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## Impact of organizational culture and compensation on job satisfaction and employee retention: A case of pharmaceutical industry of Pakistan

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### ABSTRACT

The study aimed to examine the effect of compensation and organizational culture on employee retention with the mediating role of job satisfaction in the pharmaceutical sector of Pakistan. Based on survey methodology, the study has gathered 338 responses from SC professionals and executives of pharmaceutical firms in Karachi. The purposive sampling technique was used to choose samples. PLS-SEM was used for data analysis through Smart PLS v3. The results showed that job satisfaction has a significant positive effect on employee retention, whereas compensation also has a significant positive effect on job satisfaction. Likewise, organizational culture has a significant positive impact on job satisfaction. In contrast, payment and OC positively and indirectly affect employee retention by mediating job satisfaction. Managers should implement creative and enticing compensation strategies to retain employees and inspire them with various rewards to enhance the individual effort. They should also be aware of the factors that increase ER and raise JS, such as the work environment.

**Keywords:** Compensation, Job Satisfaction, Employee Retention, Pharmaceutical Sector, Motivation Theories, PLS-SEM.

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### 1. INTRODUCTION

Management of a company's human resources (HR) is one of the most critical factors in that company's overall performance. This is a direct result of the realization that the business's people resources are the organization itself. In most cases, the employee is the primary factor contributing to increased productivity in an efficiently managed business. The company's employees, rather than its financial resources, serve as its basis and growth engine (Vuong et al., 2021).

Due to the economic situation of employees and the business, compensation has gained relevance in recent years. Compensation is critical in keeping employees and ensuring job satisfaction (JS). It accounts for most staff retention processes (Park, 2021). The pharmaceutical sector in Pakistan is projected to reach around USD 3.2 billion by the year 2020, which is an increase from USD 1.64 billion in 2011. If only purchases made by institutions were included, industry professionals' projections indicate that this market's retail sales may approach \$4 billion.

2019 saw 218 million US dollars in exports, up from 44.4 million US dollars in 2003 (Najmi et al., 2021).

The retention of personnel is a priority for any company. Having competent individuals on staff is advantageous to a company since the information and talents of employees are crucial in defining a company's competitive advantage (Nguyen & Duong, 2021). Because of the scarcity of skilled workers, financial improvements, and high labor turnover, ER may be one of the most important and essential topics studied by organizational pioneers (Mwanzia et al., 2021). Many firms need to appreciate their employees. As a result, employees move professions in search of better organizational culture (OC) and quit deplorable workplaces as soon as they find a better option (Yang et al., 2021).

Many different factors might affect the level of JS experienced by a person (Aman-Ullah et al., 2021). Even though the importance of supporting the link between JS and compensation in retaining employees is well acknowledged, there are conflicting perspectives on how to execute it. Other perspectives arose, emphasizing the importance of culture via the underlying idea of continual organizational growth since it became clear that only compensation was insufficient to provide the motivation required that perhaps provide job satisfaction (Asif & Gul, 2021). Because the previous studies did not focus on these areas of HRM collectively, a more comprehensive strategy that focuses on the establishment of a particular level of job satisfaction should emerge (Naseer et al., 2021). Therefore, the study aimed to examine the effect of compensation and organizational culture on employee retention with the

mediating role of job satisfaction in the pharmaceutical sector of Pakistan.

The relevance of this work is in analyzing latent linkages between HRM techniques and ER with the mediating role of JS based on actual data from past research. Furthermore, this research adds to and expands on the notion that links pay to JS and stimulates the establishment of company practices to retain outstanding employees and gain a competitive edge. Also, the study adds to the existing literature by providing insight into current variables and their influence on an undeveloped country's market. The present study provides a blueprint for employers to successfully design strategies to foster positive OC so that any part of verbal abuse or work conflict that impedes JS is minimized. Additionally, the findings may be helpful to supervisors interested in establishing the underlying reasons for discourteous conduct to limit its occurrence by identifying the key factors that generate it and designing measures to eliminate it. Furthermore, the current research provides a road map for pharmaceutical businesses to effectively create strategies to maintain and manage talent pools to place them in important roles that ensure JS. The research paper is presented as follows. The first section has explained the background, problem statement, and theoretical and practical significance of the research. The following section will introduce the study's theoretical background and hypotheses development. Later, the methodology section will cover research methodology, design, techniques, and data analysis techniques. The findings will be discussed in the next section, and the last section will include a conclusion, recommendations for academicians and

policymakers, and ideas for additional research.

## 2. Literature Review

### 2.1. Maslow's hierarchical theory of motivation

Maslow asserts that human behavior is driven by the urge to satiate a specific need. In his masterpiece work entitled "A Theory of Human Motivation" (Maslow, 1943) and his follow-up book "Motivation and Personality" (Maslow, 1954), Maslow first presented the idea of a hierarchy of needs and motivation (Maslow, 1991). Maslow was a humanist psychologist who believed everyone has an inbuilt urge to achieve self-actualization or be everything they can be (Kaur, 2013). However, according to Maslow, various more fundamental needs must be satisfied, including food, safety, love, and self-esteem, among others, to fulfill these ultimate aspirations of what individuals want to be. The hierarchy of needs is another name for this notion (Mathes & Edwards, 1978). However, employee retention is determined by factors including compensation, supportive organizational culture, working environment, work-life balance based on Maslow's hierarchical theory (Bharath, 2023).

### 2.2. Herzberg's two-factor theory of motivation

Among the most influential theories relating to JS is Herzberg (1959) two-factor theory, sometimes called the motivation-hygiene theory. The core idea of Herzberg's two-factor theory is the distinction between the two elements, motivation, and hygiene (Herzberg, 1964, 1966, 1968). Achievement, recognition,

task, responsibility, advancement, and development prospects are all motivational elements (Gawel, 1996). Company administration, supervisor relationships, interpersonal relationships, working environment, and wages are all examples of hygiene considerations. This provided that organizational culture is a part of hygiene factors (Kamoshida et al., 2023). Positive attitudes about the job are influenced by motivational factors, while workplace hygiene concerns the actual "doing" of the job. One of the theories most frequently applied in studies on JS is this one (Velmurugan & Sankar, 2017). Moreover, compensation is a motivating factor that spurs employee performance and work motivation at the workplace (Zen, 2023).

### 2.3. Hypotheses Development

The compensation of employees is based on their performance in their particular positions, in groups or teams, across the business, as well as on individual employee characteristics such as years of experience, seniority, educational background, geographic location, bargaining power, and abilities (Rahman et al., 2021). The employee benefits from compensation in that it boosts their confidence. Offering various reward programs, incentives, and other forms of recognition is one way to show employees that the company values their efforts and contributions, encouraging them to work harder. It also has stress-relieving properties. Many employee concerns will be allayed when a firm provides various insurance options (Mabaso & Dlamini, 2021).

***H1: Compensation has a positively significant effect on JS.***

OC refers to a set of working settings in which workers significantly impact the mission and values of their firm. Employee voice, recognition, the working environment, a healthy work-life balance, and talent management are all components of organizational citizenship. According to Sapta et al. (2021), Employee dissatisfaction with their jobs can be avoided through the implementation of several preventative measures, some of which include, but are not limited to, the provision of up-to-date equipment and facilities, high-quality furnishings, well-ventilated and well-spaced workspaces, and secure housing for staff that is also well-spaced (Erniwati et al., 2020).

***H2: OC has a positively significant effect on JS.***

An individual's cognitive, emotive, and evaluative responses to their work are JS. Employees who are happy with their employment and want to stay for the company for longer generate strong and valued loyalty (Kalyanamitra et al., 2020). It is possible to increase employee retention by, among other things, providing opportunities for achievement, recognizing workers' contributions, designing work that is rewarding and matches the skills and abilities of the employees, giving as much responsibility as possible to each team member, promoting from within, and providing opportunities for training and development (Nguyen & Duong, 2021).

***H3: JS has a positively significant effect on ER.***

Management of compensation helps both individuals and organizations. In that it reduces

absenteeism, it is advantageous for the employer (Murtiningsih, 2020). Second, it encourages employees to put in more effort since they know they will receive a reward or raise after reaching a particular level of goals or targets. Thirdly, it contributes to the workers' sense of JS. When workers are happy with the money they make, the perks they get, and the roles they play for the company, they are more likely to remain employed there (Adil et al., 2020). According to Kalyanamitra et al. (2020), poor OC and unappealing remuneration packages are the primary contributors to dissatisfied workers and talent migration in most sectors. Many observers believe that during the next 10 years, there will be an increase in the severity of talent shortages as the level of global competition rises (Kurdi & Alshurideh, 2020), poor operating conditions (OC) and unappealing remuneration packages are the primary contributors to dissatisfied workers and talent migration in the vast majority of sectors.

***H4: Compensation has a positively significant effect on ER with the mediation of JS.***

They were getting the whole cast and crew together for research (Murtiningsih, 2020). Because of their effect on JS, researchers (Natasya & Awaluddin, 2021) have focused a significant amount of attention on OC variables. According to Iranmanesh et al. (2021), considerable personnel turnover is associated with opposing OC in a company, indicating work discontent on the employees' part. Isac et al. (2021) found the effect of OC on employee satisfaction in the hotel industry; an organization can increase employee

satisfaction by providing opportunities for training and development, as well as by making improvements to OC and conditions of service.

**H5: OC has a positively significant effect on ER with the mediation of JS.**



**Figure 1**  
**Research Model**

### 3. Methodology

#### 3.1. Sample and population

MNCs and local manufacturers have been in constant business competition, with MNCs having a market share of 60% in 2010. Nevertheless, MNCs' market share has declined from 38 to 22, decreasing to 40% of their overall market share. Karachi is home to most pharmaceutical manufacturing facilities (Mehmood, 2022). Therefore, the current study has conducted the study in Karachi because the possibility to access the employees working in pharmaceuticals was greater in Karachi, Pakistan.

Hair et al. (2018) recommended a sample-to-variable ratio of 20:1, and a minimum of 80 responses are required. Moreover, Bentler and Chou (1987) suggested a sample-to-

observation ratio of 10:1, and a minimum of 200 responses are required. Lastly, Roscoe (1975) suggested that more than a sample size of more than 200 responses is large-scale data collection. Therefore, the current study aimed to collect 338 responses from the sample population.

The study has used non-probability purposive selection to choose samples exclusively based on their extensive expertise and knowledge. To put it another way, the researchers included just those participants they felt to be an appropriate fit for the study (Sharma, 2017). Because of its low cost, short implementation time, and ease of use, this strategy was selected as a model for other possible approaches (Thomas, 2022). criteria for selecting questionnaire items were based on theoretical perspectives found in the literature (Piercy et al., 2019). The following table 1 shows the measurement of the variables with their sources.

#### 3.2. Measures

The primary data was gathered using a structured questionnaire. The researchers contacted the subjects and asked them to complete the self-administered surveys. The

**Table 1**  
**Instrumentation and Measurement**

| Variable Name          | N Items | Likert Type | Source(s)                 |
|------------------------|---------|-------------|---------------------------|
| Compensation           | 5       | 5-Point     | (Meng et al., 2021)       |
| Organizational Culture | 5       | 5-Point     | (Jabeen & Isakovic, 2018) |
| Job Satisfaction       | 5       | 5-Point     | (Garg et al., 2018)       |
| Employee Retention     | 5       | 5-Point     | (Melhem, 2019)            |

### 3.3. Data analysis

PLS-SEM can tackle a broader range of issues due to its capacity to work effectively with small sample numbers, increased model complexity, and less restrictive data assumptions (Hair, Matthews, et al., 2017). In some theoretical models and empirical data scenarios, PLS-SEM modeling can be a “silver bullet” for estimating correlational models (Hair et al.,

2011). For the reasons described above, PLS-SEM using SmartPLS v3 was used as the analytic technique in this investigation. Lastly, in the current study, ethical norms of research were observed, ensuring that the participants were not harmed and their privacy was kept intact. Furthermore, respondents can exit the data-gathering process anytime if uncomfortable.

**Table 2**  
**Profile of Respondents**

| Demographic Variables | Categories          | Frequency |
|-----------------------|---------------------|-----------|
| Age Group             | 22 to 26 years      | 85        |
|                       | 27 to 31 years      | 67        |
|                       | 32 to 36 years      | 101       |
|                       | Above 36 years      | 85        |
| Gender                | Male                | 242       |
|                       | Female              | 96        |
| Education             | Undergraduate       | 69        |
|                       | Graduate            | 89        |
|                       | Postgraduate        | 84        |
|                       | Others              | 96        |
| Experience            | Below 5 years       | 87        |
|                       | 5 - 10 years        | 82        |
|                       | 10 to 15 years      | 94        |
|                       | 15+ years           | 75        |
| Designation           | Manager             | 83        |
|                       | Assistant Manager   | 81        |
|                       | Supervisor          | 91        |
|                       | Executive           | 83        |
|                       | GlaxoSmithKline     | 43        |
|                       | Getz Pharma         | 16        |
|                       | Abbott Laboratories | 44        |
| Current Employer      | Sami Pharmaceutical | 20        |
|                       | Hilton Pharma       | 49        |
|                       | Pfizer              | 26        |
|                       | PharmEvo            | 50        |
|                       | Martin Dow          | 14        |
|                       | Novartis/ Sanofi    | 53        |
|                       | Others              | 23        |

Note: (n=338)

#### 4. Results and discussions

##### 4.1. Respondents' Profile

Table 2 provides the profile of 338 study participants. Regarding the demographics, the study has collected data from 338 participants. Of those, 96 (28.4%) were female, and 242 (71.6%) were male. In addition, 85 (25.1%) were between the ages of 22-26; 67 (19.8%) were between the ages of 27-31; 101 (29.9%) were between the ages of 32-36; 85 (25.1%) were above the age of 36. Additionally, 69 (20.4%) of the participants were undergraduates, 89 (26.3%) were graduates, 84 (24.9%) were postgraduates, and 96 (28.4%) were other participants. Further, 87 (25.7%) were less than five years of experience, 82 (24.3%) were between 5-10 years of experience, 94 (27.8%) were between 10-15 years of experience, and 75 (22.2%) were more than fifteen years' experience. Furthermore, 91 (26.9%) were supervisors, 83

(24.6 %) were executives, 81 (24.0 %) were assistant managers, and 83 (24.6 %) were managers. Moreover, 43 (12.7 %) were the current employer of GlaxoSmithKline, 16 (4.7 %) of Getz Pharma, 44 (13.0 %) of Abbott Laboratories, and 20 (5.9 %) of Sami Pharmaceutical. Also, 49 (14.5) were the employer of Hilton Pharma, 26 (7.7 %) of Pfizer, 50 (14.8 %) of PharmEvo, 14 (4.1 %) of Martin Dow, 53 (15.7 %) of Novartis/ Sanofi and 23 (6.8 %) were others.

##### 4.2. Measurement model

Table 3 provides the result of the measurement model based on indicator loadings, construct reliability, and validity using Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE). The estimations of the following table are based on the PLS algorithm technique.

**Table 3**  
**Measurement Model**

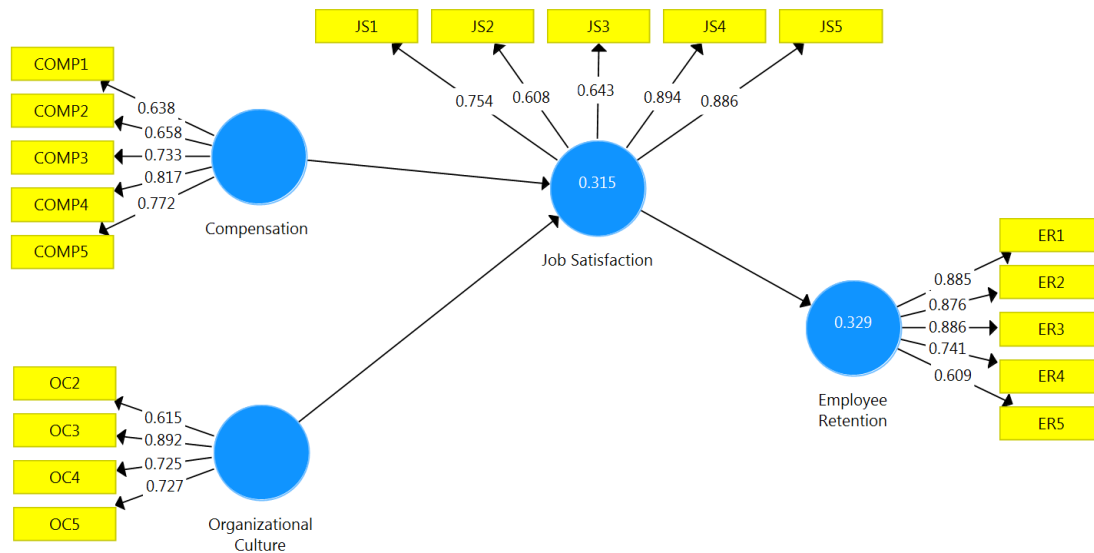
| Constructs            | Loadings | Alpha | CR    | AVE   |
|-----------------------|----------|-------|-------|-------|
| COMP1 <- Compensation | 0.638    |       |       |       |
| COMP2 <- Compensation | 0.658    |       |       |       |
| COMP3 <- Compensation | 0.733    | 0.798 | 0.847 | 0.528 |
| COMP4 <- Compensation | 0.817    |       |       |       |
| COMP5 <- Compensation | 0.772    |       |       |       |
| ER1 <- ER             | 0.885    |       |       |       |
| ER2 <- ER             | 0.876    |       |       |       |
| ER3 <- ER             | 0.886    | 0.866 | 0.901 | 0.651 |
| ER4 <- ER             | 0.741    |       |       |       |
| ER5 <- ER             | 0.609    |       |       |       |
| JS1 <- JS             | 0.754    |       |       |       |
| JS2 <- JS             | 0.608    |       |       |       |
| JS3 <- JS             | 0.643    | 0.824 | 0.874 | 0.587 |
| JS4 <- JS             | 0.894    |       |       |       |
| JS5 <- JS             | 0.886    |       |       |       |
| OC2 <- OC             | 0.615    |       |       |       |
| OC3 <- OC             | 0.892    | 0.753 | 0.831 | 0.557 |
| OC4 <- OC             | 0.725    |       |       |       |
| OC5 <- OC             | 0.727    |       |       |       |

Hair, Hult, et al. (2017); Hair et al. (2011) mentioned that indicators should have loadings

above 0.60 for construct development while Cronbach's alpha should have value above

0.70 along with CR above 0.80 for adequate construct reliability. Lastly, the AVE coefficient above 0.50 considered as having adequate convergence amid indicators and constructs (Sarstedt et al., 2019). The above table has shown that the JS2 has the most negligible

indicator loading of 0.608, i.e., higher than the recommended threshold. In contrast, all constructs have higher alpha, CR, and AVE coefficients for the permissible extent of convergent validity.



**Figure 2**  
**PLS Algorithm**

**Table 4**  
**Fornell-Larcker Criterion**

| Construct              | COMP         | ER           | JS           | OC           |
|------------------------|--------------|--------------|--------------|--------------|
| Compensation           | <b>0.727</b> |              |              |              |
| Employee Retention     | 0.414        | <b>0.807</b> |              |              |
| Job Satisfaction       | 0.516        | 0.574        | <b>0.766</b> |              |
| Organizational Culture | 0.548        | 0.564        | 0.467        | <b>0.746</b> |

**Table 5**  
**Heterotrait-Monotrait (HTMT) ratio**

| Construct              | COMP  | ER    | JS    | OC |
|------------------------|-------|-------|-------|----|
| Compensation           |       |       |       |    |
| Employee Retention     | 0.505 |       |       |    |
| compensation           | 0.514 | 0.592 |       |    |
| Organizational Culture | 0.669 | 0.665 | 0.522 |    |

**4.3. Discriminant validity**

Table 4 provides the result of Fornell and Larcker (1981) criterion for discriminant validity using the PLS algorithm. According to Fornell and Larcker (1981), constructs should have a

higher square root of AVE coefficients than their relative correlation coefficients, manifesting that constructs have distinctiveness from other constructs based on correlation. Therefore, the



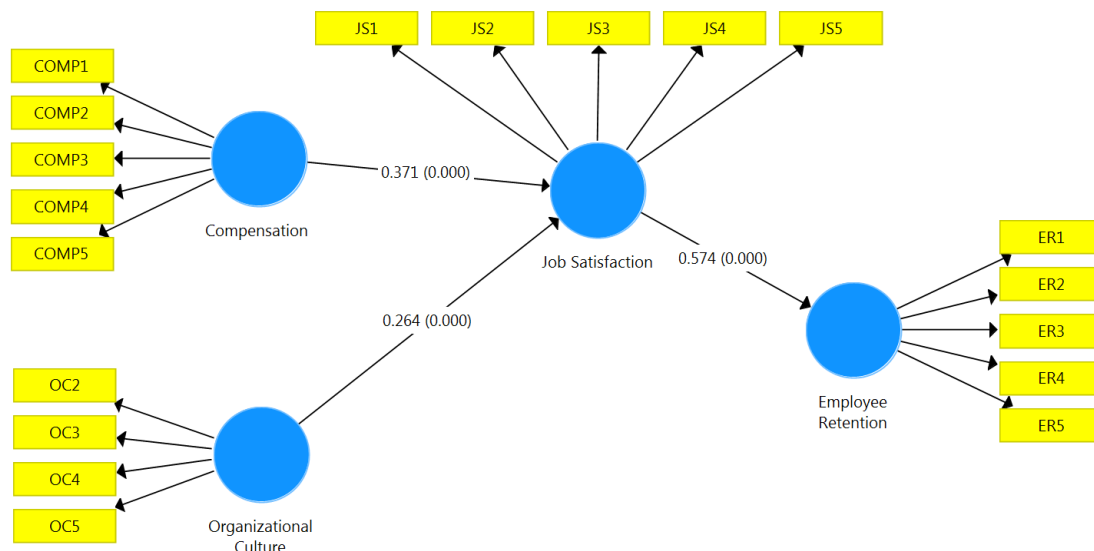
bold diagonal value (square root of AVE) in the above table has higher coefficients than their relative correlation (non-bold values) with other constructs; thus, discriminant validity using Fornell and Larcker (1981) criterion has been achieved.

Table 5 provides the outcome of HTMT ratio using PLS algorithm technique. Henseler et al.

(2016) mentioned that HTMT ratio between constructs exceeding 0.90 lacks statistical difference and thus, void discriminant validity. In the above table, none HTMT ratio exceeds the threshold of 0.90; validating that constructs are different in the structural model.

**Table 6**  
**Predictive power using R-Square**

| Construct          | R2    | Adjusted R2 |
|--------------------|-------|-------------|
| Employee Retention | 0.329 | 0.327       |
| Job Satisfaction   | 0.315 | 0.311       |



**Figure 3**  
**PLS Bootstrapping**

**Table 7**  
**Direct-effect analysis**

| Construct      | Estimate | S. D. | t-Stats | Prob. | Decision |
|----------------|----------|-------|---------|-------|----------|
| H1: JS -> ER   | 0.574    | 0.027 | 21.055  | 0.000 | Accepted |
| H2: COMP -> JS | 0.371    | 0.037 | 10.152  | 0.000 | Accepted |
| H3: OC -> JS   | 0.264    | 0.052 | 5.077   | 0.000 | Accepted |

**4.4. Predictive power using R-Square**

Table 6 provides predictive power estimation for endogenous constructs using PLS algorithm. Hair et al. (2011) recommended that R2 higher than 25 percent is acceptable and

has moderate predictability in the structural model. The above table shows that ER has moderate predictability of 32.9 percent, and JS also has moderate predictability of 31.5 percent in the structural model.

#### 4.4.1. Hypothesis testing using direct-effect estimation

Table 7 provides direct-effect estimations based on PLS bootstrapping at 5000 subsamples and 2-tailed analysis for hypothesis testing. The above table shows that hypothesis-1 is accepted exhibiting job satisfaction ( $\beta = 0.574$ ;  $p < 0.05$ ) positively affects employee retention. Hypothesis-2 is accepted, exhibiting compensation ( $\beta = 0.371$ ;  $p < 0.05$ ) positively affects job satisfaction. Lastly, hypothesis-3 is accepted exhibiting organizational culture ( $\beta = 0.264$ ;  $p < 0.05$ ) positively affects job satisfaction.

#### 4.4.2. Hypothesis testing using specific indirect-effect estimation

Table 8 provides specific indirect-effect estimations using PLS bootstrapping at 5000 subsamples and two-tailed analysis for hypothesis testing. Table 8 shows that hypothesis-4 is accepted exhibiting compensation ( $\beta = 0.213$ ;  $p < 0.05$ ) positively effects employee retention with the mediation of job satisfaction, while hypothesis-5 is accepted exhibiting organizational culture ( $\beta = 0.151$ ;  $p < 0.05$ ) positively effects employee retention with the mediation of job satisfaction.

**Table 8**  
**Hypothesis-testing using PLS-specific indirect-effect analysis**

| Construct            | Estimate | S. D. | t-Stats | Prob. | Decision |
|----------------------|----------|-------|---------|-------|----------|
| H4: COMP -> JS -> ER | 0.213    | 0.023 | 9.310   | 0.000 | Accepted |
| H5: OC -> JS -> ER   | 0.151    | 0.032 | 4.781   | 0.000 | Accepted |

**Table 9**  
**Predictive relevance using Q<sup>2</sup>**

| Construct          | Q Square | Result   |
|--------------------|----------|----------|
| Employee Retention | 0.196    | Moderate |
| Job Satisfaction   | 0.173    | Moderate |

#### 4.4.3. Predictive relevance using Q-Square

Table 9 provides predictive relevance of the endogenous constructs using PLS blindfolding. Hair, Hult, et al. (2017) mentioned that endogenous Q<sup>2</sup> above zero shows acceptable relevance of the latent construct, while Hair et al. (2013) recommended that endogenous constructs with Q<sup>2</sup> higher than 0.15 have moderate predictive relevance in the model. Therefore, the above table shows that employee retention has 19.6 percent while job satisfaction has 17.3 percent, with moderate relevance in the structural model.

#### 4.5. Discussions

The study found a significant positive relationship between compensation and JS. The current result has also been maintained by Saman (2020), who concluded that employee JS in an organization is significantly improved by compensation. Employee compensation must be reasonable and fair since it can increase employees' ability to increase productivity as a result of their increased JS. Also, (Ashraf, 2020) found the same outcome and indicated that JS is significantly influenced by compensation, including salary, wages, and allowances. Because of this, an employee's

level of JS will be increased by the compensation the company provides its employees.

Similarly, the study identified a significant positive relationship between JS and ER. This result is also consistent with Ghani et al. (2022) and indicates that the compensation strategy significantly influences employee JS and retention that an organization provides. Companies may keep their staff by offering a competitive benefits package. Providing competitive, market-related pay and benefits is crucial for a company's retention strategy since it boosts employee Morale and motivates staff to remain with the company. Also, (Terera & Ngirande, 2014) concluded that making an employee feel physically and mentally comfortable is vital to ensuring their JS, which is something that all employees strive for.

Additionally, the study found that the OC has a substantial and direct effect on JS, which is also in line with Belias and Koustelios (2014) and identified that promoting OC may help the company accomplish its objectives and increase employee satisfaction. JS is impacted by this source regarding working conditions, coworkers, the institution, and promotion chances. Also, Alrazehi et al. (2021) suggested the same outcome. They revealed that identifying the organization's and employees' objectives is the ultimate purpose of management, making the OC of power the most suitable. Working in small groups helps employees be more effective and productive, which enhances the organization's function and competition.

Moreover, the study identified that compensation positively affects ER with the mediating effect of JS. This outcome is also in line with (Hassan, 2022). It shows that

compensation is essential for organizations to attract the right employees and keep them on board for extended periods. It is positively correlated with JS among employees in an organization, and lower pay is the cause of employee turnover. At the same time, higher compensation and benefits increase JS, which in turn lowers employee turnover and increases ER. Also, (Koo et al., 2020) suggested the same result and indicated that compensation is essential for attracting, motivating, and retaining creative employees. It motivates efficient employees to remain in their jobs for more extended periods.

Lastly, the study found that OC also has a significant and direct impact on ER with the mediating effect of JS. This outcome is also in line with (Girma, 2019) and identified that the impact of OC on employee JS in an organization showed that when an organization offers opportunities for training and development, improvements to the OC, and conditions of service, employee satisfaction is increased. Employees at these organizations often stay in their jobs longer when this is provided. Also, (Putriana et al., 2015) indicated that an organization with a pleasant OC will have employees who are more satisfied with their jobs when carrying out their duties there. This is because a pleasant environment is established by bringing all employees together.

## **5. Conclusion and recommendations**

### **5.1. Conclusion**

The study concluded that compensation has a significant positive effect on JS, whereas OC also has a significant positive effect on JS. Likewise, JS has a significant positive effect on ER, whereas compensation and OC positively

affect ER with the mediation of JS. Moreover, an essential factor in organizational activity is the management of people. The average employee is usually the primary driver of productivity gains in a well-managed company. The basic building block and the main force behind its development is the employee, not the money. The company implements rules that encourage employee satisfaction to ensure that the firm's objectives are met while also developing a culture of devotion and collaboration among its employees. High-motivation employees are associated with HR satisfaction. Motivated employees also develop a sense of loyalty or commitment to the firm, resulting in increased production and reduced turnover.

## 5.2. Theoretical contribution

The results of this investigation have led to several vital additions being made to the corpus of previous studies conducted on this subject. This research contributes to the existing body of knowledge by elaborating on the connection between money, feelings of contentment in one's employment, and ER. The research findings included suggestions for improving salary rules and expanding the number of JS positions. This analysis uncovered that OC has some impact on JS. Throughout history, OC has developed as a response to the tenets, basic principles, conventions, and expectations of corporations, all of which affect people and businesses.

## 5.3. Practical implications

Firstly, the results revealed that ER affects JS. Social and economic activities play an

integrated role in guaranteeing the organization's sustainable growth and, as a consequence, ER because of its inclusive character. The management of the business must give it special consideration and make an effort in order to create a productive workplace that is fair, impartial, and socially and economically developed. Establishing trust and openness, giving training programs, providing flexible scheduling options, and creating a positive workplace culture are all ways that managers may resolve this problem. In order to fully comprehend every facet of employee behaviors and attitudes, managers need to use various evaluation techniques, personality tests, and software. The organization's OC should also be considered when designing and developing policies and practices. Businesses and organizations should also assess their OC and ensure that the factors contributing to JS are balanced.

Also, managers may be essential in creating an effective OC that attracts employees rather than alienates them. Changes in OC also bring on changes in the frequency of ER, so organizations should make the most of this opportunity to reward their employees. Managers should prepare to increase their employees' commitment levels by filling up any challenging gaps to handle without supervision. Also, it is advised that managers make the right choices to observe the significant factors from the perspective of employees' organizational commitment. Depending on the workplace, managers should create and implement strategies to improve ER. The manager must also be familiar with the factors that improve ER and increase JS, such as work environments, when designing their compensation policies.

#### 5.4. Limitations and future research

Certain limitations in the current study restricted the generalizability and applicability of the findings, which could be considered in future studies. Future researchers should consider other industries while gathering data to improve the results. Future research could also consider conducting a comparative study in Pakistan's other cities and developing and underdeveloped countries. Future studies might also compare the local and international industries to identify gaps and learn about the various factors influencing ER rates. Also, future exploratory research may be employed to evaluate data and develop hypotheses. Robust data validation findings may be produced using a qualitative technique. Lastly, it would be a good idea to include other factors as ER outcomes in future studies.

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