



A Study on the Impact of Remuneration on Employee Effectiveness at Latitude Hotel-Malawi

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ABSTRACT

The purpose of this study is to explore the impact of remuneration on employee effectiveness, examining how various compensation elements influence employee performance, satisfaction, and commitment. By analysing both monetary and non-monetary rewards, such as salary, bonuses, benefits, recognition, and career development opportunities, this research sheds light on the factors that contribute to an effective remuneration strategy. This research was conducted by means of a thorough analysis of data regarding how the relationship between remuneration and employee effectiveness can help organizations enhance their compensation packages and create a more productive and engaged workforce. Ultimately, this research aims to provide valuable insights into the design and implementation of remuneration systems that drive employee motivation, satisfaction, and overall organizational success.

The impact of compensation on employee effectiveness in firms is examined in this abstract. Pay is a major factor in recruiting, keeping, and inspiring people. A fair and competitive compensation plan has long been known to have a significant impact on worker productivity, job satisfaction, and overall organizational performance. Pay and employee effectiveness have a complicated and multidimensional relationship. First and foremost, employees who receive fair and competitive compensation feel secure and stable financially, which helps them concentrate on their work without being side tracked by worries about their own finances

Keywords: Latitude Hotel, Human resource management, Key performance Indicators, Remuneration

1. INTRODUCTION

The study was conducted at the Latitude Group branch in Malawi, Lilongwe well known as Latitude 13 Degrees Hotel. Due to the study's mixed methods research strategy, both qualitative and quantitative research methodologies were used. To choose respondents in departments, basic random sample procedures and purposeful sampling were applied. Data obtained was analyzed using windows and excel, and the results were used to get to the conclusion of the study results. Interviews and questionnaires were used to gather data. The qualitative data was examined using content analysis to ensure that it aligned with the main themes. Following that, tables, graphs, and charts were used to display the data. The results were statistically shown to offer an examination of the variables influencing the execution of Impact of Remuneration on Employee Effectiveness at Latitude Hotel-Malawi.

Remuneration refers to the total package of financial and non-financial rewards that employees receive in exchange for their work. It encompasses various elements such as salary, wages, bonuses, incentives, benefits, allowances, and other forms of compensation provided by an employer to an employee. The purpose of remuneration is to recognize and reward employees for their contributions, skills, and efforts in the workplace. It serves as a means of attracting and retaining talent, motivating employees to perform at their best, and promoting overall job satisfaction and engagement. Remuneration can be structured in different ways, including fixed or variable components, depending on factors such as job role, performance, market conditions, and organizational policies (Armstrong & Murlis, Reward management: A handbook of remuneration strategy and practice, 2015; Mathis & Jackson, 2021).

One study conducted by Kamlongera and Kalilombe (2016) explored the relationship between compensation and employee job satisfaction in the hotel sector in Malawi. The findings revealed that fair and competitive remuneration positively influenced employee job satisfaction, indicating the importance of adequate compensation in enhancing employee well-being and engagement.

Another study by Phiri and Mzembe (2018) examined the relationship between remuneration and employee performance in the hospitality industry in Malawi. The research findings highlighted that higher remuneration was associated with increased employee performance and productivity, emphasizing the role of adequate compensation in motivating employees to deliver their best efforts.

2. LITERATURE REVIEW

The literature review explores the existing body of knowledge on the relationship between remuneration and employee effectiveness in the context of the hospitality industry. This chapter aims to provide a comprehensive understanding of remuneration. The literature review begins with an introduction that highlights the importance of remuneration in attracting and retaining employees in the competitive hotel industry. It sets the stage for examining relevant research and theories related to remuneration and its impact on employee effectiveness. By reviewing previous studies and scholarly works, this chapter establishes a foundation for the subsequent analysis and interpretation of data in the study.

Remuneration is a critical aspect of HRM, and understanding the literature on this subject can provide valuable insights into various aspects of compensation, such as its impact on employee motivation, performance, and organizational outcomes. Below is a summary of key themes and findings from the literature on remuneration.

Literature emphasizes the role of benefits in attracting and retaining employees and enhancing overall job satisfaction.

Employee benefits in Malawi may include various components, but it's essential to verify the latest information as policies and regulations can change

3. ILLUSTRATIONS

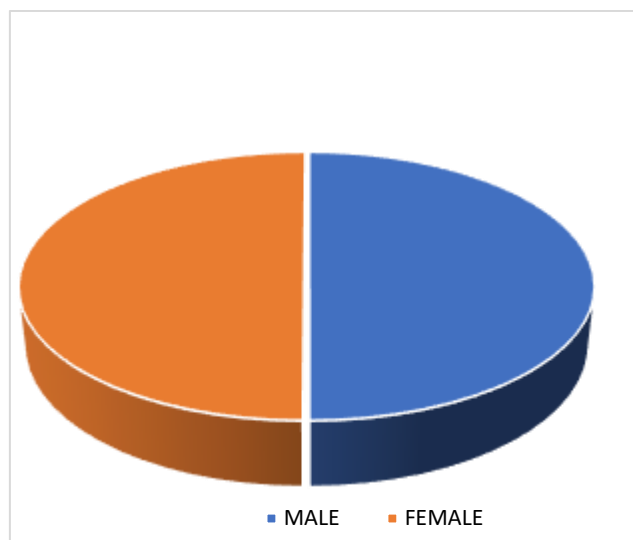
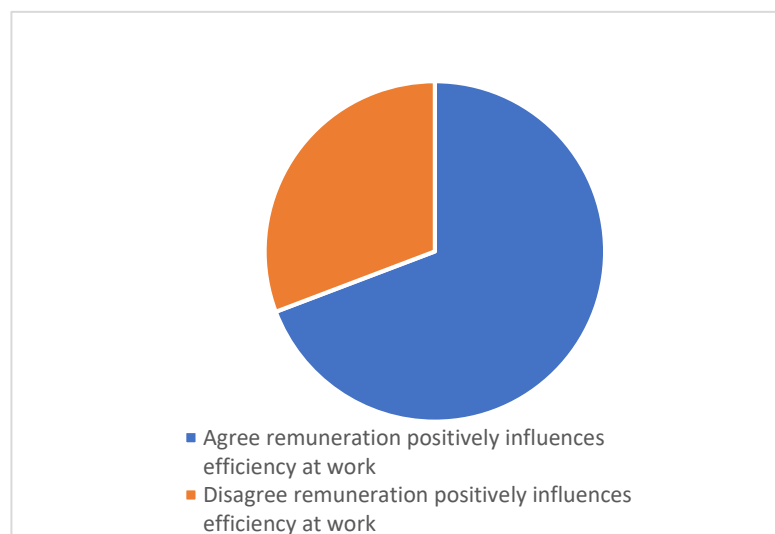


Fig. 1 - (a) Distribution of respondents by gender; (b): Distribution of respondents that agree or disagree that remuneration positively influences efficiency at work.



4. LIMITATIONS OF THE STUDY

There are several limitations to consider in this study: **Cross-sectional Design:** The cross-sectional design used in this study captures data at a specific point in time. This limits the ability to establish causal relationships between remuneration and employee effectiveness. Longitudinal studies would provide stronger evidence of causality over time.

Subjectivity in Qualitative Analysis: The qualitative analysis of interview data relies on the interpretation of the researcher. Despite efforts to maintain objectivity, personal biases and subjective judgments may influence the analysis and findings.

External Factors: The study may not account for external factors that could influence employee effectiveness, such as industry trends, economic conditions, or organizational changes. These external factors may impact the results but are not directly addressed in this study.

Response Rate: The response rate for surveys or interviews could be a limitation, as not all employees may participate. This could introduce potential bias if the respondents differ systematically from non-respondents.

It is important to acknowledge these limitations to ensure the findings are interpreted and applied appropriately, considering the specific context and potential constraints of the study.

5. CONCLUSION

The conclusion of a study on the impact of remuneration would depend on the specific research findings and the scope of the study. While higher compensation alone may not guarantee success, a strategic and thoughtful approach to remuneration can contribute significantly to employee satisfaction, retention, and overall organizational performance. As organizations continue to navigate the dynamic landscape of talent management, understanding and optimizing remuneration practices will remain a key priority for sustained success.

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