

## Does Compensation Impact on Employee Engagement? Evidence from Telecom Sector of Pakistan

Muhammad Imran Hanif\* and Asma Inayat

Bahauddin Zakariya University, Multan, Pakistan

Employees are getting disengaged with their work that is causing the waste of human capital as well as a great loss and low performance; hence there is a need to engage them in work by changing work environment and their perception about work. The current study has focused on the importance of compensation in changing employee perception about their work.

Explanatory study was conducted to check the impact of compensation on employee engagement. A survey questionnaire was adopted and validated through pilot data ( $\alpha=0.821$ ). Convenience sampling was used to select the employees from middle and upper managerial levels of telecom sector of Pakistan. Overall 300 questionnaires were distributed, out of which 234 return back with 78% response rate.

After the analysis has been done it was found that compensation is the determinant of employee engagement ( $r^2=0.087$ ), thus having a significant positive impact on employee engagement.

Special attention and effort is required to improve the policies about remuneration system. In addition the reward and compensation system of the organization should be organized in such a way that the employees working under the same rank and performing the same work duties should get the same remuneration and promotional opportunities. Thus the increasing importance of compensation in engaging employees and the need for creating such reward system which makes employees fully devoted, engaged and efficient.

---

\*Corresponding author: Muhammad Imran Hanif, Bahauddin Zakariya University, Multan, Pakistan, Tel: 92619210097; E-mail: [aasmainyat094@gmail.com](mailto:aasmainyat094@gmail.com)

Received March 15, 2017; Accepted April 27, 2017; Published April 28, 2017

Citation: Hanif MI, Inayat A (2017) Does Compensation Impact on Employee Engagement? Evidence from Telecom Sector of Pakistan. Int J Econ Manag Sci 6: 423. doi: [10.4172/2162-6359.1000423](https://doi.org/10.4172/2162-6359.1000423)

Copyright: © 2017 Hanif MI, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.