

# **Research On Countermeasures To Optimise And Improve Remuneration Management In The Hospitality Industry-- Taking L Hotel As An Example**

Mei Lan Xu <sup>1</sup>, An-Shin Shia<sup>2\*</sup>

<sup>1</sup>student, Business School, Lingnan Normal University, Zhanjiang, Guangdong, China;

<sup>2\*</sup>Associate Professor, Business School, Lingnan Normal University, Zhanjiang, Guangdong, China

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## **Abstract:**

*The hotel industry is an integral part of the service sector, and the effectiveness of its remuneration management is directly related to employee performance and service quality, which in turn affects the hotel's competitiveness and market position. By scientifically and rationally using remuneration and establishing a remuneration management system that aligns with the company's development needs, it can not only help the company attract outstanding talents but also effectively ignite the working passion of incumbent employees, enhance their enthusiasm, and save management costs. This paper takes L Hotel as the research object, adopts the questionnaire survey method, and collects a total of 135 questionnaires through a WeChat mini-program, of which 130 are valid and 5 are invalid, with a pass rate of 96.29%. By investigating the four dimensions of remuneration equity (RE), remuneration system (RS), remuneration package (RP), and remuneration incentives (RI), the survey results of 16 questionnaire items are analyzed in depth, and the problems and their causes in the hotel's remuneration management are discussed. Among them, it is proposed to establish a performance appraisal system with an incentive mechanism as the core, formulate a more fair and reasonable remuneration structure, and develop a comprehensive welfare policy. The research results provide certain guidance and reference for optimizing remuneration management for this case and can also provide references for similar hotels.*

**Keywords:** *Remuneration management; Performance appraisal; Employee motivation; Salary structure; Hospitality industry*

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## **I. Introduction**

The world is gradually moving towards globalization, with China's economy developing rapidly and the tourism market heating up significantly. With the swift development of the tourism industry, the hotel industry has also experienced rapid growth. At the same time, market competition among hotels has become increasingly fierce. In the 21st century, business competition is no longer confined to market share and revenue, but places a greater emphasis on the competition for talent. Hotel leadership must consider how to maximize the efficiency of employees in various positions, how to enhance the company's competitiveness in the talent field, and how to attract outstanding talents. Remuneration management is the most critical aspect of human resource management, as salary is the primary concern for job seekers<sup>1</sup>. Almost every hotel faces the challenge of attracting and retaining talent, especially in the rapidly growing hotel industry, where there is a severe shortage of talent. A good remuneration system is the key to the success of the hotel industry, as it directly affects the ability to recruit suitable partners, retain key employees, and motivate employee enthusiasm. Therefore, it is very important to build a fair and attractive remuneration system. However, in the current domestic market, most hotel managers do not pay enough attention to human resource management. They usually focus only on employee production levels, operational efficiency, and actual sales performance, often neglecting other factors such as employee psychology and satisfaction, leading to low employee enthusiasm and high turnover rates.

The research case, "L Hotel Xinyi Branch" (hereinafter referred to as L Hotel), is a four-star hotel jointly produced by Ctrip's L Brand Group and Langyu Hotel Group, with hotel operations managed by the group under unified standards. In recent years, especially after the outbreak of the pandemic, the hotel has experienced an increase in staff turnover, particularly among grassroots employees. High employee turnover leads to frequent recruitment and training, increases operating costs, and negatively impacts the company's image. In such an environment, how to attract and retain talent has become a problem that L Hotel's management needs to study and solve. As one of the most critical elements in business operations and an indispensable part of human resource management, the remuneration system requires analysis and optimization in the hotel industry.

### **Research Objectives**

The main purpose of this study is to deeply analyze the current state of remuneration management for hotel employees, with the objectives to: (1) Analyze the current situation and issues of L Hotel's remuneration management, and construct specific improvement plans and recommendations. (2) By optimizing the remuneration management system, effectively motivate employee enthusiasm, thereby improving the hotel's operational efficiency and service quality. (3) Provide a detailed analysis of the existing issues in remuneration management, offering valuable references for the remuneration management of hotel employees, and providing insights for the remuneration management work in the entire hotel industry.

### **Research Significance**

The optimization and enhancement of remuneration management for L Hotel holds the following significance:

- (1) Addressing Practical Issues: By deeply analyzing the various problems and their causes in hotel remuneration management, targeted solutions are proposed to resolve the current issues at L Hotel and similar hotels. This can stimulate employee enthusiasm and thereby improve the hotel's operational efficiency.
- (2) Theoretical Research: Based on empirical research, the study deepens and expands the theory of remuneration management, enriching the research content in related fields. It has certain value for the perfection and development of the theoretical system.

### **Conceptual Definition and Theoretical Basis**

#### **Conceptual Definition**

Remuneration: remuneration can be understood as the direct or indirect rewards that employees receive, including salary, various benefits, and other forms of remuneration. The essence of employee remuneration is the exchange behavior of paying corresponding wages for the contributions employees make to the enterprise<sup>2</sup>. remuneration management is a crucial link when an enterprise implements its development strategies. By establishing a scientific and reasonable remuneration system, planning and evaluating various incentive policies, providing incentives to employees, and encouraging them to contribute their best performance to the company, the maximum labor value can be realized<sup>3</sup>.

Remuneration Management: remuneration management consists of a continuous management process that includes determining, distributing, and adjusting employee salary policies, payment principles, and salary levels. It is guided by the organization's development strategy<sup>4</sup>. In other words, it determines how and to what extent employees will be rewarded for their work. remuneration management has two aspects: the transparency of remuneration decisions and employee participation. In remuneration management, due to the length of time for salary adjustments, enterprises need to have a certain degree of flexibility. However, many enterprises adjust remuneration on an annual basis. In this process, some may feel that their efforts are not matched by their rewards, thus affecting their motivation. Therefore, enterprise managers should timely and scientifically optimize the remuneration management system during the design process<sup>5</sup>. To judge whether the current remuneration system is suitable for enterprise development, it is necessary to communicate, coordinate, and comprehensively evaluate with employees. When the enterprise's remuneration management does not align with its development strategy, appropriate adjustments need to be made. In today's competitive modern business environment, remuneration has become a key factor, determining whether an enterprise can attract elite talent, and the level of wages is directly related to employees' work motivation. The competition for wage levels is no longer solely based on the overall average wage level but is more about comparing the wage differences between different positions within the enterprise or the same position within different enterprises. Furthermore, a scientific and reasonable remuneration incentive system can attract talent, increase the work enthusiasm of enterprise employees<sup>6</sup>. To achieve effective motivational results, remuneration management must set clear goals to encourage employees to perform outstandingly in their work and provide more rewards and development opportunities<sup>7</sup>.

#### **Theoretical Basis**

Remuneration Management Theory: remuneration management theory is the main theoretical foundation of this study. Originating in Europe and the United States, economists have regarded remuneration management as important support for the normal development of companies and discussed the key role of remuneration and its management from different perspectives. remuneration management is the process by which an organization, to achieve its goals, designs and implements remuneration policies to motivate employees and improve their work performance<sup>8</sup>. Principles of equity, competitiveness, incentives, and sustainability are the main theories of remuneration management. Understanding and adhering to these principles can help establish a scientific and reasonable remuneration system, enhancing employee job satisfaction and organizational competitiveness.

Equity Theory: Proposed by American psychologist Adams in 1965, the theory focuses on the study of both the rationality of remuneration and the enthusiasm of employees<sup>9</sup>. The theory suggests that the value of a company should not be limited to the absolute benefits of its labor but should be evaluated by comparing its income with that of others. If they perceive this ratio as unbalanced compared to others, they will feel a psychological imbalance, leading to poor job performance, feelings of boredom, and alienation, which hinder the healthy development of the organization. In such cases, the company needs to adopt a fair remuneration plan to reduce the impact of employee psychological imbalance<sup>10</sup>.

Expectancy Theory: Proposed by American psychologist Vroom, this theory suggests that individuals are motivated to achieve goals because these goals help satisfy certain needs<sup>10</sup>. The motivational effect an individual derives from their work is based on the product of their expectation of the overall outcomes they may achieve and their confidence in their ability to achieve those outcomes. The expectancy theory can be expressed as:  $M = V * E$  (V: target efficacy, indicating an individual's preference for obtaining a certain result; E: expected value, the likelihood that a certain action will yield the expected result). Employee motivation depends on the estimation and judgment of the likelihood of achieving the intended goals<sup>10</sup>.

Two-Factor Theory: American psychologist Herzberg introduced the concept of "two factors" in 1959. In this theory, motivational and hygiene factors are considered the core reasons for job enthusiasm<sup>10</sup>. Hygiene factors significantly affect employee dissatisfaction. However, improving hygiene factors can only eliminate dissatisfaction, not create satisfaction. Motivational factors involve various elements that can lead to job satisfaction, including not only specific areas but also job satisfaction, the challenge of the work, and opportunities for growth. By improving the motivational mechanism, an organization can effectively ignite employees' work enthusiasm, thereby enhancing productivity.

Hierarchy of Needs Theory: This theory encompasses five categories of needs: physiological needs, safety needs, emotional and belonging needs, and needs for respect and self-actualisation<sup>11</sup>. The theory posits that humans have needs and that these needs are arranged in a certain order; once lower-level needs are addressed, higher-level needs emerge. Companies must first satisfy their most basic needs, focusing on physiological and safety needs, such as increasing basic wages and improving housing conditions, to enhance employee satisfaction<sup>1</sup>. Additionally, while providing generous treatment to more demanding personnel, it is also necessary to have a deep understanding of their future development opportunities and plans.

## **II. Literature Review**

In recent years, Chinese researchers have delved into the issues and strategies of remuneration management in the hotel industry. By studying the remuneration systems and management methods of various types of hotels in China, researchers have found that offering reasonable remuneration is crucial for enhancing employee satisfaction and maintaining the stable operation of hotel businesses.

Che Qian (2023) believes that modern enterprise human resource management should focus on remuneration management. A scientific and reasonable remuneration incentive system can attract talent, increase employee motivational, and thus improve enterprise productivity<sup>6</sup>. Li Feng-mei (2023) considers remuneration management to be an important part of human resource management, as it can serve as an effective motivator. By setting clear goals and encouraging employees to complete their work better, employees can obtain more rewards and development opportunities<sup>7</sup>. Li Shu (2023) argues that the overall development strategy of human resources must be coordinated through a remuneration management system, and the equality between different remuneration elements must be guaranteed through the remuneration management system<sup>13</sup>. Lü Yuan (2019) believes that the efficiency of remuneration management plays a vital role in the development of a company, as it directly affects employees' trust in the company, which ultimately affects the company's market competitiveness and efficiency<sup>14</sup>.

Foreign scholars have also conducted extensive research on remuneration management in the hotel industry, approaching the topic from various angles. The study of remuneration and incentive mechanisms is particularly important, as it highlights how recognizing and motivating hotel employees for their contributions can greatly enhance job satisfaction, improve the quality of service, and increase customer satisfaction with the hotel. Of course, foreign research does not ignore the issues in hotel remuneration management, such as remuneration equity, satisfaction, and incentives. In comparison, foreign research places more emphasis on how a more comprehensive remuneration management system can improve the work environment, increase employee job satisfaction, and ultimately affect the hotel's overall operations. Becker (1990) detailed the basics of remuneration management in "The Relationship Between Human Resources and remuneration Management" and listed some common remuneration management methods<sup>15</sup>. Heneman (2002) focused on enhancing employee satisfaction with their salaries, finding that work efficiency and quality have a positive impact on remuneration satisfaction; the study also examined the interaction between remuneration satisfaction and factors such as working conditions, task difficulty, and opportunities for continued education<sup>16</sup>. Heywood (2011) showed that performance-based pay is a determinant of job satisfaction, with higher risk tolerance among those

receiving performance pay leading to greater satisfaction and motivation<sup>17</sup>. Martono (2018) demonstrated that a reward management system in the form of remuneration can affect employee performance through intermediaries such as motivation and job satisfaction<sup>18</sup>.

### III. Material And Methods

#### Research Object

This study selects L Hotel, located in the researcher's hometown, for the convenience of data collection. It opened in Xinyi City, Maoming City, in 2019. The hotel is situated in a relatively superior geographical location with convenient transportation. It is a high-end light luxury hotel that advocates "Moderate Luxury, Exquisite Distinction" and is located at East Qinghua City Plaza on Xinyi Education City Avenue, adjacent to Xinyi Middle School, Meigang Park, Pingtang Bamboo Sea, Dingbao Forest Park, and other tourist attractions. It is only a 10-minute drive from Xinyi Bus Terminal and Railway Station, offering convenient transportation and rich tourism resources.

#### Hotel Overview

L Hotel's management and operations are overseen by a general manager, with 1 general manager and 2 deputy general managers. The hotel operates under nine departments, which constitute its operational system, as shown in the organizational structure diagram in Figure 1.

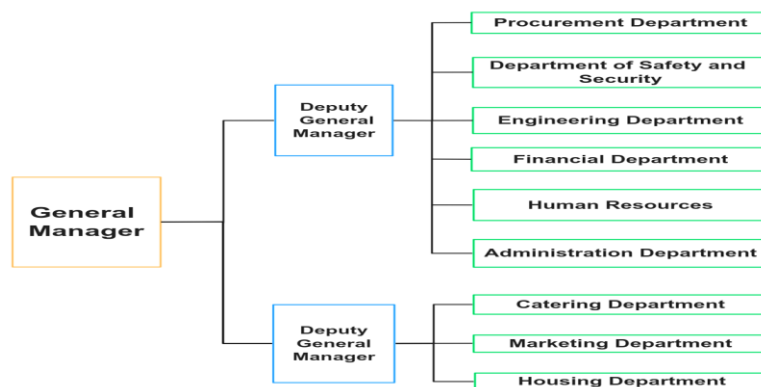


Figure 1 Organisational of LHotel

#### Hotel Remuneration System

Currently, L Hotel's employee remuneration is primarily divided into four levels: grassroots employees, team leaders, middle management, and senior management. The remuneration structure consists of several elements, including a basic salary, bonuses, and benefits. The specific composition of the remuneration is as shown in Table 1.

Table 1 Components of remuneration at L Hotel

Basic Salary	Set by the human resources department based on the average social wage level and the company's recruitment situation. The basic salary is determined by the position and the tenure of the employee.
Overtime Pay	Paid in accordance with national standards (Labor Law) for reasonable overtime work, with corresponding overtime wages.
Full-time Attendance Bonus	A monthly attendance-based incentive bonus for all employees, with a bonus of 200 yuan. If absent more than once per month, the full attendance bonus is deducted; legal holidays, annual leave, maternity leave, and bereavement leave do not affect the full attendance bonus.
Performance Bonus	Calculated based on the employee's individual performance, which is strictly quantified according to the detailed job performance evaluation criteria set by the hotel's internal management experts and leadership. The bonus is determined by assessing the employee's completion of tasks and related indicators.
Welfare Allowance	Includes six types of insurance, with the company bearing a portion of the specified insurance costs as per national policies. The hotel provides its employees with free meals, paid annual leave, and other benefits that are not directly reflected in the salary. Additionally, the hotel offers subsidy allowances, such as summer heat subsidies, communication allowances for sales staff, and transportation allowances for employees on business trips, studying abroad, or involved in procurement.

**Research Tools**

**Questionnaire Survey Method**

The content of the questionnaire in this study is based on the theories of Equity Theory, Expectancy Theory, Two-Factor Theory, and Hierarchy of Needs Theory, combined with references and the actual development of the industry, as well as the internal situation of the hotel. The survey questionnaire includes two parts: the first part is employee basic information (Questions 1-5); the second part is a salary satisfaction survey, divided into four dimensions: Remuneration Equity (RE; Item codes A1-A4), Remuneration System (RS; B1-B4), Remuneration Package (RP; C1-C4), Remuneration Incentive (RI; D1-D4), with a total of 16 related questions (see Appendix for codes). Respondents are asked to assess their current satisfaction with their remuneration based on personal circumstances and choose the satisfaction option that aligns with their actual thoughts. The questionnaire uses a Likert five-point scale to score the options. The specific scoring is as

Table 2

Table 2 Employee Satisfaction Scores

Satisfaction level	Very Dissatisfied/ Reasonable	Dissatisfied/ Reasonable	Neutral	Satisfied/ Reasonable	Very Satisfied/ Reasonable
Score	1	2	3	4	5

**Questionnaire Prediction**

Before the formal survey, 50 employees were selected as a sample for a preliminary survey. A total of 50 questionnaires were collected, with 50 valid data, resulting in a recovery rate of 100%. Through the preliminary analysis of the sample data, the Cronbach's  $\alpha$  coefficient was 0.836, as shown in

Table 3, indicating good reliability. Based on the analysis results of the questionnaire, the pre-survey questionnaire was used as the formal questionnaire.

Table 3 Preliminary Survey Cronbach's  $\alpha$  Coefficient

Cronbach's $\alpha$	Standardized Cronbach's $\alpha$	Sample Size
0.836	0.736	50

**IV. Result**

In this study, questionnaires were distributed through a survey to confirm the reliability and validity of the questionnaire after pre-testing, and it was determined that the questionnaire would be used as the final version without any modifications.

Questionnaire Distribution: The survey questionnaire collection period was from January 25 to January 31, 2024, and it was released through WeChat mini-programs. A total of 135 questionnaires were collected, with a pass rate of 96.29%, including 130 valid questionnaires and 5 invalid ones. The results of the data analysis of the formal survey questionnaire are as follows:

**Reliability and Validity Analysis**

**Reliability Analysis**

Reliability is typically assessed using Cronbach's  $\alpha$  coefficient, and when the coefficient is greater than 0.8, it indicates good reliability. Through the analysis of the 130 data samples using SPSSPRO, as shown in

Table 4, the coefficient of determination for the scale was 0.894. The coefficients for the four dimensions were 0.853, 0.846, 0.941, and 0.856, respectively, all of which exceeded the standard value of 0.8. This indicates that the scale has reliable credibility.

Table 4 Formal Survey Reliability Analysis

	Cronbach's $\alpha$	Standardized Cronbach's $\alpha$	Number of Items	Sample Size
Overall Scale	0.894	0.894	16	130
RE	0.853	0.853	4	130
RS	0.846	0.846	4	130
RP	0.941	0.941	4	130
RI	0.856	0.856	4	130

**Validity Analysis**

The KMO (Kaiser-Meyer-Olkin) and Bartlett's tests were conducted on the scale. As shown in Table 5, the KMO value was 0.867, and the P value was 0.000\*\*\*, indicating that the questionnaire had good validity.

Table 5 Formal Survey KMO and Bartlett Test

KMO Value		0.867
Bartlett's Sphericity Test	Approximate Chi-Square	1322.066
	df	120
	p	0.000

**Exploratory Factor Analysis**

Through exploratory factor analysis, we can reveal the inherent relationships between the research variables and integrate these multivariables into several common factors. After conducting validity analysis on the 130 data samples (variable codes in Appendix), the results showed that factor analysis was suitable (See Table 6).

When four factors are extracted, the cumulative variance explained reaches 74.57%. Additionally, based on the change in the scree plot, it is more reasonable to choose four factors. The factor loadings of the variables corresponding to these four factors are all greater than 0.5. On this basis, this paper summarizes these four factors as "RE", "RS", "RP", and "RI".

Table 6 Exploratory Factor Analysis Factor Loading Coefficient

Variable	RE	RS	RP	RI
A1	0.15	0.05	0.84	-0.06
A2	0.13	0.30	0.77	0.08
A3	0.03	0.14	0.83	0.07
A4	0.10	0.26	0.77	0.23
B1	0.22	0.71	0.27	0.04
B2	0.12	0.85	0.07	0.00
B3	0.09	0.83	0.18	0.04
B4	0.03	0.80	0.17	0.03
C1	0.88	0.14	0.12	0.23
C2	0.88	0.12	0.14	0.21
C3	0.80	0.11	0.11	0.43
C4	0.84	0.19	0.11	0.31
D1	0.17	0.06	0.10	0.86
D2	0.28	-0.03	0.03	0.81
D3	0.45	0.02	0.06	0.67
D4	0.50	0.07	0.13	0.66

**Correlation Analysis**

To study the correlation between the various structural variables, the P Value is used. A value of  $p > 0$  indicates a positive correlation, while a value of  $p < 0$  indicates a negative correlation. From Table 7, it can be seen that at the confidence level (two-tailed) of 0.01, the correlation between RE, RS, RP, and RI is significant.

Table 7 Correlation Analysis

Variable	RE	RS	RP	RI
RE	1			
RS	.404**	1		
RP	.285**	.330**	1	
RI	.267**	.172*	.616**	1

\*\*Significant correlation at the 0.01 level (two-tailed)

**Sample Basic Characteristics**

The questionnaire had a total of 130 valid samples (Table 8), with specific sample characteristics as follows: There were 84 females (64.62% of the valid sample) and 46 males (35.38% of the valid sample) who participated in the survey. Most of the participants were aged 20-29 (39.23%), followed by those aged 30-39, with 49 people (37.69% of the valid sample). The proportion of those with a diploma or technical secondary school education was 40.77%, and the proportion with a bachelor's degree was 30.77%. The number of people

with 1-2 years of work experience was the highest, with 54 people (41.54%); most of the survey respondents were concentrated in the grassroots employees and team leaders, with 53 people (40.77%) and 35 people (26.92%) respectively.

Table 8 Basic Characteristics of the Formal Survey Sample

Basic Characteristics		Number	Percentage
Gender	Male	46	35.38%
	Female	84	64.62%
Age Group	Below 20	4	3.08%
	20-29	51	39.23%
	30-39	49	37.69%
	Above 40	26	20%
Educational Level	High School and Below	28	21.54%
	Technical Secondary or College	53	40.77%
	Bachelor's Degree	40	30.77%
	Master's Degree and Above	9	6.92%
Work Experience	Less Than 1 Year	20	15.38
	1-2 Years	54	41.54%
	2-3 Years	50	38.46%
	4 Years and Above	6	4.62%
Position	Grassroots Employees	53	40.77%
	Team Leaders	35	26.92%
	Middle Management	32	24.62%
	Senior Management	10	7.69%

**Descriptive Analysis**

The satisfaction scores for this questionnaire range from 1 to 5, with 3 being the theoretical median. Scores below 3 indicate dissatisfaction, 3 indicates neutrality, and scores above 3 indicate satisfaction. According to the results in

Table 9, the mean scores for the questions in the questionnaire are between 2.15 and 2.56.

Table 9 Descriptive Statistics of the Formal Survey Sample

Item	Number of Cases	Minimum Value	Maximum Value	Mean Value	Standard Deviation
A1	130	1	5	2.28	.707
A2	130	1	5	2.25	.758
A3	130	1	5	2.35	.860
A4	130	1	5	2.25	.758
B1	130	1	4	2.15	.720
B2	130	1	5	2.18	.795
B3	130	1	5	2.19	.779
B4	130	1	5	2.21	.764
C1	130	1	5	2.41	1.132
C2	130	1	5	2.38	1.095
C3	130	1	5	2.52	1.149
C4	130	1	5	2.41	1.054
D1	130	1	5	2.31	.947
D2	130	1	5	2.21	.869
D3	130	1	5	2.35	.970
D4	130	1	5	2.37	.933

As can be seen from Figure 2, the staff of L Hotel generally express dissatisfaction with their compensation, indicating that there is significant potential for improvement in the hotel's remuneration management.

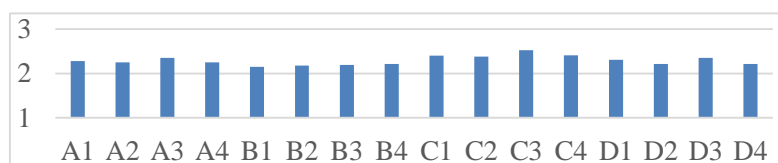


Figure 2 Descriptive Statistics of the Formal Survey Sample

Additionally, as indicated in Figure 3, the overall mean of the sample is 2.3, with RS and RE having the lowest means, respectively, and RP having the highest mean. The report suggests that L Hotel should continue to analyze RE, RS, RP, and RI to investigate remuneration issues from multiple perspectives, improve

the arrangement of salary systems, and enhance the overall competitiveness of compensation, thereby attracting and retaining talent.

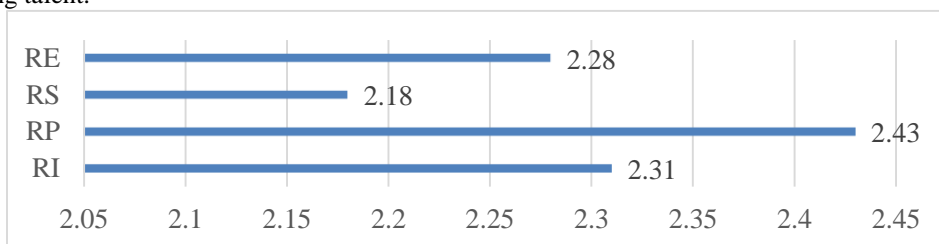


Figure 3 Mean Value of L Hotel Remuneration Management Optimization and Countermeasures Research in Various Dimensio

### Current State of remuneration Management

#### Remuneration Equity (RE)

From the survey results of RE (as shown in Table 10), it is evident that hotel employees are dissatisfied with the perceived lack of fairness in remuneration and generally believe that the issue of unfair remuneration is severe. When comparing the hotel's remuneration with external factors, A1 75.35% of employees feel that their remuneration is unfair given the local cost of living. A2 compared with colleagues in the same industry and star-rated hotels in similar positions, 74.61% are dissatisfied with their compensation. This suggests that the hotel's remuneration lacks external competitiveness. Additionally, A3 60.77% of employees are dissatisfied with their salaries when compared to their internal colleagues, indicating that the internal remuneration competitiveness is not intense. Regarding personal expenses, A4 75.38% of hotel staff feel that there is a mismatch between their expenditures and income. Therefore, in the future, due to the inequality in compensation, the hotel's employees may face the risk of turnover. To address this, the hotel should pay more attention to external information and internal conditions and conduct strict monitoring before and after work.

Table 10 L Hotel Employee RE Survey Situation

Item	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
A1	6(4.62%)	92(70.77%)	23(17.69%)	7(5.38%)	2(1.54%)
A2	12(9.23%)	85(65.38%)	24(18.46%)	7(5.38%)	2(1.34%)
A3	18(13.85%)	61(46.92%)	42(32.31%)	6(4.62%)	3(2.31%)
A4	12(9.23%)	86(66.15%)	21(16.15%)	10(7.69%)	1(0.77%)

#### Remuneration System (RS)

From the survey results of RS (as shown in Table 11), it is observed that most hotel employees hold a dissatisfied attitude towards RS, and the overall perception needs improvement. A high percentage of 77.7% of employees are dissatisfied with the remuneration structure (B1), and on the same position, employees' starting salaries (B2) are generally the same, with no differences in personal skills, educational background, and other factors. Moreover, hotel employees believe that there is an unreasonable aspect between the job salary (B3) and the performance salary (B4).

Table 11 L Hotel Employee RS Survey Situation

Item	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
B1	17(13.08%)	84(64.62%)	21(16.62%)	8(6.15%)	0(0%)
B2	21(16.15%)	73(56.15%)	28(21.54%)	7(5.38%)	1(0.77%)
B3	19(14.62%)	76(58.46%)	27(20.77%)	7(5.38%)	1(0.77%)
B4	17(13.08%)	78(60.00%)	27(20.77%)	7(5.38%)	1(0.77%)

#### Remuneration Benefits (RP)

From the survey results of RP (See Table 12), it is found that hotel employees are relatively dissatisfied with RP, with 66.92% of employees expressing dissatisfaction with the benefits they currently receive (C1), feeling that the benefits are not diverse or comprehensive enough. Regarding training provided by the hotel (C2), 67.69% of employees are dissatisfied, believing that the training offered is inadequate and cannot meet current and growing service



demands. For paid leave (C3), hotel employees are relatively satisfied as the hotel uses holidays as per national regulations. However, for the five social insurances and one housing fund (C4), 66.92% of employees are dissatisfied. Since the hotel is in its early stages of development and only pays social insurance for employees as per national regulations, it has not contributed to the housing fund for employees. As most employees are relatively young with significant housing and rental needs, this leads to low satisfaction.

Table 12 L Hotel Employee RP Survey Situation

Item	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
C1	25(19.23%)	62(47.69%)	15(11.54%)	21(16.15%)	7(5.38%)
C2	24(18.46%)	64(49.23%)	16(12.31%)	20(15.38%)	6(4.62%)
C3	17(13.08%)	24(18.46%)	39(30.00%)	39(30.00%)	11(0.08%)
C4	22(16.92%)	65(50.00%)	13(10.00%)	28(21.54%)	2(1.54%)

**Remuneration Incentive (RI)**

From the survey results of RI (as shown in

Item	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
D1	27(20.77%)	49(37.69%)	45(34.62%)	5(3.85%)	4(3.08%)
D2	24(18.46%)	66(50.77%)	32(24.62%)	5(3.85%)	3(2.31%)
D3	28(21.54%)	46(35.38%)	40(30.77%)	15(11.54%)	1(0.77%)
D4	15(11.54%)	74(56.92%)	23(17.69%)	14(10.77%)	4(3.08%)

), employees feel that the incentives are low, and most are dissatisfied. The raise range (D1) is long with a moderate increase (D2), leading to inconsistent psychological expectations and an insignificant motivational effect. Employees believe that the current RS is not attractive enough to attract outstanding talents (D4), and they are dissatisfied with the existing incentive policies (D3). A significant number of employees may leave the hotel due to low RI. Therefore, while optimizing compensation, the hotel should fully consider the incentive nature of remuneration to retain outstanding employees and reduce the turnover rate.

Table 13 L Hotel Employee RI Survey Situation

Item	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
D1	27(20.77%)	49(37.69%)	45(34.62%)	5(3.85%)	4(3.08%)
D2	24(18.46%)	66(50.77%)	32(24.62%)	5(3.85%)	3(2.31%)
D3	28(21.54%)	46(35.38%)	40(30.77%)	15(11.54%)	1(0.77%)
D4	15(11.54%)	74(56.92%)	23(17.69%)	14(10.77%)	4(3.08%)

**V. Issues And Causes Of Remuneration Management In L Hotel**

**Existing Issues**

**Inappropriate remuneration Scheme**

The remuneration setting for the same position is the same at the beginning, without considering individual abilities and education levels, which is not very attractive to employees. The hotel's remuneration level is low, failing to meet employee expectations, leading to a long-term feeling that the work input far exceeds the personal gain and a psychological pressure that their income cannot compare with others, resulting in dissatisfaction and a passive attitude towards work. The variable remuneration is not an effective motivational tool as it only constitutes a small part of the salary. Additionally, the absence of a seniority bonus system means that the salary gap between new and senior employees is small, which leads to psychological imbalance among senior employees and may further result in talent loss in the hotel.

**Lack of Competitiveness Externally and Fairness Internally**

Hotel remuneration management is a key link in the development of the hotel. The design of the hotel's remuneration system should have competitiveness and enthusiasm<sup>19</sup>. The above study shows that L Hotel's salary level is lower than the market average, lacks competitiveness in the market, and has internal inequality, which is very unfavorable for attracting and retaining talent. In recent years, the average salary in Maoming City has continued to rise. At the same time, there is a large gap between the basic salary, position salary, and the psychological expectations of employees. The frequency and intensity of salary increases are insufficient. Enterprises in the same industry have also raised salaries to attract more talents, making the competition for external talent more intense. In comparison, the salary increase range and growth rate of employees in L Hotel are low. Employees find that their efforts are not positively related to the returns they receive, leading to a psychological imbalance and a decrease in work enthusiasm. In addition, the proportion of residents'

consumption expenditure in the overall social consumption expenditure in Maoming City is gradually increasing, which has a significant impact on their quality of life. Since 2019, L Hotel has not fully considered the rapid development of the industry and the economy, and has not made significant adjustments and optimizations to basic salaries. In this situation, employees' wages will deviate from the local average price level, even the average level of the same industry, causing a large talent loss.

### **Inadequate Welfare System**

According to the employee satisfaction survey, there are deficiencies in L Hotel's welfare system. Although basic social security such as social insurance, paid leave, and professional training for employees is provided, the welfare items are relatively monotonous and cannot cover the diverse needs of employees. The age of hotel employees tends to be younger, and their needs may be more diversified, such as housing, entertainment, fitness, and other aspects of life quality. The hotel has not purchased housing provident funds for employees, which seriously reduces the psychological expectations of young employees with housing needs. Secondly, although the hotel provides full-staff training and helps new employees integrate into new positions, from the perspective of the development of service-oriented talents, employees feel that their personal knowledge and skill development needs have not been fully met, and the training opportunities are not rich enough, the quality is also not satisfactory. On the other hand, employees are not satisfied with their own income level and feel a significant gap with the level of the same industry. L Hotel's remuneration system may focus on position salary while neglecting performance appraisal, resulting in the hard work of outstanding employees not being able to obtain corresponding material incentives.

### **Inadequate Employee Promotion Mechanism**

For employees, promotion and salary increase are undoubtedly their common goals. L Hotel's promotion and salary increase mainly rely on job promotion. However, in recent years, the conditions for promotion in the hotel have become more and more stringent, which means that fewer and fewer outstanding talents are promoted each year. In addition, the promotion mechanism in the hotel is not sound, the fairness and transparency are low, and most employees do not have many promotion opportunities. This has a great impact on their work enthusiasm, and their enthusiasm for working in the hotel is getting lower and lower, eventually leading to direct talent loss, which is very unfavorable for the long-term development of the hotel.

### **Causes Analysis**

#### **Lack of Effective Industry Remuneration Market Research**

Effective design of remuneration structures requires in-depth market research. Only by having a comprehensive and systematic understanding of the hotel remuneration market can we accurately grasp the business progress of employees. During the research process, we should collect relevant data, information, and materials strategically and with clear objectives, and conduct detailed sorting and analysis to formulate relevant conclusions. L Hotel's lack of effective industry remuneration market research is mainly reflected in the following aspects: new employees in the same position receive the same starting salary upon entry, without considering different starting salary standards for employees with the same qualifications; at the same time, from the perspective of RE, the salary level lacks competitiveness compared to other hotels in the same industry. L Hotel has not developed a remuneration market, has not constructed a remuneration system superior to other hotels in the same industry, and even has not established an effective remuneration system. This has reduced the enthusiasm of hotel employees and hindered their ability to fully express their passion and creativity. With the ever-changing market environment, the hotel should conduct remuneration surveys in related industries in a timely manner.

#### **Ignoring Employees' Personalized Needs**

Benefits and allowances are effective means for enterprises to attract and retain talents. To retain employees, it is not only necessary to meet their material needs but also to cater to their diverse and personalized needs<sup>12</sup>. Due to different life experiences, educational backgrounds, and income levels, employees have varying expectations for benefits. Therefore, hotels need to diversify their benefits offerings. However, the current hotel welfare system adopts a "one-size-fits-all" approach, which is inefficient in meeting the personalized needs of company employees and lacks flexibility in attracting and retaining talent.

### **Lack of Promotion Channels**

L Hotel's employee promotion channels are limited, with a flat organizational structure and a shortage of management positions. Moreover, the majority of management staff are relatively young, making it difficult for them to advance, which restricts their career development and limits salary increases. Additionally, the hotel staff lacks career development plans, and employees have limited exposure to meetings or training related to career development. Most employees do not have a clear career plan for their long-term development, nor do they have a clear concept of their future direction. As a result, most employees view their current job merely as a means of earning a salary and qualifications, without organically linking their personal future career development to the company's growth. This leads to a lack of employee loyalty and a sense of stability towards the company.

## **VI. Hotel remuneration Management Optimization and Enhancement Strategies**

### **Optimization and Enhancement Plans**

#### **Designing a Reasonable Remuneration Structure**

As mentioned earlier, L Hotel offers the same starting salary for the same position without considering factors such as individual abilities and educational backgrounds, which does not greatly attract employees. The remuneration structure lacks balance and should fully consider different factors such as education, age, and seniority to determine the remuneration level of employees. remuneration management is a crucial part of enterprise human resource management, and it is necessary to conduct reasonable and effective analysis of the problems and outstanding issues in this link<sup>20</sup>. Hotels need to pay attention to pre-salary research and set their goals on the company's internal and peer hotels of the same star rating. Taking into account the hotel's profitability and the responsibilities of various departments, as well as the quality requirements of employees, the hotel can determine its remuneration level. Through the investigation and analysis of the work needs and abilities of hotel employees, a scientific, reasonable, and effective employee performance remuneration system should be developed, and a reasonable employee remuneration structure should be established to make it competitive. At the same time, after employees experience the new salary system, effective communication should be used to gather feedback. On this basis, combined with employee feedback, the salary structure should be continuously adjusted and optimized to achieve the goal of attracting high-quality talents of various types.

#### **Enhancing Remuneration Levels and Increasing Competitiveness in the Industry Compensation**

A complete remuneration management system must include fairness as one of the essential elements. As an enterprise, the first priority is to ensure that the remuneration for the same or similar positions is consistent both internally and externally<sup>21</sup>. Based on the analysis results, it can be concluded that the current salary level is below the market average, which leads to a significant difference with local competitors. Currently, employees' work enthusiasm is relatively low, which not only has a significant negative effect on team cohesion and work efficiency but may also adversely affect the quality of service provided. For L Hotel to have a strong competitive edge in the industry, it must conduct a comprehensive survey of remuneration levels at other hotels in the industry, adjust the remuneration structure level appropriately based on its own development strategy and mission, and understand relevant information about the industry's compensation.

Based on the above analysis, L Hotel should adopt a "Leading + Following" hybrid strategy model to ensure its sustainable development.

**Leading remuneration Strategy:** This strategy mainly addresses the lack of professional talents among hotel frontline service staff and the relatively low customer loyalty. By offering high remuneration to retain excellent talents and attract customers, the hotel can effectively enhance its market competitiveness and core competitiveness.

**Following remuneration Strategy:** The purpose of this strategy is to align the hotel's wage levels with those of its competitors, ensuring that the hotel maintains competitiveness. This strategy can stabilize employee morale, improve work efficiency, and ensure mutual complementarity between the hotel and the market, giving the hotel a certain competitive edge in attracting outstanding talents.

#### **Perfecting the Welfare System**

As an important part of the remuneration system, benefits play a crucial role in alleviating employee dissatisfaction and improving job satisfaction. With the continuous progress of society and the increasing demands for quality of life by employees, enterprises must expand and optimize benefit plans to meet employees' life and career needs from multiple perspectives. Ensuring that the design of the welfare system

starts from the well-being of employees and solves problems from their perspective. According to Maslow's Hierarchy of Needs, the design of the enterprise's welfare system should implement scientific matching at the demand level, satisfying different levels of needs. Happiness is not just a material pleasure but also an emotional and spiritual satisfaction. Therefore, L Hotel should not only provide competitive remuneration packages but also consider the comprehensive well-being of employees, offering a variety of benefits to reduce work and life stress and strengthen employees' sense of identity with the hotel.

### **Improving Promotion Channels**

Maslow's Hierarchy of Needs theory suggests that "self-actualization" is the highest need of humans. Therefore, hotels should value employees' needs for self-actualization and development, establishing a sound mechanism for personal growth and career development of employees. According to L Hotel's actual situation, multiple promotion channels should be established, creating a diverse development space for employees and creating a favorable internal development environment. Encouraging employees to seek development within the company can include internal recruitment processes, internal position competitions, job rotations, and cross-institutional training. In addition, the hotel should establish and implement an effective career development plan, making employees clearly aware of the needs and development paths at each level. This includes career coaching, developing individual career development plans for employees, and providing them with training and development opportunities.

### **VII.Conclusion**

This paper has conducted an in-depth exploration of the current remuneration management situation and challenges faced by L Hotel through literature review and questionnaire survey, and on this basis, proposed a series of improvement suggestions. Optimizing the remuneration system of hotel employees can maximize the importance of remuneration incentives and better satisfy the level of remuneration satisfaction, thereby fully mobilizing their work enthusiasm and highlighting their creativity, creating greater value for the hotel. The main conclusions are as follows:

- (1) Issues in L Hotel's remuneration Management System: Unreasonable remuneration scheme setting, lack of competitiveness externally and fairness internally, incomplete welfare system, and imperfect employee promotion mechanism.
- (2) Optimization Measures: Setting a reasonable remuneration structure, enhancing remuneration levels and competitiveness in the industry, improving the welfare system, and smoothing promotion channels.

It is hoped that through the above measures, the hotel can help reduce employee turnover, attract outstanding talents, strengthen team cohesion and team building, improve the overall quality of employees, enhance the influence and competitiveness of the hotel in the industry, and promote the high-quality development of businesses. This study aims to provide a reference for remuneration management of L Hotel and other similar hotels.