IMPACT OF COMPENSATION PRACTICES ON EMPLOYEE JOB SATISFACTION IN PHARMACEUTICAL SECTOR OF PAKISTAN

By

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A thesis presented to the Department of Management Sciences, Bahria University Karachi Campus, in partial fulfillment of the requirements of the MBA degree

FALL, 2016

Bahria University Karachi Campus

MBA Thesis

2nd Half-semester Progress Report& Thesis Approval Statement

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Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	04.09.2016	Bahria University	Thesis topic discussion	Saher.
2	27.11.2016	Bahria University	Independent and dependent variables	Saher.
3	11.12.2016	Bahria University	Cronbach's Alpha approach	Saher.

APPROVAL FOR EXAMINATION

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at __ that is within the permissible limit set by HEC for MBA thesis. I have also found that the thesis is in a format recognized by the Department of Management Sciences.

Supervisor's signature: _____ Date: 30/1/2017

Name: Dr. Rafique Ahmed Khan

HOD's Signature: _____ Date: _____

Acknowledgement

First of all, I want to thank Almighty Allah for all the blessings he showered on me throughout life.

Most importantly, I want to communicate my gratefulness to my Supervisor for assigning me the project with the strong believes that I can complete it successfully. I am thankful to Sir, Dr. Rafique Ahmed Khanfor aspirational supervision, advices and analysis that helped me to complete this thesis.

Also, I am highly gratified to all those who participated in this research and their support for providing me essential information about my research.

Abstract

Purpose of study:

This study attempts to highlight the importance of compensation and its impact on job satisfaction in Pakistani pharmaceutical industry. It further attempts to highlights the relationship of different compensation packages with employee motivation, commitment, loyalty, retention and productivity. To cover the entire pharmaceutical industry four leading companies of the industry were chosen for the research; these include Sanofi Aventis, Searle Pakistan, Getz Pharma and Pfizer

Methodology:

This is an explanatory research because several researches have been done on this topic, and researcher has done it again in the context of recent/ latest research. Deductive approach was adopted, whereby hypotheses were developed first followed by preparation of research instrument i.e. a well-structures questionnaire. The sample size for data collection was 30 employees of four leading pharmaceutical companies. Regression and ANOVA test were performed to identify the impact of compensation practices on employee satisfaction.

Findings:

The research findings have proved that compensation factors have direct impact on the job satisfaction. Their level of performance varies with the good package being offered by the organization varies. Pay & allowances, flexible benefits, reward, pay raises, bonuses and non-financial benefits have strong relationship with the job satisfaction.

Implications:

This research will help the management of pharmaceutical industry to know the factors which employees prefer for their compensation packages. The study is considered beneficial not only for pharmaceutical industry but organizations of other industries as well.

Key words: Job Satisfaction, pay & allowances, flexible benefits, reward, pay raises, bonus, and non-financial benefits.

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