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A STUDY ON COMPENSATION MANAGEMENT IN BHARATHI CEMENT LIMITED

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ABSTRACT:

A study on compensation management which is done at Bharathi cements Pvt Ltd located at nallingayapalle.

Compensation is an efficient way to deal with offering financial benefit to employees or workers in return for work performed. With powerful pay the executives you'll likewise appreciate more clear perceivability into individual employees execution when it comes time to pursue basic remuneration arranging choices. It is all about the benefits that are provided to the employees for their welfare.

Compensation management ensures that employees are not only compensated fairly but also provided with supporting environment monetary and non-monetary benefits are given to the employee where monetary benefits are in terms of cash, non-monetary benefits are in the term of perquisites, allowances etc...

Compensation management is an important element of human resource management because it influences the potential decisions of an employees to join the organization and the determines the employer-employee relationships.

To study this research the sample size is taken 50 employees to analyze the data in order to find out the effectiveness of compensation management

INTRODUCTION

COMPENSATION MANAGEMENT:

The word "compensation," which was coined recently to replace the terms "wages" and "salaries," Nowadays, wages are regarded as a cost component. For this reason, strategic pay and salary management is crucial for organizations. To thrive in a cutthroat economy, companies now need to strike a balance between employee motivation and compensation costs. A preferable phrase to use is employee compensation as opposed to employee perks or wages/salaries.

A labour service, also referred to as work, is what the employee gives the employer. A wide range of employee behaviours are required for this labour service, including being dependable, cooperative, and willing to provide recommendations in addition to consistently and punctually showing up for work. Compensation can be defined as the amount of money an employee receives as payment for their services to the company.

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.

A company organization's compensation and reward systems are essential. It is impossible to envisage a business process without men since men are the most crucial of the four Ms: men, material, machine, and money. Every element participates in the business/production process. It anticipates a return from the business process, much as the landowner expects rent, capitalism experts' interests, and the organizer, or the entrepreneur, anticipate profits. In a similar vein, labour expects compensation from the process.

The term compensation represents the exchange between employees and organization, both gives something in return for something else. In the past, the compensation issues were often confidential and govern by individual employer's preferences and choices. However in today's competitive world the compensation policies are more transparent and the employees take their own choices based on the compensation package. Thus, balancing the cost of compensation and retaining the employees have become the most important priority for the organization.

DEFINITION OF COMPENSATION MANAGEMENT:

In order to encourage employees to aim for greater levels of productivity, Cascio (1995) states that "compensation includes direct cash payments and indirect payments in the form of employees benefits and incentives."

"Compensation is all forms of financial returns, tangible services and benefits employees receive as part of an employment relationship." A person's base pay as well as both short- and long-term incentives are included in the term "financial returns." A few examples of "tangible

services and benefits" are pension schemes, insurance, paid time off for illness and vacation, and employee discounts.

REVIEW OF LITERATURE :

- ❖ Bob (2011) Compensation processes are based on Compensation Philosophies and strategies and contain arrangement in the shape of Policies and strategies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation.
- ❖ Bob (2011) This constitutes measuring job values, designing and maintaining pay structures, paying for performance, competence and skill, and providing employee benefits. However, compensation management is not just about money. It is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation. © 2019 IJRAR June 2019, Volume 6, Issue 2 www.ijrar.org (E-ISSN 2348-1269, P- ISSN 2349-5138) IJRAR1ATP013 International Journal of Research and Analytical Reviews (IJRAR) www.ijrar.org 114
- ❖ Anyebe (2003) This work however is limited to financial compensation in Anambra State Civil Service as a recent study has shown that pay is the driving force for seeking employment in the Civil Service.
- ❖ Armstrong (2005) stated that compensation management is an integral part of human resources management approach to productivity improvement in the organization. It deals with the design, implementation and maintenance of compensation system that are geared to the improvement of organizational, team and individual performance.
- ❖ Pearce (2010) Compensation implies having a compensation structure in which the employees who perform better are paid more than the average performing employees. ➤ Armstrong (2005) 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 value to the organization.
- ❖ Anyebe (2003) the task in compensation administration is to develop policies and the terms of attracting, satisfying, retaining and perhaps motivating employees.
- ❖ Anambra State Civil Service (1991) which the researchers examined originated from the Eastern Nigeria Government and the old Anambra State. The creation of this state led to the set up of the Anambra State Civil Service. Employing the tenets of traditional public administration, the state civil service was an instrument of the government authorities as well as an impartial interpreter and implementer of the policies and programmes of the state Government.

- ❖ Egwuridi(1981) investigated the motivation among Nigerian workers using a samples of workers of high and low occupational level. The expectation that higher income worker will place a greater value on intrinsic job-factors than low income workers. This shows clearly the extent of value placed on extrinsic job factors.
- ❖ Nwachukwu (1994) found several factors, among— the employer’s failure to provide adequate compensation and indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to working class and consequently reduced their productivity. Judging from all these empirical research and findings, one may generally conclude that a good remuneration package, which ties financial rewards to individual performance, can be expected to result in higher.
- ❖ Muhammad Ramzan (2014) determined to— estimate the effect of compensation on employee performance and gather the result that compensation has significance effects on Employee performance.

NEED OF THE STUDY:

- ❖ The goal of compensation management is to periodically draw in and keep the right employees in the proper positions inside the company.
- ❖ Motivates personnel for higher productivity.

The few more needs of the study are as follows:

- ❖ Job Performance
- ❖ Salary structure
- ❖ Recruitment
- ❖ Benefits Administration
- ❖ Compensation communication

SCOPE OF THE STUDY:

Nowadays, businesses place a greater emphasis on evaluating a person's value based on their performance and contribution to the company. Organisations need to develop an accurate system for evaluating jobs and determining their worth because of the increasing demand for labour and ongoing challenges in the business environment.

In an organisation, pay management facilitates the methodical, precise, and consistent assessment of the relative value of each position. According to the position's importance within the organisational hierarchy, it also aids in calculating each job's basic salary. When determining basic compensation, one must also consider jobs, performance, and the incentives, prizes, and benefits that come with it. An employee's total compensation package consists of their base pay, other benefits, including incentives and rewards.

OBJECTIVES OF THE STUDY:

- ❖ To know how the compensation process is going on in bharathi cement.
- ❖ To know how the employees are motivated.
- ❖ How to retain the employees.
- ❖ To know how to increase employees efficiency.
- ❖ To know the satisfaction of employees regarding to their compensation.

RESEARCH METHODOLOGY:

Problems in research can be resolved by research technique. It can be viewed as the scientific study of scientific research methodology. We examine the many approaches that researchers typically take when analysing their research challenges in this section, along with the reasoning behind them. In addition to developing specific tests and applying techniques, researchers also need to recognise which methods are relevant and which are not. All of this indicates that the researchers must create a unique methodology that they will employ.

HRM research can be defined as the systematic design, collection, analysis and reporting the data and findings solution to specific human situation facing the company data or may be derived from several sources. Data can be classified as:

- ❖ Primary data.
- ❖ Secondary data.

Primary Data:

Primary data are those that are newly and initially obtained, meaning they are unique in nature. In an experimental study, the primary data is gathered during the course experiment. We can get primary data through personal interviews, direct correspondence in one form or another with respondents, or observation.

The different methods of collecting data in the primary method are:

1. Personal interview
2. Questionnaires

Secondary Data:

Alternatively, secondary data are those that have already been gathered and processed through statistical analysis by another party. Utilising secondary data requires extreme caution on the part of the researcher, who must conduct a brief investigation to separate relevant from irrelevant material. To remedy the issue, the secondary data might be enough. If gathering primary data becomes essential, secondary data aids in planning the process. Accordingly, we

will start by talking about secondary data before moving on to primary data. Sales figures are the most significant part of secondary data in marketing, and business enterprises always have a higher quantity of them. The researcher made considerable use of these sales statistics.

SAMPLING DESIGN

The employees were taken for this study of performance appraisal was 50 people in BHARATHI CEMENTS.

SAMPLING SIZE : 50 Executive employees

SAMPLING TECHNIQUE: simple random sampling

The different methods for collecting the secondary data are :-

1. Newspaper
2. Magazine
3. Company website

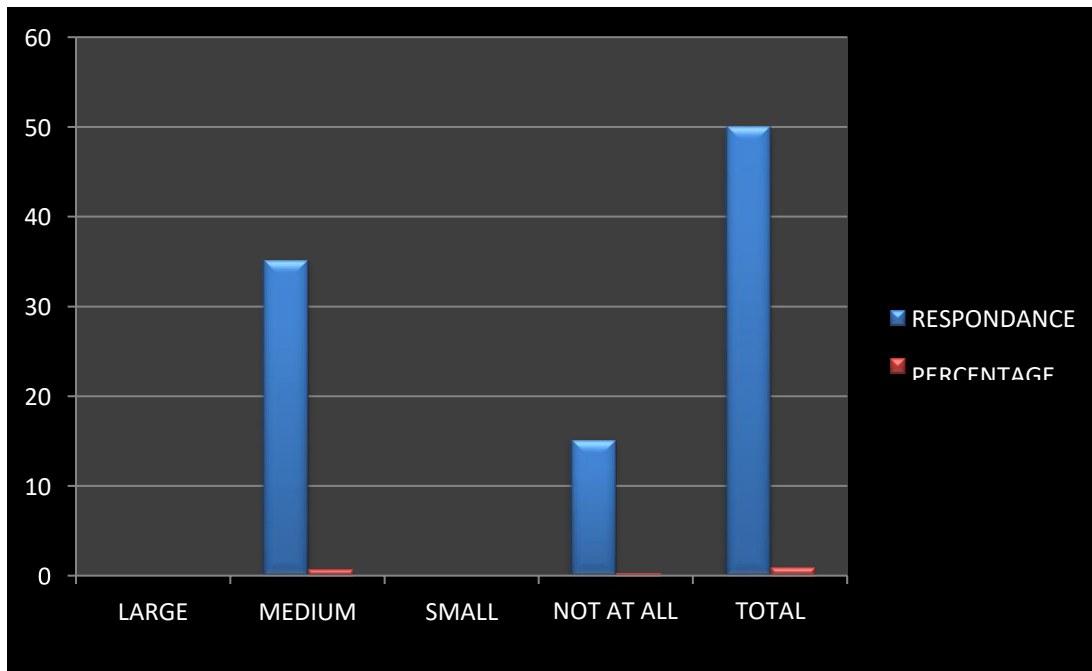
LIMITATIONS OF THE STUDY:

- ❖ The duration of the study was limited and hence elaborate and comprehensive project survey was not undertaken.
- ❖ The personal biases of the respondents might have entered into their response.

DATA ANALYSIS & INTERPRETATION:

(1)Satisfied with the present compensation design

RATINGS	RESPONDENTS	PERCENTAGE
Large extent	0	0%
Medium extent	35	70%
Small extent	0	0%
Not at all	15	30%
Total	50	100%



Analysis:

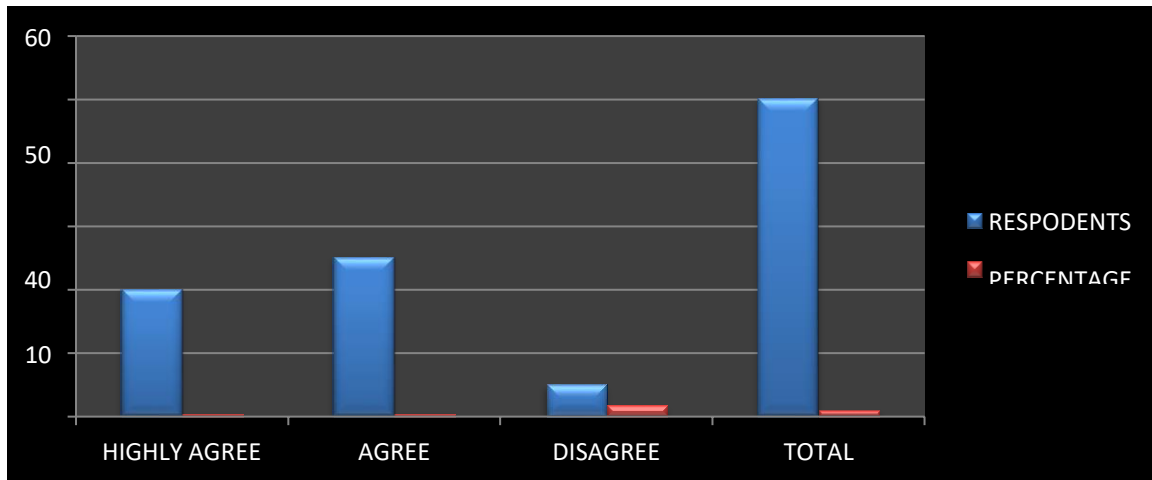
- ❖ 70% of workers are somewhat content with the organization's current compensation structure.
- ❖ 30% of employees are not at all satisfied with present compensation design in the organization

Interpretation:

- ❖ The majority of workers are mediocrely happy with the current design and remuneration structure.

(2)Employees are getting their salaries according to their efficiency:

RATINGS	RESPONDENTS	PERCENTAGE
Highly agree	20	40%
Agree	25	50%
Disagree	5	10%
Total	50	100%



Analysis:

- ❖ 20% of employees are highly agreeing that they are paid according to their efficiency
- ❖ 25% of employees are satisfied with the salaries they are getting according to their efficiency.
- ❖ 5% of employees disagree to the statement saying they are not paid for their efficiency.

Interpretation:

- ❖ The majority of workers believe and concur that they get compensated for their productivity.

CONCLUSION:

After conducting an intense study on COMPENSATION MANAGEMENT at Bharathi cement the following conclusion is made

Human resource topics like pay, incentives, benefits, and safety/health concerns are fascinating to research. Pay is crucial in today's workplace since it tries to boost employee morale and job satisfaction. Employees that receive incentives typically feel more proud of the company they work for and also have higher self-esteem. Consistently offering incentives aids in luring in more skilled workers, which boosts the business's competitiveness in the marketplace. Benefits that are frequently given to employees are crucial for maintaining employee morale. Offering incentives like health insurance and parental leave encourages employees to work harder and more efficiently.

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