

To cite this article: Sri Rezeky Handayanah, Susi Yeni, Wilhelmus Hary Susilo*, Rahayu Endang and Wiwik Pratiwi (2025). The Examination Of Compensation And Employee Engagement Within Multinational Corporations: Insights Drawn From Organizational Theory. International Journal of Education, Business and Economics Research (IJEBER) 5 (2): 252-268

**THE EXAMINATION OF COMPENSATION AND EMPLOYEE ENGAGEMENT
WITHIN MULTINATIONAL CORPORATIONS: INSIGHTS DRAWN FROM
ORGANIZATIONAL THEORY**

Sri Rezeky Handayanah¹, Susi Yeni², Wilhelmus Hary Susilo^{3*}, Rahayu Endang⁴ and Wiwik Pratiwi⁵

Orcid: 000-0002-6758-1159,
Scopus Author Id: 56539508300,
Publone Researcher Id (Web of Science): Hnc-4125-2023

<https://doi.org/10.59822/IJEBER.2025.5217>

ABSTRACT

The examination of the compensation and employee engagement in the context of hr planning processes constitutes a comprehensive analysis aimed at identifying potential research directions based on literature review and qualitative methodologies. This research aims to explore the concrete effects of managerial decision-making processes, with a specific focus on their impact on employee compensation and engagement. Furthermore, it intends to uncover significant themes associated with the planning of employee compensation, as well as employee engagement and performance on an international level, which may provide a basis for future research endeavors. The findings from the comprehensive examination of the inductive case study on human resource practices highlight the crucial role of compensation, which includes monetary incentives such as wages, salaries, bonuses, commissions, paid time off, and a range of additional rewards. Conversely, benefits are categorized as non-monetary incentives, encompassing offerings like health insurance, retirement plans, employee assistance programs, and other advantages that differ based on organizational policies. The challenges identified point to a significant concern regarding compensation, as it has a profound impact on both employee engagement and overall organizational performance. Organizations can foster a more committed workforce that is equipped to address challenges and promote innovation by providing essential resources, support, and autonomy. The elements of employee compensation, encompassing both financial and non-financial components, are vital in enhancing employee engagement and achieving the objectives of the organization.

KEYWORDS: - Compensation, employee performance, global firms.

1.0 INTRODUCTION

The fundamental principle of employee compensation within multinational corporations involves a comprehensive array of salaries and benefits offered to their workforce. This encompasses not only the fundamental salary but also various incentives, including bonuses, stock options, health insurance, and retirement plans, all aimed at attracting and retaining skilled professionals across diverse geographical areas. The configuration of these compensation packages can differ markedly based on local market dynamics, regulatory frameworks, and cultural norms, necessitating a strategic approach to maintain competitiveness and fairness in the global labor market. Employee empowerment refers to the process of enabling individuals to take initiative and make decisions relevant to their positions, thereby fostering a sense of ownership and accountability. This methodology promotes the sharing of ideas and solutions, which can lead to enhanced job satisfaction and increased productivity. By supplying the necessary resources, support, and autonomy, organizations can cultivate a more engaged workforce capable of tackling challenges and driving innovation. Both the financial and non-financial aspects of employee compensation play a crucial role in boosting employee engagement and fulfilling organizational goals.

Business analytics entails the methodical application of data analysis and statistical techniques to support decision-making processes related to human resource practices in multinational corporations. This discipline incorporates a diverse array of methodologies and tools that enable organizations to decode complex data sets, identify trends, and derive actionable insights (Zych, 2020).

By effectively harnessing business analytics, firms can improve their operational efficiency, optimize the allocation of resources, and foster strategic development. A solid grasp of decision-making principles is crucial for thoroughly evaluating the decision-making landscape, allowing managers to formulate well-informed plans. This study seeks to investigate the tangible outcomes of managerial decision-making processes, particularly concerning the implications for employee compensation engagement. Additionally, it aims to identify key themes related to the planning of employee compensation, employee engagement and performance on a global scale, which could serve as a foundation for future research initiatives (Jintana et al., 2021; Madhani, 2023; Tredinnick, 2023).

The compensation structure and feedback system should align with the career prospects of employees, ensuring a direct connection to their performance. It is essential for organizations to offer a competitive and attractive salary that meets industry standards, as this is a crucial factor for retention and success. An inadequate compensation framework can hinder a company's ability to thrive in today's fast-paced business environment. It is a prevalent practice in human resource management for organizations to opt for less skilled and less expensive workers to minimize costs

related to wages and salaries, while simultaneously attracting highly skilled individuals with more substantial compensation packages (Khan et al., 2024).

By tackling the existing research gap, the proposed scale addresses an urgent requirement to comprehend the employee's viewpoint throughout the workers' compensation claims process. This understanding is advantageous to multiple stakeholders, including employers aiming to retain injured workers, workers' compensation underwriters seeking to enhance the performance of their policyholders, and state authorities focused on mitigating workplace retaliation related to harassment in workers' compensation cases. To achieve these objectives, it is recommended that the findings be utilized by the relevant agency for subsequent follow-up or additional measures (Haynes, 2023).

Compensation, which refers to monetary rewards, generally encompasses wages, salaries, bonuses, commissions, paid leave, and various incentives. In contrast, benefits, representing non-monetary rewards, include health insurance, retirement plans, employee assistance programs, and additional perks that vary according to company policies. As employers strategize their pay structures for 2025, recent findings suggest that anticipated salary increases may fall short of previous projections. According to Payscale's latest Salary Budget Survey, which surveyed compensation professionals from 1,550 organizations between April and June, U.S. employers are forecasting an average pay raise of 3.5% for the upcoming year. This figure marks a decline from the increases observed in recent years, attributed to a softening labor market. Payscale reports that actual salary growth rates for U.S. employers were 4% in 2023 and 3.6% in the current year. Furthermore, a significant portion of U.S. employers—66%—indicated that their salary increase budgets for 2025 are likely to remain unchanged from those of 2024, while 19% anticipate an increase and 15% expect a decrease (SHRM, <https://www.shrm.org/topics-tools/tools/express-requests/salary-increaseprojections-2025-2025>).

As the landscape of compensation continues to change, recent data reveals a growing discontent among employees regarding their salaries: one-third of U.S. workers believe they are undercompensated in comparison to their colleagues in similar positions and sectors. This insight comes from the Pay Gaps & Perceptions Report published by the career platform, which also highlights that only 55% of employees are confident that their remuneration is determined by merit rather than influenced by gender or other biases. These findings underscore a significant issue related to compensation that could hinder organizational effectiveness. The lack of clarity regarding how pay correlates with individual contributions can result in employee disengagement, diminished motivation, and higher turnover rates, as noted by experts in the field. Employees who perceive themselves as undervalued are more inclined to explore alternative job opportunities. Additionally, the prevailing uncertainty surrounding compensation points to more profound cultural challenges within organizations, as many employees may feel their efforts go unrecognized (Mayer, 2025).

Compensation, defined as financial rewards, typically includes elements such as wages, salaries, bonuses, commissions, paid time off, and a range of incentives. On the other hand, benefits, which are categorized as non-financial rewards, consist of offerings like health insurance, retirement plans, employee assistance programs, and other advantages that differ based on organizational

policies. The issues highlighted reveal a fundamental challenge related to compensation, which can significantly impact organizational effectiveness, resulting in employee disengagement, diminished motivation, and higher turnover rates. In light of this, a study will be conducted to explore the roles of compensation and work engagement in enhancing employee performance within global companies. Consequently, the research questions will focus on how to achieve a balanced compensation structure and how to enhance work engagement in global firms to compete effectively across various industries on an international scale (Giannakis et al., 2024; Khan et al., 2024; Tumi et al., 2022).

2.0 LITERATURE REVIEW

The core tenet of employee remuneration in multinational corporations encompasses a wide-ranging spectrum of salaries and benefits provided to employees. This includes not only the base salary but also a variety of incentives such as bonuses, stock options, health insurance, and retirement plans, all designed to attract and retain talented professionals across different regions. The structure of these compensation packages can vary significantly depending on local market conditions, regulatory environments, and cultural practices, which requires a strategic approach to ensure competitiveness and equity in the global labor market. Employee empowerment is the process of equipping individuals with the ability to take initiative and make decisions pertinent to their roles, thereby cultivating a sense of ownership and responsibility. This approach encourages the exchange of ideas and solutions, potentially leading to greater job satisfaction and improved productivity. By providing the essential resources, support, and autonomy, organizations can foster a more engaged workforce that is capable of addressing challenges and driving innovation. Both the financial and non-financial components of employee compensation are vital in enhancing employee engagement and achieving organizational objectives.

The concept of compensation encompasses financial rewards, which typically include components such as wages, salaries, bonuses, commissions, paid leave, and various incentives. In contrast, benefits are classified as non-financial rewards and comprise offerings like health insurance, retirement plans, employee assistance programs, and other perks that vary according to organizational policies. The challenges identified underscore a critical issue related to compensation, which can profoundly affect organizational effectiveness, leading to employee disengagement, reduced motivation, and increased turnover rates. To address this, a study will be undertaken to investigate the interplay between compensation and work engagement in improving employee performance within multinational corporations. As a result, the research will concentrate on identifying strategies for establishing a balanced compensation framework and enhancing work engagement in global enterprises to ensure competitiveness across diverse industries on an international level (Haynes, 2023; Sánchez & Sánchez, 1992).

Upper echelons theory posits that the backgrounds, values, and personalities of senior executives significantly impact their decision-making processes, influencing both managerial actions within global firms and the overall strategic trajectory of an organization in selecting optimal strategies. This theory highlights the essential role of leaders' cognitive frameworks in determining organizational outcomes, as their distinct viewpoints shape their approaches to problem-solving and opportunity identification. As a result, the makeup of the upper management team has substantial

implications for a firm's performance and strategic choices, emphasizing the necessity of comprehending the individual traits of those in top decision making positions, particularly when assessing management risks related to employee compensation and performance, which are crucial for achieving targeted employee objectives (Karake, 1995).

Workers' compensation systems around the world offer financial and medical assistance to employees who experience injuries or illnesses related to their work. In this framework, employers bear the primary responsibility for covering these costs, typically through an insurance provider or a third-party administrator. The perception of workers' compensation is frequently unfavorable, largely due to the financial pressures it imposes on employers. Furthermore, the data produced by these systems predominantly focuses on quantitative measures, such as the costs associated with claim, the frequency of accidents, and the rates of litigation (Haynes, 2023).

Organizations must prioritize their employee retention strategies, particularly as competing firms are implementing attractive reward systems that not only draw in talent but also foster career advancement for their employees. To remain competitive and ensure sustainable growth, it is essential for companies to develop effective retention strategies that enhance employee satisfaction, boost productivity, and mitigate the risks associated with high turnover rates. It is crucial to identify the various factors that influence employee retention. Nevertheless, there is a lack of research examining the role of performance feedback from the perspective of personnel on retention, especially when considering both financial (monetary or extrinsic) and non-financial (non-monetary or intrinsic) rewards as contributing factors (Khan et al., 2024).

3.0 METHODS

The fundamental principle of employee compensation within multinational corporations involves a comprehensive array of salaries and benefits offered to staff members. This encompasses not only the basic salary but also includes various incentives such as bonuses, stock options, health insurance, and retirement plans, all aimed at attracting and retaining skilled professionals in diverse geographical areas. The configuration of these compensation packages can differ markedly based on local market dynamics, regulatory frameworks, and cultural norms, which necessitates a strategic methodology to maintain competitiveness and fairness within the global labor market. Employee empowerment refers to the process of enabling individuals to take initiative and make decisions relevant to their positions, thereby fostering a sense of ownership and accountability. This strategy promotes the sharing of ideas and solutions, which can lead to increased job satisfaction and enhanced productivity. By offering the necessary resources, support, and autonomy, organizations can develop a more engaged workforce capable of tackling challenges and driving innovation. Both the financial and non-financial aspects of employee compensation play a crucial role in boosting employee engagement and fulfilling organizational goals.

The research methodology aimed at gaining a comprehensive understanding of human resource practices focuses on the concept of compensation, which includes financial rewards such as wages, salaries, bonuses, commissions, paid time off, and various incentives. In contrast, benefits are categorized as non-financial rewards, encompassing offerings like health insurance, retirement plans, employee assistance programs, and other advantages that differ based on organizational

policies (Andrés et al., 2017). The challenges highlighted reveal a significant concern regarding compensation, which can greatly influence organizational effectiveness, potentially resulting in employee disengagement, diminished motivation, and higher turnover rates. To tackle this issue, a study will be conducted to explore the relationship between compensation and work engagement, With the goal of enhancing employee performance in multinational corporations. Consequently, the research will focus on identifying effective strategies for creating a balanced compensation structure and improving work engagement in global organizations, thereby ensuring their competitiveness across various industries on an international scale (Khalid & Nawab, 2018a; Waiser, 2021).

This study is grounded in a qualitative approach, utilizing qualitative methodologies to delve into key themes within the context of the NVivo framework. It highlights the analysis of extensive datasets and explores how managers can improve their decision-making processes in the realm of significant business operations (Bellavista et al., 2022; Soler-Gallart & Flecha, 2022).

Business analytics involves the systematic analysis of data and the application of statistical methods to guide organizational decision-making. This field incorporates a variety of techniques and tools designed to interpret intricate data sets, recognize trends, and derive practical insights. A thorough understanding of the elements that affect decision-making is essential for grasping the overall decision-making process. These elements consist of numerous activities and considerations that significantly shape the final outcomes. The objective of this study is to clarify the concrete results that emerge from the decision-making process, enabling managers to effectively plan within human resource practices, particularly concerning employee compensation and work engagement aimed at enhancing employee performance. The research also seeks to identify potential themes that may pave the way for future studies (Janssen et al., 2022).

4.0 RESULT AND DISCUSSION

The central concept of employee compensation in multinational corporations encompasses a variety of remuneration and benefits provided to employees. This not only includes base salaries but also extends to additional incentives such as bonuses, stock options, health insurance, and retirement plans, all designed to attract and retain talented professionals across different regions. The structure of these compensation packages can vary significantly due to local market conditions, regulatory requirements, and cultural practices, necessitating a strategic approach to ensure competitiveness and equity within the global workforce. Employee empowerment entails enabling individuals to take initiative and make decisions pertinent to their roles, thereby cultivating a sense of ownership and responsibility. This approach encourages the exchange of ideas and solutions, which can enhance job satisfaction and boost productivity. By providing appropriate resources, support, and autonomy, organizations can cultivate a more engaged workforce that is equipped to address challenges and foster innovation. Both the financial and non-financial components of employee compensation are vital in enhancing employee engagement and achieving organizational objectives.

The results of an in-depth analysis of the inductive case study concerning human resource practices underscore the essential importance of compensation, which comprises financial incentives such as wages, salaries, bonuses, commissions, and paid leave, along with various other rewards. In

contrast, benefits are classified as non-financial incentives, which include provisions like health insurance, retirement plans, employee assistance programs, and other perks that vary according to the policies of the organization. The challenges highlighted reveal a major issue related to compensation, as it significantly influences both employee engagement and the overall effectiveness of the organization (Khalid & Nawab, 2018b).

The in-depth analysis of the inductive case study concerning human resource practices emphasizes the importance of compensation, which encompasses financial incentives such as wages, salaries, bonuses, commissions, paid leave, and various other rewards. In contrast, benefits are classified as non-financial incentives, which include provisions like health insurance, retirement plans, employee assistance programs, and other perks that vary according to organizational policies. The identified challenges underscore a critical issue related to compensation, as it can significantly affect organizational performance, potentially leading to employee disengagement, reduced motivation, and increased turnover rates. To address this concern, a study will be undertaken to investigate the connection between compensation and work engagement, aiming to enhance employee performance within multinational corporations. As a result, the research will concentrate on discovering effective strategies for establishing a well-balanced compensation framework and fostering work engagement in global organizations, thereby ensuring their competitiveness across diverse industries on an international level (Otomasa et al., 2020; Smirnova & Zavertiaeva, 2017).

An in-depth understanding of decision-making processes is crucial for elucidating the mechanisms governing the formation and execution of choices. Profound comprehension of these essential components is fundamental for conducting a thorough analysis of the decision making framework. This study focuses on the conclusive outcomes generated by the decision making process, particularly emphasizing the end results originating from these decisions. Moreover, it seeks to identify emerging patterns that could facilitate future research endeavors. Business analytics involves the methodical application of data analysis and statistical techniques to guide decision-making in organizational settings (Madhani, 2023).

The text search and query execution will establish a foundation for the premises based on the deductive analysis of the case study concerning a global corporation. This analysis focuses on employee compensation, which subsequently influences employee engagement, performance, and retention rates that consists:

Reference 1 - 0,01% Coverage

*amounting to a full year's **compensation** or more (Allen & Bryant, 2013)*

Reference 2 - 0,01% Coverage

*form of financial and nonfinancial **compensation**—play a key role in*

Reference 3 - 0,01% Coverage

*contrary, are intangible forms of **compensation**, such as the opportunity to*

Reference 4 - 0,01% Coverage

*total rewards approach to employee **compensation** positively impacts retention (along with*

Reference 5 - 0,01% Coverage

*their employer organization, including financial **compensation**, employer insurance, organizational support for*

Reference 6 - 0,01% Coverage

*importance of other types of **compensation**, extrinsic rewards remain essential to*

Reference 7 - 0,01% Coverage

*G., & Bryant, P. C. (2013). **Compensation**, benefits and employee turnover: HR*

Reference 8 - 0,01% Coverage

*strategies for retaining top talent. **Compensation** & Benefits Review, 45, 171-175*

Reference 9 - 0,01% Coverage

*J., & Scarpello, V. G. (2002). **Compensation** decision making (4th ed.). Mason*

Reference 10 - 0,01% Coverage

*system in the 21st century. **Compensation** & Benefits Review, 38, 64-70*

Reference 11 - 0,01% Coverage

*for a total rewards strategy? **Compensation** & Benefits Review, 43, 300-305*

Reference 12 - 0,01% Coverage

*T., & Newman, J. M. (2008). **Compensation** (9th ed., International ed.). Boston*

<Files\\al-tit-2020-the-impact-of-amo-hr-systems-on-proactive-employee-behavior-the-mediating-contribution-of-leader-member-and> - §

15 references coded [0,16% Coverage]

Reference 1 - 0,01% Coverage

*and selection - Employee participation - Employee **compensation** - Performance appraisal - Employee promotion - Training*

Reference 2 - 0,01% Coverage

practices

AMO HR practices

*- Employee **compensation** - Employee information sharing - Employee training*

Reference 3 - 0,01% Coverage

*Performance appraisal - Information sharing - Employee **compensation** incentives - Employee engagement - Employee empowerment*

Reference 4 - 0,01% Coverage

used four HR practices: employee **compensation**, employee participation, training and development

Reference 5 - 0,01% Coverage

selection, training, performance management, employee **compensation**, flexible work design, and decision

Reference 6 - 0,01% Coverage

proactive employee behavior.

H7: Employee **compensation** incentives triggers proactive employee behavior

Reference 7 - 0,01% Coverage

performance appraisal

Information sharing Employee **compensation** Employee engagement Employee empowerment
Flexible

Reference 8 - 0,01% Coverage

accept extra responsibility - Proactivity-based **compensation**

- Intensity working on jobs - Attention

Reference 9 - 0,01% Coverage

performance appraisal, information sharing, employee **compensation**, employee engagement, employee empowerment and

Reference 10 - 0,01% Coverage

32, $P < 0.05$), employee **compensation** ($\beta = 0.36$, $P < 0$

Reference 11 - 0,01% Coverage

5: Information sharing; 6: Employee **compensation**; 7: Employee engagement; 8: Employee

Reference 12 - 0,01% Coverage

Performance appraisal Information sharing

Employee compensation Employee engagement

H10 Flexible work

Reference 13 - 0,01% Coverage

Performance appraisal, Information sharing, Employee **compensation**, Employee engagement, Employee empowerment, and

Reference 14 - 0,01% Coverage

proactivity.³² Performance management, employee **compensation**, flexible work design, and decision

Reference 15 - 0,01% Coverage

performance appraisal, information sharing, employee **compensation**, employee engagement, employee empowerment and

<Files\\chan-chu-2024-a-multilevel-perspective-on-high-performance-work-system-mindfulness-employee-work-well-being-and (2)> - § 4

references coded [0,03% Coverage]

Reference 1 - 0,01% Coverage

items), performance evaluations (six items), **compensation** and incentives (seven items), and

Reference 2 - 0,01% Coverage

as well as group achievements.

(Compensation and rewards)

1. I get

Reference 3 - 0,01% Coverage

rewards for performing better. 2. **Compensation** is based on equity. 3

Reference 4 - 0,01% Coverage

the firm offers high total compensation.

(*Caring*)

1. Where I work

The themes and sub-themes identified from the literature review are depicted in Figure 1 below:

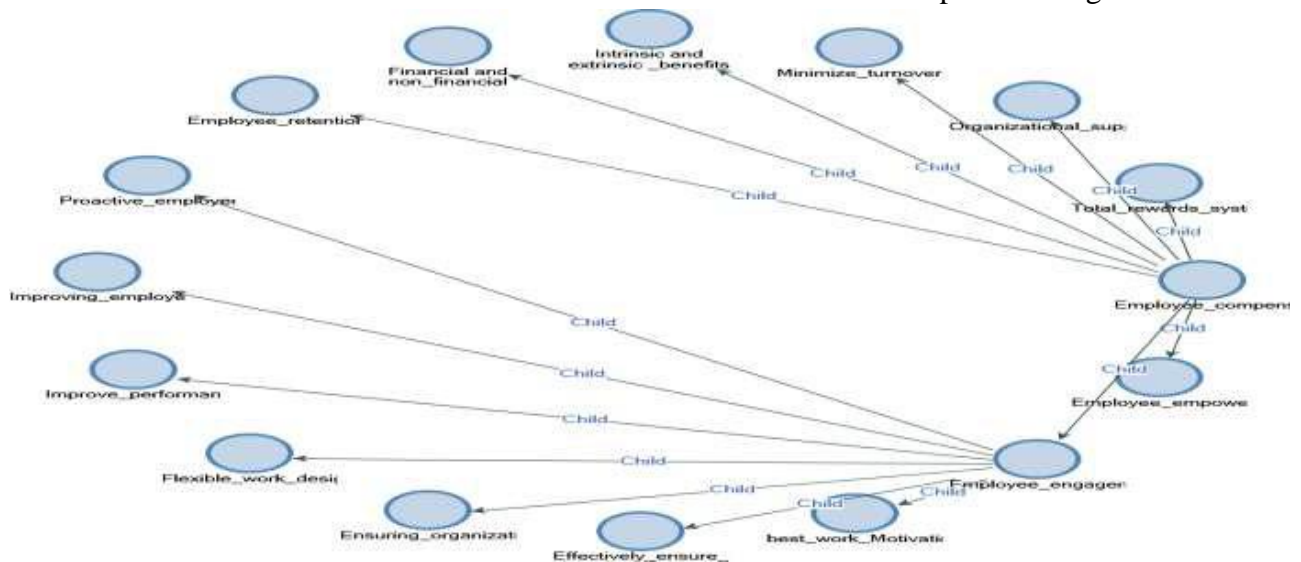


Figure 1. The implications of prospective themes for forthcoming research endeavours

The hierarchy chart illustrating the keyword and potential enhancements for the theoretical development is presented in Figure 2 below:

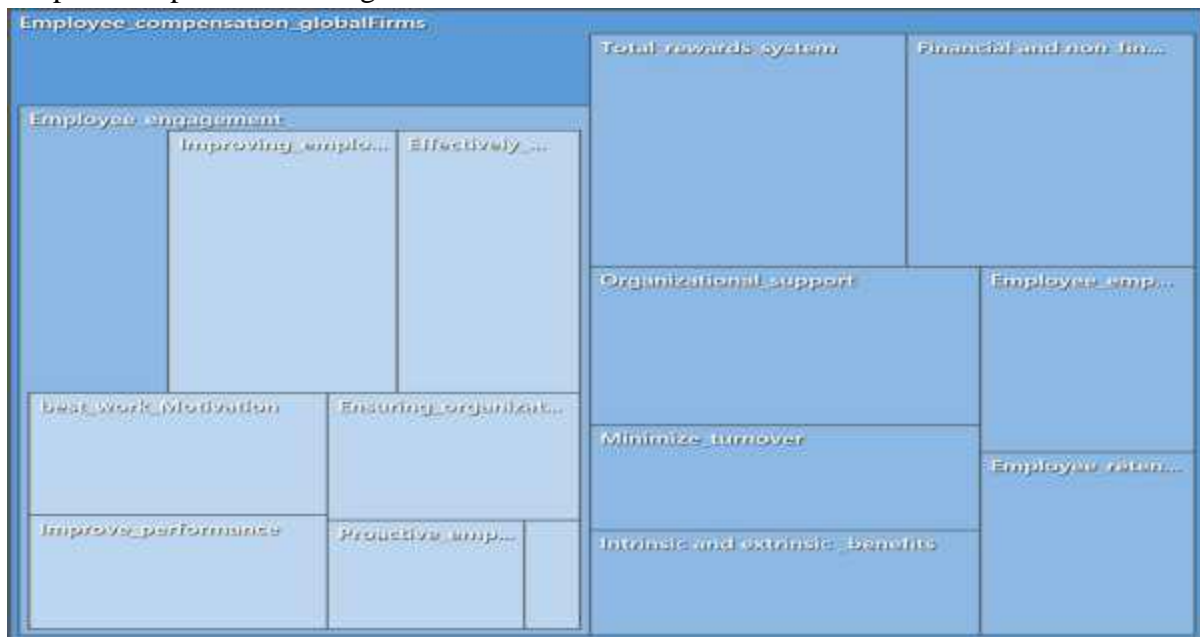


Figure 2. The organizational structure illustrating the keyword alongside the possible enhancements to the premise

The improvement of fundamental principles and the investigation of possible variables for future studies are rooted in the business data analytics program tailored for HR practices, which emphasizes employee compensation and engagement as factors influencing performance in global organizations. This initiative promotes data-driven decision-making and encourages the formulation of innovative business models, ultimately enhancing the sustainability of current business frameworks. Furthermore, the evolving themes for prospective research in management science are presented in Table 1 below.

Table 1. The enhancement of core principles and the exploration of potential factors for
Forthcoming research are fundamentally embedded

No.	The Key-words	The possible enhancements to the premise
1	Employee_compensation_global Firms	Employee compensation in global firms refers to the various forms of remuneration and benefits provided to employees working in multinational corporations. This encompasses not only salaries but also bonuses, stock options, health benefits, and retirement plans, which are designed to attract and retain talent across diverse geographical locations. The structure of compensation packages may vary significantly based on local market conditions, regulatory requirements, and cultural expectations, necessitating a strategic approach to ensure competitiveness and equity within the global workforce.
2	Employee_empowerment	Employee empowerment refers to the process of enabling employees to take initiative and make decisions within their roles, fostering a sense of ownership and responsibility. This

		approach encourages individuals to contribute their ideas and solutions, ultimately enhancing job satisfaction and productivity. By providing the necessary resources, support, and autonomy, organizations can cultivate a more engaged workforce that is better equipped to meet challenges and drive innovation.
3	Employee_engagement	Employee engagement refers to the level of commitment, involvement, and enthusiasm that employees exhibit towards their work and the organization they are part of. It encompasses the emotional and intellectual investment that individuals make in their roles, which can significantly influence their productivity, job satisfaction, and overall performance. Engaged employees are more likely to contribute positively to the workplace culture, collaborate effectively with colleagues, and remain loyal to the organization, ultimately driving better business outcomes.
4	best_work_Motivation	Motivation in the workplace is a crucial factor that significantly influences employee performance and overall organizational success. It encompasses the various internal and external stimuli that drive individuals to achieve their goals and fulfill their responsibilities effectively. Understanding the dynamics of work motivation can lead to enhanced productivity, improved job satisfaction, and a more positive work environment. By fostering a culture that promotes motivation, organizations can unlock the full potential of their workforce, leading to sustained growth and success.
5	Effectively_ensure_employee_satisfaction	Future investigations should be grounded in the premise of effectively ensuring employee satisfaction, particularly within multinational corporations. Achieving a high level of employee satisfaction is crucial for the success of global organizations.
6	Ensuring_organization_commitment	Promoting organizational commitment and cultivating employee dedication within global companies are essential for achieving competitive success.
7	Flexible_work_design	Flexible work design refers to the strategic approach of structuring work environments and schedules to accommodate the diverse needs of employees. This concept emphasizes adaptability in job roles, allowing for variations in work hours, locations, and methods, thereby fostering a balance between professional responsibilities and personal life. By implementing flexible work design, organizations can enhance employee satisfaction, improve productivity, and attract a wider talent pool, ultimately contributing to a more dynamic

		and responsive workplace.
8	Improve_performance	Enhancing performance and boosting efficiency through effective compensation strategies and employee engagement is essential for global companies striving to succeed in competitive markets across various industries.
9	Improving_employee_creativity	Enhancing employee creativity through effective compensation and engagement strategies is essential for global companies striving to gain a competitive edge across various industries.
10	Proactive_employee_behavior	Proactive employee behavior serves as a foundation for effective compensation and heightened employee engagement within global companies, enabling them to achieve a competitive edge across various industries by leveraging resources on a global scale.
11	Employee_retention	Employee retention is fundamentally linked to effective compensation and high levels of employee engagement within global organizations, which are essential for achieving a competitive edge across various industries. By leveraging these resources, firms can enhance their ability to compete successfully on a global scale.
12	Financial and non-financial	The financial and non-financial components of employee compensation play a crucial role in enhancing employee focus and driving the achievement of organizational goals. By effectively balancing these aspects, companies can motivate their workforce to align with the objectives set by the corporation.
13	Intrinsic and extrinsic benefits	Intrinsic and extrinsic benefits associated with employee compensation can significantly enhance employee focus and drive towards achieving the objectives set by the corporation.
14	Minimize_turnover	To decrease employee turnover, it is essential to implement competitive compensation packages and enhance employee engagement through effective corporate systems.
15	Organizational_support	The financial and non-financial elements of employee compensation are essential in fostering employee engagement and facilitating the attainment of organizational objectives. By skillfully managing these components, organizations can inspire their employees to align their efforts with the goals established by the company.
16	Total_rewards_system	The Total Rewards System and the extensive rewards framework encompass both financial and non-financial aspects of employee compensation, which play a crucial role in enhancing employee engagement and supporting the

		achievement of organizational goals. By effectively overseeing these elements, organizations can motivate their workforce to synchronize their efforts with the objectives set forth by the company.
--	--	--

The findings from a comprehensive examination of the inductive case study on human resource practices emphasize the critical role of compensation, which encompasses financial rewards such as wages, salaries, bonuses, commissions, and paid time off, in addition to a range of other incentives. Conversely, benefits are categorized as non-financial rewards, including offerings like health insurance, retirement plans, employee assistance programs, and various other advantages that differ based on organizational policies. The identified challenges point to a significant concern regarding compensation, as it plays a pivotal role in shaping employee engagement and the overall performance of the organization (Madhani, 2023).

The main premise finding pertain; an employee compensation in multinational corporations encompasses a range of remuneration and benefits offered to staff members. This includes not only base salaries but also additional incentives such as bonuses, stock options, health insurance, and retirement plans, all aimed at attracting and retaining skilled professionals across various regions. The design of these compensation packages can differ markedly due to local market dynamics, regulatory frameworks, and cultural norms, which necessitates a thoughtful strategy to maintain competitiveness and fairness within the global workforce. Employee empowerment involves equipping individuals with the ability to take initiative and make decisions relevant to their roles, thereby fostering a sense of ownership and accountability. This methodology promotes the sharing of ideas and solutions, which can lead to increased job satisfaction and enhanced productivity. By offering the right resources, support, and freedom, organizations can develop a more engaged workforce that is wellprepared to tackle challenges and drive innovation. Both the financial and non-financial aspects of employee compensation play a crucial role in promoting employee engagement and achieving organizational goals. By effectively managing these elements, companies can motivate their employees to align their efforts with the overarching objectives of the organization.

The second main premise result consists; an employee engagement is defined as the degree of commitment, involvement, and enthusiasm that individuals demonstrate towards their roles and the organization they belong to. This concept includes both the emotional and intellectual contributions that employees make, which can profoundly affect their productivity, job satisfaction, and overall performance. Employees who are engaged tend to foster a positive workplace culture, collaborate effectively with their peers, and exhibit loyalty to their organization, thereby enhancing business outcomes. For global companies aiming to thrive in competitive markets across diverse industries, it is crucial to improve performance and efficiency through strategic compensation and employee engagement initiatives. Additionally, nurturing employee creativity through these strategies is vital for gaining a competitive advantage. Cultivating organizational commitment and fostering employee dedication are fundamental for achieving success in a competitive landscape. Furthermore, motivation within the workplace plays a pivotal role in influencing employee performance and the overall success of the organization. It encompasses the various internal and

external factors that inspire individuals to meet their goals and fulfill their responsibilities effectively. A comprehensive understanding of work motivation dynamics can lead to increased productivity, enhanced job satisfaction, and a more favorable work environment. By creating a culture that encourages motivation, organizations can fully harness the potential of their workforce, paving the way for sustained growth and success.

5.0 CONCLUSIONS

A thorough comprehension of decision-making processes is crucial for understanding human resource practices related to compensation and employee engagement, as it sheds light on the mechanisms that shape the development and implementation of choices. An in-depth understanding of these key elements is essential for a comprehensive investigation of the decision-making framework. This study emphasizes the concrete outcomes of the decision making process, specifically drawing attention to the final results that arise from these decisions. Furthermore, it seeks to uncover potential themes that may lead to future research avenues.

The results of an in-depth analysis of the inductive case study concerning human resource practices highlight the essential importance of compensation. This term includes various financial incentives such as wages, salaries, bonuses, commissions, and paid leave, alongside a variety of additional rewards. In contrast, benefits are classified as non-financial incentives, which encompass provisions like health insurance, retirement plans, employee assistance programs, and other perks that vary according to the policies of the organization.

The challenges identified in the study underscore a major issue related to compensation, as it is crucial in influencing employee engagement and the overall effectiveness of the organization.

The comprehensive examination of the inductive case study on human resource practices highlights the crucial role of compensation, which includes financial incentives such as wages, salaries, bonuses, commissions, paid leave, and other monetary rewards. In contrast, benefits are categorized as non-financial incentives, encompassing offerings like health insurance, retirement plans, employee assistance programs, and various perks that differ based on organizational policies. The challenges identified reveal a significant concern regarding compensation, as it can profoundly influence organizational performance, potentially resulting in employee disengagement, diminished motivation, and higher turnover rates. To tackle this issue, a study will be conducted to explore the relationship between compensation and work engagement, with the goal of improving employee performance in multinational corporations. Consequently, the research will focus on identifying effective strategies for creating a balanced compensation framework and promoting work engagement in global organizations, thereby ensuring their competitiveness across various industries on an international scale.

The core concept of employee compensation within multinational corporations encompasses a variety of remuneration and benefits provided to employees. This not only includes fundamental salaries but also extends to supplementary incentives such as bonuses, stock options, health insurance, and retirement plans, all designed to attract and retain talented professionals across different regions. The structure of these compensation packages can vary significantly due to local

market conditions, regulatory environments, and cultural practices, necessitating a strategic approach to ensure competitiveness and equity within the global workforce. Employee empowerment entails enabling individuals to take initiative and make decisions pertinent to their roles, thereby cultivating a sense of ownership and responsibility. This approach encourages the exchange of ideas and solutions, which can enhance job satisfaction and boost productivity. By providing appropriate resources, support, and autonomy, organizations can foster a more engaged workforce that is equipped to address challenges and drive innovation. Both the financial and non-financial components of employee compensation are vital in enhancing employee engagement and achieving organizational objectives. By effectively managing these factors, companies can inspire their employees to align their efforts with the broader goals of the organization.

The second primary premise highlights that employee engagement refers to the level of commitment, involvement, and enthusiasm individuals exhibit towards their roles and the organization they are part of. This concept encompasses both the emotional and intellectual investments employees make, which can significantly influence their productivity, job satisfaction, and overall performance. Engaged employees are likely to contribute to a positive workplace culture, collaborate effectively with colleagues, and demonstrate loyalty to their organization, ultimately improving business outcomes. For multinational corporations seeking to excel in competitive markets across various sectors, enhancing performance and efficiency through strategic compensation and employee engagement initiatives is essential. Moreover, fostering employee creativity through these approaches is crucial for achieving a competitive edge. Building organizational commitment and encouraging employee dedication are vital for success in a competitive environment. Additionally, motivation in the workplace is a key factor that impacts employee performance and the organization's overall success. It includes the diverse internal and external influences that drive individuals to achieve their goals and fulfill their responsibilities effectively. A thorough understanding of the dynamics of work motivation can lead to increased productivity, greater job satisfaction, and a more positive work atmosphere. By cultivating a culture that promotes motivation, organizations can fully leverage their workforce's potential, setting the stage for sustained growth and success.

Acknowledgement

I would like to convey my heartfelt gratitude to the Business-Methods class, the executive Immersion program team, and the New Expertise and Experience Learning Club at the Faculty of Economic and Business, University of Persada Indonesia Y.A.I. Additionally, I wish to acknowledge my fellow colleagues, postgraduate students, and doctoral candidates, along with the team at the NEW-E&EL CLUB LABORATORY FEB UPI Y.A.I, for their significant contributions. I affirm that there are no conflicts of interest related to the research, authorship, or publication of this manuscript.

REFERENCES

Andrés, P. de, Arranz-Aperte, L., & Rodriguez-Sanz, J. A. (2017). Independent versus no independent outside directors in European companies: Who has a say on CEO compensation? *BRQ Business Research Quarterly*, 20(2), 79–95. <https://doi.org/10.1016/j.brq.2017.02.001>

- Giannakis, P., Roumpi, D., Aydinliyim, L. E., & Delery, J. E. (2024). Executive Compensation: The Role of Human Capital and Geographic Preferences. *Compensation and Benefits Review*. <https://doi.org/10.1177/08863687241299191>
- Haynes, S. (2023). Bridging a Gap in the Workers' Compensation System: A Scale Development and Validation of an Employee Workers' Compensation Experience Scale. *Compensation and Benefits Review*. <https://doi.org/10.1177/08863687231225257>
- Karake, Z. A. (1995). Information technology performance: Agency and upper echelon theories. *Management Decision*, 33(9), 30–37. <https://doi.org/10.1108/00251749510098964>
- Khalid, K., & Nawab, S. (2018a). Employee Participation and Employee Retention in View of Compensation. *SAGE Open*, 8(4). <https://doi.org/10.1177/2158244018810067>
- Khalid, K., & Nawab, S. (2018b). Employee Participation and Employee Retention in View of Compensation. *SAGE Open*, 8(4). <https://doi.org/10.1177/2158244018810067>
- Khan, M. A., Farooqi, M. R., Ahmad, M. F., Haque, S., & Alkhuraydili, A. (2024). Influence of Compensation, Performance Feedback on Employee Retention in Indian Retail Sector. *SAGE Open*, 14(2). <https://doi.org/10.1177/21582440241236615>
- Madhani, P. M. (2023). Human Resources Analytics: Leveraging Human Resources for Enhancing Business Performance. *Compensation and Benefits Review*, 55(1), 31–45. <https://doi.org/10.1177/08863687221131730>
- Otomasa, S., Shiiba, A., & Shuto, A. (2020). Management Earnings Forecasts as a Performance Target in Executive Compensation Contracts. *Journal of Accounting, Auditing and Finance*, 35(1), 139–167. <https://doi.org/10.1177/0148558X17696764>
- Sánchez, G., & Sánchez, A. A. (1992). TOP MANAGERS' COMPENSATION, STRATEGIC ORIENTATIONS, AND FIRM PERFORMANCE Empirical Evidence from Spanish Firms. *Management Research*, 1(1), 27–44.
- Smirnova, A. S., & Zavertiaeva, M. A. (2017). Which came first, CEO compensation or firm performance? The causality dilemma in European companies. *Research in International Business and Finance*, 42, 658–673. <https://doi.org/10.1016/j.ribaf.2017.07.009>
- Tumi, N. S., Hasan, A. N., & Khalid, J. (2022). Impact of Compensation, Job Enrichment and Enlargement, and Training on Employee Motivation. *Business Perspectives and Research*, 10(1), 121–139. <https://doi.org/10.1177/2278533721995353>
- Waiser, R. (2021). Involving Sales Managers in Sales Force Compensation Design. *Journal of Marketing Research*, 58(1), 182–201. <https://doi.org/10.1177/0022243720969174>
- Zych, M. (2020). Education for business analysts in Poland. *Education for Information*, 36(4), 347–370. <https://doi.org/10.3233/EFI-200391>