

TALENT RETENTION FACTORS: STRATEGIC COMPENSATION FOR COLLEGE STUDENTS/WORKERS

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SUMMARY

Diante da crescente valorização das pessoas no trabalho, investir em programas motivacionais se tornou uma necessidade das empresas contemporâneas que visam desenvolver um diferencial estratégico por meio das pessoas que delas fazem parte. A remuneração estratégica tem se destacado nesse contexto como uma forma de atrair e reter talentos. O presente estudo teve como objetivo principal compreender a percepção dos estudantes universitários/ trabalhadores de uma instituição pública sobre a importância da remuneração estratégica. Para isso, foi conduzida uma pesquisa qualitativa e quantitativa com um grupo de 75 estudantes universitários/ trabalhadores de uma instituição pública, aplicando-se um questionário a fim de identificar os graus de satisfação deles quanto aos tipos de remuneração e sua importância tanto para as organizações quanto para seus funcionários. Utilizou-se um esquema de categorização de dados através de escalonamento de combinação binária. Os resultados

revelaram a satisfação dos respondentes no que diz respeito à remuneração estratégica como forma de motivação e retenção de talentos. Observou-se que os respondentes tendem a se sentir mais satisfeitos, motivados e comprometidos com a organização quando há flexibilidade e incentivos de crescimento profissional. Assim, concluiu-se que para que as empresas contemporâneas se tornem mais competitivas, e com uma maior integração dos colaboradores, é oportuno adotar um sistema de remuneração estratégica.

KEYWORDS: Remuneração Estratégica. Atração e Retenção de Talentos. Tipos de Remuneração.

ABSTRACT

Faced with the growing appreciation of people at work, investing in motivational programs has become a necessity for contemporary companies that aim to develop a strategic differential through the people who are part of it. Strategic compensation has stood out in this context as a way to attract and retain talent, in addition to motivating and engaging employees to contribute more and better to the organization. The main objective of this study was to understand the perception of university students/workers at a public institution about the importance of strategic remuneration. For this, qualitative and quantitative research was carried out with a group of 75 young university students/workers from a public institution, applying a questionnaire to identify their levels of satisfaction regarding the types of remuneration and its importance both for organizations and their employees. A data categorization scheme through binary combination scaling was used. The results revealed the respondents' satisfaction with strategic remuneration as a means of motivating and retaining talent. It was observed that young people tend to feel more satisfied, motivated, and committed to the organization when there is flexibility and incentives for professional growth. Thus, it was concluded that for contemporary companies to become more competitive, and with greater integration of young people, it is opportune to adopt a strategic remuneration system

Keywords: Strategic Compensation. Attraction and Retention of Talents. Types of Compensation.

1 INTRODUCTION

At present, organizations have started to seek not only profit but also the satisfaction of their employees. For this, investing in motivational programs has become a necessity, among which strategic remuneration stands out, which has been adopted by several large companies as a strong trend (RODRIGUES, 2021). Strategic compensation consists of an approach that seeks to value employees more, aiming at increasing the productivity and profits of the organization. Companies have increasingly invested in this type of compensation as a way to value their employees more. (SILVA, 2018).

For Primon and Popp (2020) the usual compensation models do not effectively encourage the development of skills in employees, which makes it feasible for organizations to aim at the implementation of a strategic compensation system. Silva (2018) explained that as this system allows employees to be compensated according to their skills and competencies, they are encouraged to develop them to continue progressing in terms of remuneration. As a result, strategic compensation acts in the retention of good professionals, causing greater motivation and engagement in employees.

In the last year, the theme was a subject of interest to society as shown in Graph 1 of *Google Trends* from the year 2022, until March 2023.

Graph 1 – Interest in the theme during the last year



Source: The authors.

Most compensation is based on pre-established goals and performance appraisals, so it is essential to understand and consider the particularities of each team. In this context, the present study aimed to answer the following research problem: What is the importance of strategic remuneration for the attraction and retention of talents in the view of university students/workers?

The general objective of this study was to understand the perception of university students/workers of a public institution about the importance of strategic remuneration. With this, we obtained the following specific objectives that are related to strategic compensation and how it becomes a huge ally in efficiency and effectiveness in achieving organizational objectives, so we seek to identify the types of compensation currently applied; to analyze the types of strategic remuneration most desired among university students/workers and to demonstrate the degree of satisfaction of the interviewees with the type of remuneration received in their work environments.

Because of the importance of the role of people in the development of organizations, the article aimed to contribute to the understanding, improvement, application, and verification of the effectiveness of strategic compensation as a tool for valuing, motivating, and retaining employees. As strategic remuneration is not mandatory in companies, it is important to know about analyzing this type of remuneration and understanding its advantages and disadvantages. So that they can analyze and choose the compensation system that best meets the needs of the organization and employees.

2 THEORETICAL BACKGROUND

2.1 Concept of Remuneration

According to Sabino and Cunha (2016), compensation is the set of everything that the employee receives directly or indirectly from the employer, including professional recognition and financial and non-financial benefits. The salary is the financial portion established in the employment contract, and in addition to

this previously agreed amount, the remuneration may include additions defined by law or collective agreement, gratuities, and commissions.

Still in the concept of Cunha and Sabino (2016), it is important to emphasize that remuneration is not limited only to the financial portion, but also encompasses non-financial benefits, such as flexibility of schedules, opportunities for professional development, healthy work environment, among other aspects that can be valued by employees. These elements add value to employee compensation and can encourage productivity and motivation.

2.2 Strategic Compensation

With the need to keep up with organizational changes, companies have sought to innovate their compensation methods, so that they can achieve the company goals and the needs of their employees. In this context, strategic remuneration has been a useful tool for companies to achieve a differential, as human capital is more valued (SOUZA, 2015).

According to Silva (2018), the strategic compensation system allows employees to be compensated according to their skills and competencies, allowing the company to align compensation models and employee expectations in a way that promotes motivation, engagement, and talent retention.

2.3 Functional Compensation

Functional compensation is one of the most traditional ways of compensating employees, based on the position held by them. The amount paid to the employee, therefore, is determined based on the position occupied in the company, and to establish the value

fair, companies usually conduct research in the market and evaluate the remuneration practiced by other organizations, in addition to analyzing internally the salaries of all existing positions in the company (FAVARIM, 2015).

2.4 Variable Remuneration

Variable remuneration is widely used in companies, presenting several advantages for the organization and the employee to the extent that it values the professional and bonuses him for his achievements (TEIXEIRA et al., 2020). Teixeira and Rodrigues (2021) cite as advantages of this type of compensation the adjustment of the amount received by employees due to individual differences and the achievement of business goals and objectives, which motivates and favors the growth of employees and their full recognition within the organization.

On the other hand, Favarim (2015) reported that this model also has some disadvantages, especially a possible breakdown of the structure of positions and salaries, in addition to reducing control over wages, since it is not standardization. This can lead to internal problems with employees spurred by competition among team members.

Types of strategic compensation

2.5 Participation/Shares

Shareholding compensation is feasible for publicly traded companies and may assign a portion of their shares to the employee as a reward or bonus for the work or result achieved (SANTOS; Smith, 2018).

It is noteworthy that this remuneration is more used in high-level positions, such as managers and directors since having part of the actions of the employee can influence directly or indirectly the business and results of the company. (FAVARIM, 2015).

2.6 Indirect Salary

The indirect salary is related to the additional benefits that the institution can offer to add to the employee's fixed salary, that is, additional benefits such as health insurance, food stamps, and corporate card, among others (CUNHA; PALMIERE, *et al.*, 2016).

According to Tommasi (2020), these benefits can be offered to employees to generate a base that guarantees their specific needs, being often offered as a form of the package depending on the hierarchical level that it occupies in the company.

2.7 Commissions and Awards

According to Tommasi (2020), commissions are financial rewards paid to employees due to achievements, results, or goals achieved by them, while awards are rewards in the form of some material good. The author also explains that while the commission has a recurring character, the award is usually punctual, linked to the fulfillment of some specific goal. Therefore, both make up the worker's remuneration when they are offered by the company.

2.8 Competency Compensation

Competency compensation analyzes and observes employees according to their knowledge, attitudes, and specific behaviors, which generate above-average performance in specific functions of the company, which provides personalized remuneration, that is, for the same position there may be different remuneration (TOMMASI, 2020).

Thus, competence is used to verify and analyze the way individuals perform an activity concerning other professionals, thus involving knowledge, skills, and attitudes (FAVARIM, 2015).

2.9 Supplementary Pension Plan

The supplementary pension is a benefit that some companies offer to their employees to supplement the retirement that will be received by them when they acquire the right to enjoy the public benefit – this one paid by the Government. This is a way to value and retain talent, as well as provide greater financial security for employees at the time of retirement (TOMMASI, 2020).

2.10 Compensation for Skills

This type of compensation takes into account the skills of the employee, and not only the function performed by him, so the employee is rewarded according to the skills he has and applies at work. Thus, the higher the degree of skills of the employee, the better his remuneration, which justifies the investment in his personal and professional development (GHENO; BELITZ, 2011).

3 development of the theme

For the development of the present study, a bibliographic review of the proposed theme was initially carried out. According to Severino (2007), the literature review consists of an analysis of the findings and records made by other authors on a given subject, serving as support for the understanding of the researched context.

The descriptive exploratory method was used, which according to Gil (2008), aims to explore the subject treated within a certain group, which in this case, is university students/workers of a public institution.

To analyze the problem and collect the information, following the recommendations of DiCicco-Bloom and Crabtree (2006), a semi-structured questionnaire was applied, with open and objective questions to better explore the ideas of the respondents. The instrument was developed by the authors to identify information that could provide subsidies for the elaboration of statistics about the positive and negative factors related to strategic remuneration for talent retention. The questionnaire was disseminated through social networks to university students/workers of all courses of the selected public institution, being applied through the Google Forms® tool.

The study combined qualitative and quantitative methods in data collection and analysis. This approach combines the rigor and objectivity of quantitative methods, through closed questions and statistical analyses, with an in-depth understanding of qualitative methods, using open-ended questions for further exploration and understanding of the perceptions of research participants (PROETTI, 2017).

For data analysis, a table was used to assign points by scaling through binary combinations. It is a quantitative method, through which the data are compared so that the item with the highest score is considered the most predominant (PONTES, 2004). In this research, it was possible to observe which type of remuneration was considered the most desired by the respondents for the retention of talent. In the process of data analysis, the principles of Jimenez et al. (1994) were adopted, which suggests

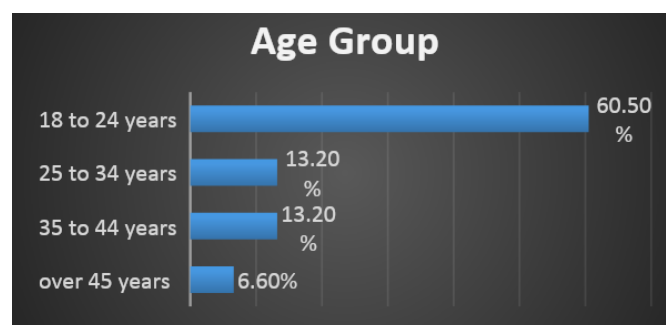
a basic structure of separation, classification, and synthesis, comprising subdivisions such as categorization and coding of data.

4 Results and discussion

Data were collected through a qualitative and quantitative questionnaire during the 2nd semester of 2022. The research was conducted with university students/workers of a public institution, considering all the courses offered by it. Thus, the instrument was disseminated through social networks to the entire academic community of the institution, obtained the return of 75 respondents, these enrolled in the courses of Management in Human Resources, Business Management, Analysis and Development of Systems, Development of Multiplatform Software, Polymers, Foreign Trade, and Logistics.

Graphs 2 and 3 characterize the interviewees in terms of age group and area of professional activity.

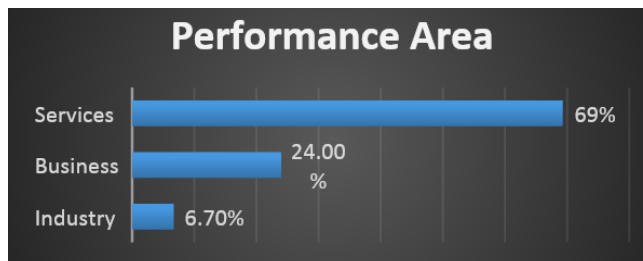
Graph 2 – Age Group



Source: The authors.

According to Graph 2, which presents the percentage of respondents, according to age group, most respondents (men and women) are between 18 and 24 years old, which corresponds to 60.5% of the total respondents.

Graph 3 – Area of Expertise



Source: The authors

Graph 3 shows the percentage of respondents about their area of professional activity, where 69.3% of the 75 respondents work in the area of service provision, followed by 24% who work in commerce and 6.7% in the industrial area.

Table 1 shows the six types of strategic remuneration addressed on a theoretical basis with the attribution of points for each one, according to the opinion of the interviewees. Through this, it was possible to perform the comparison by the quantitative method using binary combination scaling. In this case, the one that receives the highest score in the total sum is considered a predominant choice.

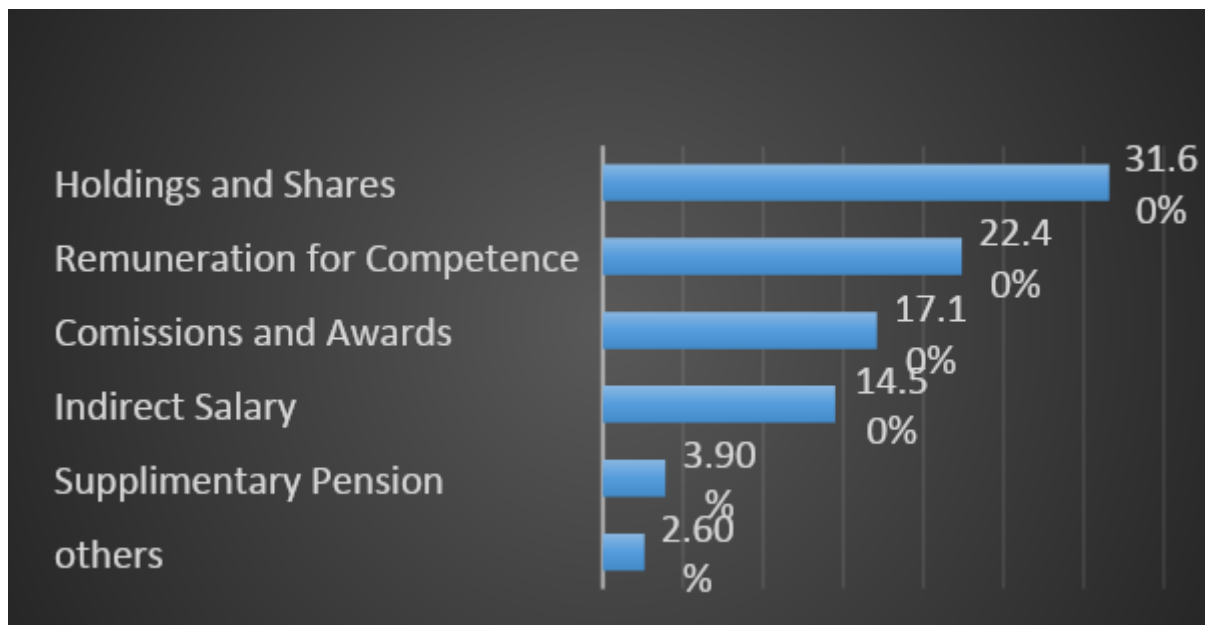
Table 1 – Binary Combination Scaling

	Indirect Salary	Variable Remuneration	Remuneration for Competence	Supplementary Pension	Commissions and Awards	Holdings and Shares	Total
Indirect Salary	2	1	2	1	1	1	7
Variable Remuneration	1	1	2	1	1	1	6
Remuneration for Competence	2	2	2	2	2	1	9
Supplementary Pension	1	1	1	1	1	1	5
Commissions and Awards	2	2	1	2	1	1	8
Holdings and Shares	2	2	2	2	2	1	10

Font: The authors.

According to Table 1, compensation for equity and shares, compared to other compensation, was preferred for increasing talent retention. This remuneration represents the opinion of 31.6% of the interviewees, as shown in Graph 4.

Graph 4 – Types of Remuneration



Source: The authors.

Graph 4, above, shows the percentage assigned to each remuneration, according to the opinion of the interviewees.

In addition to compensation, respondents had the opportunity to openly state their opinions regarding the company they work for and the benefits they believe are important to employees. The literal transcription of all the materials obtained was performed, following the principles of Jimenez, Flores, and Gómez (1994). The research was subdivided into two meta-categories, and it was possible to analyze the types of benefits desired by university students/workers (Table 1) and their perceptions of organizational culture (Table 2).

Table 1 – Meta category “Relevant benefits”

Code	Category definition	Answers
BR (Relevant Benefits)	Includes allusions to relevant employee benefits.	R1- "Language learning program, Funding in the graduate program, possibility of expatriation". R2- "The impersonal incentive, that is, activities that are not related to the service provided, but that when performed, boost the commitment of the employee". R3- "Learning from new programs that are launched in the market". R4- "Remuneration in which you receive discounts to study in colleges". R5- "Participation makes employees feel as if they are part of the organization and so it is ideal to motivate and make it grow." A6- "Educational remuneration: there are companies that pay for courses and other companies pay for employee certifications".

Source: The authors.

Table 1 above refers to the types of benefits that university students/workers consider to be the most relevant for good professional performance, in addition to the benefits established in the interview. The BR code refers to the benefits that the interviewees enable as relevant and motivational for employees.

Table 2 – Meta category “Organizational Culture”

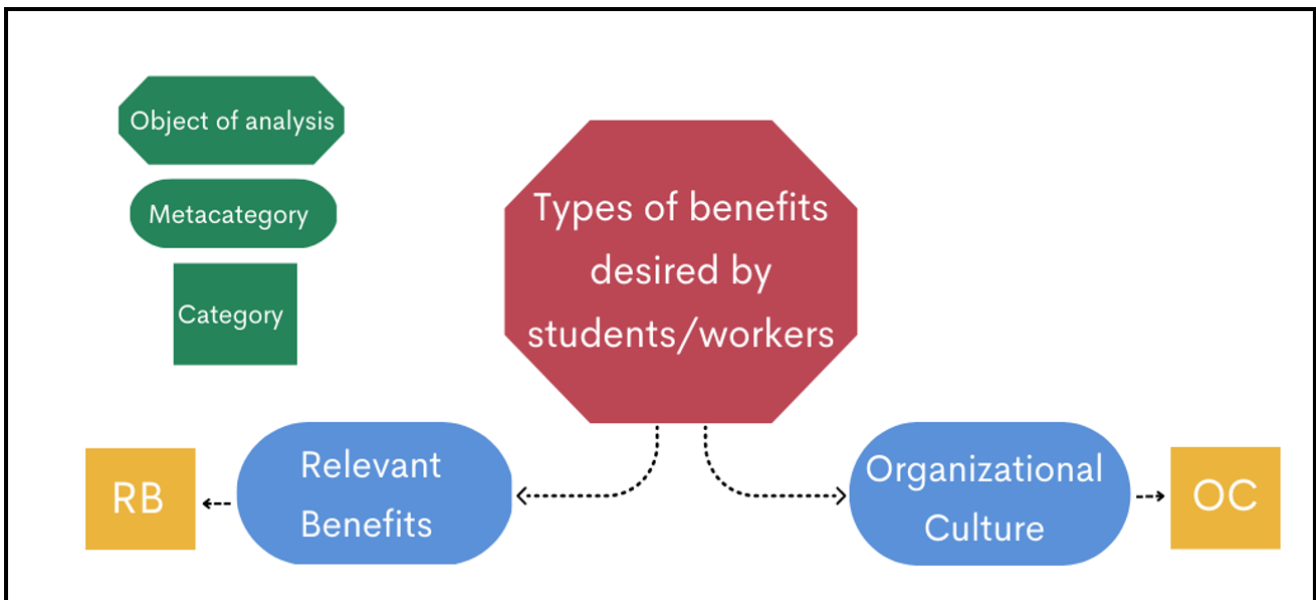
Code	Category definition	Answers
CO (Organizational Culture)	It includes allusions to the differentials that add to the customs and values of organizations	R1- "Possibility to expand my knowledge in other areas". A2- "The values and principles of my company are very motivating and represent a very correct mindset, in my view". R3- "Focused on women". R4- "Diversity and personal development of employees. Such acts promote team learning and elevate competition with other companies." R5- "Always be open to listening to everyone, getting everyone involved, and having their say in the information." R6- "It is Flexible to the personal life of the Collaborator". A7- "Yes, the manager is very close, and in the problems, we have helped directly and indirectly." R8- "In the unit in which I work I have the freedom to do tasks related to college when it is not proposed to me to perform some activity of the internship."

Source: The authors.

Table 2 refers to the organizational culture, which considers the customs and values of the organization as a form of employee motivation. The answers refer to the companies in which they currently work. The CO code was assigned to characterize this aspect, which refers to the organizational culture and the opinion of each interviewee with the company in which they currently work.

Such a system is shown in Figure 2.

Figure 1 – Category System



Source: The authors.

According to Figure 1, the aspects analyzed were joined according to the codes referring to the categories according to the subdivisions of the analysis objective. In this case, the focus was to identify which types of benefits are the most desired and considered most relevant for college students/workers as motivational factors for talent retention.

5 FINAL CONSIDERATIONS

The study carried out perceived the great importance of strategic remuneration for the interviewees, however, it was verified that there are still several companies that offer traditional remuneration to their employees. Given the different types of compensation, it is up to each organization to choose those capable of adding value to the business along with its organizational culture and strategic objectives. In this process, visionary companies have invested in strategic compensation as a way to attract qualified professionals who contribute to the values of the organization, in addition to retaining these talents in the long term.

The results of this study show that most of the interviewees are young people who seek professional recognition through autonomy, freedom, flexibility, incentives, and a good organizational culture so that they can feel part of the organization.

Concerning their degree of satisfaction with the company in which they work, most participants said they were satisfied with the companies, for the flexibility and autonomy offered, but about strategic compensation, most companies do not have such programs.

Therefore, according to the results found, the remuneration that would increase the retention of the respondents at work are, respectively: participation in actions; remuneration for skills; commissions and awards; indirect salary; variable remuneration; and supplementary pension.

According to the public interview, companies that offer strategic compensation impact greater satisfaction, motivation, and commitment of workers to the extent that the benefits meet their needs. Otherwise, workers do not tend to be committed to the organization and may migrate to other companies when they have the opportunity, aiming at better working conditions.

This shows that strategic compensation is a factor that can be used for the attraction and retention of talent due to its character of valuing people at work.

The present study was limited to exploring the importance of strategic compensation for the attraction and retention of talent, so the subject does not end here. As a suggestion for future research, it is recommended to explore other components of the remuneration system, such as non-financial rewards, contributing to the expansion of the theme.

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