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Influence of Compensation Practices on Employee Performance in Cement Sectors: A Comparative Study

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ABSTRACT

The goal of this paper is to examine the correlations between demographic profile of employees, factors of compensation and factors of self-employee performance evaluation and their influence on the performance of employees in public limited and private limited organizations in cement sectors of Rayalaseema region in Andhra Pradesh, India. The study is based on primary data collected from 200 employees of various departments of Bharathi Cement Corporation Private Limited, Nallalingayapalle, Kadapa district, and Panyam Cements Limited, Kurnool district, Andhra Pradesh, India. A self-designed and structured questionnaire is used for data collection. The data is analyzed using the techniques of multiple correlation, means/averages and reliability coefficient analysis. All the findings are tested at 0.05 level of significance. The results conclude that there is a positive correlation between compensation practices and the employee's performance. It is also found out that compensation practices used in Bharathi Cement Corporation Private Limited and Panyam Cements Limited are fair enough for the employee commitment and employee performance. The study is based on a sample taken from Blue Collar Employees. Through this research, the employees are asked about their expectations from management and whether they are getting them or not. With this information in hand, many simple and inexpensive opportunities can be tapped to create an effective employee commitment in order to get the employee performance better. The paper examines the relationship between various factors of compensation practices affecting on employee performance.

Keywords: Compensation, Employee performance, Commitment, Rayalaseema region.

1. INTRODUCTION

Compensation is the process of providing adequate, equitable and fair remuneration to attract, motivate and retain the employees; it includes job evaluation, wage and salary, incentives, social security measures,

bonus and fringe benefits, etc. The term compensation administration denotes the process of managing a company's compensation program. The goals of the compensation administration are to design a cost effective pay structure that will attract, motivate and retain competent employees. Thus, compensation administration aims to establish and maintain an equitable labor cost structure. Compensation administration includes two terms, namely wages and salaries. Wages and salaries are often used interchangeably, but ILO (International Labor Organization) defined the term wage as remuneration paid by the employer for the series of hourly, daily, weekly and fortnightly employees. It also means the remuneration paid to blue collar employee. The term salary on the other hand is defined as the remuneration paid to the clerical and managerial personnel employed on monthly or annual basis. The distinction between wages and salaries does not seem to be valid in this day of HR's approach, where all employees are treated as HR's and are viewed at par. Hence, these two terms can be used interchangeably. It is to be noted that good pay still dominate most of the other factors in employee satisfaction.

Employee performance is defined as whether a person executes his job duties and responsibilities as well. Many companies evaluate their employee's performance on quarterly or annual basis in order to define certain areas that need improvement. Performance is a critical factor in organizational success. In today's competitive and global workplace, one of the strategies that successful companies use is to develop and establish an internally equitable and externally competitive compensation mechanism, that can work as a basis for employee motivation i.e., attract, retain and maintain talent pool of employees. Effective, appropriate and timely recognition of employees' performance and market driven rewards to reinforce the desirable performance can substantially motivate the managers and employees alike.

Performance is viewed differently in different cultures; mechanism to evaluate and manage performance must be designed to address the local context. For example, seeking feedback on ones' performance may be viewed as appropriate and desirable in individualistic cultures like the US, but such behavior would be deemed out of place and highly inappropriate in a collectivist culture such as china (Bailey *et al.*, 1997). Effective compensation and reward process enhances productivity, employee retention, and overall organizational performance (Delaney & Huselid 1996). Jyothi and Venkatesh (2006) established that competency based rewards and pay enhance the quality of goods/services, improves subordinate behavior thereby improving organizational performance. Compensation encompasses all forms of monetary, non-monetary returns.

Conceptual Models for the Relationship between Compensation and Employee Performance

Conceptually, several models have been developed to explain the relationship between compensation management and employee performance. According to Mendoca and Kanugo(2006), management practices concerning reward systems relate to both the kind of rewards offered to employees for their services and the manner in which such rewards are administered in performance contingent manner. Management practices related to reward critical in determining the level of employees' performance. Because organization structures indirectly affect the commitment and morale of employees through authority patterns and leadership styles, they have implications for employee performance in an organization. Performance management practice analysis suggests that multi- nationals have a well- developed and formalized performance management system. Some of them have adopted management by objectives approach to performance management. These organizations have the practice of preparing detailed job descriptions because they assume that without properly defining the jobs, setting performance goal would be difficult.

Role Variables

Abdul Hameed *et al.*, (2014) noted that Compensation is output and the benefit that employee receive in the form of pay, wages and also same rewards like monetary exchange for the employee is to increase the performance. Compensation and rewards influence the employee decision making to halt in their organization and also take the responsibility. Compensation and benefit packages increase the performance, human resource outcome which normally increase the satisfaction and productivity (Ivancevch and Glueck, 1989).

IBOJO Bolanle Odunlami & ASABI Oludele O Matthew (2014) examined the effect of Compensation Management on Employee Performance in the Manufacturing Sector. The objectives were to: determine the extent at which compensation management affects employees performance, evaluate the relationship between working condition and employee performance, access the rate at which welfare service affect employees performances, explore relationship between compensation management and improved productivity and explore the relationship between compensation management and retention of staff. It shows that there is a significant relationship between good welfare service and employees performance. The f -statistics of 12.052 shows that the model is statistically significant, and that there is a significant relationship between compensation management and improved productivity. The f -statistics of 11.237 shows that the model is statistically significant, and that there is a significant relationship between compensation management and employee performance.

Rijalu Negash *et al.*, (2014) investigated the role of compensation and its components such as payment, promotion, recognition, working condition and benefit towards academic staff work motivation in Jimma University. The population of this study was 1337 academic staff of Jimma University. The researcher stratified the total population of the study based on their college. The samples were selected proportionally and conveniently from the strata. In this study, both primary and secondary sources of data were used. The primary data were gathered through questionnaires from 230 respondents of Jimma University academic staffs. Data was analyzed using descriptive statistics such as correlations and regression analysis. The findings of the study indicated that there is a relationship between compensation and its components and employee work motivation.

Goals of this Study

The goal of this paper is to examine the relationship between various factors of the compensation practices affecting employee performance in two Cement Companies in Rayalaseema Region. The paper examines the level of employee satisfaction towards compensation practices and self-employee performance evaluation in those organizations.

Overview of the Organizations

The “influence of compensation practices of performance on employee survey” was conducted in two different organizations that are in cement sector, both public limited and private limited organizations in Rayalaseema Region. These organizations create good brand perception and reputation from the market within a short period.

Bharathi Cement Corporation Private Limited: This is one of the finest producers of Superior Quality cement. The company is a joint venture of Vicat Group, France, which is the global leader in the Cement

and Aggregate businesses. Backed by global expertise, this company is driven by a team of young and senior professionals in cement, power and infrastructure. Bharathi Cement's ultra-modern plant is located at the Nallalingayapalli village in Kadapa district of Andhra Pradesh, India. The plant has a production capacity of 5 million tons per annum with workforce of 530 employees.

Panyam Cements Ltd: This is established in the year 1955 in the most backward region of Rayalaseema (Kurnool District, Andhra Pradesh, India). The Company soon developed into one of the largest cement manufacturing unit in Southern India. During the year 2005-06 the Company is taken over by M/s. Nandi Group of Companies. Right from the takeover, the management took the initiative to develop the company with the modernization of Kiln No.1 with the annual capacity of 60 Lac tons and workforce of 380 employees.

2. RESEARCH METHODOLOGY

In this study the following methodology is adopted:

Objectives

- To find out the satisfactory level of Compensation Practices among the employees in cement companies;
- To measure the relationship between Compensation Practices and Self-employee Performance evaluation in cement companies;
- To evaluate the relationship between demographic factors, Compensation Practices factors and Self-employee Performance evaluation factors in cement companies; and
- To analyze the satisfactory level of Self- employee Performance evaluations among the employees in cement companies.

Sampling Method

The data is collected from a sample of 200 respondents. Out of which 100 respondents are from Bharathi Cement Corporation Private Limited and another 100 are from Panyam Cements Limited. Stratified sampling method is adopted where the sample is divided into stratas according to their departments and hierarchical level. A well-structured questionnaire is framed for collection of primary data and the secondary data is collected from various journals, magazines, books and websites. Frequencies, Multiple Correlation and Reliability coefficient analysis are applied in data analysis part.

Data Instruments

The instrument comprises 3 sections. Section I consists of 10 statements representing demographic profiles, all of which collectively comprise individual details namely Gender, Age, Designation, Department (DPT), Income, Spouse Working (SW), Marital Status (MS), Family Size (FS), Total Experience (TE) & Experience in this Organization (EITO). This is measured on nominal scaling technique, interval scaling technique as well as ratio scaling technique.

Section II consists of 24 items which are intrinsic numeric in nature questionnaire. These are grouped into 7 tapping variables which are Direct Financial Compensation (DIFC), Fringe Benefits (FB), Rewards & Awards (RW/AW), Welfare Measures (WM), Indirect Financial Compensation (IDFC), Identification/Recognition (ID/RE) and Compensation Practices Total (CMPT). Section II has a reliability coefficient of 0.865 and hence the content is validated. Each item measures the compensation level on a five point Likert scale with 1 being strongly disagree and 5 being strongly agree.

Section III consists of 21 items which are intrinsic numeric in nature questionnaire. These are grouped into 8 tapping variables. Which are Job Content (JC), Working Conditions (WC), Challenging Work (CW), Skill Variety (SV), Role Perception (RP), Autonomy (AU), Employee Behavior (EB) and Self-Employee Performance Evaluation Total (SEPT). Section III has a reliability coefficient of 0.898 and hence content is validated. Each item measures the engagement level on a Likert five point scale, with 1 being strong disagree and 5 being strongly agree.

Questionnaire Procedure

A self-designed and structured questionnaire was administered personally and is also interview based. Employees are prepared to fill in when confidentiality is assured.

3. ANALYSIS AND RESULTS

Results for Bharathi Cement Corporation Private Limited: Demographics of the respondents for this study are as follows. Gender: Males with 100%, age 20-30 years = 26%, 31-40 years = 49%, 41 and above years = 25%, designation: Blue collar employees with 100%, department: Mines 20 with 20%, electricity 20%, quality with 10%, civil with 15%, mechanical with 25%, instrumentation with 10%, income levels: 10000-20000 rupees = 5%, 21000-30000 rupees = 56%, 31000 and above rupees = 39%, spouse working yes = 38 members, no = 62 members, marital status: married = 91, unmarried = 9 members, family size: 2-4 members = 77, 5 and above members = 23, total experience: 1-5 years = 30, 6-10 years = 46, 11 years and above = 24 & experience in this organization 1-5 years = 50, 6 and above years = 50 members.

Table 38.1
Compensation Practices Satisfaction in
Bharathi Cement Corporation Private Limited

<i>Status</i>	<i>No. of respondents</i>	<i>Percentage</i>
Neither agree nor disagree	22	22
Agree	76	76
Strongly agree	2	2
Total	100	100

Source: Primary data

These shows that major counts of employees (78%) are much comfortable with the compensation practices (direct financial compensation, fringe benefits, rewards/awards, welfare measure, indirect financial compensation, identification/recognition). While a significant number (22%) of employees are neutral on compensation management practices.

Correlation Study

Out of 31 items of Part II of the questionnaire which are considered to be important for compensation practices, only 15 showed a significant correlation (With R- Values greater than 0.5) with the 8 items of part I which actually measures the satisfaction level of compensation practices. These 15 items are presented below (according to the order of priority to be given based on decreasing order of gaps):

Table 38.2
Relationship between Demographic Profile and Compensation practices in
Bharathi Cements Corporation Private Limited

<i>Status</i>	<i>Correlation values at different grouping variables of Compensation</i>						
	<i>DFC</i>	<i>FB</i>	<i>RW/AW</i>	<i>WM</i>	<i>IDFC</i>	<i>ID/RE</i>	<i>CMPT</i>
AGE	.191	-.231*	.119	-.065	.023	.019	.080
DPT	.077	-.007	.282**	.031	.159	.273**	.105
INCOME	.135	-.193	.015	-.079	-.017	-.071	.056
SW	-.054	-.078	-.138	.068	.040	.048	-.007
MS	.000	.116	.055	.073	-.097	-.040	-.016
FS	.167	-.174	-.079	-.056	-.019	-.127	.135
TE	.139	-.167	.098	-.030	-.027	-.019	.037
EITO	-.064	.045	-.120	-.025	.098	-.011	-.009

Source: Primary data

Reasons

For understanding the reasons of these neutrality among the respondents of Bharathi Cement Corporation Private Limited employees, we can glance through the personality, interest, values, life style, opinions and expectations of a typical respondent is necessary. Moreover, they have a heightened sense of inequity when they compare their pay structures and other compensation practices with others'. So their expectations regarding compensation packages are not met, which makes them discontented. Moreover, the level of expectations of fellow employees/workers from other similar organizations, friends and family members from Bharathi Cement Corporation Private Limited., is generally high due to its strong brand reputation and image.

The satisfactory level of self-employee performance evaluation shown by Bharathi Cement Corporation Private Limited employees, along with the respective percentages and the number of respondents at each level is as follows:

Table 38.3
Self employee performance evaluation in
Bharathi Cement Corporation Private Limited

<i>Status</i>	<i>No. of respondents</i>	<i>Percentage</i>
Neither agree nor disagree	5	5
Agree	84	84
Strongly agree	11	11
Total	100	100

Source: Primary data

This shows that major count of employees (95%) is much comfortable with the self-employee performance evaluation (job content, working conditions, challenging work, skill variety, role perception, autonomy, and employee behavior). While a significant number (5%) of employees were disagreeing on self-employee evaluation.

Correlation Study

Out of 29 items of Part III of the questionnaire which were considered to be important for compensation practices, only 11 showed a significant correlation (With R-Values greater than 0.5) with the 8 items of part I which actually measures the satisfaction level of compensation practices. These 11 items are presented below (according to the order of priority to be given based on decreasing order of gaps):

Table 38.4
Relationship between Demographic Profile and self-employee performance evaluation in Bharathi Cement Corporation Private Limited

<i>Status</i>	<i>Correlation values at different grouping variables of Self-Employee Performance Evaluation</i>							
	<i>JC</i>	<i>WC</i>	<i>CW</i>	<i>SV</i>	<i>RP</i>	<i>AU</i>	<i>EB</i>	<i>SEPT</i>
AGE	.054	.104	.079	.116	-.047	-.021	.020	-.005
DPT	.224*	-.013	.094	.207*	.072	.236*	.083	.043
INCOME	-.020	.170	-.003	.020	-.105	-.081	-.014	-.024
SW	-.069	.048	-.056	-.079	-.059	-.024	.055	.014
MS	.056	-.005	-.015	.131	-.003	.106	.024	.041
FS	.042	.038	-.028	.022	-.113	-.110	.089	.075
TE	.087	.098	.027	.129	-.093	-.077	-.025	-.026
EITO	-.010	.172	.030	-.061	-.026	.119	.183	.088

Source: Primary data

Reasons

Sometimes a little context is all that is needed to help a strategy to succeed. Employees are told to do certain works by their colleagues, with no reason why; they don't see a need to do it, so they don't do it. People in different departments may not know each other well or even feel like they are part of the same team. Regular cross-departmental communication is vital when high-level strategy is on the line. It's important for every department to understand how they and everyone else fits into the bigger picture.

Correlation Study

Out of 31 items of Part II of the questionnaire which were considered to be important for compensation practices, no one shows significant correlation (With R-Values greater than 0.5) with the 29 items of part III which actually measures the satisfaction level of compensation practices.

Reasons

Compensation management practices and self-employee performance are positively correlated with each other, but there is no significant relation with compensation practices and self-employee performance

Table 38.5
Relationship between compensation practices and self-employee performance evaluation in Bharathi Cement Corporation Private Limited

<i>Status</i>	<i>CMP Total</i>	<i>SEP Total</i>
(CMP TOTAL) Pearson Correlation	1	0.181
Sig. (2-tailed)		0.072
N	100	100
(SEP TOTAL) Pearson Correlation	0.181	1
Sig. (2-tailed)	0.072	
N	100	100

Source: Primary data

evaluation. Compensation is something that employee's remuneration for their work. Financial compensation is necessary for an employee because financial compensation can fulfill the employee needs directly, mainly the physiological needs. Still the employees also hope to expect non-financial compensation for their career development and their work performance.

Results for Panyam Cements Limited: Demographics of the respondents for this study are as follows. Gender: Males with 100%, age 20-30 years = 53%, 31-40 years = 41%, 41 and above years = 6%, designation: Blue collar employees with 100%, department: Mines 20 with 20%, electricity 20%, quality with 10%, civil with 15%, mechanical with 25%, instrumentation with 10%, income levels: 10000-20000 rupees = 53%, 21000-30000 rupees = 31%, 31000 and above rupees = 16%, spouse working: yes = 29 members, no = 71 members, marital status: married = 62, unmarried = 38 members, family size: 2-4 members = 66, 5 and above members = 34, total experience: 1-5 years = 64, 6-10 years = 26, 11 years and above = 10 & experience in this organization 1-5 years = 77, 6 and above years = 23 members.

Table 38.6
Compensation Practices Satisfaction in Panyam Cements Limited

<i>Status</i>	<i>No. of respondents</i>	<i>Percentage</i>
Strongly Disagree	2	2
Disagree	7	7
Neither agree nor disagree	56	56
Agree	35	35
Total	100	100

Source: Primary data

This shows that major count of employees (65%) is not happy with the compensation practices (direct financial compensation, fringe benefits, rewards/awards, welfare measure, indirect financial compensation, identification/recognition). A significant number (35%) of employees was much agreed on practices of compensation implemented by the management.

Correlation Study

Out of 31 items of Part II of the questionnaire which are considered to be important for compensation practices, only 14 showed a significant correlation (With R-Values greater than 0.5) with the 8 items of part

I which actually measures the satisfaction level of compensation practices. These 14 items are presented below (according to the order of priority to be given based on decreasing order of gaps):

Table 38.7
Relationship between Demographic Profile and Compensation management practices in Panyam Cements Limited

<i>Status</i>	<i>Correlation values at different grouping variables of Compensation</i>						
	<i>DFC</i>	<i>FB</i>	<i>RW/AW</i>	<i>WM</i>	<i>IDFC</i>	<i>ID/RE</i>	<i>CMPT</i>
AGE	.190	.046	.019	.075	-.129	-.004	.074
DPT	.141	.011	.114	.048	.030	.204*	.023
INCOME	.096	.009	.014	.056	-.074	-.082	-.020
SW	-.054	-.024	-.203*	-.010	.004	.002	-.001
MS	.053	.045	-.007	-.042	.270**	.102	.120
FS	.067	.063	-.024	.056	.015	.012	.049
TE	.118	-.027	-.005	.001	-.153	-.051	-.013
EITO	.157	.043	.028	.027	-.102	-.043	.027

Source: Primary data

Reasons

For understanding the reasons of these disagreed respondents of Panyam Cements Limited., employees, we can have a look into the personality, interest, values, life style, opinions and expectations of a typical respondent is necessary. Moreover, they have a heightened sense of inequity when they compare their pay structures and other compensation practices with others. So their expectations regarding compensation packages are not fulfilled which makes them disillusioned. Moreover, the level of expectations of colleagues from other similar organizations, friends and family members from Panyam Cements Limited., is generally higher due to its goodwill, brand reputation and image in the market.

The levels of self-employee performance evaluation, satisfaction shown by Panyam Cements Limited employees, along with the respective percentages, the number of respondents at each level is as follows:

Table 38.8
Self employee performance evaluation in Panyam Cements Limited

<i>Status</i>	<i>No. of respondents</i>	<i>Percentage</i>
Disagree	3	3
Neither agree nor Disagree	41	41
Agree	46	46
Strongly agree	10	10
Total	100	100

Source: Primary data

This shows that major count of employees (56%) is much comfortable with the self-employee performance evaluation (job content, working conditions, challenging work, skill variety, role perception,

autonomy, and employee behavior). While a significant number (44%) of employees were disagreeing with the self-employee performance evaluation.

Correlation Study

Out of 29 items of Part III of the questionnaire which are considered to be important for compensation practices, only 22 showed a significant correlation (With R-Values greater than 0.5) with the 8 items of part I which actually measures the satisfaction level of compensation practices. These 22 items are presented below (according to the order of priority to be given based on decreasing order of gaps):

Table 38.9
Relationship between Demographic Profile and self-employee performance evaluation in Panyam Cements Limited

<i>Status</i>	<i>Correlation values at different grouping variables of Self-Employee Performance Evaluation</i>							
	<i>JC</i>	<i>WC</i>	<i>CW</i>	<i>SV</i>	<i>RP</i>	<i>AU</i>	<i>EB</i>	<i>SEPT</i>
AGE	.009	.099	.103	.086	.025	.070	.087	.074
DPT	.027	.083	-.025	.099	.022	-.093	.005	-.017
INCOME	-.035	.041	.099	.009	.102	.062	-.042	.003
SW	.014	-.114	.047	.002	-.002	-.123	-.068	.008
MS	.085	.036	.063	.100	.042	-.023	.090	.207*
FS	.080	.059	.058	.111	.148	.054	.088	.152
TE	-.105	-.065	-.047	-.017	.027	-.004	-.044	-.068
EITO	-.015	.025	.089	-.011	.025	.040	.107	.003

Source: Primary data

Reasons

One way to address this problem is to provide some space for everyone, at every level and contribute to the formation and execution of the strategy. An internal company blog, with open comments, or a company wiki or other intranet communications platform can provide the outlet for these kinds of problems to take place.

Correlation Study

Out of 31 items of Part II of the questionnaire which are considered to be important for compensation practices, all items shows the significant correlation (With R- Values greater than 0.5) with the 29 items of part III which actually measures the satisfaction level of compensation practices.

Reasons

Compensation management practices and self-employee performance evaluation are positively correlated with each other. Here significant value is $0.001 < 0.05$. Hence, there is a significant relationship between Compensation management practices and self-employee performance evaluation. The function of intervening variables (Satisfaction) amplifies the effect of compensation on employee performance.

Table 38.10
Relationship between compensation practices and self-employee performance evaluation in Panyam Cements Limited

<i>Status</i>	<i>CMP Total</i>	<i>SEP Total</i>
(CMP TOTAL) Pearson Correlation	1	0.319**
Sig. (2-tailed)		0.001
N	100	100
(SEP TOTAL) Pearson Correlation	0.319**	1
Sig. (2-tailed)	0.001	
N	100	100

Source: Primary data

4. DISCUSSION

The findings of the study in Table 38.1 showed that the compensation practices are good in Bharathi Cement Corporation Private Limited; they can be used as a tool for improving organizational performance and employee performance simultaneously. It was found that both the financial and non-financial compensation for staff members in the company have a significant effect on their job satisfaction, employee involvement and commitment. But, very few of the employees have not revealed their opinion probably for fear of their superiors/sub-ordinates.

The other findings of the study Table 38.2 reveal that, there is no significant association in between demographic profile and the compensation practices. Out of 31 items we were getting only 15 items having a significant relationship with respect to age, department, fringe benefits, rewards/awards and identification/recognition. Employee’s feelings or state of mind regarding the nature of their work and Job satisfaction can be influenced by a variety of factors, example the quality of compensation package like; direct financial compensation, welfare measures, indirect financial compensation etc. Table 38.3 stated that the levels of employee’s satisfaction regarding their performance evaluation are extremely good in Bharathi Cement Corporation Private Limited; they feel much comfortable in their job duties and tasks.

Table 38.4 denotes the relationship between demographic profile and self-employee evaluation. They are positively correlated with each other, but in certain circumstances those two variables are not matched with each other especially on the basis of age, family size, income level, marital status, spouse working and experienced wise. Table 38.5 indicates the relationship of compensation practices and self-employee performance evaluations. They are positively correlated with each other but not significant. It shows that in Bharathi Cement Corporation Private Limited; most of the employees are habituated to live with the current salary and job administration.

Table 38.6 revealed that majority of the respondents have dis-agreed with the compensation packages. They feel that the management is showing variations between employees. Table 38.7 indicates the relationship between demographic profile and compensation practices. This relationship is not significantly correlated at all the moments with respect to these two variables. In some moments, the role variables are dominating the independent variables in Panyam Cements Limited. Table 38.8 denotes the self-employee performance evaluation level of satisfaction which is not extremely well. The standards used by different departments in the organization may not be the same, hence, the rating becomes unscientific and employees suffer. Some rates are too liberal while others are too strict causing lack of uniformity.

Table 38.9 denotes that the relationship between demographic profile and self-employee evaluation are good in Panyam Cements Limited when compared to Bharathi Cement Corporation Private Limited. But, still the employees are expecting some better conditions in their works and supervisor communication wise. Table 38.10 reveals the relationship between the compensation practices and self-employee performance evaluation are correlated with each other and that two are significant with each other.

5. CONCLUSION

Compensation creates the leading part of the employee performance process. The employees have high expectations regarding their compensation packages. So providing an attractive compensation package plays a critical role in engaging the employees and sharing their better performance/giving the better service to the company. To conclude, the two organizations can still concentrate on specific areas which are evolved from this study in order to make the employee performance programs more effective. In Panyam Cements Limited the compensation practices are having a positive and significant influence on self-employee performance evaluation when compared to Bharathi Cement Corporation Private Limited.

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