

EMPLOYEE PERCEPTION ON COMPENSATION MANAGEMENT PRACTICES: A STUDY ON APOLLO GLENGEALES HOSPITALS, KOLKATA

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ABSTRACT

Retaining talents in the healthcare sector had been an issue of challenge for HR practitioners. The healthcare sector in India of late had seen tremendous growth with the influx of more patients seeking quality medical and healthcare services. In this context the number of hospitals had been far lesser in contrast with the growing needs of healthcare and medical facilities in the nation. Employees, medical professionals and technicians had experienced a challenging scenario to cope up with the stress of providing quality services with limited resources and infrastructure. On the HR perspective, it had become far difficult for hospitals to retain highly qualified professionals and employees, with more and more new hospitals growing in and around India. One of the major retention factors have obviously been "Compensation and Reward" related issues. Organizations with highly competitive compensation and reward packages have been reported to allure professionals for leaving their present job assignments. Taking this perspective into consideration, an attempt has been made in this study to have an insight on what healthcare professionals perceived regarding the compensation management practices with reference to those working in Apollo Glengeales Hospitals, Kolkata.

Keywords: *Compensation Management, Healthcare Sector, Healthcare Professionals, Retention Factors*

INTRODUCTION

Employee compensation plays a crucial role in their engagement and sustenance in an organization. Organizations with highly competitive compensation policies and practices have been found to allure talented employees. Such organizations are more effective to manage issues related to high attrition and retention of their talents. As businesses are

gradually becoming more and more competition oriented, it has become important for HR professionals to design and implement compensation policies and pay packages so as to attract and retain talented employees in their organizations. Such practices provides competitive edge over business rivals on the long run as well as during times of crisis such as business slow-down, managing attrition, adhering to frequently changing employee demands. Keeping this perspective in mind, an attempt has been made in this study to understand the perception of the employees working in the healthcare sector about their organization's compensation management practices, with special emphasis on those working at Apollo Glengeales Hospitals, Kolkata.

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Organizational Competiveness & Compensation Management

Compensation management has been considered as an important tool to which facilitates to integrate employee performance along with the strategic objectives of an organization by motivating the employees to perform in the right direction, do right things with enhancement of quality and efficiency (Ash, 1993). Several eminent scholars (Offstein, Gnyawali and Cobb, 2005) have established the role of compensation management for achieving organizational competitiveness. They have suggested that, compensation practices and policies of an organization can influence the competitive behaviour of people working in an organization making them more secure, confident and ultimately motivating them for achieving higher performance. A similar argument was given by Namasivayam, Miao, and Zhao, (2007). These authors in their research had indicated the relationship between compensation practices and organizational performance with reference to the US Hotel Industry. Pamela (2012) in her recent paper had argued that, optimum combination of the fixed and variable components of a compensation package along with rewards and benefits contribute to enhance employee performance and this contributes to improve organizational competitiveness. Hollenbeck, et. al, (2010) have explained organizational competitiveness as an organization's capability to manage and enhance market share in its business domain and industry. They have further explained that gaining competitive advantage has become the goal of any business particularly in scenarios where the business environment with

several competitors (Schermerhorn, 2010). So with increased competition the key challenge would obviously be contributed by how HR policies would help organizations to retain their employees in this challenging business environment. Other authors like Bhattacharya (2009) have expressed that it has become strategically important for organizations to constantly balance the cost of compensation and with employee retention for enhancing the competitiveness of today's organizations.

REVIEW OF THE LITERATURE

Agarwal, Garg & Pareek (2011) in a study have indicated that, sustainable solution to healthcare sector system performance could be achieved by having the right HR policy and HR management practices in the organization. The same argument had been emphasized by other authors like Bowra, Sharif, Saeed and Niazi (2012) who had indicated that most employees perceived that their performance and HR practices had close association. Catanzaro, (2001) had emphasized on the close association of compensation and employee motivation. A similar research had been done by Chiu, Luk, & Tang, (2002). The study highlights upon employee compensation preferences in Hong Kong and China. Danish, and Usman, (2010), had indicated the impact of reward and recognition on employee job satisfaction and motivation. In another study, Singh (2004) had shown that compensation can be considered as an employee behavior aligning mechanism through which they could be aligned or integrated with the strategic objectives of an organization. Similarly, Tessema and Soeters (2006) in their research have shown that employee performance in an organization had positive correlation with the compensation strategies and practices of the organization. On the other hand, Shahzad, Bashir, and Ramay, (2008) had shown that, reward practices had significant association with the performance of university faculties in their research and development activities.

Adeniyi (2013) in his post graduate thesis had indicated that, there exists a close relationship between an organization's compensation system and performance of the employees. He further indicated in this study that some factors may determine the satisfaction of the employees on an organization's compensation system. In a study on public and private sector banks Sharma (2013) had shown that, basic salary, short term incentives, long term incentives, benefits & services and perquisites contribute to increase the motivation level of the employees working in these organizations. On this issue Ojo (2006) had also indicated similar opinion.

Proper, Deeg, and Beek, A.J. (2009) have indicated that financial rewards play an important role in order to facilitate effective workforce participation and performance in the organization. A similar argument was also presented by Rayton (2003). Robbins (2003) had indicated that group and organization-wide incentive plans of an organization act as effective performance reinforcement factors, which contribute to motivate the employees to achieve the goals of the organization. Takahashi (2006) in his paper had emphasized the impact of wage and promotion incentives on the motivation levels of Japanese employees. Other authors like Begbie, Bussin and Schurink, (2011) have identified variable pay as an important factor playing an important role in employee satisfaction. The variable pay could be received in the form of performance bonuses, incentives and cash rewards. The study conducted by Resurreccion (2012) had shown that, incentive plans as well as pay for performance had significant association with employee satisfaction on the compensation practices of the organization. Milne, (2007) had supported the role of team-based incentive schemes for motivating employees. Like this authors such as Kim, Sutton, and Gong, (2011) had discussed the role of group-based pay-for-performance schemes on employee and organizational performance. An interesting research finding can be found from the works of Luthans and Stajkovic, (1999), where the authors had given importance on the need to motivate employee beyond conventional Pay and reward strategies.

RATIONALE OF THE STUDY

Compensation Management practices in the Indian Healthcare Sector

The healthcare sector in India had gone through a plethora of changes particularly with the advent of privatisation and corporatisation since the last 10 years (Shukla, 2008). According to a report published by Deloitte (2013), the median annual increment in the Indian Healthcare sector is the highest across all sectors at 13.1%. It is worth mentioning that, the healthcare sector in our country, is expected to reach a size of \$100 billion by the year 2015 from the current \$79 billion (Mohan, & Abhilash, 2013), growing 20 per cent year-on-year, and aims to touch \$280 billion by 2020, on the back of increasing demand for specialised and quality healthcare services. Commenting on the tremendous boom in this sector, Mohan & Abhilash (2013) have further indicated that, the Indian healthcare and life sciences sector has attracted approx. \$817 million across 29 investments till August 2012, of which a significant contribution was from Private Equity (PE) and Venture Capital (VC). The medicare centre (hospitals)

had attracted Foreign Direct Investment (FDI) worth \$1.48 billion, while pharmaceutical products and surgical & medical appliances segment registered a FDI worth \$9.78 billion and \$571.91 million respectively during the period April 2000 to October 2012.

Shukla, (2008) in her paper had indicated that, over the years, healthcare employees at all levels had witnessed a hike in their base salaries. This had been mainly due to two factors namely, - the demand supply gap had increased in this sector. This is because most private hospitals initially had experienced a huge shortage of qualified manpower meeting their HR needs. Secondly the Indian healthcare sector is now been open to more and more business growth and diversification opportunities. Shukla (2008) had further indicated that Compensation packages worth about 30-50 per cent of the operating expenses of a Hospital in India and hence its impact on the organization's profitability cannot be ignored. Hence, retention of talents and having restriction on the HR budgets in the scenario where there is tremendous need for business expansion had become challenging for HR professionals working in this sector. Hence as a result of this competitive compensation packages and incentives had come out as key drivers for retaining people in the healthcare sector.

Taking the above perspectives into consideration, there is a need for having an insight into the healthcare sector with reference to what employees belonging to this sector perceived regarding the compensation management practices in their organizations. The present study has made an effort to present a bird's eye viewpoint on this issue of strategic importance for all organizations belonging to the Indian healthcare sector.

Statement of the Problem

As discussed above, with the boom in the healthcare sector, it has become challenging for most private hospitals like Apollo Gleneagles Hospitals to attract, engage and retain the best talents for their organization. Managing a competitive compensation package had been a concern of issue for the management in the context of high attrition rates in the healthcare sector. Doctors, technicians and support staffs are being frequently poached by rival organizations with sky rocketing compensation and benefit packages. Hence it has become essential for the management to understand and assess the extent of employee perception towards the compensation practices in the organization, not only to retain its talent but also to ensure long term organizational growth and competitiveness.

Taking this perspective, an attempt has been made in this study to assess employee perception towards compensation as well as statutory compliance related issues on compensation.

Scope of the Study

The study would help the management of the organization to have an insight on the factors influencing employee satisfaction on compensation, identify areas of improvement in their present compensation strategy. From the statutory compliance perspective the study would provide the management a clear view regarding the present status of compensation related compliance management in the organization.

Objectives of the study

1. To study employee perceptions towards compensation management practices in the organization.
2. To identify the issues or factors influencing employee satisfaction towards compensation
3. To identify areas of improvement in issues related to compensation management.

RESEARCH METHODOLOGY

The present study adopted the descriptive research design. The population of the study involved 1400 employees working in the Apollo Glengales Hospitals, Kolkata. Out of this 50 respondents from various departments were considered as the sample for the study. Data regarding employee perceptions on compensation practices were collected by using "Convenience Sampling" method. Primary data were collected by administration of questionnaires among the respondents. Secondary data were collected from company resources, web resources, books and journals etc.

Data collected from the study were presented and analyzed using SPSS and MS-Excel applications.

Questionnaire Design and Analysis Plan

A questionnaire was designed in order to collect respondent opinion on their perceptions regarding ER practices in the organization. The questionnaire mainly consisted of closed-end questions. Respondent opinion was collected on the basis of a five point "Likert Scale".

The questionnaire used for the study had 22 questions. Respondent opinion were computed on a basis of a five point Likert scale where (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree).

DATA ANALYSIS AND RESULT

Gender profile & level of the management to which respondents belonged

It is clear from Table 1 that 88% of the respondents were male and 12% were female. Out of the male respondents, 21 were (42%) belonging to managerial positions, 23 were (46%) holding non-managerial positions. So majority of the male respondents were from the non-managerial positions.

Table 1

Gender vs Level of Job Cross-tabulation

			LvL_jb		Total
			Managerial	Non-Managerial	
Gender	Male	Count	21	23	44
		% of Total	42.0%	46.0%	88.0%
	Female	Count	4	2	6
		% of Total	8.0%	4.0%	12.0%
Total	Count		25	25	50
	% of Total		50.0%	50.0%	100.0%

Gender profile & experience level of the respondents

It is clear from Table 2, that majority of the male respondents (34%) were having 3-5yrs of experience, followed by men (28%) having 0-1 yrs of experience. Majority of the female respondents were having 0-1yrs of experience.

Gender & age profile of the respondents

Majority (40%) of the male respondents were belonging to the 21-25yrs age category (Table 3). In case of the female respondents, majority (6%) were representing the 21-25yrs age category.

Table 2

Gender vs Experience Cross-tabulation

			Experience					Total
			0-1 yrs	1-3 yrs	3-5 yrs	5-8 yrs	8-10 yrs	
Gender Male	Count		14	10	17	2	1	44
	% of Total		28.0%	20.0%	34.0%	4.0%	2.0%	88.0%
Female	Count		3	1	2	0	0	6
	% of Total		6.0%	2.0%	4.0%	.0%	.0%	12.0%
Total	Count		17	11	19	2	1	50
	% of Total		34.0%	22.0%	38.0%	4.0%	2.0%	100.0%

Table 3

Gender vs Age Group Cross-tabulation

			Age_grp					Total
			<20 yrs	21-25 yrs	26-30 yrs	31-35 yrs	36-40 yrs	
Gender Male	Count		0	20	13	7	4	44
	% of Total		.0%	40.0%	26.0%	14.0%	8.0%	88.0%
Female	Count		1	3	1	1	0	6
	% of Total		2.0%	6.0%	2.0%	2.0%	.0%	12.0%
Total	Count		1	23	14	8	4	50
	% of Total		2.0%	46.0%	28.0%	16.0%	8.0%	100.0%

Age & experience level of the respondents

Table 4 indicates that 38% of the respondents were having 3-5 years of experience.

Table 4

Respondent Experience vs Age Group Cross-tabulation

			Age_grp					Total
			<20 yrs	21-25 yrs	26-30 yrs	31-35 yrs	36-40 yrs	
Experience 0-1 yrs	Count		1	15	1	0	0	17
	% of Total		2.0%	30.0%	2.0%	.0%	.0%	34.0%

(continued)

		Age_grp					Total
		<20 yrs	21-25 yrs	26-30 yrs	31-35 yrs	36-40 yrs	
1-3 yrs	Count	0	4	6	1	0	11
	% of Total	.0%	8.0%	12.0%	2.0%	.0%	22.0%
3-5 yrs	Count	0	4	6	7	2	19
	% of Total	.0%	8.0%	12.0%	14.0%	4.0%	38.0%
5-8 yrs	Count	0	0	1	0	1	2
	% of Total	.0%	.0%	2.0%	.0%	2.0%	4.0%
8-10 yrs	Count	0	0	0	0	1	1
	% of Total	.0%	.0%	.0%	.0%	2.0%	2.0%
Total	Count	1	23	14	8	4	50
	% of Total	2.0%	46.0%	28.0%	16.0%	8.0%	100.0%

46% of the respondents were from the age group of 21-25 yrs age category. Out of the people having 3-5years experience, 14% were of the age group of 31-35 yrs. In the age category of 21-25yrs, 30% of the respondents were having 0-1yrs of experience.

Attractiveness of the organization's compensation system

Table 5A, B, C illustrate respondent opinion regarding the attractiveness of the organization's compensation system.

Table 5

Attractiveness of the Compensation System

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	26.0	26.0	26.0
	Disagree	7	14.0	14.0	40.0
	Can't Say	4	8.0	8.0	48.0
	Agree	20	40.0	40.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
Total		50	100.0	100.0	

It is evident from the above that, the respondents were in agreement (Mean score: 2.98, Sig. 2-tailed 0.000, $t=14.535$, $df=49$) that their compensation package was attractive.

Table 5B

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Attractiveness of the Compensation System	50	2.98	1.450	.205

Table 5C

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Attractiveness of the Compensation System	14.535	49	.000	2.980	2.57	3.39

Sense of belongingness to organization due to compensation

Table 6A, B, C illustrates respondent opinion regarding their sense of belongingness due to the compensation package offered by the organization.

Table 6A

Sense of belongingness to Organization due to Compensation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	7	14.0	14.0	14.0
Disagree	14	28.0	28.0	42.0
Can't Say	8	16.0	16.0	58.0
Agree	18	36.0	36.0	94.0
Strongly Agree	3	6.0	6.0	100.0
Total	50	100.0	100.0	

On the basis of above data it can be said that, the respondents were in disagreement (Mean score: 2.92) with the statement that the compensation package offered by the organization contributed to the sense of belongingness in the company.

Table 6B

Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Sense of belongingness to Organization due to Compensation	50	2.92	1.209	.171

Satisfaction with present salary

Table 7A illustrates respondent opinion regarding their satisfaction with the present salary received from the organization.

Table 7A

Satisfaction with Current Salary Package

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	8	16.0	16.0	16.0
Disagree	12	24.0	24.0	40.0
Can't Say	4	8.0	8.0	48.0
Agree	18	36.0	36.0	84.0
Strongly Agree	8	16.0	16.0	100.0
Total	50	100.0	100.0	

Table 7B

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Satisfaction with Current Salary Package	50	3.12	1.380	.195

It is evident from above that respondents were moderately in agreement (mean score of 3.12) regarding the viewpoint on satisfaction towards the current salary package in the organization.

Attractiveness of compensation & Equity in salary

Table 8 describes the relationship between attractiveness of the compensation package & equity in salary received.

Table 8

Correlations

		Attractiveness of the Compensation System	Salary Equity
Attractiveness of the Compensation System	Pearson Correlation	1	.906**
	Sig. (1-tailed)		.000
	N	50	50
Salary Equity	Pearson Correlation	.906**	1
	Sig. (1-tailed)	.000	
	N	50	50

** . Correlation is significant at the 0.01 level (1-tailed).

It is evident from above that Salary equity has significant correlations with the attractiveness of the compensation system.

Attractiveness of compensation & reward system

Table 9 illustrates the interrelationship between attractiveness of the compensation system and reward system in the organization.

Table 9

Correlations

		Attractiveness of the Compensation System	Reward
Attractiveness of the Compensation System	Pearson Correlation	1	.937**
	Sig. (1-tailed)		.000
	N	50	50
Reward	Pearson Correlation	.937**	1
	Sig. (1-tailed)	.000	
	N	50	50

** . Correlation is significant at the 0.01 level (1-tailed).

It is evident that reward system in the company has significant correlations with the attractiveness of the compensation system in the organization.

Gender and satisfaction with the benefit package

Table 10A & B illustrates interrelationship between gender and satisfaction towards the benefits package.

Table 10A

Benefits Package vs Gender Cross-tabulation

		Gender		Total	
		Male	Female		
Benefits Package	Strongly Disagree	Count	4	0	4
		% of Total	8.0%	.0%	8.0%
	Disagree	Count	15	1	16
		% of Total	30.0%	2.0%	32.0%
	Can't Say	Count	5	0	5
		% of Total	10.0%	.0%	10.0%
	Agree	Count	14	4	18
		% of Total	28.0%	8.0%	36.0%
	Strongly Agree	Count	6	1	7
		% of Total	12.0%	2.0%	14.0%
Total		Count	44	6	50
		% of Total	88.0%	12.0%	100.0%

Table 10B

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval	Pearson's R	.201	.112	1.420	.162 ^c
Ordinal by Ordinal	Spearman Correlation	.198	.115	1.401	.168 ^c
N of Valid Cases		50			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Majority (48%) of the male respondents were dissatisfied with the benefits package. As compared to the male counterparts female respondents seemed to be happy with the benefits. The above analysis also depicts that there is no significant correlation between respondent gender & their satisfaction towards the benefits package.

Pay hike & respondent position level

Table 11 A depicts the interrelationship of pay-hike and respondent position level.

Table 11A

*Pay Hike * Level job Cross-tabulation*

		Lvl_jb			
		Managerial	Non-Managerial	Total	
Pay Hike	Strongly Disagree	Count	0	6	6
		% of Total	.0%	12.0%	12.0%
	Disagree	Count	0	14	14
		% of Total	.0%	28.0%	28.0%
	Can't Say	Count	3	1	4
		% of Total	6.0%	2.0%	8.0%
	Agree	Count	17	3	20
		% of Total	34.0%	6.0%	40.0%
	Strongly Agree	Count	5	1	6
		% of Total	10.0%	2.0%	12.0%
Total	Count	25	25	50	
	% of Total	50.0%	50.0%	100.0%	

Table 11B

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig. ^c
Interval by Interval	Pearson's R	-.753	.075	-7.927	.000 ^c
Ordinal by Ordinal	Spearman Correlation	-.738	.081	-7.574	.000 ^c
N of Valid Cases		50			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Table 11A depicts that, about 44% of the respondents belonging to the managerial positions believed that they were in agreement regarding the issue of pay-hikes in the organization. On the other hand, Table

11B indicates that, there is significant negative correlation between the opinion regarding pay hikes and positions (managerial/non-managerial) held by the respondents in the organization.

Satisfaction with salary level & respondent position level

Table 12A indicates the interrelationship between respondent satisfaction with their salary level and the positions held by them in the organization.

Table 12A

Satisfaction with Current Salary Package vs Level_of job Cross-tabulation

		Lvl_jb		Total	
		Managerial	Non-Managerial		
Satisfaction with Current Salary Package	Strongly Disagree	Count	0	8	8
		% of Total	.0%	16.0%	16.0%
	Disagree	Count	0	12	12
		% of Total	.0%	24.0%	24.0%
	Can't Say	Count	3	1	4
		% of Total	6.0%	2.0%	8.0%
	Agree	Count	15	3	18
		% of Total	30.0%	6.0%	36.0%
	Strongly Agree	Count	7	1	8
		% of Total	14.0%	2.0%	16.0%
Total	Count	25	25	50	
	% of Total	50.0%	50.0%	100.0%	

Table 12B

Symmetric Measures

		Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig. ^c
Interval by Interval	Pearson's R	-.761	.071	-8.138	.000 ^c
Ordinal by Ordinal	Spearman Correlation	-.741	.075	-7.647	.000 ^c
N of Valid Cases		50			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Table 12 A indicates that, 44% respondents belonging to the managerial positions perceived that they were in agreement that they were satisfied with their present salary package. Table 12 B indicates that there is significant correlation between position held by the respondent and their satisfaction with the present salary package in the organization.

Satisfaction with present pay compared with variables such as pay hike, pay structure, size of pay & compensation policy

Table 13 A, B, C, D depict the interrelationships between satisfaction with the present pay compared pay hike, pay structure, size of pay and compensation policy in the organization.

Table 13A

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.902
Bartlett's Test of Sphericity	Approx. Chi-Square	342.172
	df	10
	Sig.	.000

Table 13B

Communalities

	Initial	Extraction
Satisfaction with Current Salary Package	1.000	.945
Pay Hike	1.000	.934
Pay Structure	1.000	.898
Size of Pay	1.000	.875
Compensation Policy	1.000	.852

Extraction Method: Principal Component Analysis.

It is evident from Table 13 D that, the most contributing variables leading to the satisfaction with the organization's salary package like those of "Pay Hike" (Component Matrix Score: 0.966), followed by "Pay Structure" (Component Matrix Score: 0.948), "Size of Pay" (Component Matrix Score: 0.935) and lastly by "Compensation Policy" (Component Matrix Score: 0.923) influenced employee satisfaction on the organization's compensation system.

Table 13C

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.503	90.066	90.066	4.503	90.066	90.066
2	.200	4.005	94.070			
3	.157	3.147	97.218			
4	.088	1.764	98.982			
5	.051	1.018	100.000			

Extraction Method: Principal Component Analysis.

Table 13D

Component Matrix^a

	Component
	1
Satisfaction with Current Salary Package	.972
Pay Hike	.966
Pay Structure	.948
Size of Pay	.935
Compensation Policy	.923

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

DISCUSSION

The study had come out with interesting facts and findings on the compensation practices in the organization. These are:

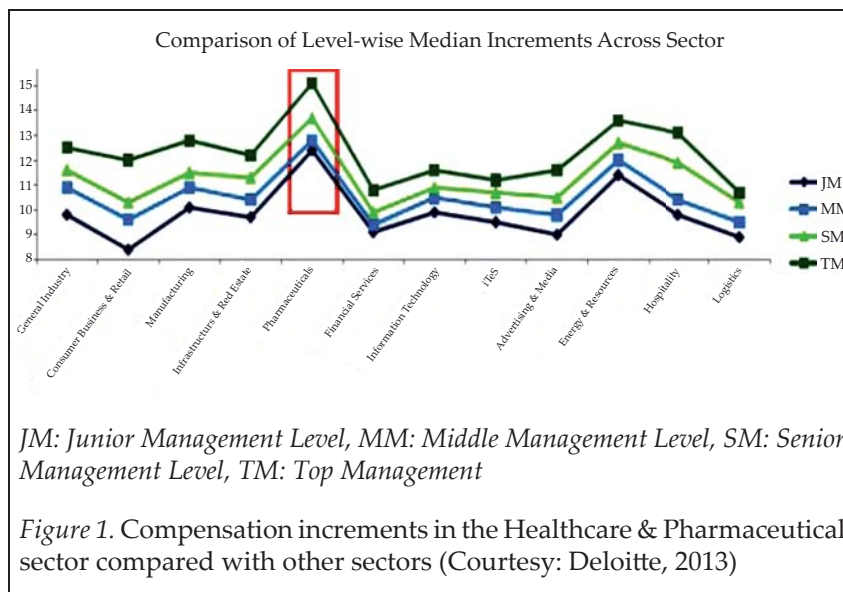
- “Pay Hike” followed by “Pay Structure” and “size of pay” were important factors contributing to satisfaction with the present salary package offered by the company.
- Respondents belonging to the managerial positions perceived that they were in agreement that they were satisfied with their present salary package.
- Majority of the employees belonging to the managerial positions believed that they were in agreement regarding the issue of pay-hikes in the organization.

- Majority of the male respondents were dissatisfied with the benefits package. As compared to the male counterparts female respondents seemed to be happy with the benefits.
- The reward system in the company has significant correlations with the attractiveness of the compensation system in the organization.
- “Salary equity” has significant correlations with the attractiveness of the compensation system.

IMPLICATIONS

Managing Pay Hike/Increment

Commenting on the role of increments in the pay structure, the recent findings made by the study conducted by Deloitte (2013) can be presented. This report published by Deloitte (2013) have shown that, compensation increments in the healthcare sector ranged (Fig 1) from 10.5% to 15.0% for Junior Management, 10.8% to 15.9% for Middle Management, 11.2% to 16.7% for Senior Management and 12.3% to 17.5% for Top Management.



Considering the above data presented by Deloitte, it can be stated that, Gerhart, B., and Milkovich, (1990) had presented a similar approach. Keeping this trend into consideration, the HR department of Apollo can have a similar approach towards pay hike and salary increment.

Size of Pay & Increments

Commenting on the size of pay we may also refer to the research findings of Deloitte (2013) on the comparison with the projections of pay increments in the Pharmaceuticals, Health Care and Life Sciences sector for the year 2013-2014 along with the actual pay increment data for the year 2012-2013 (Fig 2).

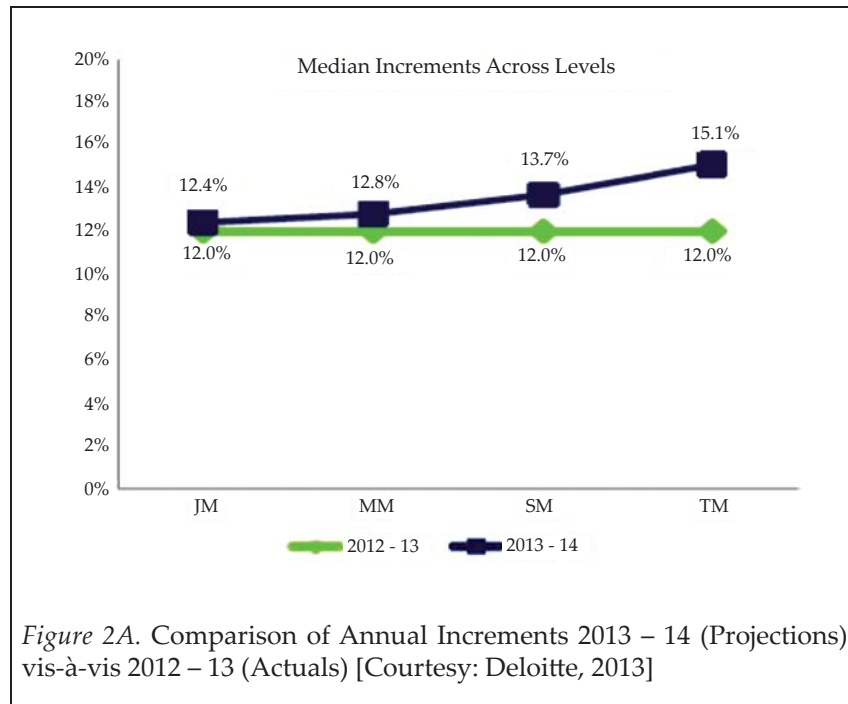


Figure 2A. Comparison of Annual Increments 2013 – 14 (Projections) vis-à-vis 2012 – 13 (Actuals) [Courtesy: Deloitte, 2013]

	10 th Percentile	25 th Percentile	Median	75 th Percentile	90 th Percentile
2012-13	10.4%	11.5%	12.0%	12.8%	13.8%
2013-14	11.0%	12.3%	13.1%	15.0%	16.1%

JM: Junior Management Level, MM: Middle Management Level, SM: Senior Management Level, TM: Top Management

Figure 2B. Comparison of Annual Increments 2013 – 14 (Projections) vis-à-vis 2012 – 13 (Actuals) [Courtesy: Deloitte, 2013]

It is clear that, the increments for the Pharmaceuticals, Health Care and Life Sciences sector have risen considerably, with the highest increase seen at Top Management level. As indicated above, when compared to the increment range in the year 2012-2013, the range projected in the year 2013-2014 has increased from 11.0% to 16.1% for the overall sector. Fig 2B shows that, senior management had received considerably high increments for the year 2012-2013 (13.7%), while those for junior and middle management have increased within the range of 1% point. The same strategic perspective could be followed for managing the size of pay and increments in the studied organization.

Managing Benefits Package

The benefit programs at the organization should be tailor made to suit the individual needs of the employees. The organization should make an attempt to enhance its employee awareness of the value of their total compensation package and as well as the value of their benefits package in particular. The organization should emphasize upon introducing a leading edge approach to its employee reward and benefit programs as those done by other hospitals. By giving staff flexibility in implementing the reward and benefits, the company can ensure that this initiative would contribute to enhance the psychological commitment of its employees as well improving the overall employability image of the organization.

Compensation Equity & Competitiveness

As the healthcare sector in India is on tremendous growing spree, emphasis has to be given primarily on external equity in the compensation package provided by the company. This would increase the competitiveness of the organization for retaining key staff and medical professionals. On the contrary as the hospital chain operates in Pan India basis focus has to be also given on internal equity issues. Variable pay could be used as a strategy to increase the pay depending on the individual contribution and performance.

CONCLUSION

The present study has come out with a bird's eye presentation on compensation issues in the Indian Healthcare sector. The study builds a platform for designing further investigations and research on compensation issues not only in Pan India basis considering Apollo

Hospitals but also having a comparative study considering other hospitals. However inspite of these, this study had highlighted mostly on “Pay Structure”, “Pay increments” and “size of pay” issues contributing mostly to the employee satisfaction which also coincides with the findings made by the research conducted by Deloitte for the year 2013.

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