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**Impact of Compensation Strategies on Employees Satisfaction: Case Study in the
A. S. XYZ Organization**

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Case Study in the A. S. XYZ Organization



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Abstract

Purpose: The objective of this study is to investigate the impact of compensation on employee loyalty and performance, through job satisfaction as mediator at A. S. XYZ.

Methodology: The research population comprised all the employees of A. S. XYZ. Simple random sampling, which is a probability sampling method, was adopted to include members of the population at random, leading to a total sample size of 327 people. Data analysis derived from the results of questionnaire responses in Google Forms and data extracted from A. S. XYZ was conducted. The questions were tested using Cronbach's alpha and face validity tests in order to assess the reliability and validity of the research instrument.

Findings: The findings indicated that compensation and job satisfaction had a positive and direct effect on employee loyalty and performance. Also, the study revealed that job satisfaction serves as a partial mediator between compensation and employee loyalty and performance, implying that compensation can influence employee loyalty and performance directly or indirectly through the mediating capacity of job satisfaction.

Unique Contribution to Theory, Practice and Policy: This research adds to the body of literature by affirming the theoretical implications of prior research and providing recommendations for A. S. XYZ to improve its compensation methods and meet employees' needs. The findings stress on the fact that the payment systems should be constantly monitored and adjusted in the context of other factors influencing employee satisfaction like career development and work environment as well. This research highlights the importance of open communication between supervisors and workers that help in recognizing and resolving the problems quickly. Further, the research suggests that organizations should apply a holistic method of employee satisfaction rather than depending only on compensation matters. The outcomes of this research are relevant for theory, practice, and policy. Theoretically, the research supports and develops the current frameworks on the link between compensation, job satisfaction, employee loyalty, and performance. In practical terms, the research gives implementable recommendations for A. S. XYZ and other organizations to align their compensation policies and create a content, loyal and productive workforce. Policy wise, the study emphasizes the importance of organizations developing holistic employee satisfaction policies that extend beyond financial rewards to encompass additional aspects such as career development and work environment. Additional research could study other variables that contribute to employee satisfaction and recommend techniques on how to sustain high levels of satisfaction for extended periods using a mixed method approach. An alternative methodology entails both qualitative and quantitative methods.

Keywords: *Compensation, Job Satisfaction, Employee Loyalty, Employee Performance*

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INTRODUCTION

The compensation strategies have a great effect on the level of satisfaction and motivation of the employees in an organization. XYZ Company, a premier security company in the Arabian Gulf, with a complement of at least 15,000 highly skilled agents is a perfect case study in employee satisfaction and more so in the A. S. XYZ section. Although the institution offers different types of compensation, problems of employee motivation and absenteeism still persist, which makes the question arising – how to handle these problems effectively.

This case study investigates the relationship between compensation strategies and employee loyalty and performance, with job satisfaction as a mediator. It also aims at establishing if satisfaction in an employees is purely compensation or other factors contribute significantly. Through analysis of different components of compensation, salaries, bonuses, and non-monetary benefits, the study will shed the light on the impact these elements have on employee morale and productivity.

Additionally, the case study will investigate the mediatory function of employee motivation, and recent studies demonstrate that a well-designed compensatory system can greatly affect job satisfaction by fulfilling employees' intrinsic and extrinsic needs. In addition, the long-run impact of compensation strategies on turnover and organizational commitment will be addressed, providing useful input in the process of creating strong human resource policies.

Quantitative method will be used to collect the quantitative data required to answer the research questions. The results of this research will benefit, among others, XYZ Company in addressing the intricate dynamic which links compensation, employee satisfaction, and company performance, and will act as a guide for improving the compensation strategies leading to a dedicated and motivated employee group.

The research questions are as follows:

1. How dose compensation strategies effects on employees' loyalty and performance through considering job satisfaction as a mediator? (R.Q.1)
2. Is it employee's compensation is the only requirement to let them feel content? (R.Q.2)

Rationale

As I mentioned in the initial part of the report, this case study will focus on Impact of Compensation Strategies on Employees Satisfaction in the A. S. XYZ Organization. I choose this theme because I really curious to know, how does these two factors contribute in employees' Loyalty and performance. This matter grasped my attention because I believe there is a very tide relationship between employees' satisfaction and their loyalty and commitment toward organizational goal achievement as well as employees' performance development (Team, 2020).

In finding information to answer my research questions, I'll go through books and articles in relevant to the research topic also I'll search in several web sites to explore more about new

studies, in addition to that, I'm planning to conduct a survey to be answered by A. S. XYZ organization employees', thus, I'll be aware of employees feedbacks and point of views, because at the end there are the one who's living the experiment in the workplace.

Purpose

In this case study, we want to examine the effect of recompensating policy over the employment stay and performance of employees through their satisfaction (R.Q.1) and also to discover other necessities and demands that contribute to their increased satisfaction for a better environment at work (R.Q.2). Employees' happiness has a great potential to influence their efficiency and result in more uplifting services, respectively bringing joy to customers. Employee with a tune on his/her mind, means more positive energy, better service and more satisfied clients. Employees spend a significant part of their life in workplaces; therefore, the company's work space should be like a home away from home. The workplace combines all the required facilities to ensure satisfied employees as they are the strength of an organization and should be treated accordingly.

This study aims to make out the loopholes, barriers and situations that lead the employees to the absenteeism, which in most of cases shows the dissatisfaction and contributes to low productivity and to the poor quality of the service. A. S. XYZ organization employees enjoy various direct and indirect compensations, both tangible and intangible (Compensation: As explained earlier, Balance as a system is always working by giving both things to the body with the opposite effect (Positive vs. Negative). The intangible kind of benefits like job satisfaction is an indicator employees express at work.

Conceptual Model

In this section of the study, the researcher shows the Conceptual Model to visualize the associations between the major concepts and variables. The Conceptual Model is vital in hypothesis development, concept of study identification, and research results interpretation.

This study is based on the Expectancy Theory of Motivation, established by Victor Vroom in 1964. The theory is excellent for examining the influence of compensation methods on employee satisfaction specifically in A. S. XYZ. Expectancy theory will help to identify the psychosocial mechanisms of pay or compensation strategy that influences employee satisfaction, and provides a guideline for developing the study on the measurable constructs of expectancy, instrumentality, and valence.

Based on the Expectancy Theory, motivation of a person is determined by three main factors

1. Expectancy- Belief that more effort will result in better performance.
2. Instrumentality- The belief that better performance will result in the expected rewards.
3. Valence- The perceived value of the rewards to the person.

On the basis of the theory, this study is to produce useful information about the ways current compensation strategies can be enhanced to increase employee satisfaction in A.S. XYZ.

In the causal relationship, there is a pair of important properties-

a. The polarity of a relationship. b. The power of a relationship, in case that the relationship could be the-

1. No effect
2. Weak effect
3. Moderate effect
4. Strong effect

Additionally, there are four relationships in the causal model that include direct effect, which is an effect of interest, and indirect effect (involving a mediator variable), interaction effect (involving a moderator variable), and feedback effect.

Considering the variables provided in this case study, employee compensation is directly related to employee satisfaction. Further, employee compensation influences employee loyalty and performance indirectly through employee satisfaction (Hyacinth, 2019). In order to provide visual representation of the theoretical framework, this work will concentrate on the direct and indirect impacts of the casual relationship, because it corresponds to the research objectives.

This study is designed to allow key insights into the effects of compensation strategies on employee satisfaction, loyalty and performance in A. S. XYZ, by adopting Expectancy Theory and causal relationships between variables.



Figure 1: Casual Relationship

Relevance and Importance of the Research

This research is important and beneficial to all managers and HR specialists in both government and private sectors, also it's useful for researchers and students those who are curious to know about the extent of compensation impact on different factors. This study will help readers to enhance their knowledge and skill in the compensation importance field.

LITERATURE REVIEW

The empirical studies have dealt widely with the effects of compensation strategies on employee satisfaction, loyalty, and performance. Patnaik (September 2012) presented a theoretical preview of compensation management focusing on its importance in human resource management. This study demonstrated that while compensation of financial (direct and indirect) and non-financial types is a key factor in reaching the goals of an organization, it also influences recruitment, job performance, and job satisfaction.

Pertiwi (2017) did research on the effect of financial compensation on employee loyalty. In this regard, the research showed that the financial reward factor had a substantial influence in employee loyalty, which implied that the organisations need to come up with effective compensation strategies that could help them to retain their employees.

Saed (2017) explored the role of compensation in enhancing employee performance via job satisfaction in Jordanian print media. These findings indicated that rewards positively impact the level of employees' performance, when they are not only monetary, but also lead to a gratified employee. This finding shows that the compensation and job satisfaction should be taken into account in any effort to improve the employee performance.

Through the lens of Supriyanto (2017) was compensation examined and its impact on satisfaction and performance of the employee. Working life satisfaction survey also identified the fact that the salary is just among the factors which count toward job satisfaction while career advancement and interesting work environment are the others. This implies that the organizations should be all-inclusive while addressing the employees' satisfaction by considering the factors that are beyond just the remuneration.

On the other hand, Hakim (2020) attempted to discover the relationship between compensation and job career development, as well as work environment and job satisfaction determinants, and their effect on the organizational commitment of PT Jakarta Tourisindo. The research proved that low job satisfaction promoted employees to feel a disengagement with their job and which lowered the performance quality, productivity, and eagerness to face difficulties and opportunities. Moreover, low job satisfaction had a negative impact on employee involvement, which resulted in the higher rates of absenteeism and turnover.

Loyalty as a factor of the employees to the organization has been reflected in the argument of Scorza (2011) regarding the sustainability and improvement of the enterprise. The research underscored that the problem with the employee loyalty is critical for the companies, since unhappy employees tend to find better job offers. The issue is that low loyalty employees tend to change their employers, but high loyalty employees remain in the same organization for quite long time.

According to Ciner (2019), employee performance is an accomplishment of an individual in executing work assignments and duties, generally expressed in quality, productivity, and result. Reward and compensation are closely related to individual and organizational performance as Mohammad (2017) demonstrated, with the author calling on employers to bear these aspects in mind concerning motivation, attraction, and retention of high skilled employees.

The article "Compensation: v. Meaning, System and Objectives of Compensation. "d. (2004) considered the benefit of job satisfaction in salary rate. The article noted that contented employees do better because they enjoy doing their tasks, and productivity increases. They do not need strict control and always have consistency, loyalty, and unconditional devotion even without direct points. Employees perceive their hard work being rewarded through performance-based pay leads to a healthy competitive atmosphere at work.

Al-khalidi (2017) dealt with the concerns observed in the A. S. XYZ company pointing out

the need to solve these issues while they are solvable. The author categorized employees into four types: junior, middle, advanced, and expert, which implies that information should be tailored to every category to achieve the best results. The study also suggested to the managers that they should outline strategies of how to handle different types of employees and control that tasks are done properly to have great results.

The literature empirical review presents a unanimity on the considerable effect of compensation strategies on employee satisfaction, loyalty, and performance. Nevertheless, it is necessary to conduct more study on the particular dynamics of these relationships within A. S. XYZ, in the light of the unique features of the organization and its employees. The current research will fill this gap through providing a set of valuable insights and recommendations related to the improvement of compensation strategies and the increase of employee satisfaction, loyalty, and performance in A. S. XYZ.

Hypothesis

Upon on the discussion of the results of previous studies show the relationship with the phenomena that occur at A. S. XYZ organization. Therefore this researcher wants to answer the problems that occur by examining:

The Impact of Compensation on Employee Loyalty with Job Satisfaction as a Mediator (Study at A. S. XYZ Organization)

H₁: Compensation has a positive and significant effect on employee loyalty.

H₂: Compensation has a positive and significant effect on job satisfaction.

H₃: Job satisfaction has a positive and significant effect on employee loyalty.

H₄: Compensation has a positive and significant effect on employee loyalty mediated by job satisfaction.

The Impact of Compensation on Employee Performance with Job Satisfaction as a Mediator (Study at A. S. XYZ Organization)

H₁: Compensation has a positive and significant effect on employee performance.

H₂: Job satisfaction has a positive and significant effect on employee performance.

H₃: Compensation has a positive and significant effect on employee performance mediated by job satisfaction.

Operational Variable

Variable referse to anything that becomes the object of observation in the study which is contains a concept that has a variation value. The variables that will be used in this reseach are:

- a. The independent variable refers to variable that is stable and unaffected by the other variables you are trying to measure. It refers to the condition of an experiment that is systematically manipulated by the investigator. It is the presumed cause (USC Libraries,

n.d.). In this case, the independent variable used is the A. S. XYZ organization's compensation on the employees.

- b. While dependent variable is all about variable that depends on other factors that are measured. These variables are expected to change as a result of an experimental manipulation of the independent variable or variables. It is the presumed effect (USC Libraries, n.d.). In this case, the dependent variable used is employee satisfaction, loyalty and performance to the company (Collins, 2020).

METHODOLOGY

Methods of data collection by the author in this study are:

- a. Library Research; Secondary data has been collected from the theoretical literature journals, books plus web sites, articles and journals. In the additional to that, the secondary data is obtained from A. S. XYZ organization's head office (administrative affairs) such as overall number of A. S. XYZ organization's employees in different departments.
- b. Field Research: in this technique the authors conducted field research in Questionnaire Techniques: writer distributing questionnaire containing questions about the compensation given by the company and employee satisfaction, loyalty and performance to the respondents were selected randomly.

A questionnaire is a pre-formulated, written set of questions to which the respondent records his answers. Thus, in this research paper I create an online survey link with overall 34 questions categorized in 6 sections (A, B, C, D, E, F). The number of close-ended questions equal to 32 (Required) and the open-ended question equal to 2 (Optional) only (Refer to the Table: 7 in the Appendix).

Population and Sample

The number of employee of XYZ organization totaling 15,000 people, but the population in this study were employees in the A. S. XYZ. Therefore, population consisting of 5,507 people. In this study, used simple random sampling techniques that is part of the probability sampling. Based on the (Sample Size Calculator, n.d.) the calculation results obtained amounted to 359. Thus, the minimum number of samples to be examined in this study amounted to 359 employees.

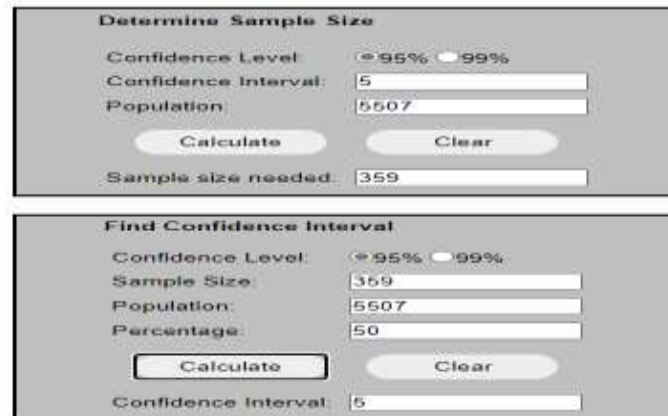


Figure 2: Sample Size & Confidence Interval

FINDINGS AND DISCUSSION

In this part the researcher conducting pilot study for this paper. Based on the data provided by A. S. XYZ organization’s head office (Administrative Affairs Dep.) the overall population was equal to 5,507 which were distributed in different departments as it’s shown below.

The estimated sample size was 359 based on the (Sample Size Calculator, n.d.) but after conducting online survey in the A. S. XYZ Organization, overall, 327 responses has been received from employees. Thus, all data has been used in analyzing the findings after going through reliability and vldity test.

Reliability & Validity Test

In order to produce accurate research, assuring the reliability and validity of research instrument is required. Therefore, reliability and validity test are used to test whether the questions posted in the research instrument are reliable and valid.

Cronbach’s alpha test has been applied on the questions posted in this research. Cronbach’s alpha refers to a convenient test used to estimate the reliability, or internal consistency, of a composite score. According to the general rule of thumb is that a Cronbach’s alpha of .70 and above is good, .80 and above is very good, and .90 and above is Excellent.

Table 1: The Rules of Thumb on Cronbach’s Alpha

| Alpha Coefficient Range | Strength of Association |
|-------------------------|-------------------------|
| Less than 0.6 | Poor |
| 0.6 to <0.7 | Moderate |
| 0.7 to <0.8 | Good |
| 0.8 to <0.9 | Very Good |
| 0.9 and above | Excellent |

Cronbach's alpha for this study equal to 0.9 which is means strength of internal consistency is excellent. This indicates all questions are acceptable and can be used for future analysis.

Table 2: Cronbach's Alpha of the Study

| Statistic | Value |
|-----------------------------|--------|
| #Items/questions/components | 32.00 |
| Sum of the item variances | 24.62 |
| Variance of Total Scores | 302.46 |
| Cronbach's Alpha | 0.95 |

Equation 1: Cronbach's Alpha Formula

$$\alpha = \frac{k}{k-1} \left(1 - \frac{\sum_{i=1}^k \sigma_y^2}{\sigma_x^2} \right)$$

Face validity test has been applied on the questions posted in this research. Face validity test refers to two-step process includes having your survey reviewed by two different parties. The first is a group familiar with your topic who can evaluate if your questions successfully capture your topic. The second review should come from someone who is an expert on question construction, ensuring that your survey does not contain common errors such as leading, confusing or double-barreled questions (mTab, n.d.).

Background Information of Respondents

Table 3: Participants Background Info.

| Category | Sub-category | Number | Percent |
|---|--------------------------|--------|---------|
| The workplace of an A. XYZ organization | Staff A | 174 | 53.20% |
| | Staff B | 123 | 37.60% |
| | Staff C | 5 | 1.50% |
| | Staff D | 1 | 0.30% |
| | Staff E | 17 | 5.20% |
| | Others | 7 | 2.10% |
| Years of work experience | Less than one year | 4 | 1.20% |
| | 1 - 5 year | 31 | 9.50% |
| | 6 - 11 year | 115 | 35.20% |
| | 12 - 17 year | 126 | 38.50% |
| | More than 17 year | 51 | 15.60% |
| Sex | Male | 72 | 22.00% |
| | Female | 255 | 78.00% |
| Marital Status | Single | 90 | 27.50% |
| | Married | 205 | 62.70% |
| | Other | 32 | 9.80% |
| Age group | 18-25 | 21 | 6.40% |
| | 26-35 | 168 | 51.40% |
| | 36-45 | 122 | 37.30% |
| | 46-55 | 9 | 2.80% |
| | 56+ | 7 | 2.10% |
| Educational level | Below high school | 30 | 9.20% |
| | High school | 243 | 74.30% |
| | Diploma | 9 | 2.80% |
| | High diploma | 0 | 0% |
| | Bachelor's degree | 41 | 12.50% |
| | Master's degree | 4 | 1.20% |
| | Post-Doc | 0 | 0% |
| | PhD | 0 | 0% |
| Citizenship | Citizen | 257 | 78.60% |
| | Not citizen | 39 | 11.90% |
| | Citizen (decree holders) | 31 | 9.50% |

Effect of Compensation on Job Satisfaction

In the part B of the Questionnaire respondents had been proved with several statements those were associated with Employees Job Satisfaction in several expects such as: employee wellbeing, career opportunity and professional growth, relation to manager and colleagues,

autonomy and etc. And they asked to read each of the phrases carefully and indicate the extent of their agreement or disagreement with each of them. The rating scale ranged from weakest opinion to strongest opinion (strongly disagree, disagree, neutral, agree, strongly agree). Thus, the result was as following:

Table 4: Employees Job Satisfaction Average in A. S. XYZ Organization

| Statement | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|----------------|-----------------|-----------------|-------------|--------------|-------------------|
| 1 | 183 | 95 | 30 | 14 | 5 |
| 2 | 191 | 104 | 16 | 11 | 5 |
| 3 | 167 | 114 | 25 | 11 | 10 |
| 4 | 156 | 125 | 21 | 13 | 12 |
| 5 | 158 | 116 | 26 | 14 | 13 |
| 6 | 156 | 120 | 28 | 12 | 11 |
| 7 | 149 | 131 | 23 | 9 | 15 |
| 8 | 167 | 117 | 27 | 8 | 8 |
| 9 | 166 | 119 | 27 | 5 | 10 |
| 10 | 170 | 117 | 28 | 7 | 5 |
| 11 | 207 | 105 | 8 | 2 | 5 |
| 12 | 190 | 121 | 11 | 0 | 5 |
| 13 | 191 | 105 | 19 | 5 | 7 |
| 14 | 175 | 113 | 22 | 9 | 8 |
| 15 | 162 | 117 | 31 | 7 | 10 |
| 16 | 185 | 114 | 18 | 3 | 7 |
| Average | 173.3125 | 114.5625 | 22.5 | 8.125 | 8.5 |

After studying and analyzing Employees Job Satisfaction in several aspects in A. S. XYZ, the results showed that most of employees were feeling content toward job satisfaction factor. As you can observe in the above chart the average of satisfied employees is around 288 employee which is high but again, we having average of 22 employees those who felt neutral and average of 16 employees were not satisfied. Therefore, if we go a bit deeper and look at the above table, we can realize that source of unsatisfied employees came from; statements number 5 (27 unsatisfied employee), statement number 7 (25 unsatisfied employee), statement number 4 (25 unsatisfied employee), statement number 6 (23 unsatisfied employee) and the statement number 3 (21 unsatisfied employee).

Thus, A. S. XYZ has to assure and concentrate on several points as bellow;

1. If employees gaining new skills in their career and progressing or not? (Statement 5).
2. The organization has to figure out why some employees believed on lack of career advancement opportunity (Statement 7).
3. A. S. XYZ need to follow up employees' professional grow constantly (Statement 4).
4. The organization needs to assure if the employees has been located in the right place and position and their skills being utilized in the right way or not? (Statement 6).

5. The organization has to assure that employees being appreciated for their contributions or not? (Statement 3).

Effect of Compensation on Employee Performance

In the part C of the Questionnaire respondents had been proved with several statements are related to Employees Performance and they asked to read each of the phrases carefully and indicate the extent of their agreement or disagreement with each of them. The rating scale ranged from weakest opinion to strongest opinion (strongly disagree, disagree, neutral, agree, strongly agree). Thus, the result was as following:

Table 5: Employees Performance Average in A. S. XYZ Organization

| Statement | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|----------------|----------------|---------------|--------------|----------|-------------------|
| 1 | 160 | 122 | 25 | 11 | 9 |
| 2 | 162 | 130 | 23 | 5 | 7 |
| 3 | 165 | 136 | 16 | 2 | 8 |
| 4 | 183 | 121 | 11 | 6 | 6 |
| Average | 167.5 | 127.25 | 18.75 | 6 | 7.5 |

After studying and analyzing Employees Performance factor in A. S. XYZ, the results showed that most of employees were feeling content toward this factor. As you can observe in the above chart the average of satisfied employees is around 295 employee which is really pleasing result but in the other hand, we having average of 18 employees those who felt neutral and average of 13 employees were not satisfied. Therefore, if we have a deeper look at the above table, we can figure out that source of unsatisfied employees came from; statement number 1 (20 unsatisfied employee). Thus, A. S. XYZ needs to assure if employees performance being motivated through providing them the appropriate compensation programs or not?

Effect of Compensation on Employee Loyalty

In the part D of the Questionnaire respondents had been proved with several statements are related to Employees Loyalty and they asked to read each of the phrases carefully and indicate the extent of their agreement or disagreement with each of them. The rating scale ranged from weakest opinion to strongest opinion (strongly disagree, disagree, neutral, agree, strongly agree). Thus, the result was as following:

Table 6: Employees Loyalty Average in A. S. XYZ Organization

| Statement | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|----------------|----------------|--------------|--------------|-------------|-------------------|
| 1 | 179 | 99 | 22 | 11 | 16 |
| 2 | 216 | 102 | 3 | 3 | 3 |
| 3 | 244 | 74 | 6 | 0 | 3 |
| 4 | 196 | 98 | 14 | 9 | 10 |
| Average | 208.75 | 93.25 | 11.25 | 5.75 | 8 |

After reviewing and evaluating Employees Loyalty factor in A. S. XYZ, the results showed that most of employees were feeling content toward this factor. As you can observe in the above chart the average of satisfied employees is around 302 employee which is amazing result but in the other hand, we having average of 11.25 employees those who felt neutral and average of 13.74 employees were not satisfied. Consequently, if we refer to the above table, we can figure out that source of unsatisfied employees came from; statement number 1 (27 unsatisfied employee) plus statement number 4 (19 unsatisfied employee).

Thus, A. S. XYZ needs to assure bellow mentioned points;

1. Is it all committed employees being recognized and appreciated by the organization or not? (Statement 1).
2. What could be the reasons that some employees don't prefer to recommend A. S. XYZ to their friends and family (Statement 4).

Over all, if we have a flash back and look at the statements number 2 and 3 in the employee loyalty section, the results clearly assured employee's high loyalty toward A. S. XYZ since 318 were ready to give their best whenever they were at work and they felt proud of being member of this organization. That meaning that, A. S. XYZ organization's employees having high tendency to remain in the same institution for the longer period of time.

Effect of Job Satisfaction on Employee Performance & Loyalty

If we look at the average of satisfied employees in job satisfaction factor (288) and compared to the average of satisfied employees in the employees' performance (295) and employee loyalty (302) factors, the results assured that, there is an observable impact of the job satisfaction on employees' performance and loyalty. And the impact of the job satisfaction could be direct or indirect on the employees' performance and loyalty based on this study.

Other Factors & Employees' Satisfaction

In the part E (in the questionnaire) respondents asked to specify the other factors that let them feel satisfied except of compensation (Research Question 2). And they have been given following options: Career Development, Work Environment, Job security and other. Thus, the result was as bellow:

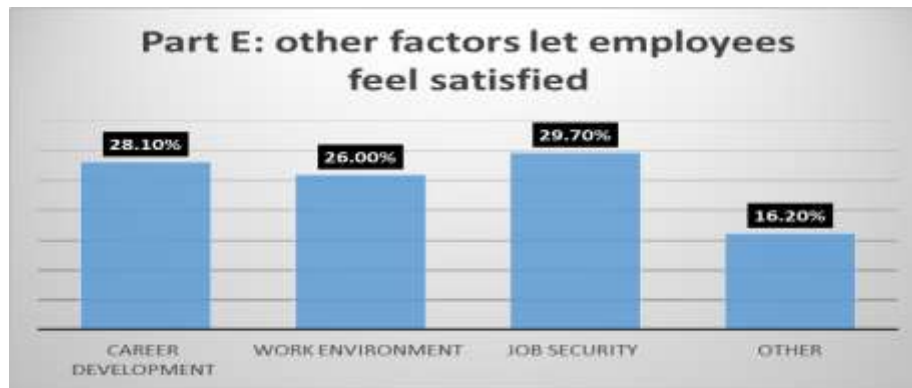


Figure 3: Other Factors of Employees Satisfaction in A. S. XYZ Organization

As the result shows in the chart 29.70% of employees believed that having job security will increase their satisfaction level while 28.10% of employees preferred to have career development opportunity to feel more satisfied. However, 26.0% of employees' importance was work environment to feel content. And 16.20% of respondents chose other option. That indicates, those employees having other demands that boots their satisfaction level. Let's figure out other requirements of the employees through last open-ended question responds (Part F).

In the part F respondent got an open-ended question asked them to share their comments or suggestions and answering to this question was optional. Around 82 several observations, demands and proposals has been received from respondent and there was a so many expressions of thanks and appreciation to A. S. XYZ. The researcher gathered and summarized the most frequent and important points as following;

1. Modification in the promotions system; where the employee works for 20 years in the A. S. XYZ and gets promoted only two or three times throughout his/her service.
2. Employee growth opportunity by; Breaking the routine through job rotations and moving employees between different tasks to promote experience and variety, providing more training courses for career development, Encouraging and appreciating all employees.
3. Demand for different types of allowances such as; Risk allowance, Annual travel tickets plus marital and child allowance.
4. Providing free parking for A. S. XYZ staffs.
5. Bringing new workforce and employees to reduce the pressure.
6. Providing flexible working environment for those who suffering from chronic diseases and having medical reports plus mothers specially the pregnant women.
7. Change of duty officers to provide increased experience for majority of employees. Selecting right duty officers those who deal fairly with all employees and keep their privacy.

CONCLUSION

There is a positive and direct effect of compensation on employee loyalty and performance. Thus, the better compensation given by A. S. XYZ to employees, consequent to higher employees' loyalty and performance. Compensation has a positive and direct effect on job satisfaction. If the better compensation given to employees of A. S. XYZ, the more gratified job satisfaction felt by employees. Job satisfaction has a positive and direct effect on employee loyalty and performance. Increasingly gratified job satisfaction felt by employees of A. S. XYZ, then employee loyalty to companies will increase plus employee performance will boost as well. The results showed that the variable job satisfaction has a role as a partial mediation between compensation and employee loyalty and performance, meaning that compensation can affect employee loyalty and performance directly or indirectly through job satisfaction. Thus, this study emphasized previous studies (literature review) theoretical implications and it's important because the findings will help A. S. XYZ to improve compensation strategies and realize human capital's needs. Also, this case study assists managers to figure out employees' current satisfactory status in different areas. Moreover, the issues that employees facing has been identified and could be resolved through provided appropriate solutions and recommendations in this study.

Limitations

1. This study is conducted in a certain point of time, but on the other hand the environment of each period experiences dynamic changes, so this study important to be done in the future.
2. This research does not differentiate the characteristics of work nature (Administrative Employee and Field Employee) on employees.

Recommendations

1. Based on the research results, conclusion and implications above, some suggestions can be made as follows; Employee compensation at the A. S. XYZ must be done constantly. Because sustainability is the secret of success in gaining motivated employees.
2. Listening to employees demands, taking appropriate actions to resolve it and follow up is required in the A. S. XYZ to get 100% satisfied employees, and that could be achieved through conducting open door virtual meeting between head managers and employees at least twice a year by using Zoom App or Skype for Business (based on the current situation / covid-19 pandemic).
3. It is expected that further research can be done with a broader study about other factors that let employees feel gratified apart from compensation plus how to remain employees 100% satisfied constantly, both through research using quantitative and qualitative approaches.

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Appendix

Table 7: Content of Questionnaire

| Questionnaire | | | | | | | | Required/ Optional | Question type in the survey | |
|---|---|---|---------------------------------------|--------------------------------|---|----------------|-----|--------------------|-----------------------------|-----------------|
| Section A: Personal Information | | | | | | | | | | |
| Q1: The workplace of an A. S. XYZ organization Staff. | A | B | C | D | E | Others | | Required | Drop-down | |
| Q2: Please mention the name of the administration if you choose (Others) | | | | | | | | Optional | Short answer | |
| Q3: Years of work experience. | Less than one year | 1-5 year | 6-11 year | 12-17 year | More than 17 year | | | | Required | Drop-down |
| Q4: SEX | Male | Female | - | - | - | | | | Required | Multiple choice |
| Q5: Marital Status | Single | Married | Other | - | - | | | | Required | Multiple choice |
| Q6: Age group | 18-25 | 26-35 | 36-45 | 46-55 | 56 < | | | | Required | Drop-down |
| Q7: Educational level | Below high school | High school | Diploma | High diploma | Bachelor's degree | Masters degree | PhD | Post-Doc | Required | Drop-down |
| Q8: Nationality | Citizen | Not Citizen | Citizen (decreed holders) | | | | | | Required | Multiple choice |
| Section B: The following statements are associated with Employees Job Satisfaction in several aspects such as: employee wellbeing, career opportunity and professional growth, relation to manager and colleagues, autonomy and etc. | | | | | | | | | | |
| Q1: I am satisfied with the current compensation strategies in the XYZ organization (Such as: Discount card, Social solidarity fund and etc.) | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q2: I feel that my organization takes adequate action to promote employee wellness (for example: Health Insurance, Gym, flexible working schedule and etc.) | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q3: I feel valued for my contributions | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q4: I feel that I'm growing professionally | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q5: I feel that my job allows me to develop new skills | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q6: I feel like my job utilize my skills as much as it could | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q7: I see a path to advance my career in my organization | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q8: My direct manager value my opinions | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q9: My direct manager provide the support I need to complete my work | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q10: My direct manager supervise employees individual and group performance constantly. | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q11: The people I work with treat me with respect | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q12: I am satisfied with the relationship of my fellow workers of my organization | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q13: I am satisfied with my work environment | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q14: The moral is high in my organization. | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q15: I have significant autonomy in determining how I do my job | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q16: Overall, I am satisfied with my organization | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Section C: The following statements are related to Employees Performance. | | | | | | | | | | |
| Q1: My institution motivate employees performance through providing appropriate compensation programs (such as: Well done program, certificates, administrative leave, happiness hours, request to be honored via Force Order and so on). | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q2: My organization encourage employees and provide them with the required training courses. | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q3: I feel a sense of accomplishment from what I do | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q4: I find my work meaningful | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Section D: The following statements are associated with Employees Loyalty. | | | | | | | | | | |
| Q1: My organization recognize and appreciate the committed employees. | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q2: I always want to give my best whenever I'm at work. | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q3: I am proud of being member of XYZ organization | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| Q4: I recommend my organization to friends and family | strongly Satisfied <input type="radio"/> | Satisfied <input type="radio"/> | Neutral <input type="radio"/> | Agree <input type="radio"/> | Strongly disagree <input type="radio"/> | | | | Required | Drop-down |
| E: What other factors let you feel satisfied except of compensation (financial and non financial rewards) | Career Development <input type="checkbox"/> | Work Environment <input type="checkbox"/> | Job security <input type="checkbox"/> | Other <input type="checkbox"/> | | | | Required | Drop-down | |
| F: If you have any comments or suggestion please include them here. | | | | | | | | Optional | Short answer | |