



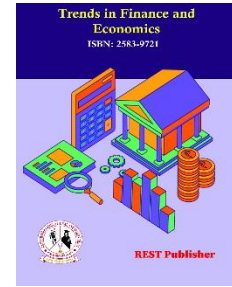
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# A Study On a Study On Compensation Management with Reference to Heritage Food India Ltd Hyderabad

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**Abstract.** A good compensation package is important to motivate the employees to increase the organizational productivity. Unless compensation is provided no one will come and work for the organization. Thus, compensation helps in running an organization effectively and accomplishing its goals. Salary is just a part of the compensation system, the employees have other psychological and self-actualization needs to fulfill. Thus, compensation serves the purpose. The most competitive compensation will help the organization to attract and sustain the best talent. The compensation package should be as per industry standards.

**Keywords:** Compensation, Salary, self – actualization, Talent

## 1. INTRODUCTION

Human resource management in simple terms is defined as employing people, developing their resource, utilizing, maintaining and compensating their services in tune with the job and organizational requirements. It is concerned with the development of human resources, i.e., knowledge, capability, skills, potentialities and attaining and achieving employee goals, including job satisfaction. It also aims at attaining the goals of the organization, individual and society in an integrated approach.

Human Resource is the most vital resource for any organization. It is responsible for each and every decision taken, each and every work done and each and every result. Employees should be managed properly and motivated by providing best remuneration and compensation as per the industry standards. The lucrative compensation will also serve the need for attracting and retaining Compensation is the remuneration received by an employee in return for his/her contribution to the organization. It is an organized practice that involves balancing the work-employee relation by providing monetary and non-monetary benefits to employees. Compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness.

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## 2. SCOPES OF THE STUDY

The compensation management in (Heritage Foods Ind Ltd). refers to a person’s feeling of satisfaction on their job. It is different from person to person. The researcher has chosen to measure the level compensation management in Heritage Foods Ind Ltd.

### Objectives of the report:

- 1) Understand the concepts of compensation management in Heritage Foods Ind Ltd
- 2) Explore the role of c compensation management
- 3) Pay roll system in Heritage Foods Ind Ltd

## 3. DATA ANALYSIS AND INTREPRETATION

### 1. In Are you satisfied with the salary as per your designation?

- (a)Yes (b) No

**TABLE 1.** In Are you satisfied with the salary as per your designation?

S.no	options	No.of respondents	% of respondents
1	Yes	28	56
2	No	22	44
	Total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 56% of employees are satisfied with their salary as per their designation and 44% are not satisfied with their salary as per their designation.This is an observation to be taken care.

### 2. On what basis pay increments are given?

- (a) Attendance (b) Performance (c) Years of experience (d) All the above

**TABLE 2.** On what basis pay increments are given?

S.no	options	No.of respondents	% of respondents
1	Attendance	18	36
2	Performance	3	6
3	Years of Experience	7	14
4	All the above	22	44
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 44% of employees have opined that pay increments are based on all the above mentioned parameters, where as 36% of employees felt pay increments are based only on attendance and 14% felt pay increments are based on years of experience and only 6% of employees felt that pay increments are based on performance. This is an observation to be taken care.

### 3. Do you feel that work is more important than salary?

- (a) Yes (b) No

**TABLE 3.** Do you feel that work is more important than salary?

S.no	options	No.of respondents	% of respondents
1	Yes	40	80
2	No	10	20
	Total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 80% of employees have felt work is more important than their salary. And only 20% have felt that work is not important as compared to salary. This indicates the organization has a good committed work force.

**4. Do the company fixed pay plan or Variable pay plan or both?**

- (a) Fixed pay system (b) Variable Pay system (c) Both

**TABLE 4.** Do the company fixed pay plan or Variable pay plan or both?

S.no	options	No.of respondents	% of respondents
1	Fixed Pay system	11	22
2	Variable Pay system	17	34
3	Both	22	44
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 44% employees pay is on Fixed and Variable pay and 34% employees pay is only variable pay and 22% employees pay is fixed pay.

**5. Does the company give a general increase in compensation in a year?**

- (a) Yes (b) No

**TABLE 5.** Does the company give a general increase in compensation in a year?

s.no	options	no.of respondents	% of respondents
1	yes	0	0
2	no	50	100
	total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 100% of employees compensation is not increased in a year. This is an observation to be taken care.

**6. Does the compensation plan by your company attract and retain the employees?**

- (a) Yes (b) No (c) Can't say

**TABLE 6.** Does the compensation plan by your company attract and retain the employees?

S.no	options	No.of respondents	% of respondents
1	Yes	20	40
2	No	11	22
3	Can't say	19	38
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 40% of employees opined that company attracts and retain their employees through compensation and 38 % of employees opined that they cannot say whether company attracts or not and 22%of employees opined company do not attract and retain employees through compensation. This is an observation to be taken care.

**7. Does the company follow performance appraisals for salary increments?**

- (a) Yes (b) No

**TABLE 7.** Does the company follow performance appraisals for salary increments?

s.no	options	no.of respondents	% of respondents
1	yes	31	62
2	no	19	38
	total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 62% of employees opined company follows performance surprises for salary increments and 38% of employees opined that company does not follow performance surprises for salary increments. This shows company gives preference to the performance of the employees.

**8. In your organization are the employees considered for reward and recognition, mostly for:**

- (a) Innovative and creativity (b) Increased productivity (c) Customers Satisfaction (d) All the above (e) Others

**TABLE 8.** In your organization are the employees considered for reward and recognition, mostly for

S.no	options	No.of respondents	% of respondents
1	Innovative and creativity	2	4
2	Increased productivity	11	22
3	Customer satisfaction	0	0
4	All the above	23	46
5	others	14	28
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 46% of employees opined that rewards and recognition is based on all above parameters where as 28% of employees opined others and 22% opined increased productivity and 2% of employees opined innovation. This is an observation to be taken care.

**9. Does your organization provide education benefits to your children?**

- (a) yes (b) No

**TABLE 9.** Does your organization provide education benefits to your children?

s.no	options	no.of respondents	% of respondents
1	yes	0	0
2	no	50	100
	<b>total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 100% of employees are not receiving educational benefits to their children from the organisation. This should be taken care.

**10. What type of bonus does the company gives**

- (a) Annual/Year End Bonus (b) Incentive Bonus (c) Others

**TABLE 10.** What type of bonus does the company gives

S.no	options	No.of respondents	% of respondents
1	Annual/year end bonus	38	76
2	Incentive bonus	0	0
3	Others	12	24
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 76% of employees receive Annual Bonus whereas 24% employees do not receive any bonus and 0% receives incentive bonus. This observation should be taken care.

**11. Are you satisfied with the salary and wages paid by the company?**

- (a) Highly satisfied (b) Satisfied (c) Somewhat satisfied (d) Dissatisfied

**TABLE 11.** Are you satisfied with the salary and wages paid by the company?

S.no	options	No.of respondents	% of respondents
1	Highly satisfied	8	16
2	Satisfied	25	50
3	Somewhat satisfied	11	22
4	Dissatisfied	6	12
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 50% of employees satisfied with their salaries whereas 22% are somewhat satisfied and 16% of employees are highly satisfied and 12% of employees are dissatisfied. This is an observation to be taken care.

**12. What insurance coverage you get from the company?**

- (a) Life insurance      (b) Health insurance      (c) None

**TABLE 12.** What insurance coverage you get from the company?

S.no	options	No.of respondents	% of respondents
1	Life Insurance	0	0
2	Health Insurance	0	0
3	None	50	100
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 100% of employees do not receive any insurance coverage from the company. This is an observation to be taken care.

**13. The opinion about insurance services provided by the organization?**

- (a) Highly satisfied (b) Satisfied (c) Somewhat satisfied (d) Dissatisfied

**TABLE 13.** The opinion about insurance services provided by the organization?

S.no	options	No.of respondents	% of respondents
1	Highly satisfied	0	0
2	Satisfied	0	0
3	Somewhat satisfied	0	0
4	Dissatisfied	50	100
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 100% of employees are dissatisfied with the insurance coverage in the company. This is an observation to be taken care.

**14. Are you comfortable with present working hours/shift timings?**

- (a) Highly satisfied (b) Satisfied (c) Somewhat satisfied (d) Dissatisfied

**TABLE 14.** Are you comfortable with present working hours/shift timings?

S.no	options	No.of respondents	% of respondents
1	Highly satisfied	26	52
2	Satisfied	18	36
3	Somewhat satisfied	3	6
4	Dissatisfied	3	6
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 52% of employees are highly satisfied with their shift timings whereas 36% of employees are satisfied and 6% of employees are somewhat satisfied and 6% of employees are dissatisfied. This shows company provides flexible shift timings to the employees.

**15. How do you feel about retirement benefit given to the employees by the organization?**

- (a) Highly satisfied (b) Satisfied (c) Somewhat satisfied (d) Dissatisfied

**TABLE 15.** How do you feel about retirement benefit given to the employees by the organization?

S.no	options	No.of respondents	% of respondents
1	Highly satisfied	6	12
2	Satisfied	15	30
3	Somewhat satisfied	8	16
4	Dissatisfied	21	42
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 42% of employees are dissatisfied with the retirement benefits whereas 30% of employees are satisfied and 16% of employees are somewhat satisfied and 12% of employees are highly satisfied. This observation should be taken care.

**16. Do you get your salary on time?**

- (a) Yes (b) No

**TABLE 16.** Do you get your salary on time?

S.no	options	No.of respondents	% of respondents
1	Yes	46	92
2	No	4	8
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 92% of employees opined that they get their salary on time and 8% of employees opined that they do not get on time. This shows company pay salary on time.

**17. Are you satisfied with the support services provided to the employees by the management in case of any emergency?**

- (a) Highly satisfied (b) Satisfied (c) Somewhat satisfied (d) Dissatisfied

**TABLE 17.** Are you satisfied with the support services provided to the employees by the management in case of any emergency?

S.no	options	No.of respondents	% of respondents
1	Highly satisfied	30	60
2	Satisfied	13	26
3	Somewhat satisfied	7	14
4	Dissatisfied	0	0
	<b>Total</b>	<b>50</b>	<b>100</b>

**Interpretation:** From the above table and the bar chart it is observed that 60% of employees are highly satisfied with support services in emergency provided by the company whereas 26% of employees are satisfied and 14% of employees are somewhat satisfied. This shows company provides support to their employee.

**18. Does your organization provide transport allowances?**

- (a) Yes (b) No

**TABLE 18.** Does your organization provide transport allowances?

S.no	options	No.of respondents	% of respondents
1	Yes	13	26
2	No	37	74
	Total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 74% of employees are not provided with transport allowance and 26% of employees are provided with transport allowance. This is an observation to be taken care.

**19. Does your organization pay you any bonus for attendance?**

- (a) yes (b) No

**TABLE 19.** Does your organization pay you any bonus for attendance?

S.no	Options	No of respondents	% of respondents
1	Yes	14	28
2	No	36	72
	Total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 72% of employees do not receive attendance bonus where as 28% of employee receive attendance bonus .This is an observation to be taken care.

**20. Are there any medical allowances provided?**

- (a) Yes (b) No

**TABLE 20.** Are there any medical allowances provided?

S.no	Options	No of respondents	% of respondents
1	Yes	0	0
2	No	50	100
	Total	50	100

**Interpretation:** From the above table and the bar chart it is observed that 100% of employees are not provided with medical allowances. This is an observation to be taken care.

**4. FINDINGS OF THE STUDY**

- From the survey it is found that 56% of employees are satisfied with their salary
- 44% of employees are paid increments based on attendance, performance and years of experience.
- The Majority of the employees 80% feel that work is more important than salary.
- It is found that all the employees are paid based on fixed and variable pay.
- It is found that all the employees compensation is not increased every year.
- 40% of the employees feel that the compensation plan of the company helps in attracting and retaining the employees.
- It is found that performance appraisal for salary increments.
- 46% of employees of employees are rewarded based on innovative and creativity, Increased Productivity and Customer satisfaction.
- It is does not provide any educational benefits to the employee children.
- 72% of employees receive Annual/ Year End Bonus.
- 50% of employees are satisfied with their salaries.
- It is found that employees do not receive any insurance coverage.
- It is found that the employees are dissatisfied with the insurance services
- 52% of employees are highly satisfied with their working hours/ Shift timings.
- 42% of employees are dissatisfied with the retirement benefits.
- The majority of the employees 92% in receive their salary on time.

- 60% of employees are highly satisfied with the support services provided by the company in emergency.
- The majority of the employees 74% are not provided with transport allowance
- The majority of the employees 72% do not receive attendance bonus.
- It is found that the employees do not receive any medical allowances.

## 5. SUGGESTIONS

- It was found that the organisation has committed work force who give more importance to the work rather than salary. So the organisation could have designed the compensation policies in accordance with the loyalty and commitment of employees so as to retain them who are helpful in productivity of organisation.
- Company can identify the employees based on performance and motivate them through a compensation package.
- Company can introduce education benefits to a fraction of the employees based on some identified criteria.
- Company can implement group health insurance policies since it is a plastic manufacturing which is considered to be hazardous for the health of the employees.
- Company can introduce attendance bonus in terms of monetary and non- monetary benefits for the wives of the contract Employees for encouraging them to be regular to the company

## 6. CONCLUSION

Money makes the mare go is the proverb. It holds good for all the factors participating in the business process expects its fair share of prosperity of the business. Compensation system plays a vital role in the business organization. And its importance can be very well ascertained to bring the best out of every employee in the organization. It aims at creating a healthy competition among them. The perfect compensation system provides platform for happy and satisfied workforce. This minimizes the labour turnover. The organization enjoys the stability.

It is statistically proved that there is a relationship between the compensation plan for the attraction and retention of the employees. So the organisation can focus more on the employee's compensation plan. It is also proved that there is a comfort ability of employees with their working hours and shift timings. Organisation can give flexible timing to the employee to get more efficient results.

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