels of job satisfaction. As a result, increased financial pay may result in increased employee performance.

The employee compensation and effective biases have a strong correlation. These biases have demonstrated a strong relationship with empowerment satisfaction and reward. A high positive correlation was observed between Employee Compensation and Satisfaction with Empowerment, with the relationship between Reward and Appreciation following closely after. According to the multiple correlation coefficient, five factors commitment, satisfaction with empowerment, reward, recognition, and fairness account for a percentage of the difference in employee compensation.

5.3 Implications

The study's findings suggest that knowledge about one worker or employee should not necessarily be applied to the other because small variations may result in a variable applying differently to each group. The findings of this study imply that businesses should take into account an employee's rate of monetary remuneration while establishing and preserving a highly productive and contented workforce.

Financial and non-financial benefits should be regarded as equally significant, notwithstanding banks' heightened focus on the former. It is recommended that innovative, cutting-edge techniques be used to assess employees' work, and that performance be the basis for promotions. Employees should believe that promotions are just and equal. Additionally, there should be no more waiting for promotions, clear promotion pathways should be provided, and all appointments should be made on the

basis of merit. Banks ought to offer sufficient training and educational opportunities in order to create clear pathways for promotions. To keep employees happy, there should be both monetary and non-monetary awards available.

Banks ought to recognize and make advantage of their workers' true skills. They ought to think that the quantity of work required of them is fair. It would greatly satisfy bank personnel if they were given the freedom to schedule their work and select how best to do their assignments.

Future studies might look at additional factors including the age of the employee, their length of employment, their job title, and/or the addition of a qualitative component. This study focuses solely on financial incentives. Subsequent studies can examine these two forms of rewards and compare them to determine which is the most significant.

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QUESTIONNAIRE

Dear respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is “COMPENSATION AND ITS IMPACT ON EMPLOYEES SATISFACTION IN NEPALESE ORGANIZATIONS” I would like to state that this research is purely for an academic purpose and I am simply interested in your candid and honest opinion. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for the academic purpose.

Thanking for your Cooperation

Sujata Bhandari

MBS student

Shanker Dev Campus, Kathmandu

Name (Optional).....

Section A: Demography of respondents

1. Please select your gender

Male Female

2. Please select your age (in years)

Under 25 26-35 36-45 46-55 Over 55

4. Please select your job position

Manager Officer Worker Other

5. Earning Per Months

Up to Rs.25000 Rs250001 to 50000 Rs.50001 to 75000 above Rs.75001

Ranking Likert Scale

Strongly Agree – 1

Disagree – 2

Neutral – 3

Agree – 4

Strongly Agree - 5

Commitment

Statement	1	2	3	4	5
Organization provides training by proper need assessment.					
A training session is arranged to know my opinion on the basis of employee need.					
Training has helped me in improving my overall required skills for work.					
My trainer asks me to play a role providing me a problem situation during a training program.					
My career goal is more in save due to my participation in the training program.					

Reward

Particular	1	2	3	4	5
Monetary incentives have a favorable effect on worker motivation and output					
Employees are given appraisal in order to motivate them to attend the training.					
The reward plans offer reduced turnover, reduced absenteeism, and reduced lost time.					
The employees' performance is positive outcomes of reward benefits.					
Incentive plans motivate employees for higher efficiency and productivity.					

Appreciation

Particular	1	2	3	4	5
The rate of increase that occur on my salary tied to the results of the appraisal					
I get praise and appreciation by my direct supervisor when I got my high evaluation result.					
Evaluation process provides objective grounds to upgrade Employee					
Incentives offered by the bank help to improve the performance of staff					
Appreciation and mutual respect create bonding between superiors and subordinates at work.					

Fairness

Particular	1	2	3	4	5
Current performance appraisal is characterized by justice and can assess the employee to identify the strengths and weakness s/he has.					
The current performance appraisal model measures the actual employees' capabilities.					
Employees and their direct boss are informed about performance standards focusing on the appraisal outcomes and its objectives.					
Various models are used to collect private information on employee performance appraisal.					
Each level of administrative has specific and well known performance criteria for effective performance measurement.					

Employees Compensation

Particular	1	2	3	4	5
Employees feel the importance of incentives and rewards provided by the bank as a result of performance appraisal.					
From my point of view salaries system and additional benefits are fair and it is pushing me to improve my performance appraisal					
I see the 'end of service benefits' in the incentives law is appropriate for all job categories securing their future thus motivating their performance.					
Motivation to work depends on comparison of justified compensation between you and others.					
Indirect compensation (health insurance, end of service benefits, etc.) increases the efficiency and improves their performance.					

Satisfaction

Particular	1	2	3	4	5
I have a good deal of freedom in the performance of my daily task					
I feel a sense of accomplishment in the type of work I do.					
I have opportunity to use my real abilities and skills in the type of work I do					
My work provides me with a sense of personal fulfillment.					
My work is a significant contribution to the successful operation of the organization					

Thank You

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ABSTRACT Employee pay is a crucial aspect of the employer-employee dynamic, impacting the performance of both parties involved. This study seeks to investigate the correlation between employee financial compensation and their overall job satisfaction, including extrinsic and intrinsic factors. Utilizing a Convenience sampling method, this research employs descriptive and causal research designs. Statistical tools such as ANOVA, T- tests, correlation, and regression analysis are applied. The study focuses on commercial banks in Kathmandu Valley, using questionnaires to gauge the influence of compensation on employee satisfaction. This research examines Employee Compensation as the outcome variable, with commitment, rewards, appreciation, and fairness as the predictors. The findings indicate a robust positive correlation between appreciation and commitment, as well as between rewards and appreciation. Regression analysis demonstrates that commitment, rewards, appreciation, and fairness all exert a positive and statistically significant influence on Employee