

# **The Use of Compensation Packages for Employees' Performance in Diraa HR Services**

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**Abstract:** *This study examines the role of compensation packages in influencing employee performance at Diraa HR Services, a leading consultancy in Coimbatore. Through a structured survey and qualitative interviews, the research explores the relationship between direct and indirect compensation and employee satisfaction, motivation, and retention. Findings indicate a strong correlation between compensation fairness and performance outcomes. Recommendations include improving salary structures, transparency, and performance-linked incentives.*

**Keywords:** Compensation, Employee Performance, HR Services, Job Satisfaction, Diraa Consultancy

## **I. INTRODUCTION**

In the competitive HR services industry, employee motivation and retention are crucial. Compensation packages—comprising salaries, bonuses, benefits, and other incentives—play a major role in shaping employee behavior and productivity. This study focuses on evaluating how Diraa HR Services uses compensation to influence employee performance.

## **II. REVIEW OF LITERATURE**

Researchers such as Mabaso & Dlamini (2017) and Bustamam et al. (2014) emphasize that effective compensation drives job satisfaction and performance. Compensation includes both financial (salaries, bonuses) and non-financial (benefits, work-life balance) aspects. A well-structured compensation plan aligns with organizational goals and improves engagement and retention.

## **III. RESEARCH METHODOLOGY**

The study used a mixed-method approach, combining both quantitative and qualitative data. A structured questionnaire was shared electronically with employees of Diraa HR Services, and 50 responses were collected. The questionnaire included Likert scale and multiple-choice questions to measure perceptions of compensation and performance. Additionally, semi-structured interviews were conducted with selected staff and HR personnel for in-depth insights. Stratified random sampling was used for the survey, while purposive sampling was used for interviews. Data was analysed using descriptive statistics and thematic analysis. Secondary data was gathered from company records and industry reports to support the findings.

## **IV. ANALYSIS AND INTERPRETATION**

The data was collected from 50 employees of Diraa HR Services using a structured questionnaire. Analysis showed that 40% of employees earn between ₹15,000–₹25,000, indicating a low salary structure. The most common benefit was flexible work arrangements (44%), followed by paid time off (40%) and health insurance (36%). However, 30% of employees never receive performance-based bonuses, and over 50% were dissatisfied with their current salary. Furthermore, 60% felt their compensation was not competitive with market standards in Coimbatore. Around 50% believed compensation decisions lacked transparency, and many employees did not see a clear link between



performance and pay. The majority (44%) reported base salary as the main motivator, highlighting the need for stronger performance-linked incentives and improved pay structures.

#### **V. FINDINGS**

The study revealed that a significant portion of employees at Diraa HR Services earn relatively low salaries, with 40% falling in the ₹15,000–₹25,000 range. While flexible work arrangements and paid time off are appreciated, key benefits like professional development and bonuses are limited. Around 30% of employees do not receive any performance-based bonuses, and more than half are dissatisfied with their base pay. Additionally, over 50% of respondents believe their compensation is unfair compared to their workload, and 60% feel it is not competitive in the local job market. A lack of transparency in compensation decisions and an unclear link between performance and pay were major concerns. Most employees identified base salary as their primary source of motivation, indicating that fixed pay holds more importance than additional benefits or incentives.

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