

Effectiveness of Compensation Management and Employee Retention Strategies as Global Benchmark - Study with Reference to Club Mahindra Group of Resorts

K. V. Neha Muthamma¹, H. G. Govinda Gowda²

¹Student, Department of Commerce and Management Mount Carmel College (Autonomous), Bengaluru, India

²Assistant Professor, Department of Commerce and Management Mount Carmel College (Autonomous), Bengaluru, India

Abstract: Human Resource Management is a relatively modern approach to manage individuals in any organisation. Individuals are considered as the key resource in this approach. Since an organisation is a body of individuals, their securing, development of skills and aptitudes, inspiration for higher levels of achievements, as well as guaranteeing the maintenance of their level of commitment are all significant activities across the globe

Benchmarking on Compensation and Best Practices as a global benchmark are the processes of using internal job descriptions to match to established salary survey jobs in order to identify the external market rate for each benchmark position. They establish market rates for core positions within the organization as it is very important for several reasons.

It is critically important for global resort brands to understand how they are performing in customer experience versus their competition. Social Feedback solution now includes global benchmarking, which enables real-time, brand-level benchmarking based on social reviews and scores from the top social sites in hospitality,

Since employee related costs are the biggest cost to any organization, a strong understanding of the outside value of each position allows an organization to develop an approach which helps in the standardisation of set of compensation parameters in a global perspective. Benchmarking on Compensation and the Best Practices globally provides the information to define the costs associated with remunerations and other compensation components such as profit sharing or bonuses.

The purpose of this research study is to ascertain the standards that are set by the organization in relation to the compensation and its best practices and other initiatives undertaken by the company.

Keywords: Human resource management, Compensation management, Employee retention, Best practices, Global benchmarking.

1. Introduction

Today's business environment requires compensation solutions that attract and retain qualified employees. Compensation management usually refers to i) salary management, ii) performance management, iii) incentive compensation, iv) executive and director compensation, and v)

international compensation. Therefore, compensation management is a key activity for supporting workforce performance and talent management processes. Determining and providing the right compensation for each person, whether it involves base or merit pay or variable pay and incentives, is critical to being able to attract and retain productive members of the workforce, employees and contractors alike.

Compensation refers to all forms of money related returns: tangible services and benefits representatives get as portion an work relationship, which may be related with employee's service to the boss like provident fund, gratuity, insurance scheme and any other instalment which the worker gets or benefits he enjoys in lieu of such payment.

According to Dale Yoder, "Compensation is paying people for work"

"Compensation is what employees receive in exchange for their contribution to the organization". – Keith Davis.

Employee retention is a vital continuous strategy in which the organization holds the workers for the most extreme time outline or till the completion of the challenge. It may be a proceeding work relationship. Nowadays, businesses find that adjust of control which has moved from the employer to workers. Excessive turnover may be a sign of crucial issues within the companies and it is exceptionally imperative to know that the way to preserve work force within the unique company. Nowadays fabric venture is going through few issues concerning vitality supplies and major of all is the yarn prices. But that's a reality that they don't convey appropriate pay rates and rewards to representatives. Part of human asset hones may well be exceptionally critical in this respect. Human asset practices can only be applicable to the gaining information of agencies.

Following the harsh years of pay cuts and employee downsizing in the last decade, companies' chief compensation objectives for existing era are retaining and attracting good talent. Hence, the majority of companies plan to reward and

retain high-performing employees through a merit-based pay plan. While offering learning and developmental opportunities is also a popular route to take in providing job satisfaction for employees, pay-for-performance plans are often the most appropriate incentives to increase the business productivity for even the highest performers in a company. With the existence of some of the established industries in India and with growing attention towards employee retention, HR and Compensation & Benefits department tries to adopt strategies that can effectively utilize the skills of human resource owing to stiff competition in the industry. Hence, the superior authorities in such field often have higher expectation of work performance which sometimes doesn't match with compensation offered to the employees. This leads to considerable amount of work stress, which potentially and adversely affect the work performance and productivity of an employee. Most organizations have no idea just how much employee stress costs them each year. However, strategies adopted for compensation management highly differs in various sector.

The proposed study attempts to understand the standards set by the organization in relation to the compensation and employee retention strategies at Club Mahindra.

2. Review of literature

1. Bob (2001); Anyebe, (2003) saw compensation management as being based on a well-articulated philosophy – a set of beliefs and guiding principles that are consisted with the values of the organisation which recognises the fact that if HRM is about investing in human capital from which a reasonable return is required, then it is proper to compensate people differently accordingly to their contributions.
2. Wells & Thelen (2002) have stated in their study that organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term.
3. Armstrong (2005) stated that compensation management is an integral part of human resource management approach to productivity improvement in the organisation. It deals with the design, implementation and maintenance of compensation system that are general to the improvement of organisational, team and individuals performance. Compensation management is concerned with the formulation and implementation of strategies and policies that aim to compensate people fairly, equitably and consistently in accordance with their values to the organisation.
4. Hewitt, (2009) Compensation management as the name suggests, implies having a compensation structure in which the employees who perform better are paid more than the average performing employees). This encourages

employees to work harder in order to regain more salaries.

5. Gberevbie (2010) suggests ten techniques of employee retention. They are as follows: "Payment of monthly salaries to personnel, surprisingly true monthly revenue and allowances, provision of automobile, housing and furniture loan centers, health insurance scheme, job protection, regular advertising, fitness care offerings to personnel' families, maternity leave with complete pay for girl employees and regular training of personnel".

3. Research gap

The research gaps explored from the above studies are as follows:

- The studies on employee compensation towards Leisure and Hospitality industry are very few in the Indian context.
- The studies on employee performance towards Leisure and Hospitality industry are very few in the Indian context.
- There are few studies that has jointly addressed the association among employee compensation, employee performance and employee retention for Leisure and Hospitality employees in the Indian context.

4. Statement of the problem

The above study pertaining to effectiveness of compensation management and employee retention strategies as global benchmark helped in understanding the major issues related to employee retention, standardization, best practices by the organisation in the competitive business world.

From the study, it is clear that one of the costliest and the major issue is the employee retention and the company need to focus on management of the employees in the vicinity. With the good history of having business of resorts and hotels across the globe for around 23 years Club Mahindra with large number of employees, the major problems facing by them is retention of those who make their goals and objectives to come true with good compensation, packages due to competitor's practices and various other internal limitations and drawbacks.

5. Scope of the study

Human Resource Practices are spread into multiple areas, mainly focuses on Compensation and Best Practices. They concentrate more on the retention strategy at the global.

The scope of this study will be limited to the employees of Club Mahindra, Virajpet. And club Mahindra Bangkok.

The conclusion which will be drawn at the end of the study will contain only the employees of Club Mahindra Resort Virajpet and Club Mahindra Bangkok.

6. Objectives

- To determine the impact of compensation management and best practices on employee retention.

- To make recommendations to the policy makers in the organization on possible ways to improve employee retention.
- To check the impact of HR practices on the operational efficiency in the global level.
- To provide an opportunity to the entry level staffs and the supervisors to express their opinions on compensation management, employee retention in the hospitality industry.

7. Research methodology

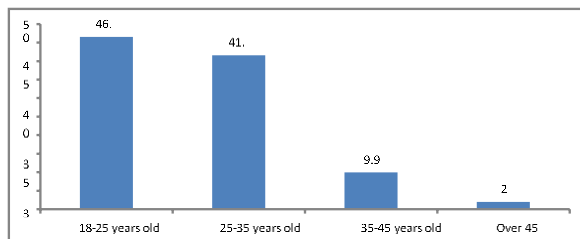
Under the study on the effectiveness of compensation management effectiveness of compensation management and employee retention strategies questionnaires were used to collect and analyse the views from the employees of the company. Questionnaire was circulated among the 101 respondents. The selected sample included employees of Club Mahindra Virajpet and Club Mahindra Bangkok.

8. Limitations of the study

- The sample size does not include all the employees working at Club Mahindra in both the locations in Coorg.
 - The sample was chosen randomly.
 - Unawareness of the concept of study among a few employees.
 - Confidential data of the company was not shared
- However, these limitations did not affect the quality of the study and in fulfilling the objectives set out by the study.

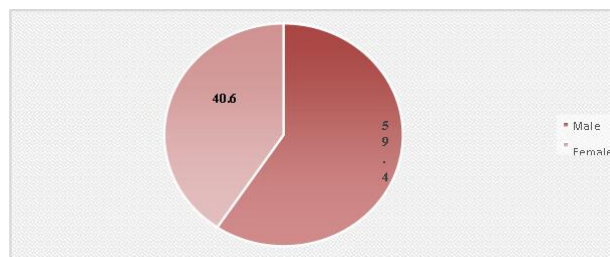
9. Research questions

Graph 1: Age of the Respondents



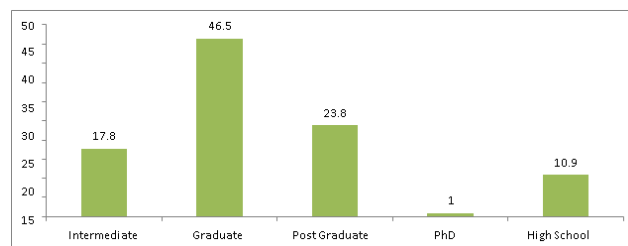
Analysis and Interpretation: 46.5% of the employee’s are 18-25 years of age followed by 41.6% of the participants are in the age group of 25-35 years of age. The remaining 9.9% and 2% of the participants are of the age group of 35-45 and 40 years and above age group. Due to the new trend and cope in the hospitality sector has taken a great step providing and motivating the young individuals to take up jobs with respect to the hospitality sector.

Chart 2: Gender



Analysis and Interpretation: Study has involved 59.4% of male participants and 40.6% of female participants. Gender is a distinguishing factor to govern the impact of employee performance. Gender is a distinguishing factor to govern the impact of employee performance. Masculinity and feminism can be one of the reason for having less number of female employees

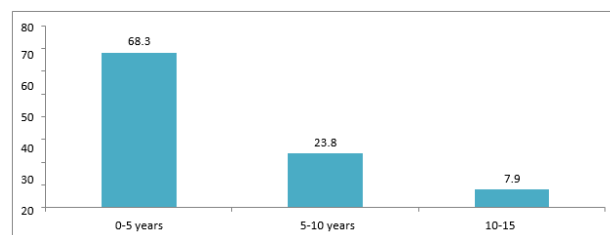
Graph 3: Qualification of the participants



Analysis and Interpretation: The above figure shows that 46.5% of the employees are graduates followed by 17.8 % of the employees have completed their intermediate. 23.8% of the participants are post-graduates and the remaining 10.9% and 1% of the participants are high school passed out and PhD holders.

It is inferred that most of the individuals start their job carrier right after their graduates who helps in providing the organization with fresh ideas and opinions.

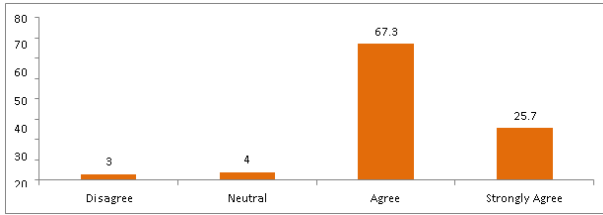
Chart 4: Work experience



Analysis and Interpretation: shows the work experience of the employees involved in the study. 68.3% of the employees are associated with Club Mahindra for 0-5 years followed by 23.8 % of the employees are associated with Club Mahindra for 5-10 years. The remaining 7.9% are associated with Club Mahindra for 7-9 years. Their stay with Club Mahindra can be improved by providing them with benefits, perks, education to

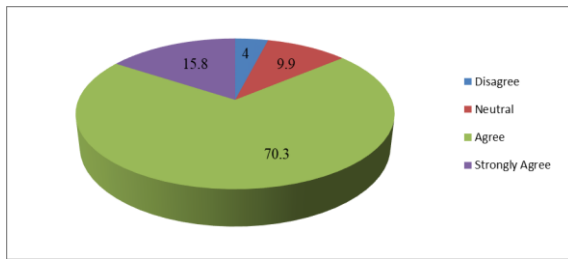
their children and so on.

Chart 5: Job security



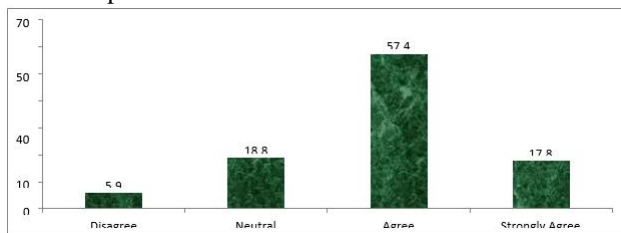
Analysis and Interpretation: 67.3% of the employees have the opinion that the organization provides job security to them. Satisfaction toward job security can be increased by giving a chance for the employees to put forth the opinions and by providing them with safety measures like having a harassment counsel.

Chart 6: Monetary compensation policy of the organization is satisfactory



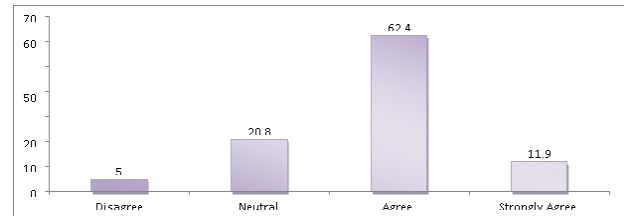
Analysis and Interpretation: 70.3% of the employees have the opinion that Monetary Compensation policy of the organization is satisfactory. This can be improved by providing them with more of monetary compensation considering their work experience and performance.

Graph 7: Employees are aware of the organizational policies and procedures



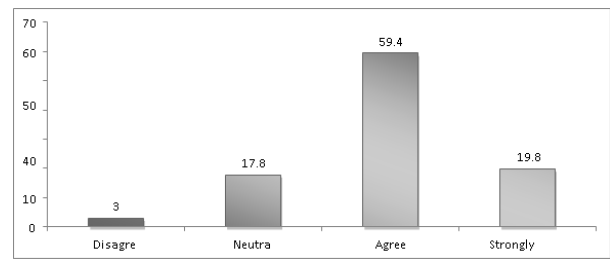
Analysis and Interpretation: shows that 57.4% of the employees have the perception that they are aware of the organizational policies and procedures. It is very important for every employee of the organization to know and to have a clear picture of the organization's policies and procedure. Knowing about it helps in the smooth functioning.

Graph 8: Employees are satisfied towards Non-Monetary Compensation.



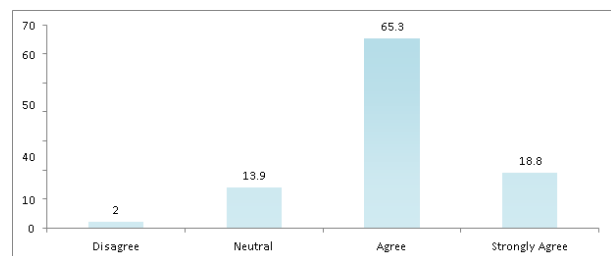
Analysis and Interpretation: 62.4% of the employees agree that employees are satisfied with non-monetary compensation. They need to be provided with benefits, flex-time, free or discounted parking lots, gym membership, retirement matching, mentoring programs, tuition assistance, and childcare. All these will increase the level of satisfaction towards the Non-Monetary Compensation.

Graph 9: Employees are Satisfied towards Recognitions and rewards provided by Club Mahindra



Analysis and Interpretation: 59.4% of the employees agree that they are Satisfied towards Recognitions and rewards provided by Club Mahindra. It is necessary to measure the performance of each of the employees and know who is the best and who is to be recognized and rewarded.

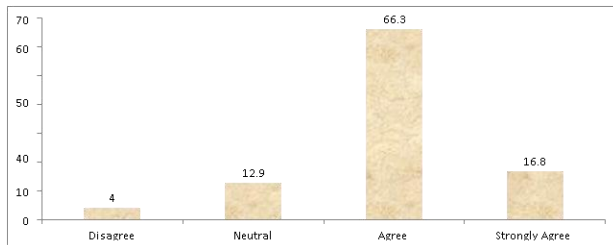
Graph 10: There is an importance of Daily Work Management in the day to day activities



Analysis and Interpretation: 65.3% of the employees have the perception that there is an importance of Daily Work Management in their day to day activities. Time management is an important concept and one has to know how to manage time while at work. Postponing or scheduling today's work for the next day should not be encouraged by any of the organization.

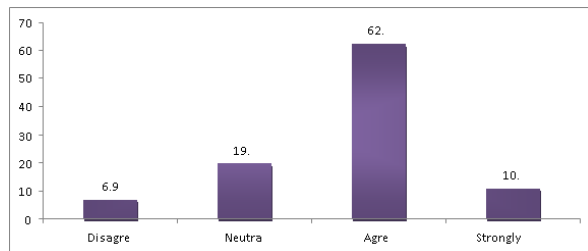
It is necessary to know the value of time and this helps in maintaining the daily work schedule

Graph 11: Employees are satisfied with the training programs and the coaching facilities provided to them at Club Mahindra



Analysis and Interpretation: 66.3% of the employees have the perception that they are satisfied with the training programs and the coaching facilities provided to them at Club Mahindra. Different techniques of training need to be provided by the company to the employees to make the employees work efficient and effective.

Graph 12: The ideas and opinions of the employees are heard at Club Mahindra



Interpretation: 62.4% of the employees have the opinion that their ideas and opinions are heard at Club Mahindra. When their ideas and opinions are not considered they feel inferior which may lead to the decrease in the efficiency in the services provided by them.

10. Findings

The findings derived from this study are as follows,

- It is found that the most of the respondents are men, which shows that gender is a distinguishing to govern the employee performance.
- More of the graduates tend to take up job in the hospitality sector when compare to the other qualifications.
- Due to the competitive environment, the employees of the organization tend to shift their company, high pay, better perks and benefits are few of the reasons which lead to the changing of the company.
- Employees tend to be an asset to the organization when they are provided with better benefits, rewards and recognized for the services they provide.

- An employee expects the company to provide them with monetary benefits based on their level of performance and experiences.
- Employees need to feel secure while working in the organization, and working hours need to be made flexible.
- Monetary compensation is one of the benefits which keeps the employees in the organization
- Organization policy and procedures are the instructional manual to all the employees in the organization.
- HRM practices to be set in a standard form in such a way that it can be met according to the set standards.

11. Recommendations

The study investigated the effectiveness of compensation management and employee retention strategies. The study includes further recommendations that could improve the operational implementation of this model in more practical sensor:

- The organization must introduce performance- based totally bonus for the worker benefits.
- Make the rewards and recognition structures transparent within the business enterprise.
- Encourage recommendations on profits programs from inner experienced staff Contributors.
- Adopt flexible operating hours to lessen the issues associated with lengthy running hours.
- Understanding the employees and their wishes on a private basis will make employee management much less complicated.
- Make an actual appreciation and a positive remark.
- Companies want to move in for a diverse personnel, which does no longer most effective imply race, gender variety, but also includes age, experience and views.
- Benchmark the HRM practices with the one fine inside the enterprise.
- Ensure completely tremendous work surroundings to see that every worker receives self –admire and dignity within the organization.
- Treat the personnel with respect, compassion, and fairness.
- Introduce progressive and extraordinarily effective HRM rules which can be unique while as compared to those in comparable industry.

12. Conclusion

Thus, it can be concluded that implementing worker maintenance rules and practices will create representative commitment level, devotion and engagement. Employee dedication and inclusion have effect on worker productiveness and maintenance. Organizational subculture and repayment have a great quantifiable impact on specialist maintenance. The retention of employees has been proven to be significant to the change and the achievement of the corporation’s objectives and targets. Retention of staff may be a basic supply of forceful

advantage for any boss. Nowadays, changes in era, worldwide financial matters, alter understandings, and so forth are without delay influencing employee/business venture connections. All businesses of any size are struggling in these days that how they might hold their workers from leaving present jobs for additional cash or for the superior opportunity.

References

- [1] <https://www.ukessays.com/essays/journalism/relationship-between-compensation-and-benefits.php>
- [2] <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/sustainingemployeeengagement.aspx>
- [3] <https://iedunote.com/compensation-management>
- [4] http://shodhganga.inflibnet.ac.in/bitstream/10603/6058/17/17_chapter%206.pdf