

Determinants of Selected Compensation Management of Employees’ Satisfaction of Heavy Machinery Companies in Mandalay

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Abstract: The objective of this study is, to examine the relationship between compensation management and satisfaction of employee in heavy machinery companies. The questionnaire of 95 sets was distributed among the employee that are working in the heavy machinery companies of the Mandalay. The retention of skillful and well equipped workforce in an organization is pertinent to the growth and overall performance of an organization. The satisfied employees’ surely contribute to the organization to achieve its competitive advantage over its competitors. To generate the final result, the PSPP software was used for analyzing the collected data. Overall results shows There is a significant relationship between the dependent variable (employee satisfaction) and the independent Variable (basic salary, incentives, leave the system, and promotion opportunities).

Keywords: Compensation, Employee Job Satisfaction, workforce, Machinery, Mandalay

1. Introduction

The International Monetary Fund as Asia’s ‘final frontier’ Myanmar has a population of 60 million and increasing annual GDP per capita in 7 to 8%. The country’s attractive geographical location connects it with China, India, Bangladesh and the ASEAN members of Thailand and Laos, providing access to a market of approximately three billion people. The country’s abundant natural resources have attracted the most attention, with the oil, gas, and mining sectors receiving the largest amount of foreign investment. Therefore, heavy machineries such as wheel loader, front end loader, excavator, dumpling truck, scoop tram, forklift, bobcat, mobile crane, bulldozer, tower crane, grader, reach truck and roller are improving the nationwide special projects to enhance the development of the whole country.

In Myanmar, there is a total of (22) heavy machinery companies including (9) big companies. Among them, Myanmar Kaido Co Ltd (Kebelco), Aung Chan Thar Co Ltd (Doosan), Aung Gyi Group (Liugong), JCB, Mann Shwe Pyi (CAT), UMW Co Ltd (Komatsu), UMG Group of Companies and RMA are leading companies. Almost all companies are owned by Myanmar citizens and some are foreigners and they are exclusive distributors. Most of them have been distributed Europe brands (mainly Germany, Sweden), Japan, India and China brands. The customers are of two types, private and public. In the private sector, the key customers are jade mining owners from Pharkhant, Kachin State which is in the northern part of Myanmar, ruby mining owner from Mogoke, coal and gold mining owners from Bamauk and brick, sand, quarry productions and fishery from Mandalay and Sagaing Division. In the public sector, the products are usually sold to Ministry of Livestock, Fishery & Agriculture and City Development Committee from both Yangon & Mandalay. Heavy machinery products are usually marketed by direct sales with credit system for one year payment term. And the buyers have to pay about 25% as down payment. Most of the companies are also doing rentals service.

Table 1: Overall Market Value for Heavy Machinery (Upper Myanmar)

Machine Type	Price Range	Type of customer	Target market area
TLB	EST; \$68,000	Construction / Mining	Pharkant, Bamauk, Mogoke, Mandalay, Sagaing
Bulldozer	\$ 122,000 - 171,000	Landscaping	Road Construction
Front end loader	\$54,000 - \$78,000	Construction / Mining	Pharkant, Bamauk, Mogoke, Mandalay, Sagaing
Dumpling truck	Est; \$80,000	Construction / Mining	Pharkant, Bamauk, Mogoke, Mandalay, Sagaing
Scoop tram	Est; \$70,000	Construction / Mining	Pharkant, Bamauk, Mogoke, Mandalay, Sagaing

Forklift	\$27,000 - \$48,000	Lifting	Industrial / Showroom
Bobcat	Est; \$58,000	Construction / Mining	Pharkant, Bamauk, Mogoke, Mandalay, Sagaing
Mobile crane	Est; \$180,000	Construction	Downtown Area
Tower crane	Est; \$138,000	Construction	Downtown Area
Grader	Est; \$107,000	Construction / Mining	Pharkant, Bamauk, Mogoke, Mandalay, Sagaing
Reach truck	Est; \$25,000	Lifting	Industry / Showroom
Roller	\$65,000 - \$88,000	Road Construction	Landscaping

1.1 Background of the Study:

The retention of skillful and well equipped workforce is pertinent to the growth and overall performance of an organization. Employees are the most important assets of the organizations to achieve their goals. The satisfied employees contribute to the organization to achieve its competitive advantage over its competitors. However, many organizations, state dissatisfaction due to their compensation scheme. This also states a lack of achievement of compensation as a structure for developing and motivating people. For motivating employee compensation as a mechanism is vital of an organization. To achieve the objective of an organization, there is a need to effectively handle the human resource, taken into consideration the main aspect of resource management is compensation management. To align the efforts of employees in a way to achieve the objective of the organization or set move ahead for successful appraisal can be one of them. Employee job satisfaction can be increased by providing a good compensation system like basic salary, incentives, and leave system and promotion opportunities. Compensation management is a useful instrument in the hand of management to contribute to the organizational effectiveness and can impact positively on the behavior and productivity of employees (Bustamam et al. 2014; Greene 2014). Compensation management determines the hiring, retention of employees to attain the objectives of an organization, and is the basis of involvement of individuals to reinforce the performance of employees (Bustamam et al. 2014; Shaw 2014; Terera and Ngirande 2014; Xavier 2014).

1.2 Statement of Problem

In heavy machinery industry human capital determines its success. Because this is a labor intensive industry and heavily rely on human activities and human capital. The qualified persons are required to fulfill the demand for providing the quality service (Wah et al., 2013). Job satisfaction is a pleasurable and emotional state resulting from the perception of one's job as fulfilling or allowing the fulfillment of one's important job values, provided these values are compatible with one's needs (Locke, 1976).

So, among the compensation factors, the salary, incentives, leaves systems and promotion opportunities are the most important factor which can get the employee satisfaction. So this study aims at the understanding and relationships between former four factors and employee satisfaction of the employee in the heavy machinery industry in Mandalay.

1.3 Objectives of the Study:

The objective of this study is to test the correlation between employee compensation and their job satisfaction at heavy machinery companies in Mandalay. And to look at that compensation has a direct effect on employee job satisfaction.

2. Literature Review

Society of Human Resource Management conducted a survey in (2012), according to them 6 out of 10 employees depict compensation is very crucial factor for job satisfaction, opportunity to be skilled and enhance abilities was next to it by three points below also one point below was job security in (2012). On the list of top 5 job satisfaction factor compensation along with job satisfaction remain on the top among the factors of job satisfaction of employees. As the economy continues to expand it create the needs to hire young, talented or experience personal, To attract these segment attractive packages used as a tool to recruit employees and retain the best ones.

Management uses compensation management as a crucial component in an organization. It is a process by which employee is compensated for their contribution at the workplace (RI, 2011).(Martocchio, 1998) illustrate that Intrinsic and extrinsic reward both are part of compensation. Monetary and non-monetary both are considered as extrinsic reward. Rewards other than basic pay considered as non monetary rewards. Financial benefits lead towards motivation. Sufficient financial benefits directly proportionate to employee performance. The remuneration is considered as the reward which they receive against the work they have done on workplace to back their families and other social needs. Barton(2002)indicated that Financial benefits like salary has a strong impact on motivation and retention of employees and organizations should take consideration into it.Dessler(2008) stated that pay includes, all financial and nonfinancial benefits which employee received against their work.

Cascio (2003) indicates that the objective to design the model of compensation program is to express the model into two ways, direct or indirect forms of remuneration. Direct compensation deals withWage or salary and the environment in which the employee is working in an organization and take benefits being part of it is indirect compensation. According to Odunlade(2012) to provide both benefit (direct and indirect) in a package to motivate employee for achieving the organizational goal is said compensation. McNamara (2008)to deal with the issues of compensation like job description, bonus based program, merit based program, a commission based program while befits includes life insurance, health, disability, vacation, retirement plan and many more (Odunlade, 2012).Armstrong (2006) stated base or basic pay are the two components of employee compensation. According to Armstrong (2006) the ratio to which the person compensated or got paid (fixed salary) said to be base rate. This may fluctuate according to Job grade, skills and experience. It also be varied by external or internal factors. The internal factors may be considered by some structure of job evaluation. External factorsare evaluated by following the market rates.

Additional financial benefits that may come through performance, skill, contribution, competence and experience considered as contingent rewards or known as contingent pay. If such payment added to base pay said to be contingent payment if these payments are made in cash, then these incomesare said to be variable paid. These payments also used to observe the continuous achievement or performance it also observes the utilization of skills and contribution of an employee in an organization as a whole (Armstrong, 2006). At the base of performance, employee received cash payment these payments received in the shape of Bonus. Steven and Loring (1996) describe bonus as the lump-sum amount of cash or any other form of cash such as stocks of companies offered to employees. These payments based on the performance of whole organization or single individual performance and generally made one time in a fiscal year.

According to Carter (2008) non monetary rewards are considered as benefits, not in the shape of money, employees received these kind of rewards against the contributions they have made in the organization. Employees benefit includes retirement benefits, balance work-life (for example, jury duty,vacation, sick leave,and among others), allowances (for example, insurance, mobile phone,medical, dental, transportation, housing),disability income protection and so on.

The space should be provided to the employees to convey their thoughts also appreciate the suggestions in the decision making process. Through proper training and development program organizations have to ensure the career growth to their employees. Employers should provide a healthy environment for the employees where they feel free to work (Yuma, 2013).

A blend of job role, incentive, job responsibilities and rewards is actually job satisfaction. The combination of extrinsic and intrinsic rewards is also job satisfaction. Extrinsic rewards include a wider range in job satisfaction like pay, working style, management part, working conditions while intrinsic rewards include the perception of employees about the job and what the employee actually experience contribute in job satisfaction. Satisfied employees contribute higher to achieve the organizational objectives. Organization design different plans to satisfy the employee by providing good working condition, promotion, merit in the job and rewards because these factors contribute differently to employee job satisfaction (Parvin & Kabir, 2011). Employees did their work efficiently by utilizing their skills they could be more productive if they are satisfied (Al-Hussami, 2008). Hussami(2008) stated that employees' perception about the job also another cause of satisfaction and dissatisfaction of the job its not only depends on the job.

The globalization also affects organizations because the globalized world generated new market, competitions become more intensive, mergers and acquisitions, changes employee perceptions (Chun & Hsieh, 2006). Organizations have to develop their strategies against the benefit plans for employees to retain talented and skilled employees and attracted new talent, extract maximum from employees and increase job satisfaction. The meaningful intervention of employees in organizational decision making also an important factor of job satisfaction. The most important intervention is amounting to which the benefits of the employees increases (Mayuri & Mark, 2005).

To align the goals and objectives of an organization with the employee contribution compensation can be strong communicator also if an organization wants to remain competitive in the market, there is a need to oblige their employees as well (Shuster & Zingheim, 1993). Society for Human Resource Management (2012) conducted reports shows the compensation (Salary, bonus, and other benefits) remain on top for the satisfaction of employees, if employees are highly rewarded they would better perform their tasks and duties and it's helpful for the organization to be remain on top. In firms where employees are rewarded well become the assets of the firm with high job satisfaction and loyalty (Chiu et al., 2002).

3. Research Methodology

3.1 Research Design

To describe the objects that was studied in this paper descriptive statistic is used and also tries to answer when, why, what, where, how. By understanding the nature of the study, then the descriptive statistic is used (Zikmund, Babin, Carr, & Griffin, 2013).

3.2 Population Size

The population size of this research work is the 125 employees of a reputable organization in the five heavy machinery companies in Mandalay, Myanmar.

3.3 Sampling and Sample Size

The sample will be selected across the 95 respondents in 5 different of heavy machinery companies. The employees belong to different levels, positions and department of the company. The actual population of this study is the 125 staffs of a reputable organization in the five heavy machinery companies in Mandalay, calculating the sample size of the Yamane equation at 95% (i.e. 0.05) level of confidence.

3.4 Sources of Data

There are 2 data sources- Primary and Secondary for this study and for the primary data source will be the descriptive questionnaires which are self- administered and completion type. The actual population consists of this study is 125 staffs at five heavy machinery companies in Mandalay. The secondary data source will be the research papers, journals and articles, etc.This research will collect data using quantitative method. The convenience sampling technique is used for data collection.

3.5 Methods of Data Analysis

In this research, the self-administered questionnaire in both English and Myanmar is used. Because through questionnaire the collection of data becomes much simpler and a large sample size can be covered. The close ended questions were asked in the questionnaire. The data were collected from 14th June 2016 until 6th July 2016 nearly one month.

The descriptive statistics involvethe frequency table, Likert scale (1=strongly disagree, 2=disagree, 3=neutral / neither disagree nor disagree, 4= agree, and 5=strongly agree), was developed, while the hypotheses were tested using Analysis of Variance (Chi-square tests).

3.6 Research Hypotheses

Hypothesis 1

H₀ = There is no significant relationship between basic salary and employee job satisfaction
 H₁ = There is a significant relationship between basic salary and employee job satisfaction

Hypothesis 2

H₀ = There is no significant relationship between incentives and employee job satisfaction
 H₁ = There is a significant relationship between incentives and employee job satisfaction

Hypothesis 3

H₀ = There is no significant relationship between leave system and employee job satisfaction
 H₁ = There is a significant relationship between leave system and employee job satisfaction

Hypothesis 4

H₀ = There is no significant relationship between promotion opportunities and employee job satisfaction
 H₁ = There is a significant relationship between promotion opportunities and employee job satisfaction.

4. Data Analysis

4.1 Data Presentation

Table 2 shows the descriptive statistics of demographics

Variable	Frequency	Percentage
Department		
Accounting	4	4%
Administrative	13	14%
Customer Service	14	15%
Marketing	2	2%
Operation	10	11%
Human	2	2%

Resources		
Sales	34	36%
Finance	4	4%
IT	2	2%
Engineering	10	11%

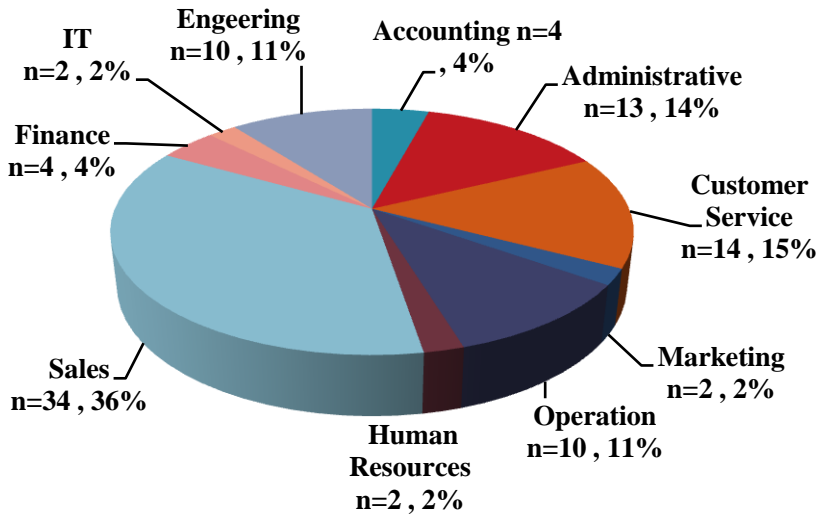
Variable	Frequency	Percentage
Employment Status		
Employed, working 40+ hours	75	79%
Employed, 1-39 hours	20	21%

Variable	Frequency	Percentage
Length of Service		
Less than 1 year	7	7%
1-3 years	37	39%
3-5 years	18	19%
5-9 years	21	22%
10+ years	12	13%

Source: Original Research

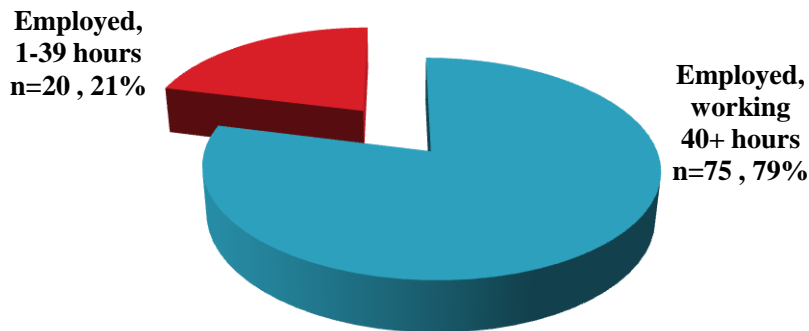
From the above it shows that 4 respondents representing 4.21% were accounting, 13 respondents representing 13.68% were administration, 14 respondents representing 14.74% were customer service, 2 respondents representing 2.11% were marketing, 10 respondents representing 10.53% were operations, 2 respondents representing 2.11% were human resources, 34 respondents representing 35.79% were sales, 4 respondents representing 4.21% were finance, 2 respondents representing 2.11% were IT and 10 respondents representing 10.53% were engineering.

Finger 1: Survey Respondents by Department



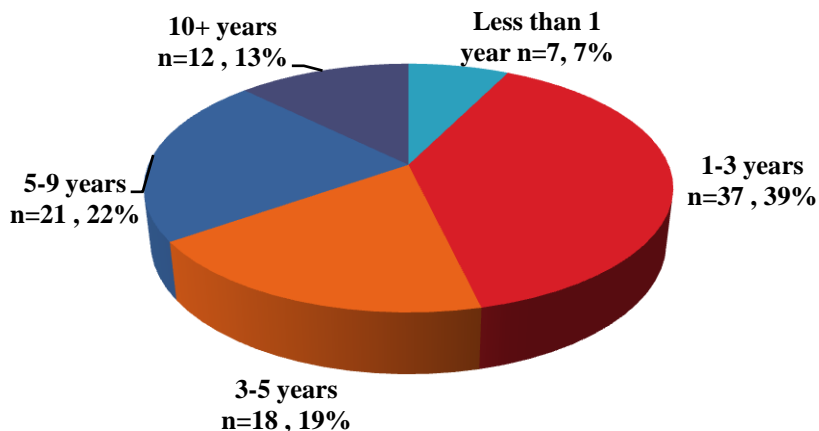
Considering this table also, 75 respondents representing 78.95% were employed above 40 hours while 20 respondents fall between employed about 1-39 hours representing 21.05%.

Figure 2: Survey Respondents by Employment Status



In the area of length of service, 7 respondents representing 7.37% were less than 1 year, 37 respondents representing 38.95% were between 1-3 years, 18 respondents representing 18.95% were between 3-5 years, 21 respondents representing 22.11% were between 5-9 years and 12 respondents representing 12.63% were above 10 years.

Figure3: Survey Respondents by Length of Service



4.2 Testing of Research Hypothesis

4.2.1 Ask to indicate the exact amount of pay. The result is presented in table 2.1 (a) below.

Table 2.1 (a) Employee satisfaction of Fair Pay

Satisfaction with Fair Pay	% (n)
Extremely Fair	8.42 (8)
Very Fair	9.47 (9)
Moderately Fair	32.63 (31)
Slightly Fair	31.58 (30)
Not at All Fair	17.89 (17)
Total	100 (95)

Hypothesis 1

H₀ = There is no relationship between basic salary and employee job satisfaction with the department.

H₁ = There is relationship between basic salary and employee job satisfaction with the department.

In order to examine this hypothesis, chi-squared test was used, with the following results.

Table 2.1(b) Chi-square Analysis of Hypothesis 1

Satisfaction with Basic Salary	N	P	
Compensation	95	0.004	
Payment	95	0.003	
Fair Pay Satisfied	95	0.002	**
Current Salary	95	0.008	
Fairly to Local Market	95	0.012	

Source: Original Research

It is clear from Table 2.1 (b) that the third result, for fair pay, is statistically significant at the 0.05 level, that is $p < 0.05$. Consequently, it shows that is a significant relationship between basic salary and employees' job satisfaction with the department. This implies that there is a significant relationship between basic salary and employees' job satisfaction at heavy machinery companies. The value of P which is 0.002, is lower than 0.05 so the original hypothesis is supported to discover the nature of this relationship, the relevant cross-tabulation is provided in Table 2.1 (c) below.

Table 2.1 (c) Cross-Tabulation of Employee' Satisfaction with Department and Fair Pay

Department (% , n)	Extremely Fair	Very Fair	Moderately Fair	Slightly Fair	Not at All Fair	Total
Account	0.00 (0)	25 (1)	0.00 (0)	75 (3)	0.00 (0)	100.00 (4)

Admin	30.77 (4)	15.38 (2)	7.69 (1)	23.08 (3)	23.08 (3)	100.00 (13)
Customer Service	0.00 (0)	14.29 (2)	42.86 (6)	21.43 (3)	21.43 (3)	100.00 (14)
Marketing	100 (2)	0.00 (0)	0.00 (0)	0.00 (0)	0.00 (0)	100 (2)
Operations	10.00 (1)	10.00 (1)	10.00 (1)	20.00 (2)	50.00 (5)	100.00 (10)
Human Resources	0.00 (0)	0.00 (0)	50.00 (1)	0.00 (0)	50.00 (1)	100.00 (2)
Sales	0.00 (0)	8.82 (3)	47.06 (16)	38.24 (13)	5.88 (2)	100.00 (34)
Finance	0.00 (0)	0.00 (0)	50.00 (2)	25.00 (1)	25.00 (1)	100.00 (4)
IT	0.00 (0)	0.00 (0)	0.00 (0)	100.00 (2)	0.00 (0)	100.00 (2)
Engineer	10.00 (1)	0.00 (0)	40.00 (4)	30.00 (3)	20.00 (2)	100.00 (10)
Total	8.42 (8)	9.47 (9)	32.63 (31)	31.58 (30)	17.89 (17)	100 (95)

Source: Original Research

It is notable from these results that finance and the sales department are higher for those with moderately fair of basic salary. Those with operational and human resources department were unsatisfied (not at all fair). Account and IT department were slight, fair with their basic salary. Because most of heavy machinery companies were paid higher salaries to sales and marketing staffs more than that others, therefore, sales and marketing department were moderately fair of their salary, but not fully satisfied. Others department was unsatisfied with their salary, so we reject the null hypothesis that there is a significant relationship between basic salary and employees' job satisfaction with the department.

2.2 To indicate their sources of fairly distribution of reward. The result is presented in table 2.2 (a) below.

Table 2.2 (a) Employee satisfaction of Fairly Distributed for Reward

Satisfaction with Fairly Distributed for Reward	% (n)
Strongly Disagree	1.05 (1)
Disagree	24.21 (23)
Neutral	31.58 (30)
Agree	31.58 (30)
Strongly Agree	11.58 (11)
Total	100 (95)

In table 2.2 (a) above, fairly distributed as a reward for a source of incentives, 31.58% (n=30) of the respondents were neutral and agree. 24.21% (n=23) disagree, 11.58% (n=11) strongly agree and the rest 1.05% (n=1) were strongly disagree as a source of their incentives. This leads to the following hypothesis and its null format.

Hypothesis 2

H₀ = There is no relationship between incentives and employee job satisfaction with length of services.

H₁ = There is a relationship between incentives and employee job satisfaction with length of services.

In order to examine this hypothesis, chi-squared test was used, with the following results.

Table 2.2 (b) Chi-square Analysis of Hypothesis 2

Satisfaction with Incentives	n	P
Satisfied Incentive Plan	95	0.000
Satisfied Reward Plan	95	0.001
Fairly Distributed for Reward	95	0.001 **
Reward Linked to Performance	95	0.001
How Consistently Reward for Good Work?	95	0.006
Satisfied with Benefit Package	95	0.000

Source: Original Research

It is clear from Table 2.2 (b) that the second, third and fourth result, for incentives, are statistically significant at the 0.05 level, that is p<0.05. Consequently, it shows that is a significant relationship between incentives and employees’ job satisfaction with length of services. This implies that there is a significant relationship between incentives and employees’ job satisfaction at heavy machinery companies. The value of P which is 0.001, is lower than 0.05 so the original hypothesis is supported to discover the nature of this relationship, the relevant cross-tabulation is provided in Table 2.2 (c) below.

Table 2.2 (c) Cross-Tabulation of Employee’ Satisfaction with Length of Services and Fairly Distributed for Reward

Length of Services (%, n)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Less than 1 year	0.00 (0)	28.57 (2)	57.14 (4)	14.29 (1)	0.00 (0)	100.00 (7)
1-3 years	0.00 (0)	32.43 (12)	24.32 (9)	40.54 (15)	2.70 (1)	100.00 (37)
3-5 years	5.56 (1)	27.78 (5)	33.33 (6)	27.78 (5)	5.56 (1)	100.00 (18)
5-9 years	0.00 (0)	19.05 (4)	38.10 (8)	33.33 (7)	2.11 (2)	100.00 (21)
10+ years	0.00 (0)	0.00 (0)	25.00 (3)	16.67 (2)	58.33 (7)	100.00 (12)
Total	1.05 (1)	24.21 (23)	31.58 (30)	31.58 (30)	11.58 (11)	100.00 (95)

It is notable from these results that only over 10 years of service are higher for those with strongly agree of incentives. Those with 1-3 years of service and 3-5 years of service were disagreed with their incentives. So we reject the null hypothesis that there is a significant relationship between incentives and employees' job satisfaction with the department.

Table 2.3 (a) Employee satisfaction of Satisfied Leave

Satisfied Leave	% (n)
Strongly Disagree	5.25 (5)
Disagree	24.21 (23)
Neutral	31.58 (30)
Agree	27.37 (26)
Strongly Agree	11.58 (11)
Total	100 (95)

Source: Original Research

In table 2.3 (a) above, satisfied leave as a source of leave system, 31.58% (n=30) of the respondents were neutral and 27.37% (n=26) agree. 24.21% (n=23) disagree, 11.58% (n=11) strongly agree and the rest 1.05% (n=1) were strongly disagree as a source of their leave system. This leads to the following hypothesis and its null format.

Hypothesis 3

H₀ = There is no relationship between leaves system and employee job satisfaction with length of services.

H₁ = There is a relationship between leaves system and employee job satisfaction with length of services.

In order to examine this hypothesis, chi-squared test was used, with the following results.

Table 2.3 (b) Chi-square Analysis of Hypothesis 3

Satisfied Leave	% (n)
Strongly Disagree	5.25 (5)
Disagree	24.21 (23)
Neutral	31.58 (30)
Agree	27.37 (26)
Strongly Agree	11.58 (11)
Total	100 (95)

Source: Original Research

It is clear from Table 2.3 (b) that the first result, for satisfied leave is statistically significant at the 0.05 level, that is p<0.05. Consequently, it shows that is a significant relationship between leave system and employees' job satisfaction with length of services. This implies that there is a significant relationship between leave system and employees' job satisfaction at heavy machinery companies. The value of P which is 0.001, is lower than 0.05 so the original hypothesis is supported to discover the nature of this relationship, the relevant cross-tabulation is provided in Table 2.3 (c) below.

Table 2.3 (c) Cross-Tabulation of Employee’ Satisfaction with Length of Service and Satisfied Leave

Length of Services (% , n)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Less than 1 year	0.00 (0)	28.57 (2)	57.14 (4)	14.29 (1)	0.00 (0)	100.00 (7)
1-3 years	0.00 (0)	32.43 (12)	24.32 (9)	40.54 (15)	2.70 (1)	100.00 (37)
3-5 years	5.56 (1)	27.78 (5)	33.33 (6)	27.78 (5)	5.56 (1)	100.00 (18)
5-9 years	0.00 (0)	19.05 (4)	38.10 (8)	33.33 (7)	2.11 (2)	100.00 (21)
10+ years	0.00 (0)	0.00 (0)	25.00 (3)	16.67 (2)	58.33 (7)	100.00 (12)
Total	1.05 (1)	24.21 (23)	31.58 (30)	31.58 (30)	11.58 (11)	100.00 (95)

Source: Original Research

It is notable from these results that 1-3 years and 3-5 years of service disagrees higher with leave system. Those with over 10 years of service were for those with strongly agreed of leave system. Because most of heavy machinery companies were deducted the amount of casual or annual leave from the salary, therefore almost of the staffs who were not satisfied their leave system. Over 10 years of service staffs, they didn't care their salary cut or not, in fact, they were used to with company's SOP (Standard of Procedure). So we reject the null hypothesis that there is a significant relationship between leave system and employees' job satisfaction with length of service.

Table 2.4 (a) Employee satisfaction of Performance Policy

Satisfaction with Performance Policy	% (n)
Extremely Fair	8.42 (8)
Very Fair	9.47 (9)
Moderately Fair	32.63 (31)
Slightly Fair	31.58 (30)
Not at All Fair	17.89 (17)
Total	100 (95)

Source: Original Research

In table 2.4 (a) above, performance, policy as a source of promotion opportunities, 32.63% (n=31) of the respondents were moderately and 31.58% (n=30) were slightly fair. 17.89% (n=17) not at all fair, 9.47% (n=9) very fair and the rest of 8.42% (n=8) were extremely fair as a source of their promotion opportunities. This leads to the following hypothesis and its null format.

Hypothesis 4

H₀ = There is no relationship between promotion opportunities and employee job satisfaction with the department.

H₁ = There is a relationship between promotion opportunities and employee job satisfaction with the department.

In order to examine this hypothesis, chi-squared test was used, with the following results.

Table 2.4 (b) Chi-square Analysis of Hypothesis 4

Satisfaction with Promotion Opportunities	N	P
Performance Policy	95	0.001 **
Selection of Employee Advantage	95	0.001
Satisfied of Increments	95	0.035
Pay Policy	95	0.002
Competitive Pay from Others	95	0.003

Source: Original Research

It is clear from Table 2.4 (b) that the first and second result, for performance policy and selection of employee advantage are statistically significant at the 0.05 level, that is $p < 0.05$. Consequently, it shows that is a significant relationship between promotion opportunities and employees' job satisfaction with the department. This implies that there is a significant relationship between promotion opportunities and employees' job satisfaction at heavy machinery companies. The value of P which is 0.001, is lower than 0.05 so the original hypothesis is supported to discover the nature of this relationship, the relevant cross-tabulation is provided in Table 2.4 (c) below.

Table 2.4 (c) Cross-Tabulation of Employee' Satisfaction with Department and Promotion Opportunities

Department (% , n)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Account	0.00 (0)	75 (3)	0.00 (0)	0.00 (0)	25.00 (1)	100.00 (4)
Admin	15.38 (2)	23.08 (3)	15.38 (2)	7.69 (1)	38.46 (5)	100.00 (13)
Customer Service	21.43 (3)	14.29 (2)	42.86 (6)	21.43 (3)	0.00 (0)	100.00 (14)
Marketing	0.00 (0)	0.00 (0)	0.00 (0)	0.00 (0)	100.00 (2)	100.00 (2)
Operations	40.00 (4)	0.00 (0)	10.00 (1)	30.00 (3)	20.00 (2)	100.00 (10)
Human Resources	0.00 (0)	50.00 (1)	50.00 (1)	0.00 (0)	0.00 (0)	100.00 (2)
Sales	5.88 (2)	47.06 (16)	23.53 (8)	23.53 (8)	0.00 (0)	100.00 (34)
Finance	0.00 (0)	75.00 (3)	25.00 (1)	0.00 (0)	0.00 (0)	100.00 (4)
IT	0.00 (0)	50.00 (1)	50.00 (1)	0.00 (0)	0.00 (0)	100.00 (2)
Engineer	0.00 (0)	30.00 (3)	50.00 (5)	10.00 (1)	10.00 (1)	100.00 (10)
Total	11.58 (11)	33.68 (32)	26.32 (25)	16.84 (16)	11.58 (11)	100 (95)

Source: Original Research

It is notable from these results that sales and operations department are higher for those with disagreeing and strongly disagree of performance policy. Those with customer service and engineering department are neutral. Because nowadays the competitors of heavy machinery companies were persuaded the professional staffs with attractive salary, therefore almost of staffs who were not satisfied with their performance policy and they want to move another

competing company. So we reject the null hypothesis that there is a significant relationship between promotion opportunities and employees' job satisfaction with length of service.

4.3 Discussion of Findings

Many organizations face difficulties in identifying the types of compensation that are more preferable and more appropriate in order to increase employees' job satisfaction. Therefore, this study was carried out to investigate the relationship between compensation management and job satisfaction, as well as to identify the types of compensation that affect job satisfaction, using data collected from 95 employees' of five heavy machinery companies in Mandalay, Myanmar.

In the area of Testing of Research Hypothesis, Hypothesis 1 shows that there is a significant relationship between basic salary and employees' job satisfaction with the department. The value of $p = 0.002$ shows that the model is statistically significant. It shows that there is a significant relationship between basic salary and employees' job satisfaction. In Hypothesis 2, the value of $p = 0.001$ shows that the model is statistically significant. It shows that there is a significant relationship between incentives and employees' job satisfaction. In Hypothesis 3, the value of $p = 0.007$ shows that the model is statistically significant. It shows that there is a significant relationship between leave system and employees' job satisfaction. In Hypothesis 4, the value of $p = 0.001$ shows that the model is statistically significant. It shows that there is a significant relationship between promotion opportunities and employees' job satisfaction.

5. Conclusion and Recommendation

5.1 Conclusion

Human resource management in an organization has an increasing importance in supporting the organization's strategies to accomplish its goals. Several ways have been implemented to enhance employee satisfaction towards job and work environment. One of the best strategies is to create an effective performance system in the workplace. Research has proven that there is a significant and positive relationship between compensation and employee job satisfaction. Employees who are fully satisfied with their pay will result in a higher level of satisfaction, and employees who get recognized tend to have higher self-esteem, more confidence and more willingness to take new challenges (Pratheepkhanth, 2011).

From the findings of this study, to investigate the relationship between compensation management and employee job satisfaction in the heavy machinery companies, it indicates that the respondents are not satisfied with the compensation they receive. If workers are not satisfied with their compensation, the organization will suffer low levels of job satisfaction, high rates of absenteeism and labor turnover and moonlighting. The study's findings also reveal that heavy machinery companies' employees' level of job satisfaction is negatively affected by the fact that their remuneration is not commensurate with the tasks they perform.

5.2 Limitation of the Study

In this research, we are merely emphasized on Mandalay as my sampling location. Therefore, the data collected from our research only cover Mandalay; these data only show the perception of employee on the factors that influencing employee job satisfaction in the heavy machinery industry in Mandalay. The results from my research were insufficient to be generalized for the perception of employee of heavy machinery industry in whole Myanmar.

It is inevitable that I also faced some problems when conducting my survey in five heavy machinery companies in Mandalay. Because at that time started 2016-17 yearly budget so all of employees hoped that the highest their increments but actually they didn't get their expectation. After that in the organization a lot of complaints came out and I had to wait for their less anger. I

don't want any confused with their complaint and my survey questions, with the cause of my research title is employee job satisfaction.

On the other hand, some of the respondents are unfamiliar with those specific words due to they have limited levels of knowledge and understanding. Thus, I had given clearly explaining to the respondents in order to answer the questionnaire. It's used lots of time when conducting this research. Despite there are some limitations I have found when I am conducting this research, my study still can be completed. Between, there are some recommendations that I proposed for the future researchers who interested in this topic for the purpose of making some improvements to this study. Finally, future research should aim to improve the internal validity of the research by controlling confounding and extraneous variables. It will also be interesting to investigate how other factors other than compensation management on employee satisfaction of heavy machinery companies in Mandalay.

5.3 Recommendation

In Myanmar, heavy machinery industries are improving the nationwide special projects to enhance the development of the whole country, therefore, it is vital for organizations to embark compensation management policies that will project and promote employee job satisfaction. Heavy machinery companies in Mandalay, we didn't make any survey of employees' job satisfaction. Based on the findings of this study, management should focus on the intrinsic parts of the job, such as making the work challenging and interesting. Moreover, organizations must make sure that there is a friendly and positive relationship between employers and employees in the organizations. It is the desire of every organization to constantly increase productivity, thereby necessitating the need to motivate employees through comprehensive compensation policies and friendly working conditions. However, findings from this study can help and understand the perception of the heavy machinery employee's job satisfaction in Mandalay.

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