Program desain kompensasi di divisi sales - PT X = Compensation program design for salespersons in sales department

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Abstrak

PT X is the biggest multinational shipping company in the world currently. PT X has service network which covers 6 continents with 325 local offices spreading in 110 countries and has around 10.000 employees around the world. It has been operating more than 250 vessels with total capacity about 800.000 TEUs.

In Indonesia this company was established in 1958 and today Jakarta is the head office with three other branches in Semarang, Surabaya, and Medan and has employed more than 250 employees. The business strategy of this company is becoming a market leader in the shipping industry that forces the company to construct a new strategy called cost leadership that affects employees.

At the present time PT X is facing a very serious problem which is high level turnover particularly in its sales department. From exit interview it has been known that almost 46% of the resigning employees decided to leave the company because they can get better offer in remuneration and benefits. Other reasons for leaving the company are better job opportunities, wish to pursue studies, fatigue, family, and other personal reasons. Sixty percent of the resigning employees come from the sales department.

Turnover will impact the overall work performance, cost, time and difficulty in hiring professional workers. All these factors will cause high cost that the company anticipates by making a program to retain employees and increase productivity by providing:

1. Attractive compensation and benefits package

2. Reward and recognition programs

Compensation is given to maintain and increase employees' motivation which in turn will increase employees' productivity. The writer is giving three suggestions in order to restructure the compensation design that would motivate employees:

1. Reorganize the compensation design which concentrates on the annual gross base as a hygiene factor that hopefully could resolve issues in the sales department.

2. Restructure the compensation design which focuses on pay for performance in the variable pay. This design will not interrupt with the cost effective strategy the company is using.

3. Restructure the compensation design that concentrates on the fixed pay and variable pay with the aim of motivating the employees to achieve the liner target and logistics target and could retain potential employees.

The writer recommends that the best option for PT X is the second suggestion as the most feasible in achieving an effective and competitive strategy to retain high potential employees. Hopefully this suggestion

could reduce turnover and boost productivity, thus maintaining professional employees as valuable assets.