



A STUDY ON “INNOVATIVE METHODS OF REWARDS AND COMPENSATION”.

[A study on 72 employees of Cinema Industry around Vadodara]

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Abstract

This study examined the effect of reward and compensation on employee loyalty and performance in Cinema Industry. A descriptive survey research design was adopted in this study. The sample for this study consisted of randomly selected 72 staff of Cinema Industry. Data collected were analyzed using descriptive statistic; and Chi-square testing. Results from the study revealed that compensation program does influence employees' performance in Cinema Industry, that fair rewarding system does enhance employee loyalty in Cinema Industry, Quality of work compensation and conducive working atmosphere do affect employees' performance in Cinema Industry. It was concluded that there is a need for the management and employees of Cinema Industry to promote fair and adequate compensation system. Thus, it was recommended that the management of Cinema Industry should improve on their monetary and non-monetary incentives scheme and to ensure that employee motivation is well articulated and executed at all level of the organization for the purpose of employee loyalty, job satisfaction and improved employee performance at all times. Also, the management should introduce some level of innovation and flexibility into the company policies concerning employee's motivation, there is need for better and healthy relationship between the management and its Employees at all level and between the employees themselves.

Keywords: Reward and Compensation System, Employees Satisfaction, Employee Loyalty, Motivation, Organizational Performance.

INTRODUCTION

Introduction on Rewards and Compensation

In any company or organization, it is important to generate and maintain an effective Reward & Compensation system that would cater to the needs of its human resources. The reward system offered in different companies may come in various and concrete forms. These may either be monetary or non-monetary, tangible or intangible, and physical or psychological, and these are offered to the employees as compensation for the productive work they execute.

Compensation administration is one of the most important areas of human resource management because sound compensation policies, programmes and their effective execution are essential to procure, maintain and develop the human resource of the organization to get effective result from them. It involves the selection, designing, development and direction of programmes designed to implement compensation or incentive policy through financial rewards. Beach has defined wage and salary administration as follows: “wage and salary administration refer to the establishment and implementation of sound policies and practices of employee compensation. It includes such areas as job evaluation, surveys of wages and salaries, analysis of relevant organizational problems, development and maintenance of wage structure, establishing rules for administering wages. Wage payments, incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related items”. The traditional concept of wage and salary administration emphasized on only determination of wage and salary structures in organizational settings. In simple words, “compensation administration is a systematic procedure for establishing a sound compensation structure.”

The use of reward system assumes that people’s actions are related to their skills and ability to achieve important longer run goals. Even though many organizations, by choice or tradition or contract, allocate rewards and non-performance system criteria, rewards should be regarded as the “pay off” for performance.

A compensation or rewarding system is devised after careful consideration of various factors which affects both the organisation and employee. Rewarding of performance should be such that productivity gains continue.

The system must be established according to the worth of a job. We must keep in mind that although we reward people for their work, we pay a job. Rewards include pay, promotions, desirable work assignments and other payoffs or a kind word of recognition.

The people expect good job performance to lead to organisational rewards, and they further seek rewards that will satisfy their individual goals or needs. Organisations reward the people to motivate them.

- According to Milkowich & Newman (2005), Compensation can be viewed from different perspectives. Society perceives Compensation as a yardstick of justice. In order to increase stakeholders’ wealth, executive pay is linked to performance of the company. For Managers, compensation is an expense and also a tool to influence employee work behavior and organizational performance. From employees’ point of view, it means financial

security, reward for a job well done and return in an exchange for offering their service. Successful compensation packages, however, are more like a total rewards system, containing non-monetary, direct and indirect elements.

Objective of the study:

1. To Study what are the innovative methods for reward and compensation are use organizations.
2. To know about views of employees and satisfactory measures regarding the rewards and compensation system.
3. To know about the rewards and compensation system which fulfils employees' goals as well as the organizational goals.
4. To study the procedure and on what basis employees are marked for rewards and compensation.
5. To know about the what are the other measures took by the management to satisfy and motivate the employees to do a good job for the employees.

Sample and Sampling Methods

❖ Universe / Population

The first step in developing any sample design is to clearly define the set of objectives, technically called the universe. The universe for this study consists of cinema industry in Vadodara city.

❖ Sample

Sample is the representative of the whole universe. Here, the researcher has used simple random sampling method, and selected 72 respondents from Cinema Industry around Vadodara which are randomly selected.

Tool of data collection

1. **Primary Data : Google Forms**
2. **Secondary Data : Books , Journals , News papers , Internet**

FINDINGS

- 77.2% of the respondents agree, 22.2% strongly agree and 5.6% are neutral that the offices and workplaces are well designed.
- 5.6% of respondents are neutral, 58.3% agree, and 36.1% strongly agree that the policies and the organisation structure in the organisation have been clearly defined.
- 8.3% of respondents are neutral, 69.4% agree, 22.2% strongly agree that the furniture is suitable and comfortable at the workplace.
- 16.7% of the respondents strongly disagree, 77.8% Disagree, and 5.6% are neutral that there is lack of ventilation in the organisation.
- 61.1% of the respondent strongly disagree, 30.6% disagree, and 8.3% are neutral that there are not enough light in the organisation.
- 11.1% of the respondents are neutral, 69.4% agree and 19.4% strongly agree that the level of cleanliness is good in the organisation.
- 5.6% of respondents strongly disagree, 30.6% disagree, 63.9% are neutral that the working hour is too long of the organisation.
- 13.9% of the respondent strongly disagree, 66.7% disagree, and 19.4% are neutral that there are insufficient safety measures in case of emergencies.
- 47.2% of the respondents strongly disagree, 50% disagree and 2.8% are neutral that excessive noise is experienced in the organisation or not.
- 30.6% of the respondents agree, 69.4% strongly agree that a friendly atmosphere prevails among the people in the organisation.
- 75% of the respondent agree, 25% strongly agree that their co-workers and supervisors have good relationships and friendly with each other.
- 16.7% of the respondents are neutral, 69.4% agree, 13.9% strongly agree that they get support of their supervisors all the time.
- 5.6% of the respondents are neutral, 75% agree, and 19.4% strongly agree that trusting and friendly relations are highly valued in the organisation.
- 2.8% of the respondents are neutral, 61.1 % agree, 36.1% strongly agree that there is a team spirit in the organisation.
- 2.8% of the respondents are neutral, 27.8% agree, and 69.4% strongly agree that there is a good team culture in the assembly.
- 83.3% of the respondents agree and 16.7% strongly agree that there is an effective communication in the organisation.
- 47.2% of the respondents are neutral, 44.4% agree, and 8.3% strongly agree that communication is used as the effective way of getting relevant feedback and critical information for corrective action.
- 2.8% of the respondents disagree, 50% are neutral, 38.9% agree, and 8.3% strongly agree that employees are involved in decision making.
- 11.1% of the respondents are neutral, 80.6% agree and 8.3% strongly agree that people know their boundary and they respect the decisions once taken jointly by a senior and junior colleague on delegation.
- 2.8% of the respondents are neutral, 88.9% agree and 8.3 % strongly agree that the decisions are made in the organisation by keeping in mind the good of the employees and the society.
- 13.9% of the respondents are neutral, 80.6% agree, and 5.6% strongly agree that all are comfortable with the recruitment agreement with their employers.
- 50% of the respondents strongly disagree, 38.9% disagree and 11.1% are neutral that they have rigid chains of command in the organisation.
- 44.4% of the respondents are neutral, 50% agree and 5.6% strongly agree that their work is such that they can balance their work and family.
- 8.3% of the respondents disagree, 33.3% are neutral, 50% agree and 8.3% strongly agree that coaching or on the job training is available to the employees to enhance their performance.
- 5.6% of the respondents are neutral, 88.9% agree and 5.6% strongly agree that all the employees have the skills to perform their responsibilities.
- 33.3% of the respondents are neutral, 58.3% agree and 8.3% strongly agree that they like the employee performance appraisal system of the organisation.

- 5.6% of the respondents disagree, 41.7% are neutral, 47.2% agree and 5.6% strongly agree that they always get feedback on their performance.
- 41.7% of the respondents are neutral, 50% agree and 8.3% strongly agree that the level of salary is good in the organisation.
- 41.7% of the respondents are neutral, 50% agree and 8.3% strongly agree that their performances match with their pay.
- 13.9% of the respondents are neutral, 77.8% agree and 8.3% strongly agree that the organisation cares for the financial stability of its employees.
- 2.8% of the respondents disagree, 38.9% are neutral, 50% agree and 8.3% strongly agree that employees are involved in goal setting.
- 19.4% of the respondents are neutral, 41.7% agree and 38.9% strongly agree that there are career development opportunities in the organisation.

SUGGESTION

- ❖ Firstly, Management also may include Covid-19 med-claim in existing medical policy of employees.
- ❖ Appraising them by giving corona warrior certificates and medals or gifts.
- ❖ As a reward giving them movie and F & B Tickets by including their family
- ❖ Management should have to give proper information regarding compensation policy to their employees
- ❖ HR department and Management plays important role to increase the motivation of employees at the job place they also have to involve them in decision making process
- ❖ Management has to appreciate their employees on monthly basis by giving batches i.e. Performer of the month, Employee of the month and also cut the cake for the same achievement.
- ❖ Employees are the important asset of any company so it is management duty to take care of their employee's physical and mental health and feel them happy also towards organization.
- ❖ Management should think about monetary pay i.e. Overtime pay, Performance link bonus

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