

The Salary Gap Dilemma: A Case Study on Lower Staff Compensation at Suzuki Falcon Motors, Sargodha.

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Introduction/Background

One major problem that Suzuki Falcon Motors Sargodha, a well-known dealership in the Sargodha area, has been dealing with is inadequate pay for its lower workers, which includes mechanics, office staff, and sales assistants. Having been in business since 2015, the firm is very satisfied with its solid reputation in the local car industry and the excellent customer service it provides. However, internal problems, such as rising staff turnover and deteriorating morale, have resulted from growing discontent among its personnel due to stagnating salaries.

Since he took over as general manager of Suzuki Falcon Motors Sargodha in 2018, Mr. Ahmed Khalil has played a crucial role in guiding the company through many market problems. Nevertheless, with the escalating inflation and living expenses in Sargodha, the compensation structure for lower-level employees has emerged as a critical concern since the start of 2023. Employees are dissatisfied due to the pay gap and the lack of prospects for advancement in their careers.

Issues of employee retention

Several workers left Suzuki Falcon Motors Sargodha in early 2023 in search of higher-paying jobs in Sargodha and the surrounding areas, highlighting the company's salary problems. This turnover affected the dealership's customers' pleasure and the quality of their service. These departures devastated the dealership because the frontline employees were crucial for interacting with customers and maintaining the vehicles.

A conundrum befell Mr. Khalil. He understood the significance of competitive compensation, but due to corporate policy and the dealership's financial structure, lower-level employees could not receive big raises. The company's sales performance has been unpredictable because of the Sargodha market, making it even more difficult to keep operating expenses and profits high.

At a staff meeting in May 2023, workers expressed their dissatisfaction and called for pay raises and improved working conditions. The next piece of information was a report detailing the salary disparity among Sargodha's rivals. Compared to other car dealerships in the city, Suzuki Falcon Motors' pay was below average.

The dilemma of compensation

Mr. Khalil had to consider several options:

1. **Adjust Salaries:** This choice would dampen staff morale and pressure the dealership's finances, necessitating more sales in Sargodha or other cost-cutting measures.
2. **Non-Monetary Benefits:** Incentives like training programs, bonuses, or improved work-life balance might be implemented to offset the low salary.
3. **Cost-cutting Measures:** Operational costs in other areas are being reduced to establish a financial cushion for remuneration increases.

Customer feedback from Sargodha citizens began to mirror the internal concerns, which further complicated the situation. Service quality started to fall, leading to consumer complaints due to an underpaid and unmotivated workforce. There was a domino effect: sales dropped, and the dealership's finances took a hit due to disgruntled employees providing worse customer service.

By the middle of 2023, Suzuki Falcon Motors Sargodha had reached a fork in the road. Without fixing the problem of low staff compensation, the dealership would not have survived in the long run. Mr. Khalil had to act decisively to guarantee happy workers and a healthy bottom line. Would a simple salary adjustment be sufficient to fix the problem, or would more fundamental shifts in management style and staff participation be required?

References

<https://suzukipakistan.com/suzuki-dealers>

Annex

Suzuki Falcon Sargodha Dealership



Location of Suzuki Falcon Motors in Sargodha

