

## Abstract

**Title:** The Influence of Compensation and Benefits on Employees' Motivation and Job Satisfaction in Chiang Mai Hotel industry  
**Researcher:** Mr. Leonard Malley  
**Project Advisor:** Dr. Somboon Panyakom  
**Degree:** Masters of Business Administration (International Business)  
**Date of completion:** May 2013  
**Number of Pages:** 67

The objective of this study is to measure the degree that each compensation and benefit component influences motivation and job satisfaction for employees in Chiang Mai's hotel industry. From this measurement, the important compensation and benefit components are deciphered and identified. A total of 26 components of benefits and compensation are measured. These components are categorized into three categories: compensation, direct benefits, and indirect benefits. A total of 384 employees in Chiang Mai's hotel industry responded to the survey.

The findings found that a majority of employees in the hotel industry in Chiang Mai had neutral perceptions to job satisfaction. Managers are 7.5 times more satisfied than operational employees in Chiang Mai's hotel industry. Managers were satisfied with 15 of the 26 compensation and benefit components measured in this study, however, only 2 of the 26 components were considered satisfied by operational employees. The two components that were important to overall employees in Chiang Mai are health insurance and allowances.

Motivation in Chiang Mai's hotel industry had a total of 10 compensation and benefits that were considered important. The base pay category had the most of the 10 important compensation and benefits with base salary, overtime pay, allowances, and flexible hours. The benefits category had the second most with health plans, retirement plans, and dental plans. The recognition and perquisites category had recognition program, recognition reward, and childcare considered important. Variable pay did not have any components that are considered important.

Dividing the findings into those of managers and operational employees, it was found that 5 of the 10 components were considered important to motivation are agreed upon by both.

In total, there were 11 compensation and benefits that are considered important to job satisfaction and motivation for overall employees. It is recommended that hotels in Chiang Mai implement these 11 components into the hotels compensation and benefit scheme. The 11 important components of compensation and benefits were base salary, overtime pay, allowances, flexible hours, health plans, retirement plans, dental plans, recognition program, recognition reward, and childcare. It is important that companies also differentiate which compensation and benefits to offer employees and managers. Implementing these recommendations to a hotel will reduce increase retention and hiring of talented employees.