

The Impact of Compensation and Benefits on Employee Job Performance

Shashan, S.R.K.¹ and Harshani²

This study aims to assess the impact of compensation and benefits on the job performance of managerial employees in the financial sector of Borella, Sri Lanka, focusing on ABC Company. Employing a deductive research approach, the study utilizes a survey research strategy and a quantitative research method. The target population consists of managerial level employees, with a sample size of 200 determined through a simple random sampling technique. The primary data source is a printed questionnaire, with 120 responses collected out of the 200 distributed. For data analysis, the study employs Statistical Package for Social Science (SPSS) version 27.0. The findings reveal a significant direct influence of compensation and benefits on employee job performance. Hypothesis testing indicates a positive relationship between compensation and benefits and employee job performance, highlighting a statistically significant connection. The study suggests that management should consider taking actions to enhance employee compensation and benefits, thereby contributing to improved job performance. Emphasizing the importance of adequately compensating employees, management can enhance productivity, commitment, and overall involvement.

Keywords: *Compensation and Benefits, Managerial Employees Compensation and Benefits, Remuneration, Allowance, Promotion, Incentives*

¹Undergraduate, Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka

²Lecturer, Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka [rasikah@kln.ac.lk]