

A STUDY ON EMPLOYEE COMPENSATION TOWARDS TITAN INDUSTRY WITH SPECIAL REFERENCE TO HOSUR

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Abstract—Employee compensation plays such a key role because it is at the heart of the employment relationship, being of critical importance to both employees and employers. Employees typically depend on wages, salaries, and so forth to provide a large share of their income and on benefits to provide income and health security. For employers, compensation decisions influence their cost of doing business and thus, their ability to sell at a competitive price in the product market. In addition, compensation decisions influence the employer's ability to compete for employees in the labour market (attract and retain), as well as their attitudes and behaviours while with the employer. The focus of the employee compensation literature has been on defining these dimensions, understanding why organizations differ on them (determinants), and assessing whether such differences have consequences for employee attitudes and behaviors, and for effectiveness. In the following discussion, we briefly describe the basic of compensation and summarize some of the key theories used to explain the of different compensation decisions.

INTRODUCTION

Employers that want to succeed in this increasingly competitive environment must have a well-designed compensation plan that motivates employees, controls compensation costs, and ensures equity. The best compensation plans mirror the culture of the employer. Therefore, employers should establish a compensation philosophy. Benefits programs should also be part of an employer's compensation strategy.

Employers have myriad options when it comes to designing a compensation plan, and they must consider and how it will fit into their overall strategy for recruiting and retaining employees. Many employers base their decisions on the market—that is, they look at salary surveys to see what other employers are paying (external equity). Once they access the market data, they set their wages and salaries at some point above, below, or equal to the market data depending on the circumstances. For example, some employers decide that they will set wages for certain positions at well above the market rate to attract and retain highly valuable employees.

STATEMENT OF PROBLEM

While Compensation is arguably one of the key drivers of motivation and one of the most studied areas, doubts have been cast on the effectiveness of compensation. They argued that, while lack of it causes dissatisfaction, its provision does not result in lasting motivation. of compensation on motivation vary from organization to organization. Most people are motivated by money at least for their basic needs and wants. Employee motivation through compensation can be in several forms including salary raises, performance bonuses, commissions, profit sharing and other extra benefits such as vacations, cars and other tangible items that are used as rewards. These compensation systems can be categorized as direct financial payment and indirect financial payments.

OBJECTIVES OF THE STUDY

- To establish the methods used to determine employee's compensation at Titan industry.
- To establish the extent to which the direct financial payments affect employee's motivation at Titan industry.
- To establish the extent to which benefits affect employee's compensation plan and rewards at Titan.

SCOPE OF THE STUDY

- To study the level of job satisfaction, working environment, employee compensation and employee retention in manufacturing industries of Hosur.
- The report is based on three main part of HR activities for the scope analysis on employee compensation to Titan industry.
- Training and development practices in the industry, compensation & benefit are given to the employee of the company and about wage and salary administrate of the company.

LIMITATION OF THE STUDY

Any research study would be facing certain limitations, technical or procedural or otherwise the present study has not been an exception to this rule and had come across certain limitation the following are few of such constrains.

- The study was fined confined only to non-Executives.
- The study has to be completed within a stipulated time period and hence time was a major constraint.
- Reluctance of concerned person to spend enough time for answering the questions was considered to be another major can strait.
- The sample size is restricted date time constrains.
- Due to prejudice, respondents might have given false information which learns to biased conclusion.
- Despite the above limitations every attempt has been made to complete attempt has been made to complete the research work in best possible manner

RESEARCH METHODOLOGY

To fulfil any task, it is necessary to follow a systematic method. Research methodology is the main aspect of research studies. The methodology follow by research is detailed here.

Types of research

The research was of descriptive design; aim to procure a clear, complete and accurate description of the situation.

Data source

Data was taken mostly through primary data. However, company and product profiles were referred too. A structured UN- disguised interview schedule was designed to collect data source. The schedule method was opted since the method would help to concise amount of information.

Interview schedule design

A good care was taken by the researcher to design the schedule. All the objectives were taken into consideration while designing the handout. More of the closed and few ended questions were asked for the survey.

Study-area

The survey was conducted at Titan industry, in Hosur

Period of study

The study was held during the period of one month March to April.

Sampling techniques

The sampling techniques was used for the survey was convenience sampling.

Methods of data collection

Data sources

Data in the study are two types:

- Primary data
- Secondary data

Primary data

Primary data is original and collected by the researcher freshly. In this study primary data was collected through questionnaire. A questionnaire is a popular means of collecting primary data.

Secondary data

Secondary data is research data that has previously been gathered and can be accessed by the researchers. The term contrasts with primary data, which is data collected directly from its source.

Tools used for research

- Simple Percentage Method
- Chi-Square Tests
- Correlation

DATA ANALYSIS AND INTERPRETATION

CHI – SQUARE TEST

Ho - There is no significant relationship between Monthly income and Provident fund facility.

Ha - There is a significant relationship between Monthly income and Provident fund

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Monthly income * provident fund facility	110	92.4%	9	7.6%	119	100.0%

Monthly income * provident fund facility Cross tabulation						
Count		Provident fund facility				
		Very good	Good	Neutral	Poor	Total
Monthly Income	Below Rs. 5,000	6	0	0	0	6
	Rs. 5,000 –10,000	22	18	0	0	40
	Rs. 10,000 – 15,000	0	15	23	0	38
	Above Rs. 15,000	0	0	2	24	26
Total		28	33	25	24	110

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Particular	Observed Frequency (O)	Expected Frequency (E)	(O-E) ²	(O-E) ² /E
R1C1	6	1.5272	20.00594	13.09975
R1C2	0	1.8	3.24	1.8
R1C3	0	1.3636	1.859405	1.3635
R1C4	0	1.3090	1.713481	1.3090
R2C1	22	10.181	139.6888	1.818
R2C2	18	12	6	3
R2C3	0	9.0909	82.64446	9.0909
R2C4	0	8.7272	76.16402	8.7272
R3C1	0	9.6727	93.56113	9.6727
R3C2	15	11.4	12.96	1.1368
R3C3	25	8.6363	267.7707	16.3637
R3C4	0	8.2909	68.73902	8.0909
R4C1	0	6.6181	43.79925	6.6181
R4C2	0	7.8	60.84	7.8
R4C3	2	5.9090	15.28028	2.694
R4C4	24	5.6727	335.8899	0.0096
Calculate value				92.5941

Chi square(x^2)= (O-E)²/ E

Degree of freedom (v) = **(R-1) (C-1) = (4-1) (4-1) = 9**

Level of Significance = **5%**

Table value (TV) = **16.919**

Calculated value (CV) = **92.5941**

CV < TV = **H₀ is Accepted**

Interpretation:

Calculated value was greater than table value. Hence null hypothesis accepted so there is no significant monthly income and provident fund facility.

CORRELATION ANALYSIS

Correlation analysis between Age and fix bonus scheme

Correlations				
			Age	Fix bonus scheme
Kendall, s tau_b	Age	Correlation coefficient	1.000	.836**
		Sig. (2 – tailed)	.	.000
		N	110	110
	Fix bonus scheme	Correlation coefficient	.836**	1.000
		Sig. (2 – tailed)	.000	.
		N	110	110
Spearman's rho	Age	Correlation coefficient	1.000	.891**
		Sig. (2 – tailed)	.	.000
		N	110	110
	Fix bonus scheme	Correlation coefficient	.891**	1.000
		Sig. (2 – tailed)	.000	.
		N	110	110
** Correlation is significant at the 0.01 level (2 – tailed).				

The majority 33.0% of the respondent are feel about Health insurance policy good• majority.

Correlations			
		Age	Fixed bonus scheme
Age	Pearson correlation	1	.875**
	Sig. (2 – tailed)		.000
	N	110	110
Fixed bonus scheme	Pearson correlation	.875**	1
	Sig. (2 – tailed)	.000	
	N	110	110
** Correlation is significant at the 0.01 level (2 – tailed).			

Result

This is a positive correlation. There is relationship between Age and Fix bonus scheme

FINDINGS

- Thus, the Majority 60.9% of the respondent are Male category.
- Thus, the Majority 43.6% of the respondent are in the age group between 30-40 years.
- Thus, the Majority 30.0% of the respondents are Degree qualification.

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- Thus, the Majority 82.7% of the respondent are Married person.
- Thus, the majority 36.4% of the respondents are earn income between Rs.5, 000- 10,000.
- Thus, the majority 49.1% of the respondent are Operator designation.
- Thus, themajority42.7%of the respondents are Experience between 1-5 years.
- Thus, the majority 77.3% of the respondents are provide bonus.
- The majority 32.9% of the respondent are Incentives bonus provide.
- The majority 27.3% of the respondents are According to salary level.
- The majority 85.5% of the respondent are Provide health insurance.
- The majority 33.0% of the respondent are feel about Health Insurance policy is good.
- The majority 30.0.5% of the respondent is feel about Provident fund is Good.
- The majority 74.5% of the respondent is provide retirement plan.
- The majority 20.9% of the respondent are IRA time of retirement plan provide.
- The majority 71.8% of the respondent are employee represent by union.
- The majority 80.0% of the respondent are pension plan is non-exempt.
- The majority 75.4% of the respondent are retirement profit sharing is non-exempt.
- The majority 86.3% of the respondent are insurance is non-exempt.
- The majority 89.0% of the respondent are provident fund is non-exempt.
- The majority 80.9% of the respondent are medical Facilities is non-exempt.

SUGGESTION

- We believe that equal employment opportunity research should inform public and private policy regarding the main sources of pay differentials based on race and gender. This suggests the need to assess the relative influences of hiring, promotion, and development practices in generating inequality.
- Understanding of the employees and their needs on a personal basis will make managing them much easier.
- Treat the employees with respect, compassion, and fairness.
- Build mutual trust and mutual respect between employees and management.
- Adopt measures to become an employer —of —choice to attract the most talented personnel.
- Broaden the discussion so that employees share their true opinion.
- Allow autonomy; let people stretch, be flexible.
- Feeling valued by their managers in the workplace is a key to high employee motivation and morale.

CONCLUSION

We began this chapter by saying that decisions regarding compensation are among the most important that an organization must make. It has provided a general framework for describing specific types of pay decisions and the relevant research evidence. The central focus has been on establishing the consequences for organization of different compensation decisions or strategies. Although there has been a good deal of progress in the compensation literature, much more, of course, remains to be done. Helps summarize some of the key factors to incorporate in future research. We close with a few notes on compensation's place in the larger picture and some general suggestions for the design of future research.

Pay is only one of many decision areas that determine the nature of the employment exchange. Similarly, from a managerial perspective, there are likely to be multiple paths to the same goal. Thus, decisions regarding of the outcome's

organization and job design, external staffing internal human staffing, and development can influence many depicted in these human resource decisions can be viewed as the contingency factors that either constrain or enhance the effectiveness of pay decisions. Alternatively, pay decisions can be viewed as the contingency factor. In any case, the main point is that pay decisions are made in a complex world where many other influences are at work. The more that recognizes this fact, the more valuable its contribution is likely to be.

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