



CURRENT CHALLENGES AND CHOICES OF HR IN EMPLOYEE BENEFITS AND SERVICES WITH SPECIAL REFERENCE TO ARIGNAR ANNA SUGAR MILLS AT THANJAVUR IN KURUNGULAM

R. Bhuvaneswari*

Abstract: *Benefits represent an important part of just about every employees pay; They can be defined as all the indirect financial payments an employees receives for continuing his or her employment with the company. Benefits are generally available to all a firm's employees and include such things as time of with pay, health and life insurance and child case facilities.*

Administering benefits today represents an increasingly specialized task. It remands expertise because workers are more financially sophisticated and demanding, and because federal legislation – concerning pregnancy benefits for instance – requires that benefit plans comply with new laws.

If the organization adopts new technology, training programme, awareness programme on welfare facilities it will surely result in higher productivity. The world fringe is not appreciated by management practitioners on the ground that now –a –days benefits and services constitute substantial labor cost for any organization . They are no longer mere fringe costs or fringe items. They are important to managements, employees and union alike.

The success of any organization depends on the efficiency of labor. There should be a close relationship between the employees and the management. Provisions of “Employee benefits and services” are one of the major factors which motivate them to perform better.

*Asst. Prof. Department of Commerce, Srimad Andavan Arts & Science college, Trichy.



INTRODUCTION

Benefits represent an important part of just about every employees pay; They can be defined as all the indirect financial payments an employees receives for continuing his or her employment with the company. Benefits are generally available to all a firm's employees and include such things as time off with pay, health and life insurance and child care facilities.

Indirect financial compensation is called benefits and services. It can be defined as all employer-provided rewards and services, other than wages or salaries, arising from the following categories. Legally required social insurance, and retirement plans ; payment for time not worked ; Extra Cash payments other than bonuses based on performance, and cost of services like subsidized cafeterias, clothing allowances, and so on. Unlike pay for performance and other incentives plans, most benefits and services are available to workers as long as they are employed by an organisation regardless of seniority or performance. The success of any organization depends on the efficiency of labour. There should be a close relationship between the employees and the management. Provisions of "Employee benefits and services" are one of the major factors which motivate them to perform better.

MEANING AND DEFINITION

Employee benefits and services include any benefits that the employee receives in addition to direct remuneration. A formal definition is '....fringes embrace a broad range of benefits and services that employees receive as part of their total compensation package ...pay or direct compensationis based on critical job factors and performance . Benefits and services, however, are indirect compensation because they are usually extended as a condition of employment and are not directly related to performance.'

Employee benefits and services are alternatively known as fringes, service programmes, employee benefits or hidden payroll. The word fringe is not appreciated by management practitioners on the ground that now –a –days benefits and services constitute substantial labour cost for any organisation . They are no longer mere fringe costs or fringe items. They are important to managements, employees and union alike.



CURRENT BENEFITS APPLIED TO ARIGNAR ANNA SUGAR MILLS:

Benefits are a major expense for most employees. Employee benefits account for about one-third of wages and salaries (or about 28% of total payrolls), with legally required benefits, followed by health insurance, the most expensive single benefit cost.

Employees do seem to understand the value of health benefits. One study concluded that employees whose firms provided such benefits accepted wages about 20% lower than what they would have received working at firms without such benefits. But another survey, of 10,000 employees, found that only 43% of were satisfied with the overall performance of their health plans, and less than half trust their employees to design health plans that provide the coverage they need.

In developing plans, employees must address numerous policy issues. These include what benefits to offer; who receives coverage; whether to include retirees in the plan; whether to deny benefits to employees during initial "probationary" periods; how to finance benefits; The degree of employee choice in determining benefits; cost-containment procedures; and how to communicate benefits options to employees. Many of these decisions involve federal law.

Nearly every organisation in our country provides benefits and services to its employees. These fringes continue to grow in their importance. Several reasons account for this trend.

Employees prefer indirect remuneration to direct pay. Any increase in direct pay only adds to one's taxable income. But most benefits are not taxed and hence are advantageous to employees. Employers, too, prefer indirect remuneration to direct pay. Increase in benefits distort salary structures less and often more easy to explain to shareholders as the social responsibility of the company.

More than salary structures and financial arrangements, there is a need to attract and retain competent personnel. An employee joins and stays with an organisation which guarantees attractive fringe benefits. Besides, vacations along with holidays and rest breaks help employees mitigate fatigue and enhance productivity during the hours actually employees do work. Similarly, retirement, health-care and disability benefits may allow workers to be more productive by freeing them of concerns about medical and retirement costs. So, it is quite accurate to state that indirect remuneration may:



1. Mitigate fatigue,
2. Discourage labour unrest,
3. Satisfy employee objectives,
4. Aid recruitment,
5. Reduce turnover, and
6. Minimise overtime costs.

BENEFITS AS INCENTIVES

Do benefits motivate employees? Frederick Herzberg groups benefits along with other factors such as working conditions into the 'hygiene' area- they are needed, and the human appetite for them is limitless. Yet, they do not motivate people to perform better. In Maslow's need structure, benefits may affect the various aspects of 'security' (e.g. individual needs to cover hospital costs, retirement, support when unemployed, or life insurance money for the family's protection in case of death) but little else. Fringe benefits may fail in their motivational effect as they are not tied to employee performance but to organisational membership.

TYPES OF EMPLOYEE BENEFITS AND SERVICES

Employee benefits and services include a motley crowd of fringes starting from accident compensation plans to paid holidays. To hold that a benefit is a fringe, three criteria need to be fulfilled:

1. It should be computable in terms of money.
2. The amount of benefit is not predetermined.
3. No contract, indicating when the sum is payable, should exist.

PAYMENT FOR TIME NOT WORKED

Companies provide payment for time not worked, both on and off the job. On-the-job free time includes lunch periods, rest periods, coffee breaks, wash-up times and get-ready times. Off-the-job time includes vacations, sick leaves, public holidays, and personal or casual leaves.



INSURANCE BENEFITS

Organizations offer life and health insurance programmes to their employees. Most organisations offer insurance at a cost far below what individuals would have to pay to buy insurance by them.

COMPENSATION BENEFITS

Disability and workers' compensation benefits are offered to employees. Employers contribute funds to assist workers who are ill or injured and cannot work owing to occupational injury or ailment. These benefits are regulated by the workmen's compensation Act.

PENSION PLANS

Most organisations offer plans to provide supplementary income to employees after they retire. These are either company-paid or joint employee -or- company-paid programmes meant to supplement social security.

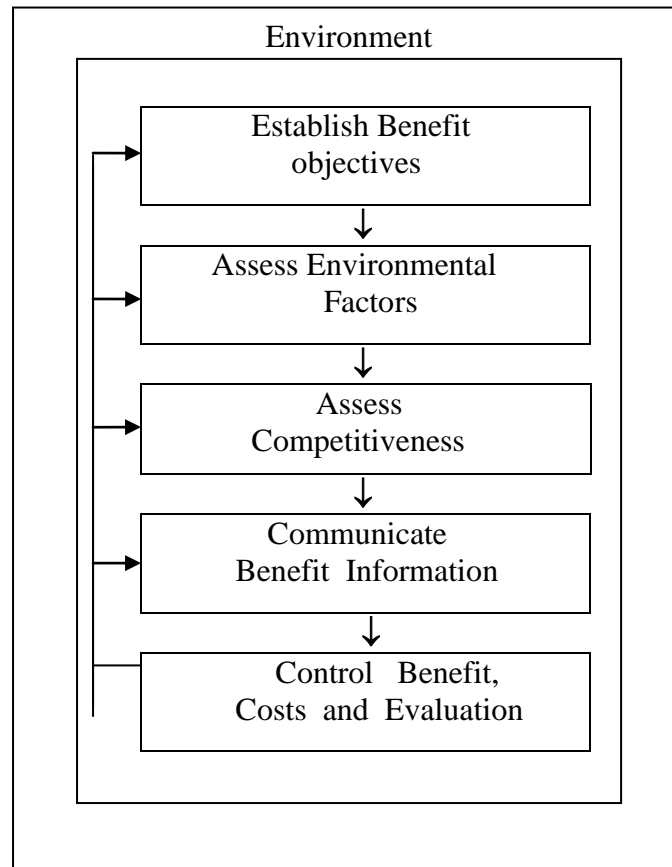
Along with pensions, organisations pay gratuity to employees attaining super-annuation. There is, however, a ceiling on gratuity which may not be justified. If an employee has served an organisation for a long time, there is no reason why he or she should be denied the benefit of higher gratuity.

ADMINISTRATION OF BENEFITS AND SERVICES

Organisations fumble while administering employee benefits and services. Yielding to the pressure of unions, employees, demand or in deference to social response trends, companies have added newer benefits and services to the list which is already lengthy. Organisations have seldom established objectives, systematic plans and standards to determine the appropriateness of the programmes.



Administration of fringe benefits



GUIDELINES TO MAKE BENEFIT PROGRAMMES MORE EFFECTIVE

1. Fringe benefit programmes should be looked at as a worthwhile corporate instrument in HRM.
2. Future policy planning in this area will have to keep in view some fresh reference points. Non-unionisation and skills shortage are no more relevant for policy considerations.
3. Any meaningful package of benefits must reflect some perspective planning. Inflexibility brings Stagnation.
4. Separate programmes directly beneficial to workers from those that are directed towards community welfare. Clubbing them together adds to their cost. This may not be liked by workers.
5. It is advisable not to have a facility rather than neglecting it in its administration
6. Poor internal communication hurts the programme in at least three ways: (i) more money is spent for officers' welfare; (ii) excess money spent on corporate image



building at the cost of more bonus; (iii) priority to officers' children in admissions to schools. Therefore, make the internal communication system effective.

7. Device new ways to involve workers and their representatives at all levels of planning and implementation

METHODOLOGY:

Research is a careful investigation or inquiry especially through search for new facts in any branch of knowledge

OBJECTIVES OF THE STUDY:

- To study the socio - demographic characteristic of workers at Arignar Anna sugar mills.
- To know about the employee benefits and services provided by the Company.
- To identify with all basic needs about the organization
- To identify employee satisfaction regarding employee benefits.
- To make suggestions and recommendations.

SAMPLE SIZE:

This refers to the number of items to be selected from the universe to be part of the whole constitute a sample. The sample size choose by the researcher is 75.

STATISTICAL ANALYSIS:

The researcher has used the analysis of data.

- Percentage analysis

PERCENTAGE ANALYSIS:

The general purpose of percentage is to serve relating measure that is indicated move clearly the relative size of two or more numbers.

LIMITATIONS:

- The study has been limited only a few sample of 75.
- The duration of the time for this study was limited. So, comprehensive and elaborative study was not undertaken by the researcher.
- The researcher found difficulty in meeting the workers due to this shifts system of the organization.
- The respondents had a hesitation in providing reliable answer.



- Workers were not ready to spend time for answering the questions.
- Hesitation on the part of respondents to express the exact views of questionnaire.

FINDINGS

- Majority of the respondents belongs to their Production department (53.33%)
- Majority of the respondents are accepted the workers compensations (68%).
- Majority of the respondents are accepted the Insurance benefits (61.33%).
- Majority of the respondents are accepted to paid Gratuity (60%)
- Majority of the respondents are rejected to pension plan (70.67%)
- Majority of the respondents belongs to involvement of planning are dissatisfied (49.33%).

SUGGESTION

- It can be suggested by providing special bones, cash prizes and Gifts can be given to the employee.
- Management can take steps to provide Insurance Benefits.
- The organization can adopt various levels of medical facilities.
- The management can provide pension plan.
- Management can provide extra allowances for night shifts.

CONCLUSION

The successes of any organization depend on the efficiency of labour. There should be a close relationship between the employees and the management. Provisions of “Employee benefits and services” are one of the major factors which motivate them to perform better.

If the organization adopts new technology, training programme, awareness programme on welfare facilities it will surely result in higher productivity.

Employees in general are more educated, more sophisticated and more demanding of remuneration including fringe benefit. Employers are, therefore required to devise newer benefit plan to attract and remain competent personnel, keeping a watch on the benefits costs.

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