Salary Policies: Added Value In The Management And Operation Of Construction Companies

Nelson Javier Cely Calixto 1, Romel Jesús Gallardo Amaya 2, Gustavo Guerrero Gómez 3

1 Faculty of Engineering, Francisco de Paula Santander University Cúcuta, Colombia, https://orcid.org/0000-0002-2083-6978

2 Faculty of Engineering, Francisco de Paula Santander Ocaña University, Colombia, https://orcid.org/0000-0002-4740-4841

3 Faculty of Engineering, Francisco de Paula Santander Ocaña University, Colombia, https://orcid.org/0000-0002-4316-7113

Abstract

High unemployment and few formal employment opportunities remain the biggest obstacles to the Colombian economy, preventing strong growth from leading to further poverty reduction and increased well-being. Understanding and addressing the root causes of these problems is key to ensuring economic growth and social protection. However, the reasons for Colombia's poor performance remain unclear, addresses this new information on labor trends and dynamics in Colombia, analyzing the impact of economic cycles, technological change, and regulatory frameworks on working conditions. Undoubtedly an essential work for those who want to understand the reality of the Colombian economy. However, the quality of life at work as an element of well-being is intended to be generated through activities that generate favorable conditions for employees, which may be related to their satisfaction, motivation and work effort. Said satisfaction is provided through the remuneration or compensation (salary, salary, benefits) that an employee receives in exchange for a job, an element that allows the company to attract and retain the necessary human resources and allows employees to satisfy their needs. materials.

Keywords: Labor quality, Working conditions, Colombia, salary, Quality of life.

Introduction

The quality of life in the current state corresponds to the level that each person reaches when setting their objectives and starting the search for them. [1] That is, the human being has the ability to decide the level of quality within his life. Aspirations, goals, objectives, none of this makes sense if reasoning is not present in every human being, the search for new horizons alludes to human evolution. From an economic point of view, some authors use objective measures and directly consider aspects related to works and attributes based on your experience such as salary, place of work, hours of work, etc. [2] Therefore, each person is classified in a level depending on the amount of experience that is on their resume.
On the other hand, changes in the world have been consolidated since the 1980s, offering new ways of connecting, evaluating working conditions, dealing with uncertainty, temporarily identifying with the organization, considering stability and work essentially as a tool for survival, especially for those with low employability. [3]

The changes have not always been good for the worker, the fact of evolving and implementing new trends in the world also implies a demand in professional training and gives way to dissatisfaction on the part of the employee and the employer. Undoubtedly, the dissatisfaction of workers with the results of the reform and labor flexibility opens the door to the relationship between perceptions of job quality and job satisfaction. The previous relationship is based on the consideration that the quality of employment takes into account the guidelines of decent work, while satisfaction becomes a subjective personal assessment of the work carried out within the guidelines. [4]

In addition, it is a very important issue to address the degree of compliance of the employees since these are "the first clients of a company", they are in charge of ensuring that everything goes according to business objectives and increases productivity. Dissatisfaction leads to loss of organizational effectiveness and can also be expressed in the following ways: expressiveness, loyalty, carelessness, aggressiveness, or withdrawal. it’s a disappointment Dissatisfied employee perceptions can lead to aggressive behavior that can take the form of sabotage, slander, or outright aggression. [5]

As we well know, achieving the goals or objectives of the company requires efficiency on the part of the employee in order to use the least amount of resources, but with the dissatisfaction present in the work environment, the productivity of the company is affected. One of the most worrying problems that workers face today is job stress, which manifests itself in depression, fatigue and anxiety, loss of income and even unemployment, this manifests itself in low productivity, constant employee turnover and high costs. recruitment and training of staff. Therefore, the issue of quality of working life is increasingly relevant for organizations. [6]

The issue of quality stands out more and more since it is a way towards the well-being of each person and it goes hand in hand with motivation, without motivation there is no satisfaction and without satisfaction there is no good work performance. A characteristic of research on organizational climate and job satisfaction is that the research often focuses on working in a large company and with positions that imply some command. [7]

In this way, results are obtained with a higher response rate, large companies require a high number of workers and that is why the investigations are directed towards them, but that does not mean that in small companies an investigation cannot be achieved. fruitful.

The organizational climate is a multidimensional component of elements that can be further...
classified based on the organizational structure, the size of the organization, the communication style, the management style, etc. [8]

This subject is quite broad since it entails several aspects that are part of a company, but the main aspect to achieve an excellent organizational climate is communication and this occurs when we recognize the main characteristics of our work environment. The special significance of this approach is that worker behavior is not the result of existing organizational factors, but depends on how workers perceive these factors. However, these perceptions are highly dependent on each individual participant's activities, interactions, and various other experiences with the business. Thus, the organizational climate reflects the interaction between individual and organizational characteristics. [9]

The integration of the personnel is a fundamental process that allows to recognize the talent of each worker and thus be able to assign a function in accordance with the organizational structure of the company, the norms and policies

**Unemployment rate**

The environment affects the structure of the organization because it creates uncertainty in these areas. Some companies handle relatively static media, others handle more energetic ones. A static environment creates much less uncertainty for managers than a dynamic environment, and because it threatens the efficiency of the business, managers try to reduce it. One way to achieve this goal is to make adjustments to the organizational structure. [10]

The foregoing alludes to the unemployment rate, approached in two ways: static, which represents a balanced state, and dynamic, which definitely no company wants to have because of the low efficiency it causes, leading to layoffs.

**Unemployment in Colombia**

The changes that have occurred in recent years may have been the cause of the results of the Colombian labor market, the most important of which are: the growing number of people working in the informal sector, the high financial and administrative costs to form microenterprises that generate the largest number of jobs, greater demand for labor, and a little increase in productivity. [eleven]

The pandemic experienced has been the main cause of these changes and the fact that many companies have had to close their doors and without more alternatives or job opportunities, people were forced to find ways to survive and one of them is labor informality. Therefore, the natural rate of unemployment is a game in market failures, moreover, the variable depending on the structural conditions of each individual such as their economy. Then the intention is to
reduce unemployment below the natural level gives way to the increase in prices better known as inflation. It's the one that starts to slow down real growth, it just leads to a higher general price level and higher unemployment. [12]

More recent studies published on the official website of DANE (National Administrative Department of Statistics) have shown that in the quarter from August to October 2022, the unemployment rate for women is 13.1%, compared to 8.4% of men.

Figure 1. Unemployment statistics by sex

![Figure 1. Unemployment statistics by sex](image)

Source: DANE

persistently high unemployment with a price problem. Assuming that the supply and demand for labor are balanced at a wage level below the real wage that governs the economy, the creation of a gap between the supply and demand for labor will mean that a large proportion of employees will be forced to leave the market. [13] Supply and demand are the main basis of the economy in the market, it is for this reason that there is talk of a gap between the two, between the amount that demands a product and the amount that is offered for it.

The current economic crisis in Colombia has resulted in many entrepreneurs choosing the most abrupt and painful path and that is the decision to close the business. It is true that most of this is due to lax policies implemented by the current rulers without consulting the Colombian people, such as ongoing tax reforms and holding onto the enormous burden imposed by more than a dozen free trade agreements. [14]

Trade, which led to the deindustrialization of the country, finally mercilessly pushed the fragile national economy into the abyss. Free trade agreements mean the elimination of tariffs, but it also means expanding the market between countries. The basic meaning of job creation and productivity determines the importance of economic growth as a driver of labor demand and, given theoretical and empirical considerations, shows high volatility in growth. Among other things, the economy does not promote equality in the creation and sustainability of quality jobs. [fifteen]
Fortunately, the Colombian economy is recovering after the pandemic suffered as a result of Covid-19, allowing more income to be obtained and to be able to hire more staff and improve well-being. One of the reasons why the informal sector has grown in recent years is because the formal sector cannot employ the entire population. These obstacles are created by a series of problems that are weakening our economy, such as: the reduction of national and international investment and insecurity, which is very subtle and worsens economic and social conditions. [16]

This has led to a drop in Colombia's GDP (gross domestic product or gross domestic product), which in turn is reflected in a surplus of labor in the labor market who have no alternative but to move into the informal sector.

**Figure 2. GDP per capita statistics in Colombia.**

![GDP per capita statistics](image)

Source: Data Commons

Since inflation imposes welfare costs on agents and stops economic growth, it is one of the most important achievements of the monetary authorities. However, the disinflation process can have negative effects on production and employment. [17] In addition to being a "stagnation" for the market, it is a process in which the growth of prices is bent in such a way that it reduces them compared to the economy.

Changes in economic activity in Latin American countries have had less impact on unemployment than in more developed countries. This means that policies that only seek to stimulate activity aimed at unemployment will be less effective in these countries, so more targeted policies and more specific employment programs will be needed. [18]

In Latin America there are two big problems and they are inequality and poverty, the result of low investment and informality, due to not having sufficient capacity in the formal sector to hire and create jobs. One of the most important economic and political objectives for the coming years is to take advantage of the country's internal and external opportunities. However, there are indications that the Colombian economy has not been able to sustain a growth rate above 4.5%. [19]
These objectives are of survival, outlined in order to generate profits and financial growth, but apparently, this measure has not yet been met in order to achieve them. Inflation is of fundamental importance as an economic indicator, since it is directly related to the dynamics of household prices and in most cases it is the basis of public and private sector credit. Unemployment, for its part, is a problem that affects household and total consumption of goods and services, which makes us reflect on the relevance of the aforementioned variables, their causes and consequences. [twenty]

For this reason, fighting unemployment is everyone's task, since the economic situation affects aspects of daily life worldwide.

**Employment in Colombia**

Unemployment is one of the main welfare problems of the population in any society. Although economists have studied this topic extensively, few studies have explored job search mechanisms or channels, especially in developing countries where labor markets are not perfect. [twenty-one]

Consequently, there is great discontent among the population, by not obtaining solutions to this persistent shortcoming in the country, either by improving search channels or otherwise. Employment is important for the Colombian State because it promotes growth economic. From this point of view, education and work experience at work is the main variable of interest. [22]

Now, in Colombia it is one of the fundamental pillars to have fully active, productive and versatile employees to be able to obtain a job, but these virtues are usually scarce when hiring. For this reason, Colombia stands out as a country with a higher rate of unemployment and labor informality. Based on what was said above, the indicators of market failure include: (the informal or non-formal sector) which indicates the low level of productivity of physical labor, the presence of structural unemployment. Despite the labor reforms, it has fluctuated between 9% and 12% in the last 20 years. [23]

The Colombian labor market could be considered as a vigorous and dynamic space and determinant of those levels of employment and wages, taking into account that there are shocks that affect the environment. But, other results of a real dynamic are also presented and that lead to identify it as a sclerotic and rigid market.

In Colombia, where high-quality jobs are rationed, the use of informal channels to find work can increase social inequality because the richest have access to larger and higher-quality networks. In societies like ours, where nepotism and the achievement of socioeconomic status are closely linked to family background, greater use of informal channels to find work can perpetuate and widen inequality. [24]

That is why, due to this problem, often the low-income society seeks various methods that can be helpful, even though these are often inadequate. One of the reasons for the worsening of the situation in the labor market is mainly due to recessionary factors that begin to work in the economy of an internal nature (macroeconomic imbalance, reflected in growth of unusually high interest rates) and external (fall in prices of oil
and coffee, crisis in the international market and some countries in the region). On the other hand, there is no doubt that these recessionary factors have had a significant impact on employment growth in the industry. [25]

In other words, the lack of employment in the country is notable, based on existing statistics on high unemployment rates, which may be due to various factors, either internally or externally, that affect undoubtedly the economic quality of Colombians. Faced with the problem of unemployment and its negative social effects, as well as the urgent need to improve the competitiveness of organizations, Law No. 789 of 2002, known as the Social Assistance Security and Employment Law, which entered into force in 2003, with the objective of guaranteeing greater equality among Colombians, it is expected to generate around 600,000 new jobs in the next four years. This labor reform eventually produced changes in labor laws to benefit companies, as well as to increase employment. The reform modifies the working day so that it is more flexible according to the needs of the workers. [26]

Although it is true that the unemployment rate was constantly growing, for this reason, the State has been in search of alternatives, to improve the job opportunities of Colombians, proposing proposals, through the study of different points that are the root of unemployment. Among these solutions, as mentioned above, is a more flexible working day, and not only this, but also the reduction of costs for organizations in relation to severance pay for dismissal without just cause. It is important to highlight the realization of subsequent studies after having generated this Law, from which it was possible to conclude that this reform did not increase employment, and contrary to what was sought, it made work precarious.

Labor flexibility in the Colombian context has not brought beneficial results, on the contrary, it has caused counterproductive consequences for workers, therefore, also for the workplace, due to inequality in them, an example of this is that they do not all those people who work in an organization, whether they are direct or outsourced workers, have access to training, aid, bonuses, stability or other services, even if they share the same work environment.

On the other hand, it is affirmed that in Colombia various methods of labor regulation have increased, which exempt employers from their responsibility with their employees or collaborators, and leave all kinds of social responsibility costs on the worker or on intermediaries. Likewise, emphasis is placed on how the economic growth of the country has not been able to reduce urban informality below 60%, and has not achieved a significant effect on the quality of work of Colombians. [27]

The attempt to solve unemployment brought with it various consequences, especially to the employee, since on several occasions he would not have a secure job, if not one with an indefinite term, also, various responsibilities fall on him, such as social responsibility costs, which are not the fairest or optimal solution for citizens.

Improving the availability of employment is an effective mechanism to reduce temporary unemployment. This unemployment rate largely depends on the efficiency of the job search process, which requires channels (means) to ensure the exchange of information between job seekers and job seekers. As these channels become more formalized (answering the phone, posting ads, registering with employment agencies, etc.), the labor market will become more
institutionalized and the link between vacancies and the unemployed will become more fluid.

On the contrary, when informal channels are used more (friends, references, sending personal resumes, etc.), this situation indicates that the labor market is slowly adapting, therefore, coordination between providers and job seekers is inefficient. [28] To all this, through the improvement of channels for receiving resumes, attention to concerns, providing better information regarding available vacancies, through formal and official channels depending on the company or corresponding workplace, it will facilitate the hiring process and a greater possibility of obtaining a decent job, decreasing unemployment in the country in proportion.

It is well known that a dynamic private sector with high levels of productivity and innovation is needed to boost a country’s economic growth and thereby reduce poverty and inequality. It is the only private channel capable of developing a labor market that consistently produces high-quality jobs and sufficient income for its workers.

In this context, companies play a fundamental role as they are the driving force behind the creation of these quality jobs. If the environment in which they work allows them to be productive and innovative, these jobs will also generate high income that is sustainable in the long run. These are tools that effectively reduce poverty and inequality in any country. [29]

Based on the above, the importance of an adequate work environment is highlighted, it will be beneficial for the whole of society, since this factor will help increase job opportunities, also encouraging companies to develop formally. Corporate taxes throughout the world have had a downward trend for the last 15 years. Colombia is not the exception. Thus, the Colombian Congress approved a tax reform. This includes a reduction of 3 percentage points in income tax and a refund of the tax recognized for the VAT paid in the acquisition of fixed production assets, among many measures approved favorable to companies. For assets and ICA.

Labor tax refers to the difference between the wages an employee receives and the costs incurred by an employer to provide services. Therefore, A reduction in corporate income tax is equivalent to a reduction in capital tax, which is the tax on machinery and equipment used with workers to carry out production within the company. [30]

Therefore, if this regulation is applied, a reduction in investment costs for companies is expected, which would increase investment, production, and, in turn, employment. In this way, the use of the capital factor in counterpart to labor would be made more economical, causing an increase in the first mentioned and a decrease in the second, if this is used only for investment, and the labor factor is not taken into account. That is why a balance is important so that this solution is beneficial for both parties, for example, the increase in production in the company.

**salary compensation**

The term compensation system is important because many think that it is about the salary you receive regardless of other factors such as benefits and incentives that companies may give you to compensate for hard work. Good management of human resources includes control mechanisms to make the most of their potential, which is not about paying workers less to increase the level of utility, but incremental costs and benefits that can be granted so that they
are absorbed by a greater productivity by improving their job performance, which ultimately benefits all involved. [31]

Therefore, it is of vital importance that each company designs an adequate salary compensation system that becomes competitive and, in this way, achieves worker satisfaction for the compensation obtained . Compensation and/or reimbursement plans are essential. Respond to business culture, respond to reality. The economic sector of the company, from where in and on political decisions to pay. [32] All this must be focused on the development of the mission and vision of the organization and its fulfillment. Therefore, the main social reason that employers should have towards their employers is to seek compensation alternatives that meet the expectations of their workers.

Compensation and benefits systems are not created in a vacuum, they must be integrated into the environment. To do this, they are carried out using a series of internal statistical analyses, such as a socio-economic survey, Prevalence of benefits, available variable pay and Survey Results salaries paid by organizations outside the company. [33]

This allows for an internal approach through statistics on what their productivity and development entails and likewise the results that initially seek to define all those sectors in which the compensation system is based in each company and the trend towards flexible and emotional benefits. One of the most important parts of all the processes that are carried out internally by organizations, whether they participate in the production of goods or services, are human resources, because it is the employees who determine the process and whether they are satisfied or not. [3, 4]

Well, it is true that the quality of the services that can be provided to the employer are circumstantial and determinative batteries for their hiring and for their performance in terms of business work. Every worker who is in a salary compensation that is according to their standards in terms of their position, are the result of the effectiveness of their actions within the company and within the fulfillment of the important tasks of the employer. Today's business organizations seek to attract, retain and motivate employees and avoid excessive turnover through a compensation system that allows more effective work relationships and motivate employees to do a better job, performance translates into organizational productivity. Although financial compensation is not the most important motivator for a person who is looking for a job or wants to stay in the company where they are working, it is one of the aspects that are taken into account when doing any job. [35]

Therefore, it is important not only to have a good and adequate remuneration to the employees for the work carried out, but also to have various adequate factors that are pleasant to the worker, such as a calm work environment, but at the same time effective and in optimal conditions. Employee compensation can be a decisive factor in retaining high-potential talent and motivating them to achieve organizational goals. Compensation, directly or indirectly, is a system and incentive for employees in addition to their monthly net salary. Likewise, the implementation of remuneration models is an effective tool for cultural change, since companies tend to associate bringing these many benefits to the expression of corporate culture values: caring for people, teamwork, professional development, among others. [36]
Taking this into account, it is important to highlight that not only can a salary compensation be made economically, there are other factors that influence and can help the company to provide good salary compensation to its employees, especially those who have had more recognition for their hard work during the period of their workday. The success of any organization will be constituted by developing clear statements of goals and policies related to the salary compensation system. Although in most cases for its implementation, progress is limited by the difficulties that must be overcome imperfections in the Colombian labor market, related to wages and contractual flexibility, growth, supply of skilled and unskilled labor. [37]

In addition to this, let us take into account that equality between parties will always be implemented, where the employer delivers his assets and the employee his commitment, which is why an efficient and adequate development plan must be available to apply the so-called compensation salary, so a mechanism must be implemented that evaluates workers so that they obtain gratification or merit, in order that both parties win with this system and nobody is affected. Similarly, within the main benefits that we find It is that productivity in the work environment is increased and qualified personnel are generated.

Salary compensation is made up of wages, salaries, benefits and constitutes the bonus that workers receive in exchange for their work. Employers, who are motivated to create value through their commercial activities, must know that their workers expect a salary commensurate with their activities and this, over time, must bring additional advantages to retain the best talent in their organization and thus be able to achieve the established goals. In this sense, a key element of any remuneration system has to do with the creation of value for the company, that is, the way in which the company can position itself in a market in which it competes for value, gain satisfaction and attract customers. [38]

Consequently, it is also important that employers know the client, that there is an employment relationship, in order to grant compensation in some cases according to the needs and expectations within the organizational limits, this is a fundamental element that will grant greater value and position. to the enterprise.

The motivation of the personnel that works in a company is a very important factor that affects the job performance of the employee and the image that clients may have of the company, taking into account that employees, especially those who have direct contact with Clients are the representation of the company and work performance depends on their motivation, and the salary compensation received by employees is one of the ways to keep staff motivated. It also helps the company to know if it is being competitive against other companies in the same economic sector. [39]

It can be pointed out, the important role that employees play in the company, since these, especially those specialized in the area of customer service, are the image of a company, therefore, it is very useful or important to have this type of remuneration, to have motivated workers in it.

The basic objectives of compensation are to seek internal equity, compete in the market, motivate the human team, ensure the continuity of the system, effective personnel management and compliance. Among other things, the goal of compensation is to retain successful
employees, attract the right kind of employees, support the change process, reward desired performance, encourage goal achievement, ensure financial fitness of talent, and meet with current regulations. But beyond that, contribution systems must take into account several factors when determining them: not only economically but also psychologically, socially, politically and ethically. [40]

As previously mentioned, there are various types of salary compensation that a company can provide, this with the aim of having the desired work team and meeting various goals, taking into account the ideal principles and cultures that its employees may have, and being able to thus respect them, having a work environment with freedom of expression.

How to achieve the quality of working life?

It is no secret to anyone that technology has taken over a large part of our environment, which is why the implementation of new technologies in the work environment makes the environment more enjoyable, more practical and more efficient when carrying out tasks and functions.

Likewise, recognizing and rewarding the achievements of each employee is a motivation and an incentive that can improve their quality of life.

On the other hand, we have training, in this way not only the company but also the worker grows, obtaining a good continuous professional development.

Method

This article was carried out with the descriptive methodology, since it seeks to describe and explain the quality of life and salary compensation in Colombia. This type of research is qualitative since it focuses on aspects and factors that are directly involved with the quality of working life. Below is Table 1, where the keywords used to search for each article are available, as well as the number of similar articles found and the number of times it has been cited.

Results

Unemployment in Colombia has increased and has been rising considerably. In the month of October 2022, the unemployment rate at the national level was 9.7%, while for the same month of 2021 it was 12.0%, decreasing 2.3 percentage points, also in the global unemployment rate. Participation was obtained 64.0%, which means an increase of 1.9 percentage points with respect to the same month, but in 2021.

Figure 3. Statistics of the global rate of unemployment, occupation and participation.
The quality of working life includes all current working conditions that meet the physical, social, economic and psychological needs of employees, the well-being of employees as a result of organizational success can be considered an important element in the concept of quality of work. The objective characteristics of the employees, the subjective satisfaction of the employees, the value of the employees and the personal characteristics, and the state of happiness of the employees are related.

The work climate and the correct adaptation of the workers is the key to the success of a company because it determines the goals and strategies to be used in the short, medium and long term. Due to the above, organizations have used mechanisms that allow to measure, establish and control their operating environments from time to time. Despite the high demand of these evaluations and some social considerations present in each region, have allowed negative variables such as unemployment and informality to become diseases that year after year generate losses for each of the nations that fail to control them. Openly, based on this reality, the need to design tools for economic restoration takes precedence, through the promotion of policies that protect existing jobs, promote new ones and promote the quality of life of workers.

Employee remuneration consists mainly of two parts, firstly, the corresponding salary, the existing incentives in the company and the benefits that the employee receives, which are combined only with these cash payments and the benefits, services or benefits that the employee receives. receives and ultimately, undoubtedly contributes to the well-being and standard of living of workers and their families. The second part of the compensation corresponds to the immediate satisfaction that employees obtain for carrying out the work, the working conditions in which they perform and the environmental conditions in the workplace. The second component of compensation is often called the work environment. It is sometimes said that a company should have an atmosphere in which employees feel "comfortable or happy" at work, but this factor also includes how the company is organized to maximize its performance.
potential. The organization as a whole, the extent to which the company promotes employee engagement and job satisfaction, and the ways in which leadership styles and certain fair management principles dominate the company.

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