



## Compensation Management of small scale industry of Uttarakhand - A Study

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### ABSTRACT-

Every organization has some objectives and every part of it should contribute directly or indirectly to the attainment of objectives. In order to achieve organizational objectives integration of employer's interest and employee interest is necessary. To integrate them, right form of strategies are implemented i.e. compensation. The managers have to analyze the different ways to attract the best employees and how they can retain the competent, motivated employees in the organization in an increasingly competitive world...

### INTRODUCTION-

A compensation system has to be aligned to the mission, vision, business strategy and organizational structure of a company to design the compensation plan in an efficient way to can achieve the goals. Businesses within the same organization will have different competitive conditions, acquire different business strategies, and design a good strategy. A general compensation plan consists of three :

base compensation,

Rewarding incentives, and, indirect compensation in form of benefits

#### Factors affecting Employees Compensation

##### 1. Internal factors

- Compensation policies
- Organizational ability to pay
- Job Analysis and Job description
- Employee

##### 2. External factors

- Demand and Supply of labour
- Cost of living
- Society
- Legislation
- The economy
- Compensation Survey

The central purpose of benefits in the employment exchange is to foster membership and continuity of employment. From the employee's perspective *security* is a major theme in benefits. Many organizations talk of social concern and the fact that they would not want to see their employees be without insurance protection or suffer in their retirement. The major overall aim of benefits from the employer's standpoint is membership, but some other advantages can occur from granting benefits. In order for employees to concentrate on performing well, they must be

able to concentrate upon their job. Having protection from uncertainty provides this ability to concentrate. Benefits provide security in three areas: age, unemployment, and health (sickness or accident).

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## RESEARCH METHODOLOGY

In order to know the opinions of the employees, interviewing through questionnaire was done. The method which was used by me to gather primary information was RANDOM SAMPLING. Random sampling is a sampling in which the selection is chosen randomly. I also selected employees randomly which were doing their work .I have done this survey to know their perceptions about current policy, Procedures and systems of compensating employees in Dehradun region.

- **SAMPLE SIZE** - The sample size of the survey was 100, in which 20 were executives and 3 were supervisors and rest were workers.
- **SAMPLE AREA** – Small Scale industries. DEHRADUN

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## DATA COLLECTION METHOD

The data collection method used is -

*PRIMARY DATA* - The primary data collected for my project was through a Questionnaire survey, which was carried out in most of the cases to find some important information.

*SECONDARY DATA*

*Secondary data is the data collected through sources which are already available like through the Company records, Govt. publications, Reports, Journals, Libraries, internet, and Company Brouchers .The main reason for collecting Secondary data was to compare the past performance of the company with present so as to know how the employees are performing.*

**Research Design** A descriptive survey was designed and executed among 100 employees of are taken. A structured Questionnaire was used here as data collection tools and statistical judgment is done through graph for the purpose of the study. The questionnaire was distributed among the employees in organization.

**Software Used** – MS word, MS Excel, etc.

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## Data Analysis-

Q1- Compensation Management is Effective for the Organizational objectives?

S.I No.	Opinion	No. of respondents	Percentage
1	High agree	43	86%
2	Moderate	5	10%
3	Low	2	4%

**S.D.=22.85**

Q2. Have you satisfied with your work?

S.I No.	Opinion	No. of respondents	Percentage
1	Extremely	25	50%
2	Very	12	24%
3	Moderately	8	16%
4	Slightly	3	6%
5	Not at all	2	4%

**S.D. =9.300**

Q3. How challenging is your job?

S.I No.	Opinion	No.of respondents	Percentage
1	Extremely	30	60%
2	Very	10	21%
3	Moderately	5	10%
4	Slightly	2	4%
5	Not at all	1	2%

S.D.= 11.93

Q4. In a typical week, how often do you feel stressed at work?

S.I No.	Opinion	No. of respondents	Percentage
1	Extremely	18	36%
2	Very often	12	24%
3	Moderately often	9	18%
4	Slightly often	6	12%
5	Not at all often	5	10%

S.D.= 5.24

Q5. How well are you paid for the work you do?

S.I No.	Opinion	No. of respondents	Percentage
1	Extremely well	7	14%
2	Very well	12	24%
3	Moderately well	6	12%
4	Slightly well	14	28%
5	Not at all well	11	22%

S.D. = 3.4

Q6. How much do your opinions about work, matter to your co-workers?

S.I No.	Opinion	No. of respondents	Percentage
1	A lot	5	10%
2	A moderate amount	19	38%
3	A little	7	14%
4	None at all	19	38%

S.D. = 7.55

Q7. How realistic are the expectations of your supervisor?

S.I No.	Opinion	No. of respondents	Percentage
1	Extremely realistic	12	24%
2	Very realistic	10	20%
3	Moderately realistic	8	16%
4	Slightly realistic	14	28%
5	Not at all realistic	6	12%

S.D. = 3.16

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## Findings

- More than average considers that in Adecco, the Compensation Management is effective for the Organizational objectives.
- 50% of the employees are extremely satisfied with their employee benefits in Uttarakhand small scale industries of Uttarakhand
- 14% of employees are aid extremely well, 24% very well and 12% are moderate well for the work they do.
- According to the data analysis, 16% of the employees here are of the opinion that it's a great deal to get opportunities of getting promoted where they work.20% thinks that there is a lot of opportunities and 26% favors to the moderate amount.
- The average working duration hour of an employee is 9 – 10 hours
- 60% of the employees have written job descriptions for their Job.
- 64% of the employees are having the employee policy manual.
- 48% of the employees prefer fixed pay system, while 24% prefer Variable pay system.
- 52% of the employees think that the compensation policy is Stay even with area labour market, 24% assumes it as to Stay ahead of area labour market, and that 18% thinks to stay even with industry pay practices.
- 42% of the employees favor that Government, organizations, and stockholders, these three entities have a stake in compensation decisions.
- More than average of employees perceives that the Global competition and pay structure are the two compensation issues that organizations must consider in compensation decision making, that impact the success or failure of the company.

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## Conclusion-

Based on the analysis through the questionnaire response (Perception) the following is the conclusion of the study.Uttarakhand is providing, all those benefits that are regarded as essential for employees over all development. So, without any doubt I can say that 80% of the employees are overall satisfied with the salary and other benefits. In future also, Small Scale Industries are planning to take further more steps for generating and maintaining a high level of job satisfaction, dedication and motivation in employees, for the growth of the Small scale industries along with its employees

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