



A STUDY ON COMPENSATION MANAGEMENT IN HARSHA TOYOTA

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Abstract

Compensation management is crucial to retaining employees, keeping morale high, and enforcing a performance based culture that's focused on achieving goals. The compensation may achieve several purposes assisting in job satisfaction and job performance. The study on the compensation management was undertaken with the objective of getting an insight into the compensation policies and practices in an organization. The present study focuses on understanding how the pay rates are established, the procedure involved in this.

Compensation management plans to help your company enforce budget guidelines across the enterprise. Compensation with performance to retain star performers, reduce employee turnover, and engage maintain a strong, productive workforce. By integrating your compensation management planning with performance management processes, our easy to use solution ensures that your employee increases are fair. Our intuitive compensation management software helps you accurately reward your top performers and equitably distribute consistent salary adjustments based on merit. To understands how compensation works best and how it fits into an overall talent development effort.

Employees should be managed properly and motivated by providing best remuneration and compensation as per the industry standards. The lucrative compensation will also serve the need for attracting and retaining the best employees. With effective compensation management you will also enjoy clearer visibility into individual employee performance when it comes time to make critical compensation planning decisions. These performance appraisals assist in determining compensation and benefits, but they are also instrumental in identifying ways to help individuals improve their current positions and prepare for future opportunities.

Key Words: Compensation Management, Organisation, Employees, Performance.

Introduction

The term compensation as a substitute word for wages and salaries is of recent origin. Wages is now considered as a cost factor. Therefore, strategic management of wages and salaries is very important for organizations. It has become imperative for organizations to balance the cost of compensation and employee motivation (for retention) to survive in a competitive world.

Employee compensation is a better term than employee benefits or wages or salaries. What consists of many different kinds of employee behaviour, such as showing up regularly and on time, carrying out tasks dependently, cooperative with others and making useful suggestions.

Pay or compensation represents an exchange between the employee and the organization. Each gives something in return for something else. In the past, the compensation issue was often confidential and governed by individual employer's preference and choice. However, in today's competitive world, compensation issues are more transparent.

Compensation should be fair, irrespective of economic consideration. Many scholars believe that compensation is the outcome of productivity. In India, right from Vedic Age, the volume of work and the time required to perform the work were considered to decide compensation

The modern definition of compensation, however, considers both intrinsic and extrinsic components of compensation. While extrinsic compensation covers monetary and non- monetary rewards, intrinsic



compensation covers both monetary and non-monetary rewards, intrinsic compensation reflects the employees' mental satisfaction with their job accomplishments.

Literature Review

Human Resource is the most vital resource for any organization. It is responsible for each and every decision taken, each and every work done and each and every result. Employees should be managed properly and motivated by providing best remuneration and compensation as per the industry standards. The lucrative compensation will also serve the need for attracting and retaining the best employees.

Compensation is the remuneration received by an employee in return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness.

Types of compensation

Compensation provided to employees can be direct in the form of monetary benefits and/or indirect in the form of non-monetary benefits known as perks, time off, etc. Compensation does not include only salary but it is the sum total of all rewards and allowances provided to the employees in return for their services. If the compensation offered is effectively managed, it contributes to high organizational productivity.

Direct compensation:

1. Basic salary
2. House rent allowances
3. Medical reimbursements
4. Special allowances
5. Bonus
6. Leave travel allowances
7. Conveyance
8. Flexible timings.

Indirect compensation:

1. Leave policy
2. Overtime policy
3. Hospitalization
4. Insurance
5. Leave travel
6. Retirement benefits
7. Holiday homes

COMPONENTS OF COMPENSATION SYSTEM:

1. Job analysis,
2. Pay structures,
3. Salary surveys.

Objectives of the Study

1. To understand in detail how to establish pay rates to different level of employee.
2. To identify the satisfaction level of employees of their compensation.
3. To know the various types of compensations provided by the company.
4. To understand the impact of compensation management on performance level.

Research Methodology

The methodology that is adopted for the study is such that it facilitates the data accumulation. The information is gathered through survey method. The survey method has been adopted for collecting the data from employees.

Descriptive study: Research is marked by the prior formulations of specific research questions. The investigator already knows a substantial amount about the research problem before the project is initiated. Hence this is chosen for my research.

Data Sources

Data means a collection of facts in real life statistical data is a collection of facts in numerical figures. The data sources are usually identified using the type of data needed.



There are two types of data

1. Primary data
2. Secondary data

Primary Data

This Data is collected by face to face questioning, telephone interview and mailing questionnaire.

Sources of Primary Data

This data was collected from respondents by contacting them personally.

Secondary Data

It consists of information that already exists somewhere, having been collected for another purpose.

Sources of Secondary Data

It was collected from published data of the companies.

Sample Size

Used convenience sampling technique, 50 employees were selected for this study

Questionnaire response	Frequency	Rate
No. of questionnaires sent	50	100%
No. of questionnaires returned	43	86
No. of questionnaires excluded	22	44
No. of questionnaires included	38	76

Findings

1. Employees in **Harsha Toyota Motors** are well satisfied with management.
2. Towards the proper decision in generating their own ideas working environmental conditions.
3. The compensation management in management provides better understanding to the employees about their roles in achieving the goals of the company.
4. Every member in the organisation are very much well satisfied with the job, in developing their working conditions, and following their rules and regulations at regular intervals of time, Conducted by the management.

Suggestions

1. There should be co-ordination and co-operation between executives and non-executives.
2. The Employees want the company to give rewards in accomplishing the tasks.
3. Improve the promotion and recognition.
4. The suggestions of the workers must be given importance in the decision making.

Conclusion

“The global business environment is buzzing with the single most important issue of Building a competitive edge by creating and retaining a large number of Employees than their goods and services every organization is therefore seized of the task of establishing sustaining its worth to the customer, who has been rendered unpredictable by competition”

Therefore every business is making a continuous effort for achieving Employees effort for achieving Employees loyalty.

In short it is total organizational culture and brand equity, which face challenge. So that there is a perennial struggle amongst organizations to sustain their existence in the market place, and hence in order to sustain the stiff



competition the company has to take up market Research frequently to know the changing needs & preference of the Employees.

This helps the company to reframe the policies in providing cutting edge technology to satisfy the Employees.

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