

A STUDY ON COMPENSATION MANAGEMENT AT RAYALASEEMA THERMAL POWER PLANT, YERRAGUNTLA

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ABSTRACT

This study examines compensation management is a vital function of Human Resource Management that focuses on designing and implementing fair and competitive pay systems for employees. It includes wages, salaries, bonuses, incentives, allowances, and other financial and non-financial benefits provided to employees in return for their work. An effective compensation system helps attract qualified candidates, retain talented employees, motivate performance, and ensure job satisfaction. This study on compensation management examines the existing pay structure, employee benefits, and reward practices within the organization. It analyses how compensation policies influence employee performance, morale, and productivity. The research also evaluates the fairness, transparency, and effectiveness of the compensation system.

Key words: Compensation management, Human Resource Management.

INTRODUCTION

Compensation management always focuses on making sure that the package is fair and competitive so that the best people want to work for the company. It also makes the worker feel like their hard work to help the company grow is appreciated and valued.

Effective and well-designed compensation packages play a major role in luring new employees to the company. Additionally, both internal equity and external competitiveness are aided by compensation management. Internal equity ensures that workers receive fair compensation according to their performance, experience, and job duties. To attract and retain talent in a competitive market, external competitiveness entails comparing compensation packages to industry norms. Organizations can foster a positive workplace where employees feel appreciated, motivated, and improve organizational performance by putting good compensation management practices into place. In HRM, in-depth compensation management is essential since it helps draw in talent, keep workers on board, encourage performance, maintain equity, and ultimately propel an organization's success.

DEFINITION

Gary Dessler, compensation management refers to all forms of pay or rewards given to employees arising from their employment, including direct and indirect benefits.

NEED FOR THE RESEARCH

The study is necessary to assess how well the organization's current compensation structure is working. Understanding employee satisfaction is beneficial.

SCOPE OF THE RESEARCH

This study covers the compensation management at Rayalaseema Thermal Power Plant, Yerraguntla, Andhra Pradesh. A survey of 100 employees. It defines the areas covered while analyze how employees are paid and rewarded in an organization.

OBJECTIVES OF THE RESEARCH

- To know the employees are getting fair equitable compensation at Rayalaseema Thermal Power Plant yerraguntla.
- To analyze employee satisfaction with compensation practices at Rayalaseema Thermal Power Plant in Yerraguntla.
- To identify the employees are getting their compensation salary according to their efficiency and productivity at Rayalaseema Thermal Power Plant in yerraguntla.

RESEARCH METHODOLOGY

This study relies on both primary and secondary data sources.

Primary Data: Data was collected through a structured questionnaire administered to 100 employees Rayalaseema thermal power plant, yerraguntla. The survey method was adopted as the research approach.

Secondary Data: Secondary data was gathered from journals, academic articles, textbooks, and websites related to human resource management.

TOOLS AND TECHNIQUES

Tools: Tables, Graphs, and Charts.

Techniques: Percentage Analysis and Correlation Analysis.

LIMITATIONS OF THE RESEARCH

- The study is limited to employees of Rayalaseema thermal power plant yerraguntla.
- The study is limited to a period of 45 days.

HYPOTHESIS

H₀: There is no significant relationship between compensation management and employee satisfaction.

H₁: There is a significant relationship between compensation management and employee job satisfaction.

DATA ANALYSIS AND INTERPRETATION

Table 1: Age Group of Respondents

Age Group	No. of Respondents	Percentage (%)
20 – 25	42	42%
26 – 30	44	44%
31 – 35	9	9%
36 – 40	4	4%

Above 40	1	1%
Total	100	100%

Interpretation: A significant majority of respondents (44%) are in the 26–30 age group, followed by 42% in the 20–25 range. This implies that the organization's workforce is primarily young, with very few older age groups represented.

Table 2: Experience Level of Employees

Experience Level	No. of Respondents	Percentage (%)
Less than 1 year	23	23%
1 – 3 years	32	32%
3 – 5 years	35	35%
More than 5 years	10	10%
Total	100	100%

Interpretation: The largest segment of the workforce (35%) possesses 3–5 years of experience, indicating that the majority of employees are mid-level professionals.

Table 3: Satisfied with your current salary.

particulars	No. of Respondents	Percentage (%)
Highly satisfied	39	39%
Satisfied	43	43%
Neutral	18	18%
Dissatisfied	0	0%
Highly dissatisfied	0	0%
Total	100	100%

Interpretation: More than half of the respondents (82%) are satisfied or highly satisfied with their current salary.

Table 4: Satisfied with your current salary.

particulars	No. of Respondents	Percentage (%)
Highly satisfied	40	40%
Satisfied	43	43%
Neutral	17	17%
Dissatisfied	0	0%
Highly dissatisfied	0	0%
Total	100	100%

Interpretation: most people (83% combined) feel good about the experience, with satisfied being the biggest group.

Table 5: satisfaction with compensation system.

Satisfaction Level	No. of Respondents	Percentage (%)
Excellent	37	37%
Good	28	28%
Average	31	31%
Poor	4	4%
Total	100	100%

Interpretation: most people (83% combined) feel good about the experience, with satisfied being the biggest group.

Table 6: Correlation between compensation and Satisfaction

Variable	compensation	Satisfaction
compensation	1	0.8601
Satisfaction	0.8601	1

Interpretation: The table shows a strong positive relationship between compensation and employee satisfaction, with a value of 0.8601. This means that when employees receive better pay and benefits, their level of satisfaction also increases. In simple words, higher compensation leads to higher employee satisfaction in the organization.

FINDINGS

- A significant majority of respondents (44%) are in the 26–30 age group, followed by 42% in the 20–25 range. This implies that the organization's workforce is primarily young, with very few older age groups represented.
- The largest segment of the workforce (35%) possesses 3–5 years of experience. indicating that the majority of employees are mid-level professionals.
- More than half of the respondents (82%) are satisfied or highly satisfied with their current salary.
- most people (83% combined) feel good about the experience, with satisfied being the biggest group.
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- The table shows a strong positive relationship between compensation and employee satisfaction, with a value of 0.8601. This means that when employees receive better pay and benefits, their level of satisfaction also increases.

CONCLUSION

The study on compensation management at the Rayalaseema Thermal Power Plant indicates that employees generally have a positive perception of the compensation system. Most employees are satisfied with their salary structure, allowances, and other financial benefits provided by the organization. The compensation policies contribute to employee motivation, job satisfaction, and improved work performance.

The organization provides various benefits such as medical facilities, retirement benefits, and job security, which support employee welfare. Effective compensation management has helped maintain good employee–management relationships and encourages employees to perform efficiently. Overall, the compensation system plays an important role in improving employee satisfaction and organizational productivity.

SUGGESTIONS

- The company should provide regular training programs to enhance employee skills.
- The organization should focus on employee feedback to improve services and growth.
- The organization should improve employee communication for better understanding and teamwork.
- The organization should motivate employees through rewards and recognition.

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