CHAPTER 3: METHODOLOGY
3.1 Research Methodology

Research Methodology is a way to solve the research problems systematically. It is understood as a science of studying how scientifically a research has done. It is necessary for researcher to know not only the research methods or techniques but also the methodology. Research methodology has many dimensions and research methods constitute a part of research methodology.

“Research comprises of defining and redefining problems, formulating hypothesis, collecting, organizing and evaluating data making deduction and reaching on conclusions to determine whether they fit the formulating hypothesis”. (According to Clifford Woody)

For carrying out the study, the following points were spelt out clearly:

1. Selection of the period
2. Selection of the sectors for the study
3. Determination of appropriate sample size
4. Selection of research tools for data collection

1. Selection of the period

Reference work of the study has been started 3-4 years back. The researcher subsequently selected some specific employees from Banks and Manufacturing Industries who opted for Voluntary Retirement in the year 2000 to 2003. The objective of the researcher is to analyze Quality of Life of Employees after Voluntary Retirement.
Chapter 3. Methodology

2. Selection of the sectors for the study

The researcher then selected the sectors: Banking and Manufacturing Industries for the study. While selecting the Banks and Manufacturing Industries for the study, following criterions have been kept in mind.

The management of Banks and Manufacturing Industries was requested to give correct and relevant information about their Voluntary Retirement Schemes and Voluntary Retired Employees.

The management was also requested to allow the researcher to conduct the interviews of their Executive and Non-Executive class of voluntary retired employees.

The Banks and Manufacturing Industries must be having detailed record of large numbers of voluntary retired employees which gives a vast scope for this research.

The management of Banks and Manufacturing Industries must be enlightened with the new trends and developments in the field of Human Resource Management.

The researcher approached followings Banks and Manufacturing Industries:

1. State Bank of India
2. Union Bank of India
3. Bank of Maharashtra
4. Bank of India
5. Tata Motors (then TELCO)
6. Bajaj Auto Limited
7. Cummins India Limited
8. Thermax Limited
9. Bharat Forge Limited

All the above Banks and Manufacturing Industries had already offered Voluntary Retirement Schemes to their employees in the past. Still, some of them were reluctant to give the details of their Voluntary Retirement Schemes and Voluntary Retired Employees. But finally two Banks and three Manufacturing Industries were agreed to allow the researcher to conduct the interviews of their voluntary retired employees. However, it was observed that some of the Banks and Manufacturing Industries were not so open to share the information about their voluntary retired employees. Their management particularly Human Resource Department was not in favor to allow the researcher to conduct the interviews of their voluntary retired employees. After such experience during pilot survey, researcher decided to restrict this research study only to the VR employees of two major Banks in Pune i.e. Bank of Maharashtra & Bank of India and three major Manufacturing Industries in Pune i.e. Tata Motors (then TELCO), Bajaj Auto Limited & Cummins India Limited. These Banks and Manufacturing Industries were willing to fulfill the criterions mentioned above.

The study was conducted at Pune’s head offices of Bank of Maharashtra & Bank of India. Researcher also visited the Pune’s head offices of Tata Motors, Bajaj Auto Limited & Cummins India Limited to collect the details of
Chapter 3. Methodology

Voluntary Retirement Schemes of these Banks and Manufacturing Industries & names, addresses and phone numbers of those voluntary retired employees who took VRS from these companies in the year 2000 to 2003. The data collected for the survey was from both the Executive and Non– Executive class of VR employees who opted for Voluntary Retirement Schemes announced by these organizations.

3. Determination of appropriate sample size

In the initial stage, researcher visited Bank of Maharashtra & Bank of India, Pune. Then, researcher visited Tata Motors, Bajaj Auto Limited & Cummins India Limited, Pune to collect the details of Voluntary Retirement Schemes of these organizations & names, addresses and phone numbers of those voluntary retired employees who took VRS from these organizations. After systematically arranging and analyzing the details of all the employees, the field survey was done and then it has been decided to take the sample size of 500 voluntary retired employees (275 from Manufacturing Industries & 225 from Banks) as per the convenience.

4. Selection of research tools for data collection

As per the need of this research, the researcher has used various tools and softwares (i.e. Excel sheets, SPSS 15.0 etc.) for graphical representation of the data.
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Research Design

Research design itself has a great bearing on the reliability of the results arrived at and as constitute the firm foundation of the entire edifice of the research work. Generally, the results minimizes bias and maximizes the reliability of the data collected and analyzed is considered as a good design.

“A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in a procedure”.

A research design involves:

- A clear statement of research problem.
- Procedure and Techniques to be used for gathering information.
- The sample to be studied.
- Methods to be used in processing and analyzing data.

In this study, following Research Methodologies were used:

- Structured Questionnaires
- Survey research
- Content analysis
- Pearson’s Chi–square test
- Statistical test of Null Hypothesis
Chapter 3. Methodology

Questionnaire and Interview Technique:

To collect the data, Interview Technique has been used in two Banks and three Manufacturing Industries. To collect reliable, relevant and dependable information, a Structured Questionnaire was prepared which is included under Appendix A.

After testing these questionnaires for validity, the detailed interviews of voluntary retired employees were conducted by the researcher to know their views about Quality of Life and about their voluntary retirement decision. Interviews with the family members of voluntary retired employees were also conducted to understand their views too about voluntary retirement decision.

3.2 Data Collection

The data for the research was collected from both Banking sector and Manufacturing sector employees who opted for Voluntary Retirement Scheme (VRS).

A questionnaire was prepared for employees who opted for voluntary retirement to know their views about Quality of Life and about their voluntary retirement decision and to understand the impact of voluntary retirement on their social, financial and personal life. This questionnaire consists of some open and close ended questions which helped the researcher to know about the real facts of voluntarily retired employees.
Chapter 3. Methodology

Before using this data collected through the questionnaires, the questionnaire was tested for internal consistency and reliability. The researcher then tried to correlate the responses of the original survey and the pilot survey. Some VR employees were not available for face-to-face interaction, so researcher contacted them through telephonic interview and noted down their responses.

In this study, the sample consists of 500 voluntary retired employees: 160 (32.0 %) from Bank of Maharashtra, 65 (13.0 %) from Bank of India, 120 (24.0 %) from Tata Motors, 116 (23.2 %) from Bajaj Auto Limited and 39 (7.8 %) from Cummins India Limited.

3.3 Empirical Study

Empirical study was conducted for all the five organizations which are discussed in the following five sections:

Part I : Bank of Maharashtra
Part II: Bank of India
Part III: Tata Motors
Part IV: Bajaj Auto Limited
Part V: Cummins India Limited

For every company, the empirical study is based on the following major points:

- General information about the company
- Salient features of Voluntary Retirement Scheme
Chapter 3. Methodology

3.3.1 Bank of Maharashtra, Pune

Bank of Maharashtra is the premier bank of Maharashtra state, operating in the country of India. It was registered on 16th Sept 1935 with an authorized capital of Rs. 10.00 lacs and commenced business on 8th Feb 1936. Known as a common man's bank since inception, its initial help to small units has given birth to many of today's industrial houses. After nationalization in 1969, the bank expanded rapidly. It now has 1421 branches (as of 31st March 2009) all over India. The Bank has the largest network of branches by any Public sector bank in the state of Maharashtra. The bank wishes to cater to all types of needs of the entire family, in the whole country. Its dream is

"One Family, One Bank, Bank of Maharashtra ".

The Bank attained autonomous status in 1998. It helps in giving more and more services with simplified procedures without intervention of Government. The bank excels in Social Banking, overlooking the profit aspect; it has a good share of Priority sector lending having 38% of its branches in rural areas.

Voluntary Retirement Scheme – 2000 in Bank of Maharashtra

In Bank of Maharashtra total number of employees opted for voluntary retirement were 1876 under VRS - 2000 scheme.

Objective:
To maintain optimum human resources at various levels by keeping in view the business strategies and requirement.
Chapter 3. Methodology

Eligibility:
At the discretion of the Bank, all the permanent employees with 15 yrs of service or minimum 40 yrs of age completed as on 31/10/2000. However following category of employees shall not be entitled to be covered under the scheme:

Specialist officers / employees who have executed service bonds and have not completed it. However the Board of Directors may waive the condition subject to fulfillment of other requirements to be decided by the bank.

Employees against whom disciplinary proceedings are contemplated or initiated or who under suspension.

Employees appointed on contract basis.

Employees with exceptionally high qualification i.e. C.A, I.C.W.A , C.S, F.C.A or post graduate in Economics with first class, Certified Associate of Institute of Bankers

London and Doctorate in Economics related subjects and who have undergone trainings for which Bank has incurred Substantial amount.

Amount of Ex – Gratia & Other Benefits:

60 days salary to be calculated in terms of basic + stagnation increments + special allowance, for each completed year of service or salary for the remaining months of service or salary for the remaining
months of service (left out) whichever is less (for this purpose every month shall be deemed to be of 30 days).

As regards income tax, the exemption will be available as per the prevailing rules on gratuity and provident fund while in case of ex-gratia amount, the amount up to Rs. 5.00 lakhs shall be exempted and appropriate Income tax will be deducted at source on amount payable in excess of Rs. 5.00 lacs. While reckoning the service the employee has to put in minimum eligible service while beyond this, fraction of service in excess of 6 months will be reckoned as 1 yr for the purpose of calculating ex-gratia. The last drawn salary will be taken into account for calculating the ex-gratia.

Mode of Payment:

50% of the ex-gratia shall be paid in cash after relieving. The remaining 50% shall be payable in the Bank of Maharashtra Bonds issued by the Bank for a period of 5 years carrying interest @10.25%. The interest shall be payable half yearly subject to deduction of tax at source in terms of income tax rules or such rules that may be specified by I.T authorities from time to time. The amount of ex-gratia would be computed as on the date of relieving of the employee.

Gratuity as per Gratuity Act / service conditions as the case may be.

Pension including commuted value of pension or bank’s contribution towards provident fund as per the option exercised by the employee.

Leave encashment as per rules.
3.3.2 Bank of India, Pune

Bank of India (BoI), established on 7th September 1906, is a bank with headquarters in Mumbai. Government-owned since nationalization in 1969, it is one of India’s leading banks, with about 3097 branches including 27 branches outside India. BoI is a founder member of SWIFT (Society for Worldwide Inter Bank Financial Telecommunications) in India which facilitates provision of cost-effective financial processing and communication services. The Bank completed its first one hundred years of operations on 7 September 2006.

Voluntary Retirement Scheme – 2000 in Bank of India:

In Bank of India total number of employees opted for voluntary retirement were 427 under VRS - 2000 scheme.

Objectives:

To transform the organization as more efficient as well as for controlling operational consists.

To improve the prospects of career growth & skill up gradation for employees by rationalizing the manpower.

To help the bank to right size the growth.
Chapter 3. Methodology

Eligibility:

At the discretion of the Bank, all the permanent employees with 15 yrs of service or minimum 40 yrs of age completed as on 1/11/2000. However following category of employees shall not be entitled to be covered under the scheme:

- Specialist officers / employees who have executed service bonds and have not completed it. However the Board of Directors may waive the condition subject to fulfillment of other requirements to be decided by the bank.

- Employees against whom disciplinary proceedings are contemplated or initiated or who under suspension.

- Employees appointed on contract basis.

Benefits under the scheme:

In addition to the normal retirement benefits available to an employee according to the term & conditions of his employment in the bank, an employee whose application for VR is accepted will also be paid a lump sum amount equivalent to 60 days salary for each completed year of service or salary for the number of months service is left, whichever is less.

1. An employee whose application for voluntary retirement is accepted shall be eligible for encashment of accumulated privilege leave up to a maximum of 240 days as per the rules of the bank.
2. An employee whose application for voluntary retirement is accepted and relieved from the bank, shall be eligible for –

   Gratuity as per Gratuity Act.

   Own contribution of Provident fund and bank’s contribution toward Provident fund, in case of those who have opted for contributory provident fund.

   Leave encashment as per rules.

3. The competent authority may accept or reject the application of an employee for voluntary retirement keeping in view the organization requirements or any administrative reason and the decision of the competent authority shall be final. No voluntary retirement shall come into effect unless the competent authority has passed orders accepting the applications of the employee to retire voluntary retirement under the scheme.

4. The compensation mentioned above shall be paid by the bank within a period of 3 weeks from the date of acceptance of the request for voluntary retirement by an employee and communication there of.

Under VRS–2000 Scheme, total number of employees opted for VRS were 427.
Chapter 3. Methodology

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Zone</th>
<th>Officers</th>
<th>Clerk</th>
<th>Sub Staff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Pune - Male</td>
<td>128</td>
<td>146</td>
<td>57</td>
<td>331</td>
</tr>
<tr>
<td>2.</td>
<td>Pune – Female</td>
<td>17</td>
<td>79</td>
<td>--</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>145</td>
<td>225</td>
<td>57</td>
<td>427</td>
</tr>
</tbody>
</table>

3.3.3 Tata Motors, Pune

Tata Motors Limited is a multinational corporation headquartered in Mumbai, India. Part of the Tata Group, it was formerly known as TELCO (TATA Engineering and Locomotive Company). It is the largest commercial vehicle manufacturer in India and 2nd largest passenger car manufacturer. It is the 5th largest medium and heavy commercial vehicle manufacturer in the world. Established in 1945, the company's presence cuts across the length and breadth of the country. Tata Motor's 22,000 employees are guided with the vision, "best in the manner in which we operate, best in the products we deliver and best in our value system and ethics."

Voluntary Retirement Scheme – 2002 in Tata Motors:

In Tata Motors, total number of employees opted for voluntary retirement were around 1500 under VRS - 2002 scheme.

Objective: To achieve manpower optimization for effective utilization of human resources, improved productivity, cost reduction and quality of work life.
Chapter 3. Methodology

Scope: The scheme shall apply to regular / permanent employees. However, granting of voluntary retirement shall be at the sole discretion of Management.

Eligibility: A minimum of 10 years of service in Tata Motors or above 40 years of age.

Benefits under the scheme:

An Employee whose offer for Voluntary Retirement is accepted will be entitled to the following benefits.

1. The compensation will consist of salary of 35 days for every completed year of service and 25 days for each year of service left until superannuation.

2. The compensation in no case shall exceed 60 days salary for each completed year of service.

3. Salary for the purpose of VRS will consist of Basic pay and DA only. Employees whose offer for Voluntary Retirement is accepted will be entitled for salary/ wage revision benefits, if applicable as per Wage Settlement.

4. Casuals Leave encashment shall be paid in proportionate measure up to the date of VRS.

5. Provident Fund – as admissible as per Rules.
6. Medical facilities for self and spouse at plant/unit hospital or Mediclaim facilities as available on superannuation.

7. The Gratuity and Leave Encashment (Earned/ Half pay/ Casual Leave) shall be payable at the time of VR.

Repayment of Loan:

Employees availing VR shall be required to repay outstanding loans/advances with interest. Adjustments as detailed below, if an employee seeking VR so desires, would be allowed in the following order.

1. Leave Encashment shall be adjusted against outstanding Vehicle Advance/ House Building Advance principal, and balance if any with interest.

2. However, if there is any outstanding loan advances, then after the adjustment of leave encashment amount, the Gratuity Amount will have to be deposited by the employee with the company to clear Vehicle/ House Building advance and interest thereon.

Procedure: An eligible employee shall apply for Voluntary Retirement under this scheme to the competent authority through proper channel in the prescribed format.

Taxability: The Voluntary Retirement benefits shall be subject to Income Tax as per rules.
Chapter 3. Methodology

Tenure: The date of effect and the tenure of the scheme shall be decided by the Chairman.

Right of Management:

1. The Chairman reserves the right to extend/limit the period of operation of the scheme or to withdraw and re-introduce the Scheme and to modify/alter/amend the scheme in any manner without any notice and without assigning reasons therefore.

2. Notwithstanding any of the aforesaid provisions, the scheme does not confer any right on any employee to have his/her request for Voluntary Retirement accepted by the competent authority. Competent Authority will have full discretion to accept or reject the request from any employee for Voluntary Retirement.

3.3.4 Bajaj Auto Limited, Pune

Bajaj Auto Ltd is a major Indian automobile manufacturer. It is India's second largest two wheeler manufacturer and the world's 4th largest two-and three-wheeler maker. It is based in Pune, Maharashtra, with plants in Akurdi and Chakan (Pune), Waluj (near Aurangabad) and Pantnagar in Uttaranchal. Bajaj Auto makes and exports motor-scooters, motorcycles and the auto-rickshaws.

Over the last decade, the company has successfully changed its image from a scooter manufacturer to a two wheeler manufacturer. Its product range encompasses scooterettes, scooters and motorcycles. Its real growth in
numbers has come in the last four years after successful introduction of a few models in the motorcycle segment.

Bajaj Auto came into existence on November 29, 1945 as M/s Bachraj Trading Corporation Private Limited. It started off by selling imported two- and three-wheelers in India. In 1959, it obtained license from the Government of India to manufacture two- and three-wheelers and it went public in 1960.

The Bajaj Group is amongst the top 10 business houses in India. Its footprint stretches over a wide range of industries, spanning automobiles (two-wheelers and three-wheelers), home appliances, lighting, iron and steel, insurance, travel and finance. The group’s flagship company, Bajaj Auto, is ranked as the world’s fourth largest two- and three-wheeler manufacturer and the Bajaj brand is well-known across several countries in Latin America, Africa, Middle East, South and South East Asia. Founded in 1926, at the height of India’s movement for independence from the British, the group has an illustrious history.

The integrity, dedication, resourcefulness and determination to succeed which are characteristic of the group today, are often traced back to its birth during those days of relentless devotion to a common cause. Jamunalal Bajaj, founder of the group, was a close confidant and disciple of Mahatma Gandhi. In fact, Gandhiji had adopted him as his son. This close relationship and his deep involvement in the independence movement did not leave Jamunalal Bajaj with much time to spend on his newly launched business venture.
His son, Kamalnayan Bajaj, then 27, took over the reigns of business in 1942. He too was close to Gandhiji and it was only after Independence in 1947, that he was able to give his full attention to the business. Kamalnayan Bajaj not only consolidated the group, but also diversified into various manufacturing activities. The present Chairman of the group, Rahul Bajaj, took charge of the business in 1965. Under his leadership, the turnover of the Bajaj Auto the flagship company has gone up from Rs. 72 million to Rs. 46.16 billion (USD 936 million), its product portfolio has expanded and the brand has found a global market. He is India's one of the most distinguished business leaders and internationally respected for his business acumen and entrepreneurial spirit.

Voluntary Retirement Scheme – 2000 in Bajaj Auto Limited

Bajaj Auto Limited announced a Voluntary Retirement Scheme for 5800 permanent workmen at its Akurdi, Pune facility. Out of 3150 workmen eligible under the scheme, 1350 workers opted for voluntary retirement. A total of 1976 employees across management, supervisory and workmen levels have opted for VRS-2000 scheme. The company has a total workforce of 17000, but the scheme has largely left its Waluj, Aurangabad facilities untouched.

Eligibility: All the permanent employees with a minimum of 10 years of service in Bajaj Auto Limited or above 45 years of age completed as on 01/08/2000.
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Benefits under the scheme:

In addition to the normal retirement benefits available to an employee according to the terms & conditions of his employment in the company, an employee whose application for VR is accepted will also be paid a lump sum amount equivalent to 60 days salary for each completed year of service or salary for the number of months service is left, whichever is less. Salary for the purpose of VRS will consist of Basic pay and DA only.

3.3.5 Cummins India Limited, Pune

Cummins India Limited (CIL) is a corporation of complementary business units that design, manufacture, distribute and service diesel and natural gas engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems.

Cummins India Limited (CIL) is a 51 percent subsidiary of Cummins Inc. USA (Headquartered in Columbus, Indiana, USA), the world’s largest independent diesel engine designer and manufacturer above 200 HP.

Set up in 1962, today CIL is India’s leading manufacturer of diesel engines with a range from 205 hp to 2365 hp and value packages serving the Power Generation, Industrial and Automotive Markets. CIL also caters to the growing market for gas and dual fuel engines.
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Voluntary Retirement Scheme – 2003 in Cummins India Limited:

Objective:

The objective of the scheme is to improve the cost structure by reducing overall strength of the employees and to achieve optimum manpower utilization.

Eligibility:

The scheme shall be applicable to persons meeting all of the following eligibility criteria as stated in (a), (b) and (c) cumulatively –

(a) all permanent Production and Staff Associates, Officers and Managers on the roll of Cummins India Limited (the Company) as on 30th April 2003, belonging to any grade or category (the “Employee”).

(b) employees who have completed 40 years of age as on 30th April 2003 or who have completed 10 years of service as on 30th April 2003 with the Company including services with any Group Companies namely Cummins Diesel Sales and Service (India) Ltd., Cummins Auto Services Ltd. and erstwhile Cummins Power Solutions Ltd. and Power Systems India Ltd.

(c) No disciplinary action is initiated or is in progress against the employee.
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FINANCIAL BENEFITS OF THE SCHEME FOR PRODUCTION & STAFF ASSOCIATES:

OPTION-1: LUMPSUM PAYMENT AS VRS COMPENSATION:

The maximum lump sum amount payable as VRS compensation for Production and Staff Associates will be lowest of the following:

VRS Compensation = Lower of Eligible salary + Ex-gratia

OR

Maximum ceiling of Rs. 8 Lakhs

Option-2: MONTHLY MAINTENANCE SUPPORT (MMS):

Only those Production and Staff Associates who will be attaining age of 58 years on or before 31\textsuperscript{st} December 2010, can avail the Option to receive Monthly Maintenance Support as per the terms and conditions of the Scheme in lieu of receiving lump sum compensation under Option 1. As VRS compensation, Monthly Maintenance Support will be extended till the date of retirement (completion of age of 58 years) of the concerned employee.

Monthly Maintenance Support = Salary $\times$ Factor as per Table below

DEFINITIONS:

Salary: shall mean total of monthly Basic, Dearness Allowance, Fixed Incentive and Allowances payable to Production and Staff Associates as on 30\textsuperscript{th} April 2003.
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Allowances: shall mean monthly House Rent Allowance, Conveyance Allowance, Education Allowance and Newspapers Allowances only as on 30th April 2003.

Factor as mentioned in the definition of salary for Monthly Maintenance Support calculations:

<table>
<thead>
<tr>
<th>Year of Retirement</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1.0</td>
</tr>
<tr>
<td>2004</td>
<td>1.0</td>
</tr>
<tr>
<td>2005</td>
<td>0.9</td>
</tr>
<tr>
<td>2006</td>
<td>0.9</td>
</tr>
<tr>
<td>2007</td>
<td>0.8</td>
</tr>
<tr>
<td>2008</td>
<td>0.8</td>
</tr>
<tr>
<td>2009</td>
<td>0.7</td>
</tr>
<tr>
<td>2010</td>
<td>0.7</td>
</tr>
</tbody>
</table>

FINANCIAL BENEFITS OF THE SCHEME FOR OFFICERS & MANAGERS:

LUMPSUM PAYMENT AS VRS COMPENSATION:

The maximum lump sum amount payable for Officers and Managers will be lowest of the following:

VRS Compensation = Lower of Eligible Salary + Ex-gratia
OR
Maximum Ceiling of Rs. 8 Lakhs

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Definitions:

Eligible Salary = Salary X No. of months of balance Service X Factor as per table below
OR Salary X No. of years of completed Service (WHICHEVER IS LOWER)

SALARY: shall mean total of monthly consolidated Salary, House Rent Allowance, Conveyance Allowance, Special Allowance and Performance Pay as on 31st December 2002 (Monthly Performance Pay shall be arrived at by dividing by 3 quarterly Performance pay for the quarter ended December 31st 2002 at factor 1)

EX-GRATIA: shall mean:

(a) 20.33% of monthly Consolidated Salary as on 31st December 2002 for each remaining month of service and
(b) Grade-wise lump sum amount for each remaining year of service commencing from the calendar year 2004.

Factor as mentioned in the definition of Eligible Salary for VRS Compensation for months of balance service:

<table>
<thead>
<tr>
<th>Remaining months of Service</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 24</td>
<td>1.00</td>
</tr>
<tr>
<td>Above 24 and Upto 48</td>
<td>0.98</td>
</tr>
<tr>
<td>Above 48</td>
<td>0.80</td>
</tr>
</tbody>
</table>
PAYMENT OF BENEFITS:

(a) The VRS benefits mentioned above under the Scheme are non-negotiable.

(b) In an unfortunate event of death of an employee whose application for the Voluntary Retirement has been accepted under the Scheme, the compensation under the scheme, which has become due and payable on the date of death will be paid to the person nominated to receive such dues.

(c) All payments under the Scheme are subject to deduction of Income Tax at source as applicable. The dues payable by employee to the Company or dues payable to any third party where the Company has given any undertaking for such deductions will also be deducted at the time of separation irrespective of option selected.

(d) The payment due under the Scheme for production and Staff Associates and for Managers and Officers as the case may be will be benefited within fifteen days of closure of the Scheme, provided the employee complies with all the terms and conditions of the Scheme, including return of property of every description belonging to the Company.

(e) The MMS amount receivable by the Production and Staff Associate who have opted option 2 will be deposited on or before 10th of every subsequent month in the specified bank. The payment shall be subject to deduction of tax and recovery of advance paid under
the MMS option, if any. The MMS amount shall be calculated proportionately for the first month of separation and last month of date of attaining 58 years of age. The MMS amount fixed at the time of separation shall not be charged due to change in index for Dearness Allowance or otherwise for whatsoever reasons.

ACCEPTANCE, DATE OF SEPARATION:

(a) Once the voluntary retirement is opted by the employees, he cannot withdraw the application from the scheme.

(b) The date of acceptance of the application by the Company shall be deemed to be the date of separation of the employee from the Company and that the legal dues accrued up to the date of acceptance would be payable by the Company to the employee.

RIGHTS OF THE COMPANY:

(a) The commencement of the Scheme and acceptance or rejection the application for voluntary retirement is without prejudice to the rights of the Company under contract of employment, rights conferred on the Company as Employer under any of the Laws, Rules or Orders and also without prejudice to the right of the Company to take disciplinary action against any of the employees who indulges in discipline or misbehavior, In such an event, the Company reserves its sole and exclusive right to deny or cancel the benefits under the Scheme to such employee/s.
(b) The Company reserves its right to accept or reject the Application received under the Scheme without assigning any reason whatsoever. Such decision of the Company shall be final and binding on the concerned employee and no dispute shall be raised if the Application is accepted or rejected.

(c) The Company also reserves the right to withdraw, alter, amend, modify or discontinue the Scheme at any time at its sole discretion without assigning any reasons or notice thereof. The decision of the Company shall be final and binding.

(d) In case of ambiguity, doubt or difficulty in the interpretation or working of the Scheme, the decision of the Company shall be final and binding on all concerned.

Voluntary Retirement: “Golden Handshake” or “Unstated Exit Policy”

Employers refer to Voluntary Retirement Scheme (VRS) as ‘golden handshake’, trade unions call it ‘voluntary retrenchment scheme’, and for the government, it is ‘unstated exit policy’ which means that an exit policy which may not exist on paper. VRS is one of the strategies introduced in the early 1980s in central public sector undertakings (PSUs) to reduce the so-called surplus or redundant workforce. It gained publicity after the introduction of new economic policy in 1991. In India, the government employs more than 70 per cent of the organized workforce; it uses all its channels to reduce the organized sector of the workforce without
antagonizing the trade unions. It is envisaged in the new economic policy that VRS can provide minimum sustenance security to the retired individual and his family.

Mainstream economists perceive voluntary retirement as a measure to shed the workforce whose marginal productivity is zero. Further, it is argued that this could be introduced in an industrial organization for maintaining its cost effectiveness in an increasingly competitive world. The reduction of excess staff is a result of restructuring of organizations due to modernizing, applying new technology and new methods of operation, so that the industrial organizations could operate economically and withstand the competition with companies and organizations which have accepted foreign collaborations, innovative methods and technology up gradation, rendering some employees surplus. Moreover, voluntary retirement is accompanied by technological modernization that warrants the replacement of labor with capital. Technological modernization improves the productivity of existing workforce so much so that a section of the existing workforce becomes again redundant even as modernization enhances the installed capacity of the technology. The workforce that becomes redundant in this process has to retire or be retrenched. The rationale behind the introduction of voluntary retirement scheme (VRS) in India is that any organized industrial organization has to operate within the existing legislative framework, which does not allow the organization to shed the redundant workforce without adequate compensation. As the name suggests the VRS is strictly voluntary i.e. one can neither compel the workers to accept it nor apply it selectively to certain individuals. The most humane technique to retrench the employees in the company today is the voluntary retirement scheme.
On other hand, voluntary retirement scheme has not considered as “golden handshake” for all employees. This scheme has become the only option today for the companies to downsize their headcount. Companies have taken disadvantage of this scheme to reduce workforce for maintaining its cost effectiveness in an increasingly competitive world. There are numbers of reasons created by the companies for the employees to opt VRS. As per scheme the company can always accept or reject the application for the VRS. But usually this is not done in practical circumstances as it sends wrong signals to the employees. It might imply that the VRS is not actually voluntary but a selective procedure of downsizing. VRS in mid career stage employees are facing lots of difficulties to survive. Life after voluntary retirement is not at all easy as per employees concern. Many employees are of the view that it is a hard luck for them that they joined this type of organization where an unfortunate end came for which they were hardly responsible. They blamed the management for the ill state of affairs and also are of the opinion that the management should have given enough indication long back by which they could have joined elsewhere and could have planned something else to pass the remaining part of their life. Further some of them are of the opinion that even if they get a lump sum amount of money, it gets spent for various social and family obligations. As a result, due to lack of regular source of income and non-availability of appropriate jobs of their choice, one feels demoralized in personal and social life.
3.4 Methods of Statistical Analysis

3.4.1 Hypotheses Formulation

The researcher has formulated the hypotheses based on some cases of voluntary retired employees. This pilot study is based on the interviews of VR employees and annual reports of those Manufacturing companies and Banks where employees were opting for VRS. While selecting the respondents, the researcher intends to concentrate this study on major Manufacturing organizations like Tata Motors, Bajaj Auto Limited and Cummins India Limited & major Banking organizations like Bank of India, and Bank of Maharashtra. While taking interviews, researcher came to know various reasons for opting VRS like attractive one time compensation, job insecurity, existing inadequate pay package, continuous ill health, absenteeism, management pressure etc. Researcher met VR employees of several Manufacturing companies and Banks and consulted family members of VR employees too. While interviews, researcher came to know about family member’s feelings about their life after retirement.

In case of VR employee Mr. Joshi who took VRS at the age of 52 years. He was working with Tata Motors, Pune. He worked there for about 30 years. He was working in HR department. He was the permanent employee and was earning Rs. 12000 per month. Mr. Joshi is having one college going son and another school going son. His wife is a housewife. He took VRS because of management pressure. Now, he is facing lots of difficulties for survival. His family response is also very bad towards the management’s attitude of the organization. His family is going through crisis phase of their life.
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This condition is not only for Mr. Joshi. Many other VR employees are also facing same problems. Large number of employees have regrets for their decision to opt for VRS because they don't have anything to do. Family responsibilities are still there on their head. Lack of income creates many problems in their life.

While formulating the Hypotheses, the researcher has done some case studies to understand the real facts about VR employees condition better.

Case Study 1: Mr. Karkare from Bank of Maharashtra, Pune

Background & History:

Mr. Karkare is a 55 years old person residing in typical middle class area of Pune. He has taken VRS in the year 2000. He worked for 32 years in Bank of Maharashtra. He retired at the age of 55 years as computer operator. He owns a house in Pune. In his family, his wife and two children are there. Both of them have completed their studies and searching for job.

VRS and Aftermath:

Mr. Karkare took VRS without detailed study of VRS. He was not given any counseling by anyone. He thought of searching for a new job after taking VRS. He invested a significant portion of his VRS compensation to repay the loan. Presently he is doing nothing, only sitting at home. He is running his life on VRS compensation money’s interest. Due to low interest rate now, it is quite difficult for him to survive. He is searching job for his son & daughter.
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Impact on Socio- Economic Life:

There is no change in respondent's life. He is still getting respect in the society. His family atmosphere is also same. He has to curtail expenses, as he is not earning now. He thinks that he would not be able to complete his responsibilities if he will not save money. Mr. Karkare said that he would now have to visit Municipal Hospital in case of any health problem as treatment from a private doctor is unaffordable.

Opinion and Suggestion:

Mr. Karkare was suffering from health problems since long back. He used to fall sick frequently. According to him the work condition is better now. According to him management should have given more VRS compensation money. There was no one in the bank who could guide employees regarding their future life.

Case Study 2: Mr. Kholgade from Bank of Maharashtra, Pune

Background & History:

Mr. Kholgade is a 56 years old person residing in typical middle class area of Pune. He has taken VRS in the year 2000. He worked for 33 years in Bank of Maharashtra. He retired as a Senior Manager. He owns a house in Pune. In his family he is having two children, one son and one daughter. Daughter is married. His son is doing B.Com. Wife is housewife.
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VRS and Aftermath:

Mr. Kholgade took VRS because of his own desire. His family helped in taking the decision. Mr. Kholgade was tired and exhausted so he decided to live on his investments for rest of his life. He invested a part of the VRS compensation money and rest of the money was spent on his daughter’s marriage.

Impact on Socio- Economic Life:

Mr. Kholgade is at home presently. He involves himself in household activities. He meets his friends daily. There is no change in relationship with family. He is still getting respect in the society. He is satisfied with his decision of taking VRS. Due to lack of regular income now they have to curtail their expenses. According to him it is difficult to get loan etc. because he is retired now. They go to public as well as private hospitals now for their medical needs.

Opinion and Suggestion:

Mr. Kholgade does not repent for taking VRS. According to him, in that situation the decision was perfect. He is missing his friend circle and work atmosphere. Management should provide better facilities for retired employees. He thinks that a person should take VRS only if there are other earning members in the family.
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Case Study 3: Mrs. Maniyar from Bank of India, Pune

Background & History:

Mrs. Deepika J. Maniyar is a 44 years old person residing in typical middle class area of Pune. She had taken VRS in the year 2000. She worked for 20 years in Bank of India. She retired as a clerk. In her family, her husband and two school going children are there.

VRS and Aftermath:

Mrs. Deepika J. Maniyar took VRS because her husband was transferred to Mumbai and she was the only person to look after her children. Also, she was not satisfied with her work in the bank. According to her, the situation was created such that there was no alternative but to leave. She was fed up of all such things and decided to take VRS. She invested a part of her VRS compensation money and rest of the money was spent on renovating her house. Now, she is looking for some part-time job. According to her, getting another job is very difficult now-a-days.

Impact on Socio- Economic Life:

Mrs. Maniyar said that many of her friends who had taken VRS have had psychological problems. It is quite difficult to sit at home idly in young age. When you cross 55, you start mentally preparing yourself for getting retired but after taking VRS it is not so easy to pass the time. Because the decision was taken by taking family in confidence, there was not much change
observed in interacting with family members. She has now controlled her expenses.

Opinion and Suggestion:

According to Mrs. Maniyar, before giving VRS, management should guide their employees regarding investing VRS money and for self-employment. For an employee, who changes job in young age, is manageable but at the older age it creates a lots of problems. She advises for VRS for those who are having other earning members at home and if no other family member is earning, VRS is not advisable.

Case Study 4: Mr. Maheshwari from Steel Authority of India Limited, Bokaro

Background & History:

Mr. D.C. Maheshwari is a 49 years old person residing in Bokaro. He had taken VRS in the year 2002. He worked for 23 years in Steel Authority of India Limited (SAIL), Bokaro Steel Plant. He retired as a Manager. In his family, his wife and one well-settled son is there. Presently, he is doing nothing to earn money.

VRS and Aftermath:

Mr. Maheshwari is just sitting at home. He feels bored because no work is there to do. After taking VRS his life style has totally changed. The job gave him security, stability which is now lacking. Expenditure pattern is same but
future is now unstable. They have to think twice before buying any expensive items.

Impact on Socio- Economic Life:

Mr. Maheshwari is at home currently. He involves himself in household chores. He meets his friends daily. There is no change in the relationship within the family. He is still getting respect in the society. Due to no regular income now they have to curtail their expenses. According to him it is difficult to get loan because he is retired now.

Opinion and Suggestion:

According to him management should have provided some guidance and help regarding the future life after VRS. Those who can plan their future life properly should take VRS otherwise it is not advisable. He also advises others not to take VRS unless you have some genuine reasons.

Case Study 5: Mr. Sharma from Tata Motors, Pune

Background & History:

Mr. R.C. Sharma is a 48 years old person residing in Pune. He has taken VRS in the year 2000. He worked for 25 years in Tata Motors, Pune. He retired as a Foreman. In his family, his wife and three unmarried college going daughters are there. Presently, he is doing nothing to earn money.
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VRS and Aftermath:

Mr. Sharma feels bored because no work is there to do. After VRS his life style has totally changed. He feels helpless because his whole family responsibilities are still there on his head. The job gave him security, stability which is now lacking. Expenditure pattern is same but future is now unstable.

Impact on Socio- Economic Life:

Mr. Sharma is at home. He involves himself in household chores and in meditation. He is searching for another job. He is looking for his daughters marriage. Due to no regular income now they have to manage every thing in this. According to him, it is difficult to get personal loan because he is retired.

Opinion and Suggestion:

According to him management should have given good compensation package and proper guidance before VRS. It is really difficult to survive after VRS specially when you have so many responsibilities on your head. He advises others to take VRS only if you don't have any family responsibilities.
3.5 Statistical Analysis

In the statistical analysis of data, use of appropriate tools such as test of null hypothesis is certainly desirable for this study. While using most of the tools, assumptions such as randomness of the sample and normality of variable under consideration are assumed to be satisfied. It is not always possible to make these assumptions. The sample in reality may not be a random sample or there may be no reasonable ground to assume that the variable under consideration is normally distributed.

The researcher has done Statistical Analysis of the data by using SPSS 15.0 software.

Pearson's Chi-Square ($\chi^2$) test is a standard Non-Parametric test of relationship between two categorical variables. It is used when we want to see if there is a relationship between two categorical variables.

Pearson's chi-square is used to assess two types of comparison: tests of goodness of fit and tests of independence. A chi-square goodness of fit test allows us to test whether the observed proportions for a categorical variable differ from hypothesized proportions. A test of independence assesses whether paired observations on two variables, expressed in a contingency table, are independent of each other.
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χ² and the Logic of Formal Hypotheses Testing:

State the Null Hypothesis of No Relationship (H₀) (H₀: There is no relationship between X & Y)
Choose the appropriate statistical tool to test H₀
Based on the observed value of p, accept or reject H₀
Assert Research Hypothesis (H₁) prior to data collection (H₁: There is a relationship between X & Y)
Goal: To accept alternate Hypothesis after rejection of Null Hypothesis using χ² (if p < 0.05)

On the basis of day-to-day observations and past studies, the researcher formulated the Hypotheses. The researcher has tried to formulate the Hypotheses conceptually clear and relevant to the existing environmental conditions.

Hypothesis 1: “Banking sector employees are happy about their VRS decision whereas Manufacturing sector employees are not.”

Hypothesis 2: “Executive class of employees took VRS mainly due to Attractive Compensation.”

Hypothesis 3: “More Manufacturing sector employees are not working after the retirement as compared to Banking sector employees.”

Hypothesis 4: “After VRS, manufacturing sector employee’s relation with their Company is not good.”
3.6 Testing of Hypotheses

Hypothesis 1: “Banking sector employees are happy about their VRS decision whereas Manufacturing sector employees are not.”

This hypothesis was formulated on the basis of own observations and some previous reports about voluntary retired employees. The researcher decided to analyze the voluntary retired employee’s pre-retirement condition and post-retirement condition from both the Banking and Manufacturing sectors. It is observed that there are many factors which plays important role to justify above mentioned hypothesis.

Hypothesis 1 (H₁): “Banking sector employees are happy about their VRS decision whereas Manufacturing sector employees are not.”

Null Hypothesis (H₀): There is no relationship between the sector to which respondents belong to & their Opinion about VRS decision.

Chi-Square test is thought to be most appropriate test. Here, Lacuna in the test says Sector is Nominal variable and Opinion is Ordinal variable.
Table 3: Sector & Opinion about VRS Decision Cross-tabulation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Appreciate</th>
<th>Not Happy</th>
<th>Mixed Feelings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>44.9%</td>
<td>24.4%</td>
<td>30.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12.4%</td>
<td>69.8%</td>
<td>17.8%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>27.0%</td>
<td>49.4%</td>
<td>23.6%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

% within Sector

Table 4: Chi-Square Test for Hypothesis 1

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided) (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>108.717(a)</td>
<td>2</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Observations:

Cross-tabulation between Sector and Opinion about VRS decision shows that in Banking sector 24.4% VR employees are Not Happy about their voluntary retirement decision and 30.7% VR employees are having Mixed Feelings about their decision but the maximum 44.9% VR employees really Appreciate their voluntary retirement decision. (Table 3 & Figure 2)

Also, it is observed that in Manufacturing sector 12.4% VR employees Appreciate their voluntary retirement decision and 17.8% VR employees are
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having Mixed Feelings about their decision but the maximum 69.8% VR employees are Not Happy about their voluntary retirement decision.

Here, the researcher has applied Pearson’s Chi-Square ($\chi^2$) Test and found that the p-value is 0.001 (Table 4)

Conclusion: It is observed that the p-value is less than 0.05. Hence, the researcher rejected Null Hypothesis and has accepted Alternate Hypothesis.

H0 = Rejected & H1 = Accepted

Hypothesis 2: “Executive class of employees took VRS mainly due to Attractive Compensation.”

This hypothesis was formulated on the basis of own pilot survey and some previous reports about voluntary retired employees. The researcher decided to understand the actual reason behind the voluntary retirement decision. It is observed that Executive class of employees from both the Banking and Manufacturing sectors opted voluntary retirement mainly due to Attractive Compensation. It is observed that there are many factors which plays important role to justify above mentioned hypothesis.

Hypothesis 2 (H2): “Executive class of employees took VRS mainly due to Attractive Compensation.”

Null Hypothesis (H0): There is no relationship between Post & Reason for opting VRS.

Chi-Square test is thought to be most appropriate test. Here, Lacuna in the test says Post is Nominal variable and Reason is Ordinal variable.
### Table 5: Post & Reason for opting VRS Cross tabulation

<table>
<thead>
<tr>
<th>Reason for opting VRS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Insecurity</td>
<td></td>
</tr>
<tr>
<td>Attractive</td>
<td></td>
</tr>
<tr>
<td>compensation</td>
<td></td>
</tr>
<tr>
<td>ill</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
</tr>
<tr>
<td>Starting</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
</tr>
<tr>
<td>Pressure</td>
<td></td>
</tr>
<tr>
<td>Post</td>
<td></td>
</tr>
<tr>
<td>Exe</td>
<td>12.6%</td>
</tr>
<tr>
<td></td>
<td>34.6%</td>
</tr>
<tr>
<td></td>
<td>14.6%</td>
</tr>
<tr>
<td></td>
<td>17.9%</td>
</tr>
<tr>
<td></td>
<td>20.3%</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
</tr>
<tr>
<td>Non-Exe</td>
<td>20.5%</td>
</tr>
<tr>
<td></td>
<td>26.4%</td>
</tr>
<tr>
<td></td>
<td>13.8%</td>
</tr>
<tr>
<td></td>
<td>11.0%</td>
</tr>
<tr>
<td></td>
<td>28.3%</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>16.6%</td>
</tr>
<tr>
<td></td>
<td>30.4%</td>
</tr>
<tr>
<td></td>
<td>14.2%</td>
</tr>
<tr>
<td></td>
<td>14.4%</td>
</tr>
<tr>
<td></td>
<td>24.4%</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
</tr>
</tbody>
</table>

% within Post

### Table 6: Chi-Square Test for Hypothesis 2

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided) (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>14.857(a)</td>
<td>4</td>
<td>.005</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Observation:

Cross-tabulation between Post and Reason for opting VRS shows that in Executive class 12.6% VR employees opted voluntary retirement due to Job Insecurity, 14.6% VR employees opted voluntary retirement because of ill Health, 17.9% VR employees opted voluntary retirement to start their own Business and 20.3% VR employees opted voluntary retirement due to Management Pressure but the maximum 34.6% VR employees opted
voluntary retirement mainly due to Attractive Compensation. (Table 5 & Figure 3)

Also, it is observed that in Non-Executive class 20.5% VR employees opted voluntary retirement due to Job Insecurity, 26.4% VR employees opted voluntary retirement due to Attractive Compensation, 13.8% VR employees opted voluntary retirement due to ill Health and 11.0% VR employees opted voluntary retirement to start their own Business but the maximum 28.3% VR employees opted voluntary retirement mainly due to Management Pressure.

Here, the researcher has applied Pearson’s Chi-Square ($\chi^2$) Test and found that the p-value is 0.005 (Table 6)

**Conclusion:** It is observed that the p-value is less than 0.05. Hence, the researcher rejected Null Hypothesis and has accepted Alternate Hypothesis.

$H_0$ rejected & $H_2$ accepted

**Hypothesis 3:** “More Manufacturing sector employees are not working after the retirement as compared to Banking sector employees.”

This hypothesis was also formulated on the basis of own observations and previous reports about voluntary retired employees. The researcher intended to know why more Manufacturing sector employees are not working after the voluntary retirement as compared to Banking sector employees. It is observed that Banking sector employees generally have higher
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qualifications, experience and good skills as compared to Manufacturing sector employees. These merits of Banking sector employees help them to get any other occupation easily after voluntary retirement. On the other side, Manufacturing sector employees are generally not highly qualified and skilled for new competent market.

Hypothesis 3 (H₃): “More Manufacturing sector employees are not working after the retirement as compared to Banking sector employees.”

Null Hypothesis (H₀): There is no relationship between Sector & Post-VR Occupation.

Chi-Square test is thought to be most appropriate test. Here, Lacuna in the test says Sector is Nominal variable and Post-VR Occupation is Ordinal variable.

Table 7: Sector & Post-VR Occupation Cross tabulation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Agriculture</th>
<th>Business</th>
<th>Contractual Job</th>
<th>Enhancement in Job</th>
<th>Not Working</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>.9%</td>
<td>19.6%</td>
<td>46.7%</td>
<td>7.6%</td>
<td>25.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.8%</td>
<td>10.5%</td>
<td>19.6%</td>
<td>2.9%</td>
<td>65.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>1.4%</td>
<td>14.6%</td>
<td>31.8%</td>
<td>5.0%</td>
<td>47.2%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

% within Sector
Table 8: Chi-Square Test for Hypothesis 3

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided) (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>82.863(a)</td>
<td>4</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 4: Bar Chart of Sector & Post-VR Occupation

Observation:

Cross-tabulation between Sector and Post-VR Occupation shows that in Banking sector 0.9% VR employees are busy in Agriculture, 19.6% VR employees are busy in their own Business, 7.6% VR employees got Enhancement in Job and 25.3% VR employees are Not Working any where but the maximum 46.7% VR employees are actually engaged in Contractual Jobs. (Table 7 & Figure 4)
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Also, it is observed that in Manufacturing sector 1.8% VR employees are busy in Agriculture, 10.5% VR employees are busy in their own Business, 19.6% VR employees are engaged in Contractual Jobs and 2.9% VR employees got Enhancement in Job but the maximum 65.1% VR employees are actually Not Working anywhere at all.

Here, the researcher has applied Pearson’s Chi-Square \( (\chi^2) \) Test and found that the p-value is 0.001 (Table 8)

Conclusion: It is observed that the p-value is less than 0.05. Hence, the researcher rejected Null Hypothesis and has accepted Alternate Hypothesis.

\[ H_0 = \text{Rejected} \quad \text{and} \quad H_3 = \text{Accepted} \]

Hypothesis 4: “After VRS, manufacturing sector employee’s relation with their Company is not good.”

This hypothesis was also formulated on the basis of past studies and reports about voluntary retired employees. The researcher examined why more Manufacturing sector employees were not having good relation with their company after VRS. It is observed that most of the employees in Manufacturing sector opted voluntary retirement due to Management Pressure. This curse feeling affects their relation with their company. It is observed that there are many factors which plays important role to justify above mentioned hypothesis.

Hypothesis 4 (H4): “After VRS, manufacturing sector employee’s relation with their Company is not good.”
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Null Hypothesis ($H_0$): There is no relationship between Sector & Employee’s relation with their Company.

Chi-Square test is thought to be most appropriate test. Here, Lacuna in the test says Sector is Nominal variable and Employee’s Relation with their Company is Ordinal variable.

Table 9: Sector & Employee’s Relation with their Company Cross-tabulation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Good Relation</th>
<th>Poor Relation</th>
<th>Mixed Opinion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>57.8%</td>
<td>12.0%</td>
<td>30.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13.1%</td>
<td>58.2%</td>
<td>28.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>33.2%</td>
<td>37.4%</td>
<td>29.4%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

% within Sector

Table 10: Chi-Square Test for Hypothesis 4

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided) (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>145.097(a)</td>
<td>2</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Figure 5: Bar Chart of Sector & Employee's Relation with their Company

Observation:

Cross-tabulation between Sector and Employee's Relation with their Company shows that in Banking sector 12.0% VR employees are having Poor Relation with their Company and 30.2% VR employees are having Mixed Opinion about their relation with their Company but the maximum 57.8% VR employees are actually having Good Relation with their Company.

(Table 9 & Figure 5)

Also, it is observed that in Manufacturing sector 13.1% VR employees are having Good Relation with their Company and 28.7% VR employees are
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having Mixed Opinion about their relation with the Company but the maximum 58.2% VR employees are having Poor Relation with their Company.

Here, the researcher has applied Pearson’s Chi-Square ($\chi^2$) Test and found that the p-value is 0.001 (Table 10)

Conclusion: It is observed that the p-value is less than 0.05. Hence, the researcher rejected Null Hypothesis and has accepted Alternate Hypothesis.

$H_0$ = Rejected & $H_1$ = Accepted