

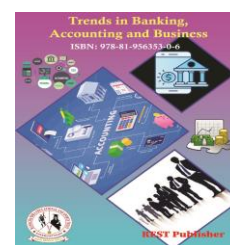


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A Study of Salary Bench making Towards Knitvel Needles Private Limited Hosur

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Abstract: The research paper is to determine the study of the Salary Benchmarking. Employees are the most valuable asset of an organization. As a vital process to the success of an organization, salary benchmarking aims at identifying the right market rate for each job position. Traditional approaches for salary benchmarking heavily rely on the experiences from domain experts and limited market survey data, which have difficulties in handling the dynamic scenarios with the timely benchmarking requirement. To this end, in this paper, we propose a data-driven approach for intelligent salary benchmarking based on large-scale fine grained online recruitment data. Specifically, we first construct a salary matrix based on the large-scale recruitment data and creatively formalize the salary benchmarking problem as a matrix completion task. Finally, extensive experiments on large-scale real-world data clearly validate the effectiveness of our approach for job salary benchmarking. By comparing various factors such as base pay, allowances, rewards, bonus the maximum and minimum compensation are identified. The relationship for each component in the compensation structure and the satisfaction level is also measured using various statistical tools. The salary benchmarking not only helps to find the differences among the organizations, but also helpful to identify the weaker areas of the company, which is also known as peer lag. By finding the peer lag, an organization can improvise and achieve the better performance. Being a be stone in the salary practices influence the factors such as employee retention and job satisfaction of the employee to the maximum and reduces the employee attrition rate in an organization.

Key words: Salary benchmarking, Employee, Organization, Market, Satisfaction.

1. INTRODUCTION

The study is focused towards the salary benchmarking in Knitvel Needles Pvt. Ltd. Every organization manages the compensation and categorizes its structure with different components of the compensation. But the problem exists when those structures is correct or incorrect, minimum or maximum, satisfies the employee or dissatisfy the employee, whether the compensation is suitable for particular job position etc. therefore, it is necessary to perform internal and external compensation benchmarking by every organization to overcome the confusion. This research study is focused towards the external salary benchmarking where five companies were chosen for the benchmarking. They come under the category of Fast-Moving Consumer Goods companies namely Lotte, Perfetti, PepsiCo, United Breweries and India Japan Lighting Private Limited. By comparing various factors such as base pay, allowances, rewards, bonus the maximum and minimum compensation are identified. The relationship for each component in the compensation structure and the satisfaction level is also measured using various statistical tools.

2. REVIEW OF LITERATURE

Peeples&et.al. 2018 They have published an article on salary benchmarks and compensation disparity. The parameters of the study are Age, Gender, Job level, years of experience of the employees and their geographical area. This study helps to gain much information on industry benchmarks for salary, bonus and benefits and also helps to identify the differences among the job sectors/ categories including other factor such as demographics. Lessmanna&et.al. 2015 They have conducted a survey among classifiers in order to compare the classification n Algorithms for the purpose of credit scoring. This study helps the author together information on different alternatives of credit score cards and by the analysis of latest scoring methods, a new benchmark can be set for future comparison. Chang&et.al. 2013 They have investigated the salary trends and the work load among the employees in the laboratory. By taking the average salary benchmark from the Bureau of Labor Statistics, the salary survey has conducted. The study also came with a findings of overall increase of the salary rate than the national benchmark and this information helped them to expand their benchmark and helpful to revise the current guidelines. Blankmeyer&et.al. 2011 They have studied the Salary benchmarking for the purpose of compensation set. It was analyzed by the analysis decision of compensation in the peer group of the same field. The factors such as occupancy rate and revenue are the decisive parameters of this study which varies from the organization to other organization. It also helps to realize the performance of the one's own institution

from its peer groups. Riddell 2011 The author has studied and analyzed the influence of compensation policy on quit rates and the study shows the pay dispersion between the employees at the same categories in the organization structure and also between the different categories in the hierarchy. The results showed that the firm performing non-discriminative or equal pay and providing equal rights have lower attrition rate.

Objectives Of The Study

- To focus on differences in roles in their own and different sectors.
- To focus on the value of different components of their specific packages offering.
- To ensure valued employees stay with the company in the short, medium or long term.
- It provides an impartial and accurate idea of pay information.
- To help business make effective, non-discriminatory decisions.
- It will be potentially of great benefit to long term company growth and sustainability.

Scope Of The Study

- The study helps to identify the differences in compensation packages between Knitvel Needles Private Limited Company.
- Using the differences, the comparative analysis is done between the peer industries.
- Therefore, by using the analysis, peer lag can be identified.
- By using the comparison, the weaker areas on providing the compensation can be strengthened.
- The study also helps in determining the relationship between the compensation package and satisfaction level of the employees.

3. RESEARCH METHODOLOGY

TABLE 1. Chi-Square method Correlation Analysis ANOVA

Research Design	Exploratory Research Design
Data Collection method	Primary Data Secondary Data
Data Collection Tools	Questionnaire method
Questionnaire Design	Direct questions lose end questions Dichotomous questions Multiple choice questions
Sampling Design	Convenience Sampling
Sample Size	50 Respondents
Tools used for Analysis	Percentage method

TABLE 2. Data analysis and interpretation Gender of the respondents

GENDER			
		No. of Respondents	Percentage
	Female	49	49%
	Male	51	51%
Gender	Total	100	100%

Interpretation: Thus the above tabulation shows that, 49.0% of the respondents are Female and 51.0% of the respondents are Male.

TABLE 3. Level Of Employees of The Respondents

LEVEL OF EMPLOYEES			
		No. of Respondents	Percentage
	Top level Employee	21	21%
	Mid level Employee	59	59%
	Lower level Employee	20	20%
Level of Employees	Total	100	100%

Interpretation: Thus the above tabulation shows that, 21.0% of the respondents are belongs to Top Level Employees, 59.0% of the respondents are belongs to Mid Level Employees and 20.0% of the respondents are belongs to Lower Level Employees.

4. CHI – SQUARE ANALYSIS

Chi-Square Analysis

H0: There is no significant relationship between the satisfaction level of employees and the involvement of employees

H1: There is a significant relationship between the satisfaction level of employees and the involvement of employees

TABLE 4. Satisfaction Level and Involvement of Employees in KNITVEL NEEDLES Pvt. Ltd

S. No.	Yes	No	Total	Percentage
1	12	0	12	0.214
2	24	0	24	0.429
3	14	1	15	0.268
4	2	2	4	0.071
5	1	0	1	0.017
Total	53	3	56	

TABLE 5. Chi-Square

Yes %	No %	Chi-Square
11.357	0.643	
22.714	1.286	
14.196	0.804	
3.786	0.214	
0.946	0.054	0.00156

Interpretation

The P-Value (0.001) is lesser than 0.05. Therefore, Null Hypothesis is rejected and Alternative Hypothesis is accepted. Thus, there is a significant relationship between satisfaction level and compensation drives oneself to engage in the work.

ANOVA: Two Factors without Replication

H0: There is no significant relationship between Qualification and the Salary H1: There is a significant relationship between Qualification and the Salary

TABLE 6. Qualifications and Salary

S. No.	Qualifications	20k-	30k-	40-	50-	60-	70k-	80-	>90k
		30k	40k	50k	60k	70k	80k	90k	
1	Diploma	4	6	5	10	0	0	0	0
2	Master with Arts And Science	0	10	6	6	0	0	3	3
3	Master with Engineering And Technology	0	0	1	1	0	0	0	0
4	Engineering	0	0	2	0	0	0	0	0
5	Technology	0	0	1	0	0	0	0	0

TABLE 7. Analysis Value

ANOVA: Two-Factor without Replication				
Summary	Count	Sum	Average	Variance
Diploma	8	25	3.125	14.125
Master with Arts And Science	8	28	3.5	13.1429
Master with Engineering & Technology	8	2	0.25	0.21429
Engineering	8	2	0.25	0.5
Technology	8	1	0.125	0.125
20k - 30k	5	4	0.8	3.2
30k - 40k	5	16	3.2	21.2
40k - 50k	5	15	3	5.5
50k - 60k	5	17	3.4	19.8
60k - 70k	5	0	0	0
70k-80k	5	0	0	0
80k-90k	5	3	0.6	1.8
>90k	5	3	0.6	1.8

TABLE 8. Source of Variation

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	93.15	4	23.29	5.431	0.002	2.71408
Columns	76.7	7	10.96	2.556	0.036	2.35926
Error	120.1	28	4.288			
Total	289.9	39				

Interpretation:

In rows, the F-value (5.43149) is greater than F critical value (2.71408). In columns, F- Value (2.5556) is greater than F-Critical Value (2.359). Therefore, Null Hypothesis is rejected and Alternative Hypothesis is accepted. Thus, there is a significant relationship between qualification and salary ranges.

TABLE 9. salary ranges

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	93.15	4	23.2875	5.43149	0.00229	2.71408
Columns	76.7	7	10.9571	2.5556	0.03617	2.35926
Error	120.05	28	4.2875			
Total	289.9	39				

Interpretation

In rows, the F-value (5.43149) is greater than F critical value (2.71408). In columns, F- Value (2.5556) is greater than F-Critical Value (2.359). Therefore, Null Hypothesis is rejected and Alternative Hypothesis is accepted. Thus, there is a significant relationship between qualification and salary ranges.

Correlation Analysis:

H0: There is a significant relationship between occupancy rate and salary

H1: There is no significant relationship between occupancy rate and salary

TABLE 10. Occupancy Rate and Salary of the Company

S. No.	Company	Occupancy Rate	Salary (in Rs.)
1	Knitvel Needles Pvt. Ltd	367	22933

TABLE 11. Correlation Value

Particulars	Occupancy rate	Salary
Occupancy rate	1	0.968339
Salary	0.968339	1

Interpretation

From the above table, it is interpreted that there is a positive correlation between the population of the company and the salary. Therefore, when the population increases, the value of the salary range.

Suggestions Of Study Suggestions:

1. The researcher found from the primary data that, the allowances are provided only for the operators and it is not provided to the executives and team leaders.
2. The executives in the company are recorded their response under these questions as not applicable. Therefore, the researcher suggests the company to approach the top management and request for the allowances.
3. The researcher observed that, the maintenance works were performed in the first floor of the factory, it is appreciated that all the safety gad gets were used by the contract labors. But the things used for their work are not kept in a proper way and it was on the floor here and there. Therefore, the 5S principle must be taught for the contract labors and company should be strict on them to follow it.
4. There searcher found that, basic welfare measures such as proper drinking water facility must be taken care by their species in charges. There searcher observed the carbon particles inside the water and reported to the
5. authority. But, steps were not taken effectively and the problem was repeatedly arising. Therefore, quality department must also take care of the drinking water testing and it must be noted down regularly.

5. DISCUSSION AND CONCLUSION

From the analysis, it is concluded that, comparatively, Knitvel Needles Private Limited has a positive compensation structure and higher level of satisfaction by the employees. The company also provides the educational scholarship for the employee's (Operator category) children who score good marks in their academics. In some components of compensation such as turnover, maximum salary stands second and third place in graph. This helps the company to know about its lagging area and to revise the policies related to compensation. There are a greater number of employees in the category of 40-50 years and 30-40 years. This shows that there is a lower in the employee attrition rate. Therefore, a good compensation package will increase the productivity, performance of the employee, satisfaction of the employees

and which leads to the lesser number of the employee attrition rate. On overall, Knitvel Needles Private Limited has decent compensation package.

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