

Final Project 1

Code: MGM 496-PMG496

Project Template

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To

Faculty of Management Midocean
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Department/ Specialization



Project title: Compensation Reconstruction

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Graduation Project – 1 (Assignment-2)

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Assignment 2: Research Design for Compensation Reconstruction

1. Research Questions

- How can compensation models be aligned with GOSI requirements?
- What financial benefits can organizations achieve through restructuring?
- How does a reconstructed compensation framework impact employee satisfaction?

2. Research Objectives

- Ensure legal compliance with GOSI and HRDF standards.
- Optimize payroll systems for cost efficiency.
- Enhance transparency and employee satisfaction through structured salary components.

3. Research Hypotheses

- Restructuring compensation models reduces employer GOSI contributions.
- Improved transparency in salary structures leads to higher employee satisfaction.
- Alignment with GOSI regulations improves overall organizational efficiency.

4. Research Model

The proposed research model illustrates the relationship between independent and dependent variables:

- **Independent Variables:** Compensation structure components (e.g., basic salary, housing allowance, transportation allowance).
- **Dependent Variables:** Compliance with GOSI standards, cost savings, and employee satisfaction levels.

The framework posits that adjustments in salary structures influence compliance and financial outcomes, which in turn impact employee morale and organizational efficiency.

5. Suggested Industry/Organization for Empirical Study

This study will focus on organizations operating in Saudi Arabia, particularly in the private sector. Companies such as Almarai and Saudi Aramco serve as potential benchmarks due to their innovative approaches to compensation restructuring.

6. Research Methodology

The study employs a mixed-methods approach:

- **Qualitative Analysis:** Employee interviews and focus groups to understand perceptions of salary structure transparency and satisfaction.
- **Quantitative Analysis:** Examination of payroll records, GOSI contribution data, and cost savings simulations.
- **Case Studies:** Comparative analysis of restructuring initiatives undertaken by organizations like Almarai and Saudi Aramco.
- **Financial Modeling:** Evaluation of current versus proposed salary structures for cost-efficiency and compliance.

7. Suggested Structure for the Project

1. Introduction
 - Background
 - Research Problem
 - Significance of the Study
 - Research Questions and Objectives
2. Literature Review
 - Overview of Compensation Frameworks
 - Regulatory Standards (e.g., GOSI)
 - Case Studies and Best Practices
3. Research Methodology
 - Data Collection Methods
 - Analytical Tools
 - Research Model
4. Findings and Discussion
 - Analysis of Current Salary Structures
 - Proposed Model and Financial Impacts
 - Employee Satisfaction Metrics
5. Conclusion and Recommendations
 - Summary of Key Insights
 - Practical Applications
 - Future Research Directions
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9. Updated Reference List

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