



A Study on Employee Compensation in Cable/ Electrical Industry

Panapalli .Priyanka

Professor and HOD, Department of Management Studies, Narayana College of Engineering (A) Gudur.

ABSTRACT:

The Employees' Compensation Act, 1923 which aims at providing financial protection to the employee's and/or their dependents in case of accidents arising out of and in the course of employment and causing either death or disablement of employee's, came into force on 1st July, 1924. Besides, the Act has a provision of paying compensation to the employees for some occupational diseases contracted by them during the course of their employment. Labour Bureau has been bringing out reviews/reports on the working of the Act based on the returns received from State Governments /Union Territories etc. every year.

Keywords: Employee compensation, wage & incentives,

Introduction:

Employee compensation refers to the statistical term used in statistical payments and total gross paid by employers to the employees for work done in an accounting period as a daily, month, quarter or a year. Employee compensation refers to the benefits that an employee receives in exchange for the service they provide to their employer. The employee compensation definition in human resource management is a tool that can be used to make the company better and meet its needs. Employee compensation refers to In the workplace, compensation is what is earned by employees. It includes salary or wages in addition to commission and any incentives or perks that come with the given employee's position. Compensation describes the cash rewards paid to employees in exchange for the services they provide. It may include base salary, wages, incentives and/or commission.

Review of Literature

According to Econ mana, (2014) Establishing and implementing the sound policies and practices such as development and maintenance of wage structure, wage incentives, etc., so that it controls the structure of payments. Lepak. D. Gowan, as compensation directly influences the organizational success, it is Describe to follow the equal pay based on parity of work where it includes monetary and fringe benefits . Fauzi, Mahfud (2017) Compensation effects the employee performance in the company because of Including factors which express the quality of work and responsible for the work in the organization. The literal meaning of compensation is to counter balance . Thomas E. Catanzaro, in case of Human Resource Management, compensation refers to —money and other benefits received by an employee for providing services to its employer., Reward is a broad idea that can include anything an employee may value and desire that an employer is able or willing to offer in exchange for employee contribution. The productivity of an organization and human resource management has a direct relationship with each other. If employees are managed appropriately i.e. job analysis, recruitment, training, motivational tools like compensation etc. Thomas E. Catanzaro (2001) in his article Compensation and Motivation described the effects of rewards over employee motivation. He stated that rewards have a profound effect over employee motivation. He also discussed several factors of compensation which include both intrinsic and extrinsic factors and their possible effects over motivation in detail, Brown (2001) says that reward strategy is eventually a way of thinking that one can apply to any reward issue arising in an organization, to see how he/she can create value from it. Hence, we can say that the aim of reward strategy is to achieve higher levels of organizational, team and individual performance. Cascio opines that because of the importance that compensation holds for people's lifestyle and self-esteem, individuals are very concerned about what they are paid – a fair and competitive wage, while organizations are also concerned about what they pay because it motivates important decisions of employees about taking a job, leaving a job and on the job performance. Compensation as a concept according to Bernadine refers to all forms of financial returns and tangible benefits that employee receives as part of employment relationship

The Definition of Compensation:

Compensation has been defined in a variety of ways. In English, “compensation” is defined as something that counterbalances, offsets, or makes up for something else's. However, if we look at the origin of the word in different languages, we can get a sense of the richness of the meaning, which combines entitlement, return, and reward (Atul, Matt & George, 2002; Mark, 2002; Mansour, Peter, Mary, & Robert, 2006). In Japanese, compensation is defined as kyuyo, which is made up of two separate characters (kyu and yo), both meaning “giving something”. Besides, in China, the traditional characters for

the word “compensation” are based on the symbols for logs and water; compensation provides the necessities in life (Milkovich & Newman, 2008). According to Deluca (1993) and Rajkumar (1996), compensation is defining as pay, reward, remuneration, or salary and wage management. These terms are often used interchangeably in organization. In an organization perspective, compensation is often defined as an important human resource management function where it emphasizes planning, organizing, and controlling various types of pay systems. For example, direct and indirect payments, monetary and non-monetary rewards and cash and non-cash payments, those compensation is used for rewarding employees who perform in their work or service (Noe, Hollenbeck, Gerhart & Wright, 2004). In this research, compensation refers to all forms of financial returns and tangible services employees receive as part of employment relationship. It can be seen as a measure of justice. Normally, it is the major source of employees’ financial security (Milkovich & Newman, 2008).

Indirect Compensation:

Indirect compensation is compensation that has a monetary value but isn’t paid directly to employees, i.e., non-cash benefits. This includes any benefits and contributions that the employer covers. What’s included in indirect compensation can vary significantly based on your employees’ working locations because mandatory and customary benefits differ from jurisdiction to jurisdiction. For example, in some countries, you must pay into retirement plans, whereas in others, it’s left to the employer’s discretion. We outline country-specific employer costs in our omni atlas Indirect compensation also includes non-mandatory benefits like stock options and company profit-sharing plans.

Non-Monetary Compensation:

Non-monetary compensation refers to any remaining employee compensation that doesn’t have a monetary value. Instead, it may contribute to better employee satisfaction and engagement. This includes some of the previously mentioned “additional perks” such as a flexible work schedule and company volunteerism.

Objectives of the study

- To analyze whether the company is providing the compensation to employees, their dependents in case of injury, illness or death caused during employment.
- To analyze how the retirement savings in the company.
- To know the salary, bonus, incentive programs to employees.

Scope of the study

- This study carries working of full time, part time, casual workers in the company.
- This study focuses on the structure of the money paid to the employees in the organization.
- To meet the needs of both employee and the organization.

Need of the study

- This study helps employee, willing to do their work based on their intellectual and knowledge skills.
- This shows them a value them as worker and as a human being.
- Company morale increases the people to motivate and come to work and do their job.

Research methodology and design

Data source is the origin from which the data is collected through or obtained from the specific purpose of the study. as data source consists of the Primary data and Secondary data Primary Data.

The first-hand information which was collected through the survey method and the obligations and opinions from the respondents which is from the questionnaire and interview process.

- Secondary Data which consists of the reports from the company

Data sources

Primary Data

- Questionnaire

- Interview
- Questionnaire and the Interview is the primary sources of data for the Employee compensation study
- Due to this we can know the performance of the organisation on how they paid to the employees and the workers in the company.

Sample size :

The company total population is 200 employees. In that total population I randomly select 130 employees using simple random sampling technique.

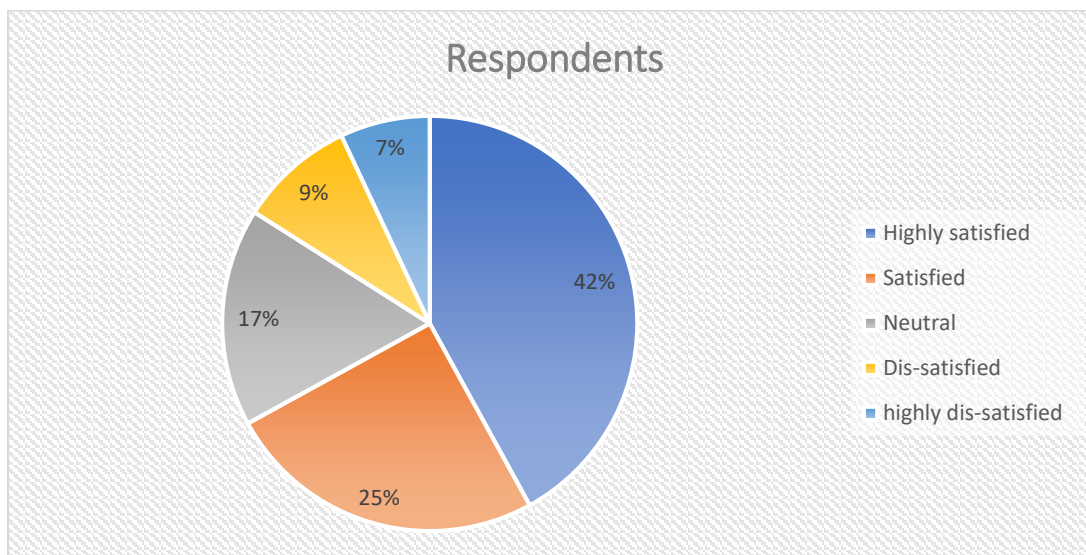
Data analysis and interpretation:

Table 1: How satisfied are you with current based salary.

s.no	Opinion	Respondents	Percentage
1.	Highly satisfied	54	42
2.	Satisfied	33	25
3.	Neutral	22	17
4.	Dis-satisfied	12	9
5.	highly dis-satisfied	9	7
Total		120	100

A graphical representation of how satisfied employees are with their salaries.

Graph 1



Interpretation:

According to graph 1, 42% of respondents were highly satisfied with their salaries, 25% were satisfied, 17% were neutral, 9% were dissatisfied, and 7% were highly dissatisfied with their salaries.

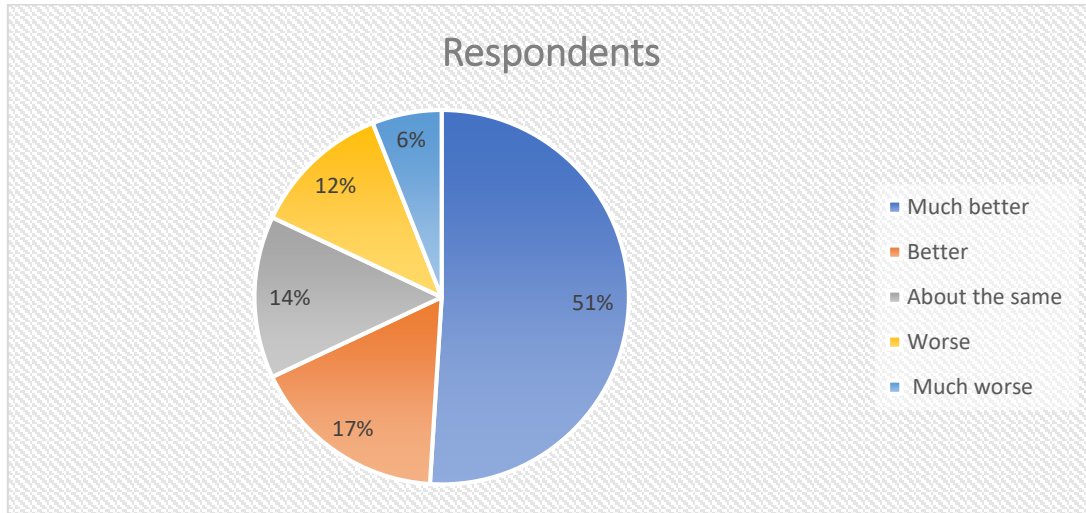
Table 2: How well does the organization communicate the rationale behind compensation decisions.

s.no	Option's	Respondents	Percentage
1	Much better	66	51
2	Better	22	17
3	About the same	18	14

4	Worse	16	12
5	Much worse	8	6
Total		130	100

A graphical representation shows that how well does the organization communicate the rationale behind compensation decisions.

Graph 2



Interpretation:

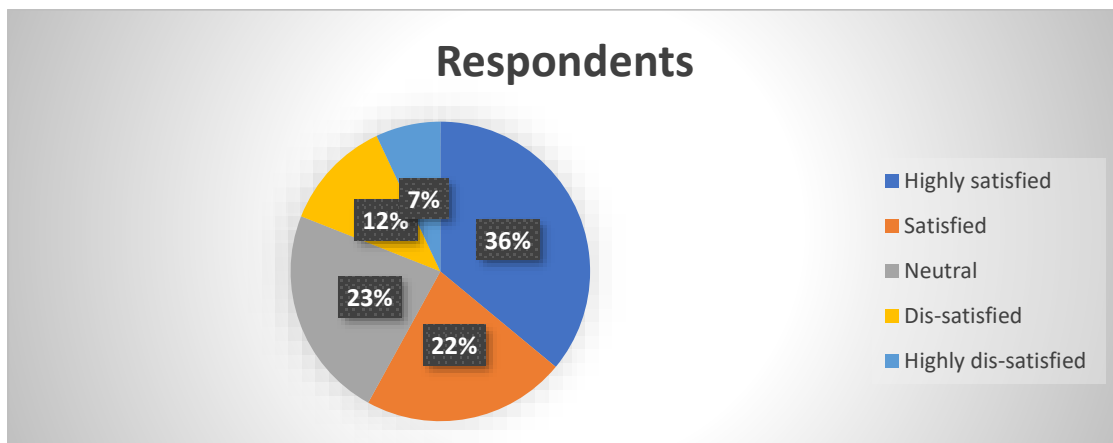
According to graph 2, 51% of respondents were highly satisfied with their compensation decisions made by organization, 17% were satisfied, 14% were neutral, 12% were dissatisfied, and 6% were highly dissatisfied with the decisions which are taken by an organization.

Table 3: Do you feel that your compensation accurately reflect your skills experience and contributions?

s.no	Options	Respondents	Percentage
1	Highly satisfied	47	36
2	Satisfied	29	22
3	Neutral	30	23
4	Dis-satisfied	15	12
5	Highly dis-satisfied	9	7
Total		130	100

This graphical representation shows that how accurately compensation reflects employee skills and contributions.

Graph 3



Interpretation:

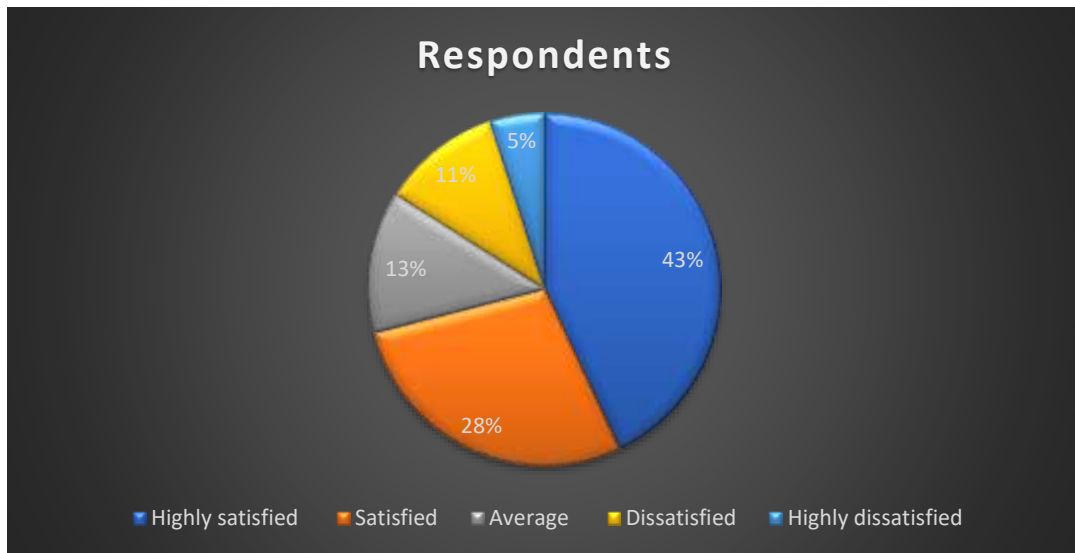
According to graph 3, 36% of respondents were highly satisfied, 22% were satisfied, 23% were neutral, 12% were dissatisfied, and 7% were highly dissatisfied.

Table 4: Are you satisfied with the opportunities for career progression and associated compensation increases?

s.no	options	Respondents	percentage
1	Highly satisfied	56	43
2	Satisfied	36	28
3	Average	17	13
4	Dissatisfied	14	11
5	Highly dissatisfied	7	5
Total		130	100

A graphical representation that shows opportunities for career progression and associated compensation increases.

Graph 4



Interpretation:

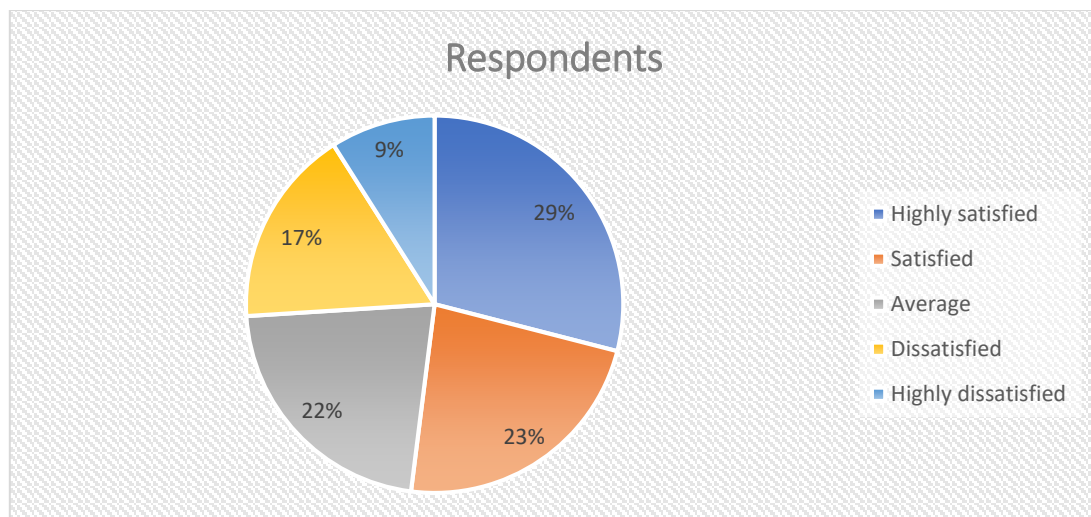
According to graph 4, 43% of respondents were highly satisfied, 28% were satisfied, 13% were neutral, 11% were dissatisfied, and 5% were highly dissatisfied.

Table 5: Are you satisfied with the communication and transparency around compensation adjustments?

s.no	Option	Respondents	Percentage
1	Highly satisfied	38	29
2	Satisfied	30	23
3	Average	28	22
4	Dissatisfied	22	17
5	Highly dissatisfied	12	9
Total		130	100

A graphical representation shows communication and transparency around compensation adjustments.

Graph 5

**Interpretation:**

According to graph 5, 29% of respondents were highly satisfied, 23% were satisfied, 22% were neutral, 17% were dissatisfied, and 9% were highly dissatisfied.

Finding:

1. 42% of respondents were highly satisfied with their salaries.
2. 51% of respondents were highly satisfied with their compensation decisions made by Organization.
3. 36% of respondents were highly satisfied.
4. 43% of respondents were highly satisfied.
5. 29% of respondents were highly satisfied.

Reference

- 1) Econ mana, 2014, Scholar's journal of Economics, Business and management, 428-433.
- 2) Lepak. D. Gowan, Human resource management studies, international publisher for Academic and scientific research, 2348- 2352.
- 3) Fauzi, Mahfud (2017), Dinasti International Journal of Economics and Accounting, Vol 3, 2721-2740.
- 4) Thomas E. Catanzaro, ISSN 2162-3058, International Journal of Human Resource Studies, Vol.2, No. 3, 2012
- 5) International Journal of Business and Social Science Vol. 2 No. 8; May 2011
- 6) Cascio WF; Managing human resources: Productivity, Quality of work life, profits. 6th edition, McGraw Hill Higher Education, New York, 2003.
- 7) Bernadin HJ; Human resource management: An exponential approach, 4th edition, McGraw-Hill Irwin, New York, 2007.