

A Study on the Satisfaction of CRS/VRS Individuals and the Impact of Retirement on Them with Special Reference to OOTY Taluk

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Abstract: Retirement is the point where a person stops employment completely. A person may also semi-retire by reducing work hours. Retirement under two ways (compulsory, voluntary) now a day's developed countries have systems to provide pensions on retirement in old age, which may be sponsored by employers and /or the state. In many poorer countries, support for the old is still mainly provided through the family. Today, retirement with a pension is considered a right of the worker in many societies, government and private organizations. In Nilgiris district ooty taluk have many institutions under the ways by government, semi-government, private organizations.

Keywords: compulsory, voluntary taluk, Nilgiris, organizations

I. Introduction

Compulsory Retirement Scheme

In September 1997 New Zealand voters sent in their postal ballots to indicate to Parliament whether a proposed Compulsory Retirement Savings Scheme (CRSS) should become law. The outcome was a decisive rejection of the scheme by voters. Only 8.2% of votes cast were in favor of the scheme, while 91.8% were against it. This article summaries the background to the Referendum and the processes which took place leading up to the vote.

Voluntary Retirement Scheme

Voluntary Retirement Scheme (VRS) was introduced on 01.06.1990 in Indian Oil. Since then, the VRS came into force for the specified duration, without / with modification, from time to time. The Management has approved the following rules for proper administration of the scheme to provide for voluntary separation of employees and payment of terminal benefits including ex-gratia payment to such employees.

Statement Of Problem

The retirement is a concept of recent origin though it could be traced to Indian philosophy. The reasons related to voluntary retirement scheme and their responses by its holders have been analyzed in this paper. There are number of reasons for opting of VRS like doing some business, job dissatisfaction, health and personal reasons. Keeping this in view, the study is focused to find our major reason for opting VRS. To highlight the satisfaction and impact of CRS/VRS holders after retirement and to study the present status of the CRS/VRS holders this study is more vital important.

Significance & Scope Of Study

The study has great implication for the human resource manager sand policy makers in the present millennium. The HR manager must take into consideration the mindset of people. So that they can act as a facilitator personal and organizational excellence.

The present study helps to extracting the merits and demerits of the CRS/VRS holders there by suggesting remedial measures for their benefits.

It is also intended to create and occurs among the employees, whether to refuse any future voluntary retirement scheme.

Objectives Of The Study

- To find out the reason for opting CRS/VRS
- To analyze & highlight the impact of CRS/VRS holders after retirement
- To analyze the level of satisfaction obtained by the holders at the time of getting retirement.
- To analyze the present status of CRS/VRS holders.
- To give a brief historical reviews of CRS/VRS

II. Methodology

Research is common term refers to the search for knowledge. One can also define research as the scientific and systematic and systematic search for pertinent data or information on specific topic. The purpose of research is to discover answer to questions through the application of scientific procedures. The main aim of research is .

Research Design

The research design is the basic frame work or a plan for a study that guides the collection of data and analysis of data. This research is based on a “Descriptive Research Design” analysis. It includes the survey and fact finding enquiry of different kinds. The major purpose of this is to describe the state of affairs as it exists at present.

III. Methods Of Data Collection

Sources Of Data

Data were collected through both primary and secondary data.

Primary Data

A primary data is a data, which is collected afresh and for the first time, and thus happen to be original in character. The primary data with the help of stuctured questionnaire was distributed collected from various investors.

Secondary Data

Secondary data are the data which are already collected someone else, i.e., data collected through brochures , catalogues, newspapers, magazines, and web site, etc.,

Sampling Design

Sample

The most important task in carrying out a survey is to select the sample. Sample selection is undertaken for practical impossibility to survey the population

Sampling Technique

In this research, the sampling technique adopted was a Snowball Sampling, the Sampling is a method used to obtain research and knowledge, from extended associations, through previous acquaintances, “Snowball sampling uses recommendations to find people with the specific range of skills that has been determined as being useful.” An individual or a group receives information from different places through a mutual intermediary.

Sample Size

The Total Sample Size is 80 Respondents. They have been selected from the Ooty Taluk.

Period of Study

The data collection covers the period from March 2011 to September 2011.

IV. Tools And Technique Used For Analysis

The data was collected through structured questionnaire it has been tabulated analyzed and applied the following statistical tools.

1. Simple percentage analysis
2. Chi - Square Analysis
3. Anova
4. T- test

Simple Percentage Analysis

Percentage analysis is mainly used to standardize the response of the respondents. This analysis is carried out for all the questions given in the questionnaire, mainly to the asses, how the respondents are distributed in each category.

Limitations of The Study

The limitations of the present study areas fallows.

1. The area study confined to Ooty taluk only.
2. The information collected for the present study is primary in nature; it has its own limitations.
3. The sample size is limited to only 80.

V. Reviews Of Literature

Ahmed Rehman (2002)⁴⁵ narrates that the standard chearted banks are the establishment forgiven banks in has downsized staff through the VRS under which 47 of its 247 string work face including several executives have adopted for early retirement on the attractive golden hand sheeke terms this downsizing follows of similar exercise by the bank in Colombo which reduced its staff strength recently too paid very attractive early retirement incentives.

VRS will be of mutual benefit to the bank and any employee who option for requirement with a view of entering on a new carrier supported by adequate financial resources.

P.Sahu B.Pafro S.R Dash and R.Panaigrad's (2003)⁴⁶ the socio economic conditions of the VRS of employees of the state public sector under taking of Orissa incidentally. Orissa happens to be one of the few scats which have adopted psu reforms right from 1995-1996 The basic objectives of the study one firstly to understand the circumstances that lead to be adoption of VRS and secondary to make a compression between pre voluntary scheme and port VRS scheme living conditions of the employee in the stack.

The finding of the paper reviewed that the planning and implementation of the VRS schema for the employees has been faculty in the provision of regular income to VRS recipients which has caused much resturnent among them in particular employee who have crossed 50 years of age are forced to depend on the earning of their sons.

Income case of those who have daughters the non availability of resources passes a services problem because of the need to get them married at the right time some employees have expressed their un happiness with the scheme by specialty pointing out that their economic condition after avoiding the VRS to the extent of 50 percent as combined with the VRS situation other employee are for known to be skeptical about option for the VRS and are yet to take a decision in their regard.

K.Rani Greetha Priyadarahini and R. Venkatachalapathy (2003)⁴⁷ the hard practices in the banks have a strong influence on their performance the greater the association between hard practices and organization effectiveness the between in the performance of the banks the results show that the top performing banks have a higher score on hrd practices and the components of organization effectiveness this implies that hrd practices enhance organization effectiveness.

Srinivasan M.R (2003)⁴⁸ we may have await the results of the right done through the medium of VRS in banks as my be born out by the results and improvement in operational efficiency of these banks in the coming year it is believed that the exercise would have a wholesome effect on the banking system as well as the country economy.

Srilanka Bhashayam in times news (2004)⁴⁹ started that the VRS makes banks learns but painful and also added "one of the biggest problems faced by public sector banks two years after implementing VRS has been the loss of quality man power and now the issue has turned into a problem of quality" mix for the banking sector.

CRS/VRS Historical Reviews & origin and growth Compulsory Retirement Scheme (CRS)

In September 1997 new zeland voters in their postal ballots to indicate to parliament whether a proposed compulsory retirement savings scheme (CRSS) should become law. The outcome was a decisive rejection of the scheme by voters. Only 8.2% of votes cast were in favor of the scheme, while 91.8% were against it. This article summaries the background to the referendum and the processes which took place leading up to the vote.

Voluntary Retirement Scheme (VRS)

It is the point where a person stops employment completely. A person may also semi-retire by reducing work hours. Many people choose to retire when they are eligible for private or public pension benefits, although some are forced to retire when physical conditions don't allow the person to work anymore (by illness or accident) or as a result of legislation concerning their position In most countries, the idea of retirement is of recent origin, being introduced during the 19th and 20th centuries. Previously, low life expectancy and the absence of pension arrangements meant that most workers continued to work until death. Germany was the first country to introduce retirement in the 1880s.

VRS//CRS ACT CRS ACT

Earlier this year the Age discrimination Act 2004 was passed by the common wealth government. This paper provides an overview of the Age discrimination Act 2004 and critically examines whether it is likely to be successful in eradicating compulsory retirement and age discrimination within the work force. Empirical studies suggesting the law reform alone is insufficient to eliminate ageist employer behavior are discussed as is the need

for public awareness campaigns. Given that compliance with the law is closely linked with normative belief, this paper also considers whether a normal duty to refrain from age discrimination can be grounded within the natural law ethic.

VRS ACT

Voluntary retirement schemes under section 10(10C) of the income tax act, which offers tax exemption up to Rs. 5 lak (5, 00,000)

Labour and Employment Department (Tamil Nadu)

Order:

The State Renewal Fund was constituted in May, 1998 under the control of Commissioner of Labour, Chennai and released as grants to various Public Sector Undertakings on various occasions for the implementation of Voluntary Retirement Schemes. No guidelines have been issued by the Government to monitor the above funds. The Government have decided to issue the guidelines to administer the State Renewal Fund.

1 The guidelines for State Renewal Fund (S.R.F.) shall be as follows:

1. Objectives:

- a) To provide funds wherever necessary to the State Public Sector Undertakings (Registered under Companies Act of 1956) for the purpose of reducing the surplus manpower through Voluntary Retirement Scheme (VRS) resulting from modernization, technology up gradation, restructuring (including revival or closure) as a supplement to the funds available from other resources for the scheme drawn by the State Public Sector Undertakings. However, the Government reserves the right to relax any of the provisions in the Voluntary Retirement Scheme for the employees of the State Public Sector Undertakings. The funds will be mainly utilized for disbursement of ex-gratia to the eligible employees on such terms and conditions as deemed fit by the Government. The statutory dues such as Employees Provident Fund, Gratuity and Earned Leave surrender benefits are to be paid by the Corporation from its own funds. However, depending upon the necessity the Government would decide on providing financial assistance to the State Public Sector Undertakings for disbursement of Employees Provident Fund / Gratuity / Earned Leave surrender benefits also on such terms and conditions as deemed fit;
- b) To provide assistance to the State Public Sector Undertakings who evolve schemes for up gradation of the skill of the employees of the units for making them viable.
- c) To provide assistance to such other institutions as may be decided by the Government by specific orders.

Scope:

The State Renewal Fund will deal with the immediate requirement of labour in sick State Public Undertakings arising out of restructuring or closure of such units suo motto or through Government's intervention based on recommendations of any committees constituted for the purpose or otherwise. The fund will be disbursed in the form of loan to the needy State Public Sector Undertakings and they are expected to utilize the fund so provided for the purpose of reducing surplus manpower through Voluntary Retirement Scheme and this loan amount should be repaid in instalments to be fixed by the Government with or without interest from out of the savings in the salary expenditure otherwise to be incurred for the persons who moved out through Voluntary Retirement Scheme. The payment of legal dues such as Employees Provident Fund / Gratuity if made from the State Renewal Fund would form a claim on the assets of the closed units of the State Public Sector Undertakings as and when disposed off according to the due process of law. In respect of profit earning State Public Sector Undertakings if they decide to wind up a part of their function or close an unviable unit, they may utilize their own funds and for them the State Renewal Fund will not be available.

The State Renewal Fund will provide resources only for payment of excreta under Voluntary Retirement Scheme resulting from restructuring (including revival) or closure of units as a supplement to the funds available from other sources

Procedure for obtaining funds from state renewal fund:

The Chief Executive Officers of the State Public Sector Undertakings who seek assistance from the State Renewal Fund shall send the proposal to their concerned Administrative Department in Secretariat. The administrative department in Secretariat shall scrutinize the proposal in detail with reference to the guidelines in consultation with Labour and Employment Department / Finance (BPE) Department and Finance (L & A) Department and shall obtain the approval of Honorable Chief Minister by circulating the concerned file. After the proposal is cleared in circulation, the draft G.O. will be sent to Finance Department by concerned administrative department for opening of a Ledger Account Number. The G.O. will be issued by the concerned

administrative department with ledger account number and other details. A copy of G.O. shall be marked to Deputy Secretary (Budget), Finance (W&M) Department / Finance (BPE) Department and Labour and Employment Department in the Secretariat.

A business firm may opt for a VRS/CRS scheme under the following circumstances:-

- Due to recession in the business.
- Due to intense competition, the establishment becomes unviable unless downsizing is resorted to.
- Due to joint-ventures with foreign collaborations.
- Due to takeovers and mergers.
- Due to obsolescence of Product/Technology

Distribution of Respondenta Level of Opinion On The Basis Of Vrious Ikpacts after Retirement
Basis of Various Impacts After Retirement

Q.No	Questions	Respondents /Percentage (%)	S.A	A	N	D.A	S.D.A	TOTAL
1.	Opportunity to set up son/daughter marriage	Respondents	17	26	27	10	6	80
		%	21.25	32.5	33.75	12.5	7.5	100
2.	More leisure time	Respondents	24	40	11	3	2	80
		%	30	50	13.75	3.75	2.5	100
3.	Face problems at any source	Respondents	7	40	15	15	3	80
		%	8.75	50	18.75	18.75	3.75	100
4.	Feel alone	Respondents	26	13	10	18	16	80
		%	32.5	16.25	12.5	22.5	20	100
5.	Feel inferiority complex	Respondents	1	41	12	21	5	80
		%	1.25	51.5	15	26.25	6.25	100
6.	Interest are vanished	Respondents	4	40	13	22	1	80
		%	5	50	16.25	27.5	1.25	100
7.	Lost of my aims	Respondents	6	40	7	15	12	80
		%	7.5	50	8.75	18.75	15	100
8.	Missed my colleague's	Respondents	16	23	21	15	9	80
		%	20	28.75	26.25	18.75	11.25	100
9.	Lost self confidence	Respondents	17	22	6	21	14	80
		%	21.25	27.5	7.5	26.25	17.5	100
10.	No pension	Respondents	13	17	9	28	11	80
		%	16.25	21.25	11.25	35	13.75	100
11.	Regular income is lost	Respondents	18	34	8	13	7	80
		%	22.5	42.5	10	16.25	8.75	100
12.	Unable to fet loan and advances	Respondents	18	23	16	23	6	80
		%	22.5	28.75	20	28.75	7.5	100
13.	Lack of investment	Respondents	7	23	18	20	12	80
		%	8.75	28.75	22.5	25	15	100
14.	Utilized money properly	Respondents	10	31	3	26	10	80
		%	12.5	38.75	3.75	32.5	12.5	100
15.	Pay off my loan & debts	Respondents	17	20	3	24	16	80
		%	21.25	25	3.75	30	20	100
16.	Set up in my son/daughter business	Respondents	20	14	10	23	13	80
		%	25	17.5	12.5	28.75	16.25	100
17.	Deposit money of future	Respondents	15	9	9	33	14	80
		%	18.75	11.25	1.25	41.25	17.5	100
18.	Invest in shares	Respondents	5	14	10	37	12	80
		%	6.25	17.5	12.5	46.25	15	100
19.	respect from public reactions	Respondents	15	7	10	26	11	80
		%	18.75	8.5	12.5	32.5	13.75	100

VI. Suggestions

Special committee to set up CRS/VRS package

From this study it is clear that the CRS/VRS respondents are not highly satisfies with their retirement package. So the government should form a special committee under CRS/VRS scheme to frame the retirement package according to the present economic condition of the country.

Forming voluntary organization

Due to retirement, the holders are personality affected. Some people felt that their interests are vanished and they lost their self confidence etc. This grievance and been reduced by forming a voluntary organization among them. Retired persons can become the member for these organization and thereby it can able to solve any type of problems arise after retirement.

Reduce the retirement percentage under CRS

Government should take appropriate steps to reduce the number of retirements under compulsory retirement scheme. So that the economic condition of the employees are not affected.

Government / voluntary organization have to create awareness.

Government / voluntary organization should also create awareness among the CRS/VRS holders regarding utilization of retirement money in the proper way like investment in shares and deposits in banks etc.

VII. Conclusion

In the present study the researcher has made an attempt to study the CRS/VRS holder's satisfaction and impact after retirement. The retirement is a concept of recent origin through it could be faced to Indian philosophy. The reason related to VRS its response by its holders has been analyzed in this paper.

Further an attempt is made to know about their opinion on the impact after retirement and there by formulated many suggestions for the benefits of CRS/VRS holders.

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