

# Compensation Management as a Determinant of Job Satisfaction

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## ABSTRACT

The aim of this research is to assess the relationship between compensation management and job satisfaction. A survey method was employed to gather self-report questionnaires from employees at one of the public sector agencies in Malaysia. The data were arranged and analysed using SPSS program. The results of linear regression analysis shows three important findings: first, communication was significantly correlated with job satisfaction. Second, involvement was significantly correlated with job satisfaction. Finally, performance appraisal was significantly correlated with job satisfaction. These result shows that the ability of management to appropriately implement communication, involvement and performance appraisal in managing compensation programs may act as important predictors of job satisfaction in the studied organization. The findings of this research could be used by researchers to strengthen the existing theory in the area of compensation management, the employers to enhance their existing compensation models, the practitioners to effectively plan and administer a suitable compensation programs which helps to improve the organizational competitiveness and performance.

**Keywords:** Compensation management, job satisfaction, linear regression analysis, Malaysia