Chapter – 5
Policies, Procedures &
Pay and Benefits
INTRODUCTION

“Surround yourself with the best people you can find, delegate authority, and don’t interfere as long as the policy you’ve decided upon is being carried out” (R. Reagan)

Policies and Procedures are two words frequently heard in the business world and there is often confusion between the two concepts.

WHAT IS AN ORGANIZATIONAL POLICY?

A Policy defines an outcome; it is a premeditated rule set by a business to guide organizational direction, employees and business decisions, and to regulate, direct and control actions and conduct. Policies can range from a broad philosophy to a specific rule. They are the direct connection between a company's Vision and its daily operations and the underpinnings to a company's culture.

WHAT IS AN ORGANIZATIONAL PROCEDURE?

A procedure is a means to an end. Procedures are step by step instructions, prescribing an exact sequence of action. A procedure explains how to and who (which position) will implement the policy. Procedures are specific, factual and succinct. They may include timelines, specific forms to be used and template forms. Procedures assist in eliminating common misunderstandings which can result in costly mistakes.
WHAT IS THE DIFFERENCE?

Together Policies and Procedures empower a process by providing clear and concise direction necessary for consistent operation. The essential differences are outlined below:

Policies

- General in nature
- Identify company rules
- Explain why rules exist
- Explain when the rule applies
- Describe to whom (what position) it applies
- Explain how it is enforced
- Describe consequences
- Provide guidance for managerial thought and action
- Flexible - allows for discretion

Procedures

- Identify specific and alternative actions
- Explain when to take actions
- Describe emergency procedures
- Include warnings and cautions
- Give examples
- Show how to complete a specific form
- Prescribe how to carry out the action through step by step instruction
- Less flexible - concise and exact sequence of activities

WHY DOES A COMPANY NEED ORGANIZATIONAL POLICIES?

Policies and Procedures are essential when a company requires consistency in its daily operations. They provide clarity and direction re: accountability. Policies and Procedures assist companies in meeting legal requirements set out by the Employment Standards Act, the Human Rights Code, the Occupational Health and Safety Act and numerous other compliance requirements.
A properly written policy and/or procedure allow employees to understand their roles and level of responsibility and conduct their job by making decisions within predefined boundaries. By implementing Policies and Procedures, management can provide guidance to employees without needing to micromanage, freeing managers to focus on strategic thought.

Policies and Procedures allow the workforce to not only understand the accountabilities and responsibilities of their own position, but also that of their co-workers, which can foster a cooperative work environment.

**HOW BIG SHOULD A COMPANY BE TO CONSIDER IMPLEMENTING POLICIES AND PROCEDURES?**

With as few as six employees there will be recurring issues. Productivity and efficiencies both from a legal and operational standpoint can be gained through the implementation of Policies and Procedures.

In the late 1950s, Frederick Herzberg, considered by many to be a pioneer in motivation theory, interviewed a group of employees to find out what made them satisfied and dissatisfied on the job. He asked the employees essentially two sets of questions:

1. Think of a time when you felt especially good about your job. Why did you feel that way?
2. Think of a time when you felt especially bad about your job. Why did you feel that way?

From these interviews Herzberg went on to develop his theory that there are two dimensions to job satisfaction: motivation and "hygiene" (see "Two dimensions of employee satisfaction").

Hygiene issues, according to Herzberg, cannot motivate employees but can minimize dissatisfaction, if handled properly. In other words, they can only dissatisfy if they are absent or mishandled. Hygiene topics include company policies, supervision, salary,
interpersonal relations and working conditions. They are issues related to the employee's environment.

Motivators, on the other hand, create satisfaction by fulfilling individuals' needs for meaning and personal growth. They are issues such as achievement, recognition, the work itself, responsibility and advancement. Once the hygiene areas are addressed, said Herzberg, the motivators will promote job satisfaction and encourage production.

**APPLYING THE THEORY**

To apply Herzberg's theory to real-world practice, the start would be with the hygiene issues. Although hygiene issues are not the source of satisfaction, these issues must be dealt with first to create an environment in which employee satisfaction and motivation are even possible.

**Company and administrative policies**

An organization’s policies can be a great source of frustration for employees if the policies are unclear or unnecessary or if not everyone is required to follow them. Although employees will never feel a great sense of motivation or satisfaction due to the policies, one can decrease dissatisfaction in this area by making sure the policies are fair and apply equally to all.

Also, making printed copies of the policies-and-procedures manual easily accessible to all members of the staff. If there are no written manual, creating one, soliciting staff input along the way.

**Supervision**

To decrease dissatisfaction in this area, the start is by making wise decisions when appointing someone to the role of supervisor. Good employees do not always make good supervisors. The role of supervisor is extremely difficult. It requires leadership skills and the ability to treat all employees fairly. Supervisors should be taught to use positive feedback whenever possible and should establish a set means of employee evaluation and feedback so that no one feels singled out.
Salary

The old adage "you get what you pay for" tends to be true when it comes to staff members. Salary is not a motivator for employees, but they do want to be paid fairly. If individuals believe they are not compensated well, they will be unhappy working for you.

Interpersonal relations

Part of the satisfaction of being employed is the social contact it brings, so allow employees a reasonable amount of time for socialization (e.g., over lunch, during breaks, between patients). This will help them develop a sense of camaraderie and teamwork.

At the same time, there should be crack down on rudeness, inappropriate behavior and offensive comments.

Working conditions

The environment in which people work has a tremendous effect on their level of pride for themselves and for the work they are doing. Equipment and facilities should be up to date. Even a nice chair can make a world of difference to an individual's psyche.

Achievement

One premise inherent in Herzberg's theory is that most individuals sincerely want to do a good job. Hence employees should be placed in positions that use their talents and are not set up for failure.

A clear, achievable goals and standards for each position should be in place and making sure employees know what those goals and standards are essential. Individuals should also receive regular, timely feedback on how they are doing and should feel they are being adequately challenged in their jobs.
**Recognition**

Individuals at all levels of the organization want to be recognized for their achievements on the job. Their successes don't have to be monumental before they deserve recognition, but praise should be sincere. Acknowledge of good work immediately works well. Publicly thanking brings lot of positives.

**Responsibility**

Employees will be more motivated to do their jobs well if they have ownership of their work. This requires giving employees enough freedom and power to carry out their tasks so that they feel they "own" the result. As individuals mature in their jobs, providing opportunities for added responsibility is necessary.
TYPES OF REWARD PROGRAMS

There are a number of different types of reward programs aimed at both individual and team performance.

VARIABLE PAY

Variable pay or pay-for-performance is a compensation program in which a portion of a person's pay is considered "at risk." Variable pay can be tied to the performance of the company, the results of a business unit, an individual's accomplishments, or any combination of these.

It can take many forms, including bonus programs, stock options, and one-time awards for significant accomplishments. Some companies choose to pay their employees less than competitors but attempt to motivate and reward employees using a variable pay program instead. According to Shawn Tully in Fortune, "The test of a good pay-for-performance plan is simple: It must motivate managers to produce earnings growth that far exceeds the extra cost of [the program]. Though employees should be made to stretch, the goals must be within reach."

BONUSES

Bonus programs have been used in American business for some time. They usually reward individual accomplishment and are frequently used in sales organizations to encourage salespersons to generate additional business or higher profits. They can also be used, however, to recognize group accomplishments. Indeed, increasing numbers of businesses have switched from individual bonus programs to one which rewards contributions to corporate performance at group, departmental, or company-wide levels.

According to some experts, small businesses interested in long-term benefits should probably consider another type of reward. Bonuses are generally short-term motivators. By rewarding an employee's performance for the previous year, say critics, they
encourage a short-term perspective rather than future-oriented accomplishments. In addition, these programs need to be carefully structured to ensure they are rewarding accomplishments above and beyond an individual or group's basic functions.

**PROFIT SHARING**

Profit-sharing refers to the strategy of creating a pool of monies to be disbursed to employees by taking a stated percentage of a company's profits. The amount given to an employee is usually equal to a percentage of the employee's salary and is disbursed after a business closes its books for the year. The benefits can be provided either in actual cash or via contributions to employee's 401(k) plans. A benefit for a company offering this type of reward is that it can keep fixed costs low.

The idea behind profit-sharing is to reward employees for their contributions to a company's achieved profit goal. It encourages employees to stay put because it is usually structured to reward employees who stay with the company; most profit-sharing programs require an employee to be vested in the program over a number of years before receiving any monies.

Like bonuses, profit sharing can eventually be viewed as an entitlement program if the connection between an employee's actions and his or her reward becomes murky.

**STOCK OPTIONS**

Previously the territory of upper management and large companies, stock options have become an increasingly popular method in recent years of rewarding middle management and other employees in both mature companies and start-ups.

Employee stock-option programs give employees the right to buy a specified number of a company's shares at a fixed price for a specified period of time (usually around ten years). They are generally authorized by a company's board of directors and approved by its shareholders. The number of options a company can award to employees is usually equal to a certain percentage of the company's shares outstanding.
Like profit-sharing plans, stock options usually reward employees for sticking around, serving as a long-term motivator. Once an employee has been with a company for a certain period of time (usually around four years), he or she is fully vested in the program.

When an employee exercises an option, the company is required to issue a new share of stock that can be publicly traded. The company's market capitalization grows by the market price of the share, rather than the strike price that the employee purchases the stock for. The possibility of reduction of company earnings (impacting both the company and shareholders) arises when the company has a greater number of shares outstanding. To keep ahead of this possibility, earnings must increase at a rate equal to the rate at which outstanding shares increase. Otherwise, the company must repurchase shares on the open market to reduce the number of outstanding shares.

One benefit to offering stock options is a company's ability to take a tax deduction for compensation expense when it issues shares to employees who are exercising their options. Another benefit to offering options is that while they could be considered a portion of compensation, current accounting methods do not require businesses to show options as an expense on their books. This tends to inflate the value of a company.

Companies should think carefully about this as a benefit, however. If accounting rules were to become more conservative, corporate earnings could be impacted as a result.

**GROUP-BASED REWARD SYSTEMS**

As more small businesses use team structures to reach their goals, many entrepreneurs look for ways to reward cooperation between departments and individuals. Bonuses, profit sharing, and stock options can all be used to reward team and group accomplishments.

An entrepreneur can choose to reward individual or group contributions or a combination of the two. Group-based reward systems are based on a measurement of team performance, with individual rewards received on the basis of this performance.
While these systems encourage individual efforts toward common business goals, they also tend to reward underperforming employees along with average and above-average employees. A reward program which recognizes individual achievements in addition to team performance can provide extra incentive for employees.

**RECOGNITION PROGRAMS**

Like rewards, the method of recognition needs to be appropriate for the achievement. This also ensures that those actions which go farthest in supporting corporate goals receive the most attention. However, an entrepreneur should remain flexible in the methods of recognition, as employees are motivated by different forms of recognition.

Finally, employees need to clearly understand the behavior or action being recognized. A small business owner can ensure this by being specific in what actions will be recognized and then reinforcing this by communicating exactly what an employee did to be recognized.

Informal or spontaneous recognition can take the form of privileges such as working at home, starting late/leaving early, or long lunch breaks. A job well done can also be recognized by providing additional support or empowering the employee in ways such as greater choice of assignments, increased authority, or naming the employee as an internal consultant to other staff.

Symbolic recognition such as plaques or coffee mugs with inscriptions can also be effective, provided they reflect sincere appreciation for hard work. These latter expressions of thanks, however, are far more likely to be received positively if the bestower is a small business owner with limited financial resources.

Both reward and recognition programs have their place in small business. Small business owners should first determine desired employee behaviors, skills, and accomplishments that will support their business goals. By rewarding and recognizing outstanding performance, entrepreneurs will have an edge in a competitive corporate climate.
TABLE No: V – 1

Table showing the distribution of response in number and percentage for the question “Policies of my company are framed keeping employees in mind”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
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</thead>
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<td>532</td>
<td>165</td>
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<td>6</td>
<td>1000</td>
</tr>
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<td>Percentage</td>
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<td><strong>53.2%</strong></td>
<td><strong>16.5%</strong></td>
<td><strong>10.8%</strong></td>
<td><strong>0.6%</strong></td>
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<tr>
<td><strong>Revisited Response (2008)</strong></td>
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</tr>
<tr>
<td>Percentage</td>
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<td><strong>17.8%</strong></td>
<td><strong>29.4%</strong></td>
<td><strong>37.6%</strong></td>
<td><strong>12.3%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Average**                          | **10.9%**      | **35.5%** | **23.0%** | **24.2%** | **6.5%**          | **100**|

Source: Data collected through field survey

Graph No: V – 1

Graph showing the distribution of response in percentage for the question “Policies of my company are framed keeping employees in mind”
Interpretation of Table & Graph No: V – 1

18.9% of the respondents have strongly agreed for the question “Policies of my company are framed keeping employees in mind” in the initial response. 53.2% have rated as agree.

While 16.5% of the respondents were undecided, 10.8% of the respondents have rated as 10.8% and around 0.6% have rated as strongly disagree.

In the revisited response a maximum of 37.6% of the respondents have rated as disagree and 12.3% as strongly disagree for “Policies of my company are framed keeping employees in mind”.

2.9% have rated as strongly agree and 17.8% have rated as agree.

29.4% of the respondents were undecided.

Inference:

Policies of organizations should be designed in keeping both employee and organizations in mind. Policies are hygiene factors. Though policies may not motivate employees to perform better, it would create negativity if not favorable to employees.

Organizations should focus on developing simple policies with limited exceptions. Regular feedbacks should be taken from employees for improvements. This not only makes employees feel part of the policy making, but also helps in building positivity.
TABLE No: V – 2

Table showing the distribution of response in number and percentage for the question “Polices help in attracting high quality employees”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
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<tr>
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<td></td>
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<td>23.8%</td>
<td>26.5%</td>
<td>13.2%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data collected through field survey

Graph No: V – 2

Graph showing the distribution of response in percentage for the question “Polices help in attracting high quality employees”
Interpretation of Table & Graph No: V – 2

38.9% of the respondents have agreed for “Policies help in attracting high quality employees” in the initial response. 14.3% of the respondents have rated as strongly agree.

While 15.4% of the respondents were undecided, 18.7% of the respondents have rated as disagree and 12.7% of the respondents have rated as strongly disagree.

In the revisited response 6.7% of the respondents have rated as strongly agree and 13.4% of the respondents have rated as agree.

32.1% of the respondents were undecided in the revisited response.

A majority of 34.2% of the respondents have rated as disagree and 13.6% of the respondents have rated as strongly disagree.

Inference:

Some of the policies play a critical role in attracting employees to the organizations. IT industries typically use incentive policies as a major attraction. Incentives could be joining bonus, relocation expenses reimbursement, onetime payments etc.

During economy slowdown, though organizations try to continue with the incentives but with limited offer, there would be lock in periods to retain employees. Sometimes such policies may not go well with employees.

Policies like long term benefits too play a major attraction to candidates. ESOPs once were an attraction. However in most of the organization it has just remained on papers, where companies have failed to go public.
TABLE No: V – 3

Table showing the distribution of response in number and percentage for the question “Polices are focused in retaining employees”

<table>
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<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<tr>
<td><strong>Average</strong></td>
<td><strong>12.4%</strong></td>
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</table>

Source: Data collected through field survey

Graph No: V – 3

Graph showing the distribution of response in percentage for the question “Polices are focused in retaining employees”
Interpretation of Table & Graph No: V – 3

22.1% of the respondents have rated as strongly agree for the question “Polices are focused in retaining employees” in the initial response.

While 8.9% of the respondents were undecided, 45.8% have rated as agree in the initial response.

13.6% of the respondents have rated as disagree and 9.6% of the respondents have rated as strongly disagree in the initial response for the question “Polices are focused in retaining employees”.

In the revisited response, a majority of 39.3% of the respondents have rated as strongly disagree for the question “Polices are focused in retaining employees”.

21.7% of the respondents have remained undecided and 27.6% of the respondents have rated as disagree.

Only 2.7% of the respondents have rated as strongly agree and 8.7% of the respondents have rated as agree for the question “Polices are focused in retaining employees”.

Inference:

Policies should be focused in attraction and retention of employees. Most of the organizations during recession were either going slow on recruitment or in the mode of layoff. Policies on layoff would not go well with the employees. This reflects from the negative feedback given by the respondents.

Policies should be designed in a way that it creates positive feedback though there is a negative intend from employees’ perspective.
TABLE No: V – 4

Table showing the distribution of response in number and percentage for the question “Policy at my company are value based and focuses on diversity”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
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<tr>
<td>Percentage</td>
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</table>

Source: Data collected through field survey

Graph No: V – 4

Graph showing the distribution of response in percentage for the question “Policy at my company are value based and focuses on diversity”
Interpretation of Table & Graph No: V – 4

26.5% of the respondents have rated as strongly agree for the question “Policy at my company are value based and focuses on diversity” in the initial response. 39.8% of the respondents have rated as agree.

21.1% of the respondents were undecided.

10.8% of the respondents have rated as disagree and 1.8% as strongly disagree in the initial response.

In the revisited response, a majority of 35.3% of the respondents have rated as strongly disagree and 32.8% of the respondents as disagree.

While only 4.8% of the respondents have rated as strongly agree, 14.6% of them have rated as agree for the question “Policy at my company are value based and focuses on diversity”.

12.5% of the respondents have remained undecided.

Inference:

Policies in organizations always cannot be based on emotions. Business is run to make profits. Policies should be designed keeping both business and employee in mind.

However polices should be value based and diversified. The above interpretation shows that the respondents have rated negatively in the revisited response. The revisited responses are after employees gaining experience which is cause of concern and some of them may be involved in policy making.
TABLE No: V – 5

Table showing the distribution of response in number and percentage for the question “The management is ready for change and are quick to do”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
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<th>Undecided</th>
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Source: Data collected through field survey

Graph No: V – 5

Graph showing the distribution of response in percentage for the question “The management is ready for change and are quick to do”
Interpretation of Table & Graph No: V – 5

For the question “The management is ready for change and is quick to do”, 18.9% of the respondents have rated as strongly agree.

23.7% of the respondents have rated as agree.

19.8% of the respondents were undecided in the initial response.

While 16.7% of the respondents have rated as strongly disagree, 19.8% of the respondents have rated as disagree.

In the revisited response, 9.8% of the respondents have rated as strongly agree. 28.7% of the respondents have rated as agree.

18.9% of the respondents were undecided in the revisited response.

23.1% of the respondents have rated as disagree and 19.5% of the respondents have rated as strongly disagree in the revisited response for the question “The management is ready for change and is quick to do”.

Inference:

In today’s world to succeed in business, organizations should be agile and quick to react to different business situations. In difficult situations organizations should be able to take better decisions in quickest possible way.

Though IT industry is known to be quick decision makers, the above interpretations show respondents rating low. Setting up task forces would help in handling situations faster and better.
TABLE No: V – 6

Table showing the distribution of response in number and percentage for the question “The procedures followed at my organization are employee friendly”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
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</table>

Source: Data collected through field survey

Graph No: V – 6

Graph showing the distribution of response in percentage for the question “The procedures followed at my organization are employee friendly”
Interpretation of Table & Graph No: V – 6

19.8% of the respondents have rated as strongly agree for the question “The procedures followed at my organization are employee friendly” in the initial response.

Majority of 42.1% of respondents have rated as agree, and 10.8% of the respondents have rated as undecided.

While 17.6% of the respondents have rated as disagree.

9.7% have rated as strongly disagree in the initial response.

In the revisited response, only 3.8% of the respondents have rated as strongly agree and 10.8% have rated as agree.

37.1% of the respondents were undecided for the question “The procedures followed at my organization are employee friendly” in the revisited response.

38.7% of the respondents have rated as disagree and 9.6% as strongly disagree.

Inference:

Process and procedures followed by organizations should always be simple, easy to understand and employee friendly. Employee friendly does not mean that policies should be favoring employees. Policies should be designed in a way that it is easily understandable, free from ambiguity and practical.

Policies and procedures should never be designed for short-term and without any purpose but with a rational and flexibility for change and modification based on business needs.
532 respondents agree that the salary paid by the company is in par with the industry.

Does this number (532) show 50% of the IT Industry employees agree that the salary paid by the company is in par with the industry?

\[ H_0: \text{50\% of the employees agree that the pay is in par with the industry.} \]
\[ P = \frac{1}{2} \]

\[ H_1: \text{50\% of the employees do not agree that the pay is in par with the industry.} \]

Proportion agree in the sample of 1000 \[ = \frac{532}{1000} \]
\[ = .532 \]

\[ E = P - P_0 \div \sqrt{P_0 Q_0 \div n} \]
\[ = .532 - .5 \div \sqrt{.5 \times .5 \div 1000} \]
\[ = 2.025 \text{ at 5\% level of significance } E \text{ table value } = 1.96. \]

Therefore reject Ho

i.e. 50\% of the employees also not happy with the salaries paid.
TABLE No: V – 7

Table showing the distribution of response in number and percentage for the question “The salary paid to employees in my company is in par with the industry”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>14.5%</td>
<td>38.7%</td>
<td>25.6%</td>
<td>18.7%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Revisited Response (2008)</td>
<td>146</td>
<td>379</td>
<td>241</td>
<td>187</td>
<td>47</td>
<td>1000</td>
</tr>
<tr>
<td>Percentage</td>
<td>14.6%</td>
<td>37.9%</td>
<td>24.1%</td>
<td>18.7%</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>291</td>
<td>766</td>
<td>497</td>
<td>374</td>
<td>72</td>
<td>100</td>
</tr>
<tr>
<td>Source: Data collected through field survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Graph No: V – 7

Graph showing the distribution of response in percentage for the question “The salary paid to employees in my company is in par with the industry”
Interpretation of Table & Graph No: V – 7

14.5% of the respondents have rated as strongly agree for the question "The salary paid to employees in my company is in par with the industry" in the initial response.

38.7% of the respondents have rated as agree and 25.6% were undecided.

18.7% of the respondents have rated as disagree and 2.5% has rated as strongly disagree in the initial response.

In the revisited response, 14.6% of the respondents have rated as strongly agree and a majority of 37.9% of the respondents have rated as agree.

24.1% of the respondents were undecided in the revisited response.

18.7% of the respondents have rated as disagree and 4.7% of the respondents have rated strongly disagree for the question “The salary paid to employees in my company is in par with the industry”.

Inference:

Salary is one of the factors, traditionally which is rated low in most of the satisfaction surveys. The above interpretation shows a surprising similar response in both the response.

The economy slow down when the revisited response was taken, the IT industry was in the mode of layoff and job cuts. This probably could be one reason for a similar type of response in both the feedbacks.
TABLE No: V – 8

Table showing the distribution of response in number and percentage for the question “My Company provides benefits that compare favorably with other companies in the industry”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>12.2%</td>
<td>45.6%</td>
<td>18.9%</td>
<td>13.4%</td>
<td>9.9%</td>
<td></td>
</tr>
<tr>
<td>Revisited Response (2008)</td>
<td>98</td>
<td>298</td>
<td>241</td>
<td>287</td>
<td>76</td>
<td>1000</td>
</tr>
<tr>
<td>Percentage</td>
<td>9.8%</td>
<td>29.8%</td>
<td>24.1%</td>
<td>28.7%</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>11.0%</td>
<td>37.7%</td>
<td>21.5%</td>
<td>21.1%</td>
<td>8.8%</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected through field survey

Graph No: V – 8

Graph showing the distribution of response in percentage for the question “My Company provides benefits that compare favorably with other companies in the industry”
Interpretation of Table & Graph No: V – 8

For the question “My Company provides benefits that compare favorably with other companies in the industry”, 12.2% of the respondents have rated as strongly agree in the initial response. 45.6% of the respondents have rated as agree.

18.9% of the respondents were undecided.

13.4% of the respondents have rated as disagree and 9.9% of the respondents have rated as strongly disagree in the initial response.

In the revisited response, 9.8% of the respondents have rated as strongly agree and 29.8% have rated as agree.

24.1% of the respondents were undecided.

While 28.7% of the respondents have rated as disagree, 7.6% have responded as strongly disagree in the revisited response for “My Company provides benefits that compare favorably with other companies in the industry”.

Inference:

Information technology has made the world small. In today’s world employees have opportunities to compare benefits of one organization with other. Organizations develop different methods of benefits to attract and retain employees.

Popular benefits like mediclaim, insurance, flex-working are very common among IT industries. It is very essential that organizations keep innovating to keep employees engage.
TABLE No: V – 9

Table showing the distribution of response in number and percentage for the question “In my company salary is paid based on certain criteria. There is no ambiguity”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Response (2004)</strong></td>
<td>113</td>
<td>461</td>
<td>173</td>
<td>151</td>
<td>102</td>
<td>1000</td>
</tr>
<tr>
<td>Percentage</td>
<td><strong>11.3%</strong></td>
<td><strong>46.1%</strong></td>
<td><strong>17.3%</strong></td>
<td><strong>15.1%</strong></td>
<td><strong>10.2%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Revisited Response (2008)</strong></td>
<td>148</td>
<td>321</td>
<td>187</td>
<td>197</td>
<td>147</td>
<td>1000</td>
</tr>
<tr>
<td>Percentage</td>
<td><strong>14.8%</strong></td>
<td><strong>32.1%</strong></td>
<td><strong>18.7%</strong></td>
<td><strong>19.7%</strong></td>
<td><strong>14.7%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>261</td>
<td>782</td>
<td>360</td>
<td>348</td>
<td>249</td>
<td>100</td>
</tr>
<tr>
<td>Percentage</td>
<td><strong>13.1%</strong></td>
<td><strong>39.1%</strong></td>
<td><strong>18.0%</strong></td>
<td><strong>17.4%</strong></td>
<td><strong>12.5%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data collected through field survey

Graph No: V – 9

Graph showing the distribution of response in percentage for the question “In my company salary is paid based on certain criteria. There is no ambiguity”
Interpretation of Table & Graph No: V – 9

11.3% of the respondents have rated as strongly agree for the question “In my company salary is paid based on certain criteria. There is no ambiguity” in the initial response.

A majority of 46.1% of the respondents have rated as agree and 17.3% were undecided in their opinion.

15.1% of the respondents have rated as disagree and 10.2% of the respondents have rated as strongly disagree.

In the revisited response, 14.8% of the respondents have rated as strongly agree and a majority of 32.1% have rated as agree.

18.7% of the respondents were undecided in their opinion in the revisited response.

19.7% have responded as disagree and 14.7% as strongly disagree for “In my company salary is paid based on certain criteria. There is no ambiguity” in the revisited response.

Inference:

Policies should be transparent and open. Though when it comes to compensation companies avoid open policies, a set of guidelines are must to create balance and removes bias in the system.

Policies should be built around “pay for performance and promote for potential”.
TABLE No: V – 10

Table showing the distribution of response in number and percentage for the question “Benefits provided by the company helps in retention”

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Response (2004)</strong></td>
<td>176</td>
<td>276</td>
<td>165</td>
<td>201</td>
<td>182</td>
<td>1000</td>
</tr>
<tr>
<td>Percentage</td>
<td>17.6%</td>
<td>27.6%</td>
<td>16.5%</td>
<td>20.1%</td>
<td>18.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Revisited Response (2008)</strong></td>
<td>68</td>
<td>176</td>
<td>321</td>
<td>266</td>
<td>169</td>
<td>1000</td>
</tr>
<tr>
<td>Percentage</td>
<td>6.8%</td>
<td>17.6%</td>
<td>32.1%</td>
<td>26.6%</td>
<td>16.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>244</td>
<td>452</td>
<td>486</td>
<td>467</td>
<td>351</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>12.2%</td>
<td>22.6%</td>
<td>24.3%</td>
<td>23.4%</td>
<td>17.6%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data collected through field survey

Graph No: V – 10

Graph showing the distribution of response in percentage for the question “Benefits provided by the company helps in retention”
Interpretation of Table & Graph No: V – 10

17.6% of the respondents have rated as strongly agree for “Benefits provided by the company helps in retention” in the initial response as against 6.8% in the revisited response.

A majority of 27.6% have rated as agree in the initial response as against a majority of 32.1% of the respondents being undecided in the revisited response.

In the revisited response, 26.6% of the respondents have rated as disagree as against 20.1% in the initial response for the question “Benefits provided by the company helps in retention”.

16.9% have rated as strongly disagree in the revisited response, and 18.2% had rated similarly in the initial response.

Inference:

Retention policies are different from benefits provided for retention. Some incentive polices act as tool for retention. Especially deferred or staggered payments help organization to have employees for a longer period.

Many organizations provide long term benefits for employees. Five year, ten year completion cash awards help employees to stay for a longer tenure. Involving employee families to celebrate milestones gives a positive feeler.