ABSTRACT

This study attempts to identify the perception of the employees towards Voluntary Retirement Scheme (VRS) with special reference to employees of BSNL Tamil Nadu circle. After India endorsed liberalization as a step to economic globalization in 1991, the business environment had undergone paradigmatic changes with emphasis on weaning away Government support to business through cross subsidization. Global competitiveness hinges upon greater efficiency and lower production costs. Drastic and hither to unknown steps were warranted to effect a qualitative change in the way of running business. The much pampered public sector industries and to a certain extent private sector business houses modeled in a fashion similar to public sector needed reforms of far reaching significance. Cosmetic changes by their very nature could not produce desired impact on profitability or global competitiveness of Indian industry.

The workforce was perceived by many economists quite unwieldy and an onerous burden impinging on the overall efficiency of the business enterprise. Hence the reform agenda actively pursued ways and means to rationalize the workforce across all the public and private business segments. Parallel efforts on modernization, benchmarking against global best business practices, re-skilling and adapting to new business routines with information technology as the focal point were embarked upon. The end objective was to achieve parity with global service quality and swifter return on investment. In this context one such measure identified by the policy makers was to introduce Voluntary Retirement Scheme to prune the workforce to achieve better operating efficiency in an amicable manner. Needless to say that the package criteria were dissimilar among the organizations by virtue of the degree of surplus manpower, business culture, organized employee resistance,
available funds to offer an attractive package, perceived benefits after such retrenchment, availability of alternate manpower at a cheaper cost and so on.

Being a country of huge population and a highly stratified society with humongous inequality, holding a permanent employ is a sacred and treasured asset to several Indians. Rescinding their mindset to relinquish their jobs for any amount of cash incentives is doubtless a herculean task. But then to spur economic growth measures however unpalatable had to be taken. Having functioned at least notionally as a welfare state since independence, no political power could resort to a hire and fire regime at once. Hence well-designed and to a large extent attractive and profitable cash benefit-based VRS had to be conceived and the government did not want to face an unemployment crisis of unmanageable magnitude. Hence incentivizing job creation and re-skilling in information technology applications was deemed as an appropriate two-pronged strategy.

Besides, the cash compensation was designed to fetch reasonable interests in long-term deposits for consistent monetary support. Of the various public sector undertakings banking was the first to break the ice through VRS offer with a somewhat pompous title ‘the Golden Handshake’. The initiative received a meaningful response and was hailed as a success. Large PSU like Bharat Heavy Electricals Limited engaged in proffering tailor-made VRS schemes. The other sections of the public sector soon tread the path albeit with mixed success. The major impediments often encountered were fossilized mindset of the established trade unions and also unreasonably meager compensation or a toxic combination of both. Nevertheless the scheme gained momentum as the teething problems were addressed in time.

Bharat Sanchar Nigam Limited (BSNL) was carved out of a large conglomerate Department of Telecommunication in October 2000. The attitude of workforce in the department of telecommunication was ambivalent
when VRS was offered with an option of either joining in newly formed BSNL or to accept VRS. The terms of VRS prescribed either 45 years of age or 15 years of service as the eligibility criterion. Any vacuum arising out of large scale reduction in workforce was to be filled up with a contingent new recruitment drive. The ambitious objective of the VRS was to bring about 100000 employees under VRS, which amounted to 10-15% of the total workforce, and to curtail salary outgo at less than 48% of total revenue. It is in this context this research study “Perception of the employees towards Voluntary Retirement Scheme: Special reference towards employees of BSNL Tamilnadu circle.” was conceived.

The objectives identified are to find out the reasons for opting VRS, expected life satisfaction after VRS and perceived enjoyment of life after VRS. Five factors were developed namely major factors that cover personal reasons, financial reasons, and job-related reasons; health factors, satisfaction of life factors, perceived enjoyment of life factors and special or extraneous factors that cover job aversion, dependents with health conditions, and current economic condition. Three aspects of the study using the above factors are finding the reasons for choosing or rejecting VRS, measuring the expected level of satisfaction after VRS and knowing the perceived enjoyment or quality of life after VRS. These three aspects are the main determinants considered for this study.

The study was conducted in four metropolitan cities in the Tamil Nadu BSNL Circle namely Chennai, Madurai, Trichirappalli and Coimbatore. The total number of employees is 5842 out of which 1240 employees are eligible for VRS criterion of either 45 years or 15 years service. Using a simple random sampling technique with all employees has an equal opportunity of being chosen 410 employees were identified for the study. The number corresponds to a representative sample size of 25% of the population universe.
This study is Descriptive in nature because nothing is manipulated. The study employed a structured questionnaire with 5 point Likert scale. After finalizing the items in the questionnaire, a pilot study was conducted to refine the statements of the questionnaire to ensure clarity, absence of Hobson’s choices, eliminate vagueness, repetition and contradictions. Face to face interviews were scheduled with the respondents during their leisure time and after working hours to collect the data. The collected data were subjected to Cronbach reliability test and the results showed that all the factors are highly reliable and is greater than recommended level. The data were quantified, categorized, tabulated and analyzed with statistical techniques like percentage analysis, mean score, Garrett ranking, Chi square, log linear, ANOVA, Discriminate, Explanatory factor analysis, Confirmatory factor analysis, factor analysis and structural equation modeling to meet the objectives of the study.

From the study the following were delineated. (i) The dominant age group is 45-50 years, (ii) Male is the dominant gender, (iii) Experience of the respondents is 15-20 years, (iv) All respondents are married. (v) Health is described by most as neither good nor bad-Neutral in the Likert scale, (vi) Most respondents opined that the ideal age of retirement is 60 years. The reasons cited by respondents for choosing VRS include are Poor health of respondents or their spouse or both, Low debt-to-income ratio, Mentally demanding job activities, Job monotony, Financial stability and absence of any compulsion to work. Satisfaction at present income levels.

The study concludes that there is significant relationship between Health factor and enjoyment factor implying that that the respondents who are maintaining good health are expected to enjoy their life post retirement after Voluntary Retirement Scheme. While there is significant relationship between Major factors and Life satisfaction factor which predicts that if the
respondents do not have any major problems in their life they may lead a happy life and derived satisfaction after Voluntary Retirement Scheme.

The study was intended to find factors that have a high significance on a respondent’s decision to opt for VRS and status of health is identified as a critical factor along with job monotony, satisfaction at present economic condition and absence of any pressing concern to continue in the job. Similar studies can be carried out in other BSNL Circles with a broader population spectrum to identify additional causal factors. Also comparing how the private sector employees perceive a given VRS proposal will be rewarding.