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A Study on Compensation Management Practices with Reference to Hyundai-Hyderabad

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ABSTRACT: Compensation management plays a pivotal role in modern organizations as it directly impacts employee motivation, retention, and overall organizational performance. This study explores various aspects of compensation management, focusing on its strategic importance in attracting and retaining talent in competitive business environments. The research examines different compensation strategies, including monetary and non-monetary incentives, benefits, and rewards systems, analyzing their effectiveness in enhancing employee satisfaction and engagement. Additionally, the project investigates the role of technology and data analytics in optimizing compensation practices, ensuring alignment with organizational goals and industry benchmarks. Through a comprehensive literature review and empirical research, this study aims to provide valuable insights into contemporary practices and challenges in compensation management, offering recommendations for HR practitioners to design and implement effective compensation strategies that contribute to sustainable organizational success. Feel free to adjust the content based on the specific focus and findings of your project. This abstract should give a clear overview of what your study is about and its potential implications in the field of HR management.

KEY WORDS : compensation , strategy ,employee , motivation , retention , engagement , rewards .

I. INTRODUCTION

Compensation Management is an integral part of the management of the organization.

Compensation Management contributes to the overall success of the organization in several ways. To be effective, the managers must appreciate the value of competitive pay, their human resources, and have an investment view of payroll costs. We want to maintain pay levels that attract and retain quality employees while recognizing the need to manage payroll costs. Pay is a difficult topic of conversation in most organizations. In fact, the topic is altogether taboo in many workplaces. It simply isn't discussed unless absolutely necessary. And, when it is necessary, such as when a pay raise (or lack of one) must be explained to an employee, many managers find themselves at a loss for words. As the dreaded date of such a discussion approaches, managers may begin checking their sick time banks to see if they can disappear for a day or two.

1.1 NEED OF THE STUDY

Compensation and Reward system plays vital role in a business organization. Since, among four M's, i.e. Men, Material, Machine and Money, Men has been most important factor, it is impossible to imagine a business process without Men. Every factor contributes to the process of production/business. It expects return from the business process such as rent is the return expected by the landlord, capitalist expects interest and organizer i.e. entrepreneur expects profits. Similarly the labour expects wages from the process. Labour plays vital role in bringing about the process of production/business in motion. The other factors being human, has expectations, emotions, ambitions and egos.

1.2 SCOPE OF THE STUDY

The study considers the impact of 10 factors on compensation management in it concentrates on the effect of factors in general, but no exclusive study is made on them.

The study considers only the perceptual elements of employees and does not focus on ground realities. The scope of study cover: work conditions, compensation, extra benefits, conveyance treatment of superiors, colleagues, duly timings, and grievance reprisal mechanism and promotion policy.

1.3 OBJECTIVES OF THE STUDY

1. To Understand the concepts of compensation management in **HYUNDAI MOTORS LTD**
2. To Explore the role of compensation management



3. To Examine Pay roll system in **HYUNDAI MOTORS LTD**

II. REVIEW OF LITERATURE

Author : Richardson, Katherine M. Rothstein, Hannah R.

A meta-analysis was conducted to determine the effectiveness of COMPENSATION MANAGEMENT interventions in occupational settings. Thirty-six experimental studies were included, representing 55 interventions. Total sample size was 2,847. Of the participants, 59% were female, mean age was 35.4, and average length of intervention was 7.4 weeks. The overall weighted effect size (Cohen's d) for all studies was 0.526 (95% confidence interval = 0.364, 0.687), a significant medium to large effect. Interventions were coded as cognitive-behavioral, relaxation, organizational, multimodal, or alternative.

Author: B. Bakker, Evangelia Arnold Demerouti, Willem Verbeke

The job demands-resources (JD-R) model was used to examine the relationship between job characteristics, burnout, and (other-ratings of) performance (N = 146). We hypothesized that job demands (e.g., work pressure and emotional demands) would be the most important antecedents of the exhaustion component of burnout, which, in turn, would predict in-role performance.

Author : Shapiro, Shauna L. MA; Shapiro, Daniel E. PhD; Schwartz, Gary E. R. PhD

Although the search yielded over 600 articles discussing the importance of addressing the stress of medical education, only 24 studies reported intervention programs, and only six of those used rigorous scientific method. Results revealed that medical trainees participating in stress-management programs demonstrated- improved immunologic functioning, decreases in depression and anxiety, increased spirituality and empathy, enhanced knowledge of alternative therapies for future referrals, improved knowledge of the effects of stress, greater use of positive coping skills, and the ability to resolve role conflicts. Despite these promising results, the studies had many limitations.

Author : Barbara Milne RN, MScN, Gloria Joachim RN MSN, Joseph Niedhardt MD

They were then randomly assigned to either the intervention or control group. The intervention group received six classes on COMPENSATION MANAGEMENT which included autogenic, personal planning skills and communication techniques. All 80 subjects were followed up at 4-month intervals for 1 year by interviewers who were blind to group designation. The data collection instruments, which were used at all assessment points, comprised three questionnaires: the Crohn's Disease Activity Index (CDAI) and the Inflammatory Bowel Disease (IBD) Stress Index.

Author : Wilmar B. Schaufeli, Arnold B. Bakker, Willem Van Rhenen

The present longitudinal survey among 201 telecom managers supports the Job Demands-Resources (JD-R) model that postulates a health impairment process and a motivational process. As hypothesized, results of structural equation modeling analyses revealed that: (1) increases in job demands (i.e., overload, emotional demands, and work-home interference) and decreases in job resources (i.e., social support, autonomy, opportunities to learn, and feedback) predict burnout, (2) increases in job resources predict work engagement, and (3) burnout (positively) and engagement (negatively) predict registered sickness duration ("involuntary" absence) and frequency ("involuntary" absence), respectively.

Author : Dipak kumar Bhattacharya.

The literature on wages and salaries is enormous, but most of it approaches the subject from a legal perspective. The emphasis is on ensuring that the legal requirements for wages set by government are met. However, increased competition and specialized nature of jobs have transformed the job market from a seller's market to a buyer's market. Wages have now become very significant as a cost factor. Therefore, strategic management of wages has now become very important for organizations. With this shift in approach and focus, compensation has come to be viewed as the strategic management of wages and salaries.

III. 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



3.1 Sources of data

PRIMARY DATA:

The first-hand information by the investigator by means of observation face to face questioning, telephone interview and mailing questionnaire is called primary data. Primary data consists of original information gathered for a specific purpose.

SECONDARY DATA:

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

3.2 Sample technique : Simple stratified sample method

3.3 Sample size : 100

3.4 LIMITATIONS OF THE STUDY

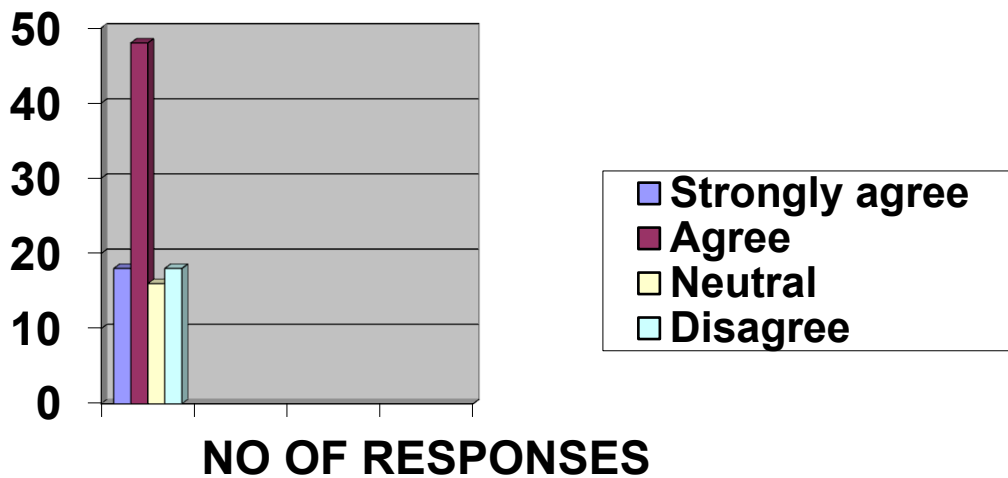
The Understand and knowledge may vary from person to person. The replied gives by the respondents are taken for granted, though they are not uniform.

Since names are mentioned in most of questionnaires, most of the employees answered favorable to the company. This might have led to wring finding in the study. The interpretation being based on percentage method is not definite. The report is subjects to changes with fast changing scenario.

IV. DATA ANALYSIS AND INTERPRETATION

1. Recognition & rewards are given based on employee performance.

OPTIONS	NO OF RESPONSES
Strongly agree	18
Agree	48
Neutral	16
Disagree	18



Interpretation;

The survey revealed that most of the employees agree and strongly agree for recognition and rewards are given based on employee performance but some are disagree.

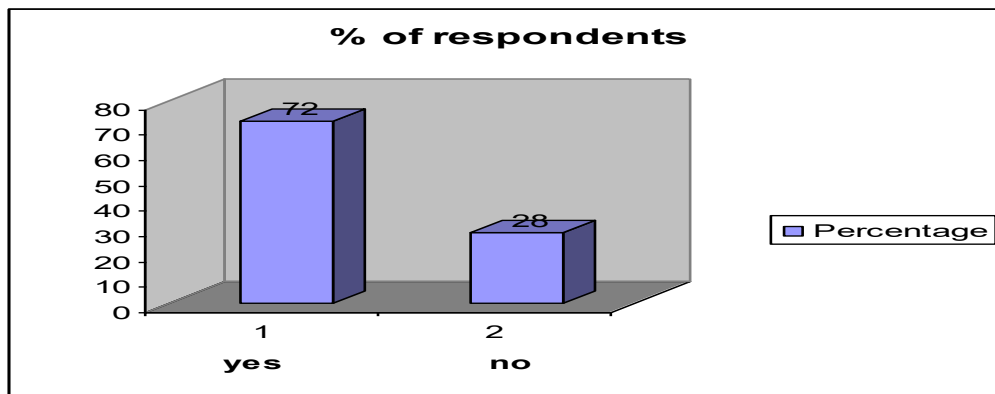


2. Do you think the reward system is fair and adequate?

(a) YES

(b) NO

s.no	Options	No. of Responses	Percentage
1	YES	36	72
2	NO	14	28
	TOTAL	50	100



Interpretation:

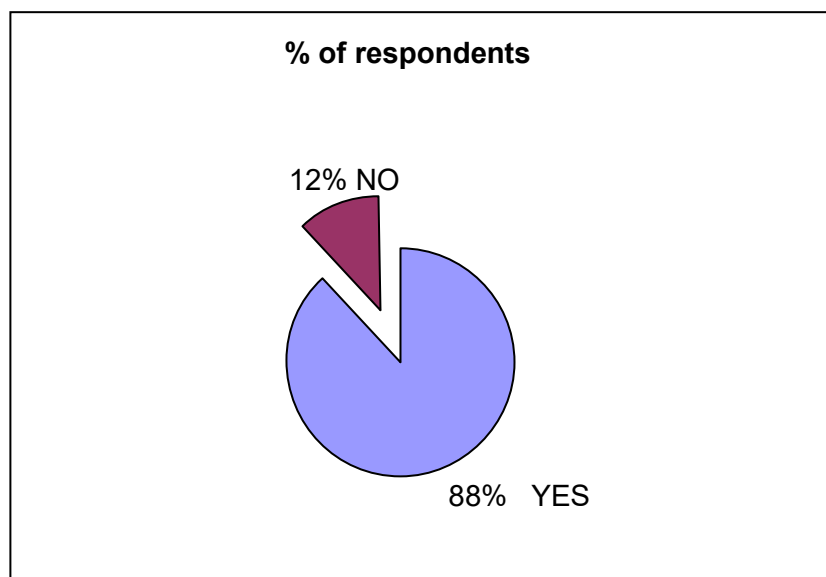
About 72% said that the reward system is fair and adequate and 28% responded that it is not fair.

3. Do you think that a good workman gets motivated with frequent Compensative pay? Is conducted?

(a) YES

(b) NO

s.no	Options	No. of Responses	Percentage
1	YES	44	88
2	NO	6	12
	TOTAL	50	100



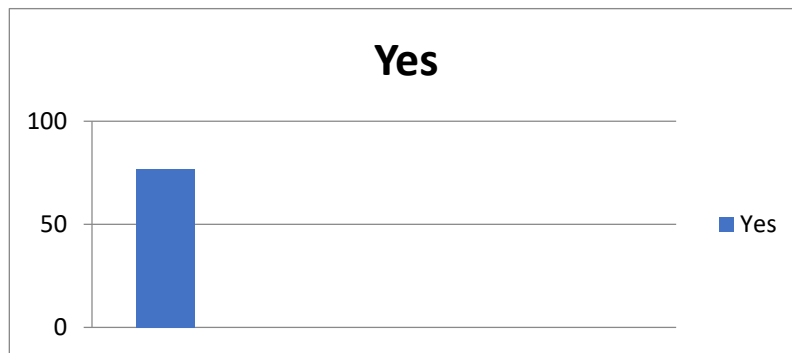


Interpretation:

A majority of 88% of the employees said that a good workman gets motivated with frequent Compensative pay and 12% of the employees are not satisfied with above.

4. Satisfaction level in HYUNDAI MOTORS LTD LIMITED Comparison with other Companies

Opinion of the employees	HONDA	TATA	BAJAJ	TVS
Opinion %	50%	75%	40%	30%

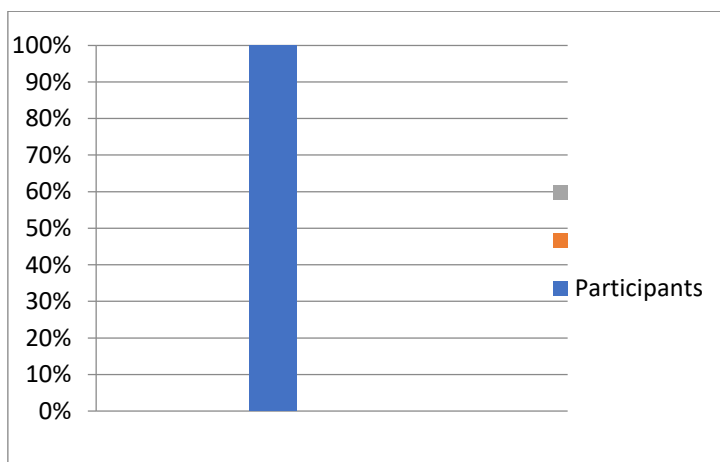


Interpretation:

The survey reveals that the employees’ satisfaction level in **HYUNDAI MOTORS LTD LIMITED** is above average when compared to Others. employees of **HYUNDAI MOTORS LTD LIMITED** was satisfying with their Rewards & Recognitions.

5. Employee Preference on Rewards and Recognition in Comparison with other Companies:

Opinion of employee of difference companies	Reward	Recognition	Both
HONDA	5	20	75
TATA	10	0	90
BAJAJ	0	40	60
TVS	25	25	50



Interpretation:

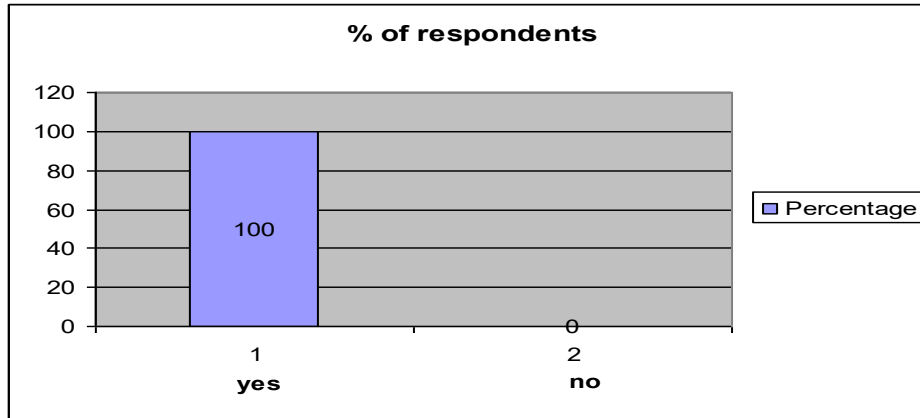
From the analysis we came to know that the many respondents of different industries prefer both the Rewards and Recognition. Some employees prefer the recognition and the very few are prefer the only rewards.



6. Do you think Compensation management is needed in a company?

- (a) YES (b) NO

s.no	Options	No. of Responses	Percentage
1	YES	100	100
2	NO	0	0
	TOTAL	100	100



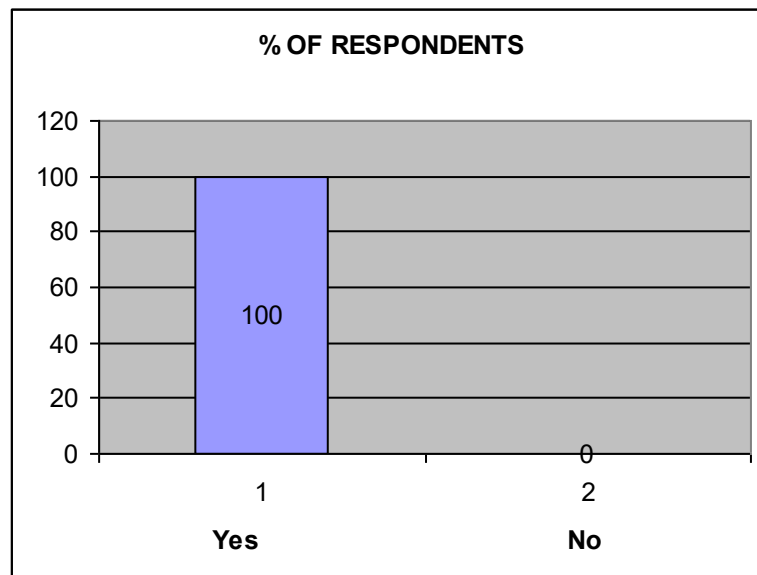
Interpretation:

To above question, almost 100% of the employees thought that Compensation management is needed in a company.

7. Do you think that incentives are needed for Compensation management programmers?

- (a) YES (b) NO

S.NO	OPTIONS	NO OF RESPONDENTS	% OF RESPONDENTS
1	YES	100	100
2	NO	0	0
	TOTAL	100	100



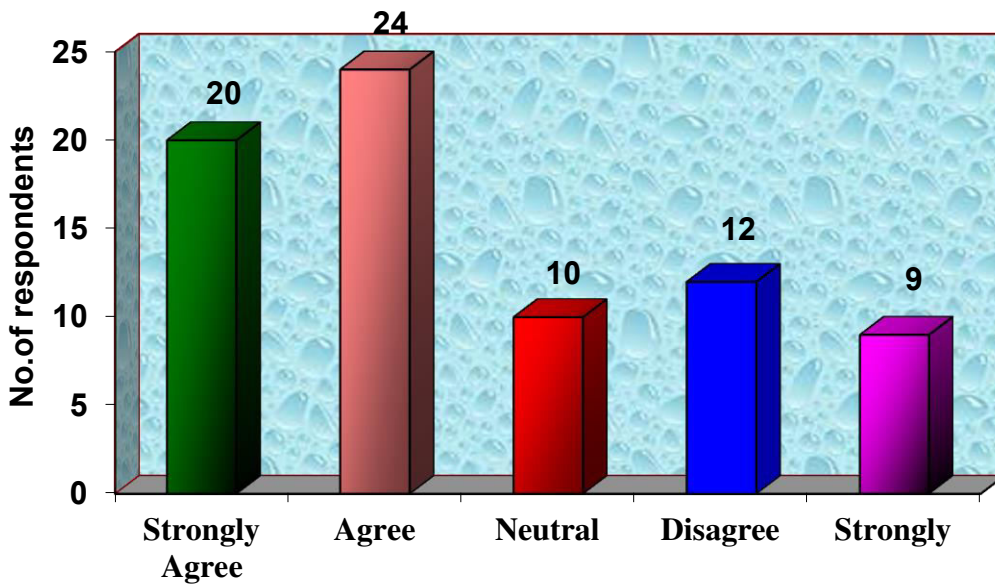


Interpretation:

From the above analysis we can say that 100% of the employees feel Those incentives are needed for attending Compensation management. 0% of the employees feel those incentives are not needed for training programmers.

8. Job provides scope to achieve goals?

Response	Respondents	% of Respondents
Strongly Agree	20	26.67
Agree	24	32
Neutral	10	13.33
Disagree	12	16
Strongly	9	12

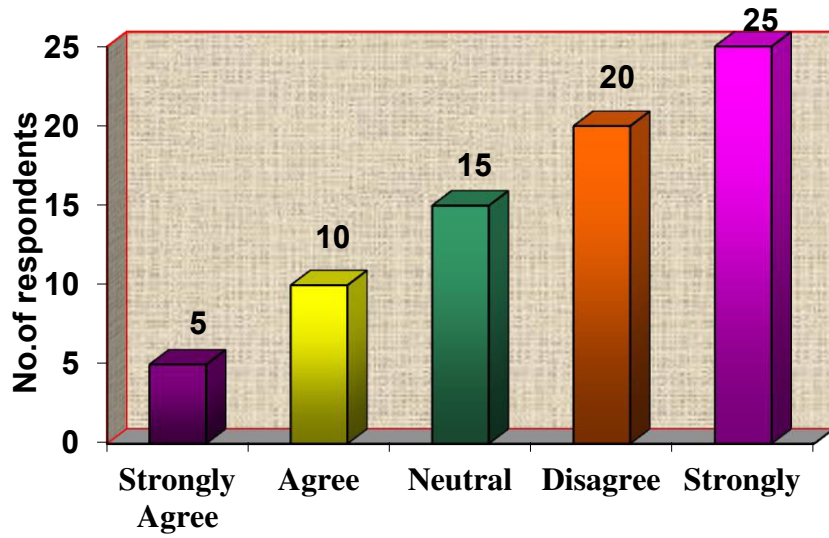


Interpretation:-

From the above table, it is clear that, 32 % of employees agree that there is scope for achieving goals and 26% of them are strongly is agreed.

9. Freedom to take decision?

Response	Respondents	% of Respondents
Strongly Agree	5	6.67
Agree	10	13.33
Neutral	15	20
Disagree	20	26.67
Strongly	25	33.33

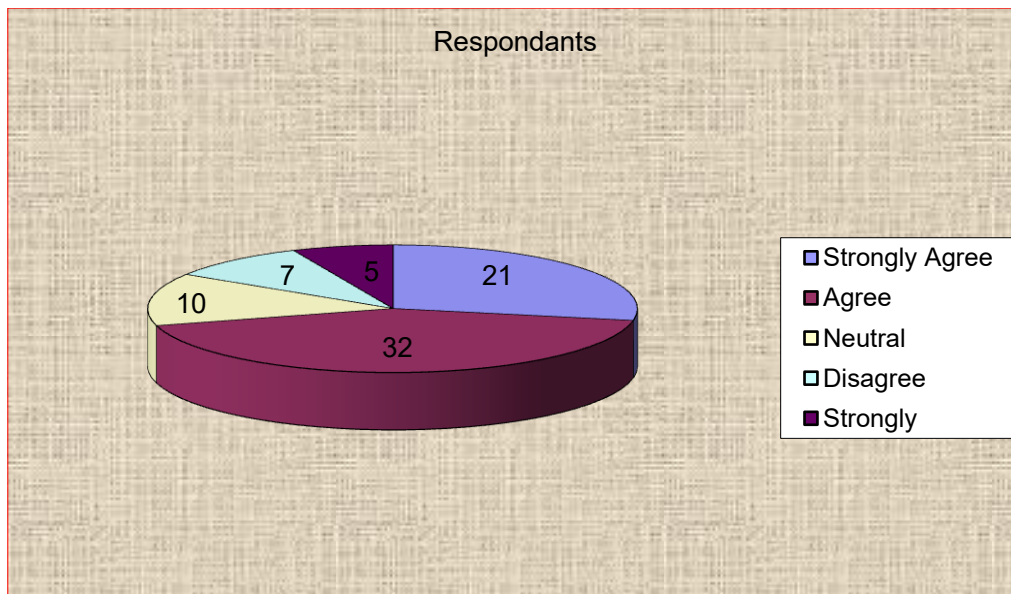


Interpretation:-

From the above table, 13 % of employees agreed that they have the Freedom to take decision with the decision taking and 33% of employee doesn't have freedom to take decision.

10. Better position in near future?

Response	Respondents	% of Respondents
Strongly Agree	21	26.67
Agree	32	42.33
Neutral	10	13.33
Disagree	7	9.33
Strongly Disagree	5	6.67





Interpretation:-

From the above table, 42 % of employees agree that they can see themselves in a better position in near future and 26% strongly agree that they can place themselves in a better position very few disagrees for the above.

V. FINDINGS

- a) A study portrays that 75% of respondents show improvement in the quality of workmanship, in participating the organization.
- b) The Compensation management in management provides better understanding to the employees about their roles in achieving the goals of the company.
- c) The Compensation management in management acts as a complimentary body to help collective bargaining that creates healthy work atmosphere and legal relations .

5.1 SUGGESTIONS:

- a) There should be coordination and cooperation between executives and non-executives.
- b) The employees have a high degree of understanding of the concept of worker's participation in management
- c) Suggestive and collective bargaining should be more effective that they can play much greater role in eliminating the communication gap between management and workers.
- d) The committees should pay more attention on areas where is scope for improvements, so as to improve the overall performance of the company.

VI. 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.

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