

A STUDY ON COMPENSATION AND REMUNERATION OF BLUE COLLARED EMPLOYEES IN SMALL & MEDIUM ENTERPRISES IN BANGALORE: AN EXPLORATORY STUDY

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Abstract—The objective of this paper is to examine how compensation and remuneration is given to Blue collared employees specially focused on small & medium enterprises located in Bengaluru, India using primary data collected from employees of different companies. Percentage analysis method used to interpret the primary data. The result suggests that how employees use to get compensation and remuneration from small & medium enterprises. This also includes how employees got affected due to covid-19. These findings will contribute to all Blue collared employees where they were satisfied with their jobs are not, for not having proper compensation and remuneration for the employees.

Keywords—Blue Collared Employees, Compensation, Enterprises, Motivation Reward.

INTRODUCTION

The term "blue-collar" refers to a kind of employment. Blue-collar jobs are typically classified as involving manual labour and compensation by an hourly wage. Some fields that fall under this category include construction, manufacturing, maintenance, and mining. Those that have this type of job are characterized as members of the labour.

Blue collar jobs within the fast economy are growing at a way faster rate than within the traditional segment. 'Blue Collar Jobs report 2019' on March 13, says that "The rate of growth of blue-collar jobs within the fast economy is a minimum of 2X quite that of traditional jobs". These jobs include drivers and delivery boys that are largely driven by the expansion of tech-based start-up ecosystem.

This paper acts as a reference guide or as a source of information. It gives the idea or the knowledge of blue collared employees and their works. The main scope of the study was to put into aspect that how compensation and remuneration was given to the blue collared employees in small and medium enterprises.

AN OVERVIEW OF LITERATURE

Article by Robert D Hulme & Richard V Bevan:

From the article by Robert D Hulme & Richard V Bevan said that in the nineteenth century, the reasons for retaining the hourly practice have not really changed. Now the number of white-collar employees has been increased of 40% compared to blue collar employees. The believer in economic man accepts the fact that the blue-collar employees performs their jobs for the sake of money, status & self-fulfilment & they have responsible attitudes towards their jobs. In US nearly 1600 people payroll their work in the companies. But in many company employees cannot work daily due to their illness or personal reasons etc. In many companies there is no such thing regular hourly worker. All employees will receive a weekly salary & there is no deduction in their pay when employees are absent.

Article by Richard Mia:

From the article by Richard Mia he says that the company faces more struggles while hiring the people for Blue collar jobs. The company also faces many problems like when they do not get any labours; they have to find an alternative by giving high cost & fulfilling their needs. Now a day's teenagers have a perception of replacing the robots instead of humans. They also think that robots can work effectively & efficiently. And there are many blue-collar jobs that have no risks & it can be replaced soon. But many a time's human interaction & problem-solving skills in some area are required

which cannot be seen or programmed in robots. Blue collar jobs have more opportunities & good career growth earnings.

NEED FOR THE STUDY

Good reward and compensation management system helps to keep employees happy, loyal to their companies and eager to move up the ladder. Rewards like public recognition and additional pay, motivate employees to work harder. Reward and compensation management is important, it avoids the cost of hiring and training new employees, discovers a positive control on the efficiency of employees and motivates them to perform better and achieve the specific standards. Further, it creates a base or happiness and satisfaction of the workforce that limits the labour turnover and confers a stable organization. Employees are likely to be more engaged, motivated, and productive. When good work is acknowledged, they also have the incentive to work harder leading to increased employee productivity. Loyalty can be instilled in employees' minds. It ensures better standard of living of employees in urban areas, safeguards against their financial security in future and happy & mentally satisfied employees are assets for the organization as well as for the society.

OBJECTIVES OF THE STUDY

- 1) To understand the Reward and Compensation Management in Industries in Bangalore.
- 2) To analyze the ways, they are working towards implementing Reward and Compensation Management.
- 3) To analyze the retirement financial security of blue collared employees.
- 4) Improve motivation and morale of blue collared employees.
- 5) Scientific methodology or fixation of remuneration.

SCOPE OF THE STUDY

This project acts as a reference guide or as a source of information. It gives the idea or the knowledge of blue collared employees and their works. The main scope of the study was to put into aspect that how compensation and remuneration was given to the blue collared employees in small and medium enterprises.

SAMPLING

Descriptive research is defined as a research method that describes the characteristics of the population or phenomenon that is being studied. This methodology focuses more on the “what” of the research subject rather than the “why” of the research subject.

Convenience sampling (also known as availability sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

Sample Size – 100 respondents

TOOLS FOR DATA COLLECTION

Questionnaires, observations, focus groups and interviews are among some of the most used techniques.

PLAN OF ANALYSIS

A data analysis plan is a detailed proposal that structures a project work, states the objectives of the project, identifies the needed data sources, and describes the methodology of conducting the study.

Qualitative data will be gathered through interaction and discussions with the executives working. Some important information will be gathered through couple of unstructured interviews of Executive Annual reports and other magazines published and will be used for collecting the required information.

Direct Observation and Interview Method stating the objectives of the project, identifies the needed data sources, and describes the methodology of conducting the study. Subsequently, the same will be tabulated, converted into Bar and Pie Charts to data mine and analyse the facts of the research.

Quantitative Data Analysis will be carried out through statistical Tools and will be as follows:

- Graphs
- Average and percentage
- Tables and

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- Statistical techniques and
- Pie charts

DATA ANALYSIS AND INTERPRETATION

The data on compensation and remuneration of Blue collared employees was collected from the professionals. Data relating to various aspects of Blue collared employees was collected through questionnaire. A sample of 100 participants was collected from primary respondents. The questionnaire was converted into Google forms and this link was shared among different professionals working in Bengaluru, India.

The link created and data collected was downloaded in excel sheet and then percentage method was used for analysis. Sampling is the type of selecting a sample of respondents out of the available samples for the research, as there are various sampling designs available for the research, for this project I have chosen convenience sampling for the selection of respondents from the available samples.

A sample is a representative part of the population of Blue collared employees working in small & medium enterprises. A sample of 100 respondents will be randomly selected. The responses to various elements under each question were totalled for the purpose of various statistical testing.

EMPIRICAL RESULTS

TABLE 1: AGE

<i>Age</i>	<i>No. of respondents</i>	<i>Percentage</i>
18-25	46	46%
26-35	23	23%
36-45	21	21%
Above 46	10	10%

Interpretation: From the above bar graph it indicates that the age between 18-25, the respondents are more compared to other age groups. Out of 100 respondents 46 members are in the age between 18-25. 23 members are in the age between 26-35 and 21 members are in the age between 36-45 and in the last, only 10 members are in the above 46 of age. It can be emphatically derived that most of the blue collared employees are youth and they fall under the category of 18 to 25 years of age.

TABLE 2: WHAT KIND OF WORK DOES A BLUE COLLARED EMPLOYEE DO?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Working in construction field	67	67%
Working in IT sectors	10	10%
All the above	10	10%
None of the above	13	13%

Interpretation: From the above bar graph it indicates that the respondents have the knowledge where blue collared employees work. Out of 100 respondents 67 members knew where blue collared employees work which is high in the graph. And rest of the respondents does not have proper knowledge of blue collared employees which is very low in the graph. It can be derived emphatically most of the blue collared employees are engaged and employed in Construction Field in Bangalore.

TABLE 3: WHAT KIND OF WAGES/SALARY GIVEN TO THE BLUE COLLARED EMPLOYEES?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Daily wages	30	30%
Hourly wages	21	21%

Monthly wages	05	5%
Depends on their work	44	44%

Interpretation: From the above pie chart it indicates that most of the blue collared employee wages depends on their work according to the respondents which is high in the graph that is 44% compared to others. Daily wages have 30% and hourly wages have 21% and monthly wages have 5% which is least in the above graph. It can be emphasized that most of the blue collared employees were paid salaries and compensated depending on their work contribution.

TABLE 4: IS BLUE COLLARED JOBS SECURED?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	73	73%
No	27	27%

Interpretation: From the above bar graph it indicates that most of the respondents say that blue collared jobs are not secured because they have high risk in their jobs. Out of 100 respondents 73 members say that their job is not secured. And remaining members that is 27 say that their job is secured. It is emphasized that most of the blue collared employees expressed that there was no job security.

TABLE 5: WHAT IS THE LEVEL OF RISK IN THEIR JOBS?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Very high	31	31%
High	50	50%
Low	19	19%
Very low	00	0%

Interpretation: From the above graph it indicates that the level of risk of blue collared jobs is higher according to perception of the respondents that is 50 members out of 100 respondents. And remaining 31 respondents think that their jobs are very riskier. And remaining 19 members also think that the risk is low. And lastly 0 members think that there is very low rate of risk in their jobs. It can be emphatically considered that blue collared employees had very high level of risks in their job execution.

TABLE 6: ARE BLUE COLLARED EMPLOYEES PROVIDED STATUTORY COMPLIANCE LIKE ESI & PF?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	15	15%
No	85	85%

Interpretation: From the above graph it shows that the statutory compliance of ESI & PF for employees is not given properly. The respondents think that the company does not provide proper ESI & PF. So, most of the respondents say no that is 85 members out of 100. And remaining 15 members think that the companies provide proper ESI & PF for their employees. It is emphatically derived that most of the blue collared employees working in small and medium scale industries in Bangalore have not provided ESI and Provident Fund benefits to their employees.

TABLE 7: DOES BLUE COLLARED EMPLOYEES PROVIDE HEALTH, SAFETY AND WELFARE?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	77	77%
No	23	23%

Interpretation: From the above pie chart it indicates that most of the company provides health, safety, and welfare for their employees. Out of 100% respondents, 77% members said yes because they think companies look after their employees very well. And remaining 23% members said no because they think that the company does not look after the

health, safety, and welfare of their employees. It is emphasized that most of the blue collared employees have been provided with health, safety, and welfare measures by their employers.

TABLE 8: IN CASE OF DEATH OF EMPLOYEES, THEIR FAMILIES AND DEPENDENTS ARE COMPENSATED FINANCIALLY?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	65	65%
No	35	35%

Interpretation: From the above graph it shows that 65 respondents said yes because they think that after the death of employees their family and dependents will be compensated financially. Out of 100 respondents 35 members said no because they think that company will not support their family financially after the death of the employee. It is emphatically emphasized that in case of death of a blue collared employee his next kith and kin are provided with welfare benefits and rehabilitation.

TABLE 9: DOES THE SMALL & MEDIUM ENTERPRISES PROVIDE PROPER REMUNERATION FOR BLUE COLLARED EMPLOYEES?

<i>Field</i>	<i>No. of respondents</i>	<i>Percentage</i>
Yes	34	34%
No	66	66%

Interpretation: From the above pie chart it shows that small & medium enterprises do not provide proper remuneration for blue collared employees. So out of 100% respondents, 66% members said no and remaining 34% members said yes because they think small & medium enterprises provide proper remuneration. It can be safely emphasized that majority of the blue collared employees are not paid properly and compensated accordingly.

FINDINGS

This paper examined the compensation and remuneration of Blue collared employees in small & medium enterprises. Most of the blue collared employees were engaged and employed in Construction Field in Bangalore. They were paid salaries and compensated depending on their work contribution. Blue collared employees expressed that there was no job security. They had very high level of risks in their job execution. It is emphatically derived that most of the blue collared employees working in small and medium scale industries in Bangalore were not provided ESI and Provident Fund benefits to their employees. It can be comfortably derived that most of the blue collared employees have job satisfaction. It is emphasized that most of the blue collared employees may be provided with proper training according to their skills and designations. It is comfortably derived that the blue collared employee's population is high in the industries. It is emphasized that most of the blue collared employees have been provided with health, safety, and welfare measures by their employers. It can be safely emphasizing that blue collared employees were denied career growth and good prospects in the small and medium establishments.

SUGGESTIONS

- 1) Small and Medium Scale Establishment Industries should take all the responsibility of blue collared employees in case of industrial accidents and untimely death.
- 2) Should impart proper training facilities to their employees.
- 3) Small and Medium Scale Establishment Industries should fix salaries and remuneration considering the cost of living, consumer price index, wholesale price Index of the Government's Statistical Institute.
- 4) Employees to be motivated and boost their morale and engage them productively to derive a win-win situation.
- 5) Work Pressure and Burn-out of employees to be avoided.
- 6) Difficulties and hardships to be simplified while working mentally or physically.
- 7) Small and Medium Scale Establishment Industries should compensate financially for their employee families in case of their death or any accidents.

- 8) Small and Medium Scale Establishment Industries should provide monetary welfare like ESI & PF to blue collared employees.
- 9) Scientific Wage fixation and remuneration should be offered to blue collared employees.
- 10) Provision of Canteen Facilities, Rest Room Facilities, vehicle parking facilities, First aid and medical facilities to be ensured in all Small and Medium Scale Establishment.

CONCLUSION

Hence, It can be emphasized that most of the blue collared employees are male and closely followed by the females, were youth and were in the category of 18 to 25 years of age, aware of the meaning of blue-collared employees, engaged and employed in Construction Field, were paid salaries and compensated depending on their work contribution, who expressed that there was no job security, but had very high level of risks in their job execution, were not provided ESI and Provident Fund benefits, but had job satisfaction, may be they were provided with proper training according to their skills and designations, their population was high in industries have been provided with health, safety and welfare measures by their employers, got affected due to covid-19 by removal of their jobs, no proper salaries and due to lockdown they couldn't work properly and were denied career growth and good prospects.

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