

VISITOR ATTRACTION REWARD PACKAGE REVIEW

INTRODUCTION

As with many company’s in the current economic climate, Dwr Cymru Welsh Water (DCWW) is faced with operational challenges when it comes to its Visitor Attraction (VA) business (Access, 2024). When VA was formed, the standard DCWW reward package was adopted, something which in today’s environment is not sustainable. An independent review has been conducted to evaluate the current offering and offer adjustments that can be made, in line with the industry standard but in keeping with the Company’s ‘Fair & Just’ cultural approach.



LITERATURE REVIEW

Traditionally, the hospitality industry hasn’t been the most attractive when it comes to employee reward, with minimum wage being the average wage and limited benefits attached, such as lack of company sick pay. Brexit has made companies change how they operate in order to attract and retain talent due to large numbers of the available workforce retuning tot heir home countries in the EU (Greedy, 2021). Examples include changing salaries to be above the minimum wage and offering flexible working hours and shift patterns. With changes of this nature, there are going to be increased costs to the employer, but it does offer a more positive job proposition to the employee. For this to be sustainable, employers need to balance how they implement these changes whilst maintaining customer expectations and profit margins. Vita Mojo (2024) suggested that passing the cost onto the consumer can initially be seen as a negative, but that, if carried out in a sensible and reasonable manner it can help limit the amount that overheads are cut. Ethical employment is something that customers are actively interested in and it has been shown that they prefer to spend their money at establishments that share in this ethos, helping to increase revenue (Melilla, 2022). Perception of wages in the hospitality sector is historically low and not seen as an industry to build a career in, more of a temporary step. However, research has found that in reality this isn’t case, with over 90% of employers now paying above the living wage and due to external factors, 58% of companies have increase their reward package improve attraction (Wickens, 2021). A recent study highlighted that financial and non-financial benefits are equally as important, so employers should be evaluating what their workforce actually wants and needs as apposed to following what their competitors are doing (Fitriano, Jufrizen and Rohim, 2023). Examples include improvements to working hours and shift patterns and incentive based performance management. Managers should focus on job appreciation as this can have a greater response from employees than salary increases (Navel Al-Tawil and Younies, 2021).

METHODOLOGY

The aim was to identify ways for DCWW to continue their Visitor Attraction business area in a more sustainable way. It was key for DCWW's Fair & Just approach to be taken when analysing the findings to formulate recommendations. This was done in conjunction with external influences, such as Brexit and legislative changes through living wage rises (Chapuzet, A et al., 2021). Focus groups and interviews with internal and external stakeholders were carried out to see how processes are carried out in reality and to help bring payroll figures to life through exploration and explanation of day to day operations. Saunders’ research onion has been utilised ensuring decisions could be justified and with the aims and objectives taken in account (GradCoach, 2022). A mixed method approach covering both qualitative and quantitative research. This brought the feelings and emotions together with the data to paint a fuller picture (Office for Health Improvement and Disparities, 2020). This approach also highlighted some areas where certain examples didn’t harmonise, which has contributed to the recommendations for further improvement. Thematic analysis was used to identify common themes and trends, which helped highlight areas of concern and where change was needed. The findings did show differing views within the focus groups, which is positive due to various personalities and management styles. This in itself shows where organisational changes potentially need to be made as managerial decisions could also be negatively influencing the output of some sites (Crosley, 2021).

RESEARCH FINDINGS

Areas including salary, overtime, bonus scheme and company sick pay were identified as benefits not commonly found in the hospitality sector. However, according to Caterer.com (2023), hospitality employers are implementing existing DCWW benefits as retention factors, namely bonus, enhanced annual leave, generous pension and competitive salary. It became evident that the gap between industry norm and that of DCWW’s offering was wide, which strengthened the need for a new direction in strategic reward to be taken to create a package that is fair for all, and prepared the business for the future (CIPD, 2024b). This ethos will create clearer links with VA’s strategic objectives, given the cost control needed for such an area. To foster a Fair & Just working environment, a review of casual contracts will take place to ensure they are being utilised correctly. Improper use of casual employees impacts on job security and overall employee engagement (Fitriano, Jufrizen and Rohim, 2023). DCWW doesn’t offer casual colleagues company sick pay, entitlement to bonus or progression in salary when managing performance (CIPD, 2024a). The management team have acknowledged a review is needed to ensure consistency and fairness across all sites. A positive finding has been the company’s sick pay and family friendly offering when compared to the industry. External benchmarking has shown that DCWW’s promotion of these benefits needs to improve as competitors are promoting their offering when it is above the statutory level (Waddell, 2021). Analysis of company sick pay has shown it is utilised, but well managed, by managers in line with policy. Retaining a company sick pay entitlement gives a sense of financial security to employees and a competitive edge to the business. There would be consequences to DCWW through presenteeism, reduced output and operational challenges due to employee coming to work unwell (leavedates.com, No Date).

CONCLUSION

Extensive benchmarking, internal and external research has established that DCWW does have a generous reward package, too generous in some aspects. In order to sustain the operation moving forward, several areas have been highlighted as needing attention, namely overtime rates of pay and working windows. It has been reassuring that, according to Caterer.com (2023), several of the Company’s benefits, such as Company sick pay, bonus scheme and enhanced family friendly policies, are ahead of where there majority of the sector are, promoting DCWW as industry leading in the hospitality space.

