

A Research Report

On

**“A STUDY ON COMPENSATION POLICY FOR EMPLOYEES
IN BANKING SECTORS”**

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DECLARATION

**We, yogita and divya student of BBA, Galgotia university , report on
A STUDY ON COMPENSATION POLICY FOR EMPLOYEES IN BANKING SECTORS”**

We declare that I have tried my best to complete this report a most sincerely and accuracy ,even then if any mistake or error has been crept in, I shall most humbly request the readers to point out those errors or omission and guide me for the removal of those errors in the future.

YOGITA AND DIVYA
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Introduction

Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. It is a tool used by management for a variety of purposes to further the existence of the company. “It may be adjusted according to the business needs, goals and available resources.

Compensation represents by far the most important element in the employment relationship and is to equal interest to the employer, employee and government.

To the employer; because it represents significant part of his cost, is increasingly important to his employee’s performance and to competitiveness and affects his ability to recruit and retain a labor force of quality.

To the employee; because it is fundamental to his standard of living and is a measure of the value of his service or performance.

To the government; because it affects the aspects of macroeconomics, stability such as employment, inflation, purchasing power and socio-economic development in general

Compensation strategy involves considering to adopt any of several ways in setting rates of pay.

- Pay increase based on employee's length of time spent on the job. This is seniority-based pay that is a good motivator in employee retention. But here, you are not rewarding performance.
- Performance-based pay is intended to motivate employees to perform better. Such a plan is becoming more common whereby the manager and employee agree on the job goals and performance criteria at the beginning of a specified period, usually at the beginning of the year. The effect of this as a motivator can vary from time to time and from situation to situation.

The term 'reward management' covers both the strategy and the practice of pay systems. Traditionally, human resource or personnel sections have been concerned with levels and schemes of payment whereas the process of paying employees - the payroll function - has been the responsibility of finance departments. There is a trend towards integrating the two, driven by new computerized packages offering a range of facilities. These are described later in this chapter.

As a modern reward management method, total reward strategy has been used more and more by managers and scholars. Like all the other mature human resources management approaches and strategies, total reward strategy need to be analyzed and practiced throughout the time to make it work effectively and perfectly. In this article, the dimensionalities of total reward strategy which varies at all times has been summarized through the trend of times and redefined.

Managers would gain remarkable profits for the organization they governed if they use the integrated total reward strategy properly. The strategy will not only improve the performance of staffs, act

important role of decision making process of an organization, but also solve existing and potential compensation problems as well.

Pay and compensation

Pay is an important feature of human resource management - after all, it is the main reason why people work. It is a sensitive and controversial area that has been extensively debated at both practical and theoretical levels. In the US the term 'compensation' is used to encompass everything received by an employed individual in return for work.

The reward or compensation people receive for their contribution to an organization includes monetary and non-monetary components. Remuneration does not simply compensate employees for their efforts - it also has an impact on the recruitment and retention of talented people.

Compensation Management

Workers' compensation (colloquially known as workers' comp or workman's comp in North America and compo in Australia) is a form of insurance that provides wage replacement and medical benefits for employees who are injured in the course of employment, in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence. The tradeoff between assured, limited coverage and lack of recourse outside the worker compensation system is known as "the compensation bargain." While plans differ between jurisdictions, provision can be made for weekly payments in place of wages (functioning in this case as a form of disability insurance), compensation for economic loss (past and future), reimbursement or payment of medical and like expenses (functioning in this case as a form of health insurance), and benefits payable to the dependents of workers killed during employment (functioning in this case as a form of life insurance). General damages for pain and suffering, and punitive damages for employer negligence, are generally not available in worker compensation plans, and negligence is generally not an issue in the case. These laws were first enacted in Europe and Oceania, with the United States following shortly thereafter.

Compensation before statutory law

Before the statutory establishment of workers' compensation, employees who were injured on the job were only able to pursue their employer through civil or tort law.[1] In the United Kingdom, the legal view of employment as a master-servant relationship required employees to prove employer malice or negligence, a high burden for employees to meet. Although employers' liability was unlimited, courts usually ruled in favor of employers, paying little attention to the full losses experienced by workers, including medical costs, lost wages, and loss of future earning capacity.

Statutory compensation law

Statutory compensation law provides advantages to employees and employers. A schedule is drawn out to state the amount and forms of compensation to which an employee is entitled, if he/she has sustained the stipulated kinds of injuries. Employers can buy insurance against such occurrences. However, the specific form of the statutory compensation scheme may provide detriments. Statutes often award a set amount based on the types of injury. These payments are based on the ability of the worker to find employment in a partial capacity: a worker who has lost an arm can still find work as a proportion of a fully-able person. This does not account for the difficulty in finding work suiting disability. When employers are required to put injured staff on "light-duties" the employer may simply state that no light duty work exists, and sack the worker as unable to fulfill specified duties. When new forms of workplace injury are discovered, for instance: stress, repetitive strain injury, silicosis; the law often lags behind actual injury and offers no suitable compensation, forcing the employer and employee back to the courts (although in common-law jurisdictions these are usually one-off instances). Finally, caps on the value of disabilities may not reflect the total cost of providing for a disabled worker. The government may legislate the value of total spinal incapacity at far below the amount required to keep a worker in reasonable living conditions for the remainder of his life. A related issue is that the same physical loss can have a markedly different impact on the earning capacity of individuals in different professions. For instance, the loss of a finger could have a moderate impact on a banker's ability to do his or her job, but the same injury would totally ruin a pianist.

Workers' Compensation law in the United States

At the turn of the 19th century workers' compensation laws were voluntary for a couple of reasons.

Specifically, an elective law made passage easier and many felt that compulsory workers' compensation laws would violate the 14th amendment due process clause of the U.S. Constitution. Since workers' compensation mandated benefits without regard to fault or negligence, many felt that compulsory participation would deprive the employer of property without due process. The issue of due process was resolved by the United States Supreme Court in 1917 when in *New York Central Railway Co. v. White* it was held that an employer's constitutional rights weren't affected. After the ruling most states enacted new compulsory workers' compensation laws.

In the United States, most employees who are injured on the job have an absolute right to medical care for any injury, and in many cases, monetary payments to compensate for resulting temporary or permanent disabilities. Most employers are required to subscribe to insurance for workers' compensation, and an employer who does not may have financial penalties imposed. Texas employers have the unique ability to opt out of the Workers' Compensation system under the original state law written in 1913. However, those employers, known as nonsubscribers, still need insurance coverage in the event of workplace injury. This then is how the non subscription industry in Texas began.

Non subscription has proven to be a highly successful free market alternative to the government runs workers' compensation system in Texas. Over 40% of Texas employers are nonsubscribers, including many of the state's larger and better known employers such as the H-E-B Grocery Company. Historically, these employers have had significantly greater satisfaction ratings and reduced expenses when compared to the workers' compensation system.

In many states, there are public uninsured employer funds to pay benefits to workers employed by companies who illegally fail to purchase insurance. Insurance policies are available to employers

through commercial insurance companies: if the employer is deemed an excessive risk to insure at market rates, it can obtain coverage through an assigned-risk program.

Workers' compensation is administered on a state-by-state basis, with a state governing board overseeing varying public/private combinations of workers compensation systems. The federal government has its own workers' compensation program, subject to its own requirements and statutory parameters for federal employees. In the vast majority of states, workers' compensation is solely provided by private insurance companies. 12 states operate a state fund (which serves as a model to private insurers and insures state employees), and a handful have state-owned monopolies. To keep the state funds from crowding out private insurers, they are generally required to act as assigned-risk programs or insurers of last resort, and they can only write workers' compensation policies. In contrast, private insurers can turn away the worst risks and can write comprehensive insurance packages covering general liability, natural disasters, and so on. Of the 12 state funds, the largest is California's State Compensation Insurance Fund. The federal government pays its workers' compensation obligations for its own employees through regular appropriations.

Conceptual Framework

Compensation in private sector

On February 26, 2009, the Federal Reserve Bank of Chicago and The Civic Federation hosted a forum to examine the differences in wages and benefits between the public sector and private sector and to discuss best practices in work force sustainability.

Many years, conventional wisdom has held that public sector wages were lower than private sector wages, so generous ancillary benefits were needed in order to attract and retain skilled workers in the public sector. More recently, data from the U.S. Bureau of Labor Statistics (BLS)

have suggested to some observers that total compensation averages of the public sector now significantly exceed those of the private sector. Economic pressures and global labor trends have led many private sector firms to eliminate expensive benefits, such as defined benefit pension plans (in favor of defined contribution plans),¹ but most public sector agencies have not followed suit. Such changes have created a greater perceived gap between public sector and private sector employees in terms of both financial security and overall compensation.

Types of Compensation

Compensation provided to employees can be direct in the form of monetary benefits and/or indirect in the form of non-monetary benefits known as perks, time off, etc. Compensation does not include only salary but it is the sum total of all rewards and allowances provided to the employees in return for their services. If the compensation offered is effectively managed, it contributes to high organizational productivity.

➤ **Direct Compensation**

➤ **Indirect Compensation**

Need of Compensation Management

- A good compensation package is important to motivate the employees to increase the organizational productivity.
- Unless compensation is provided no one will come and work for the organization. Thus, compensation helps in running an organization effectively and accomplishing its goals.
- Salary is just a part of the compensation system, the employees have other psychological and self-actualization needs to fulfill. Thus, compensation serves the purpose.
- The most competitive compensation will help the organization to attract and sustain the best talent. The compensation package should be as per industry standards.

Strategic Compensation

Strategic compensation is determining and providing the compensation packages to the employees that are aligned with the business goals and objectives. In today's competitive scenario organizations have to take special measures regarding compensation of the employees so that the organizations retain the valuable employees. The compensation systems have changed from traditional ones to strategic compensation systems

Direct compensation

Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc. They are given at a regular interval at a definite time.

Indirect compensation

Indirect compensation refers to non-monetary benefits offered and provided to employees in lieu of the services provided by them to the organization. They include Leave Policy, Overtime Policy, Car policy, Hospitalization, Insurance, Leave travel Assistance Limits, Retirement Benefits, Holiday Homes.

EQUITY:

Employees wanted to be treated fairly.

Equity is the balance between the inputs an individual brings to a job and the outcome he or she receives from the it. An employee input includes experience, education, special skills, effort and time worked. Outcomes include pay benefits, achievement, recognition and any other rewards.

Establishing Individual Equity

As mentioned earlier, jobs evaluated as having nearly the same value are usually combined into a single wage grade. A single wage may be selected for each grade and paid to every person whose job falls in the grade. More commonly, however, a range of pay rates is set for each grade. When a range is set, the issue of individual equity becomes salient, and the organization must have a system for determining where in the range the compensation of each employee should be.

Steps in designing Individual Equity:

- **Designing pay ranges:** The range associated with a pay grade sets the upper and lower bounds of possible compensation for individuals whose jobs fall in the grade.
- **Setting Individual pay:** Individual equity requires that rewards to employees be allocated fairly across individuals performing the same jobs. The two commonly used approaches to determine how workers are placed and progress through the pay ranges are seniority and merit. A newer method bases increments on the number of skills mastered.

In short, equity concern centers on setting the pay of individuals within a wage grade. Typical bases for this decision include seniority, merit, and skill. Merit pay system has the potential to motivate high performance, but they are difficult to administer in a way that employees perceive as fair.

SIGNIFICANCE AND RELEVANCE

Compensation increases faster than private sector

Compensation for state and local government workers increased faster than for workers in the private sector, according to new research. In private industry, meanwhile, compensation increased 1.2 percent during the same time period.

Benefits were the biggest contributor to the increase for government workers, increasing 3.2 percent compared to 1 percent for workers in private industry. Wages and salaries for state and local government employees increased 2 percent in contrast to 1.4 percent for private sector workers.

When combined, compensation increased 1.5 percent in 2009, the BLS reports.

Compensation Study

An "Employee Continuity Strategy" was adopted by the City Council as a goal 2007. The goal was to ensure the City is able to retain and attract qualified employees to take the place of the people expected to retire. The first step towards achieving that goal was to evaluate our current situation up thus the need for a Class and Compensation Study. Funds to conduct the study were allocated during last year's budget process.

Three years ago the City was facing a high level of employee turnover. At that time - before the recession really hit -- we were expecting to lose 20% of our workforce in less than five years. There were positions we had trouble filling with qualified people. For some positions the city was able to fill the vacancy yet the employee left after a short period of time. This is costly. The City invests in recruitment and training expenses and it can take as much as a year to recoup costs spent on training, certification etc. In one position, we had four different people fill the job in only five years.

There are two problems with turnover.

1) It costs money to hire people. For some positions, the cost might be modest, but for some jobs, it can be very expensive.

2) While the job is vacant, the work does not get done.

With the recession, turnover everywhere has slowed down - including at the City, but it's still a factor for jobs the City needs to fill and will be even more of a factor when the recession ends.

Turnover

- Since 2004, the City's turnover rate has averaged more than 16% per year in regular non-seasonal employees. That number is expected to increase as more retirements occur.
- Since 1998, the City has replaced the following management positions: City Administrator four times, Police Chief twice, Public Works Director, IT Director, City Attorney twice, Assistant City Attorney four times, Community Development Director three times and currently the City is without an Electric Utility Director. The direct costs are approximately \$30,000 for each recruitment and relocation expenses. The indirect costs are loss of productivity, loss of institutional knowledge, training and education specific to the field, understanding of the political dynamics of Ashland and the City infrastructure.

Previous Studies

- A similar class and compensation study with similar results was conducted in 1999. The study was never implemented.
- No evidence exists that a study was conducted prior to 1999. Most public employers, including universities, conduct a class and compensation study every 5-10 years to ensure they are competitive in their labor market.

Comparable and Competition

- The City of Ashland competes directly with Medford, Jackson County and Grants Pass for qualified skilled local public employees. The City competes nationally for upper management positions.
- Cities used as comparable in the study were selected for different reasons. Even though Medford and Jackson County are larger than Ashland, they, including, Grants Pass are Ashland's direct competition for the local skilled labor market. Forest Grove, Lake Oswego and McMinnville are of a similar size (but provide fewer services). Corvallis and Arcata have university and have similar demographics. Klamath Falls has a similar population and offer similar services.

Impacts

- The study shows 70 positions that are underpaid.
- The study shows 30 positions are overpaid and should not receive cost of living increases.
- Waiting to bring positions up to market means the positions fall further behind as much as 25% to 30% rather than the current 10%.

Timing

- Whether the study was released now during the recession or later, when the recession starts to the recover the information is the same.
- The longer we wait to bring the salaries into the market (whether it is an increase in salary or a salary freeze) the further behind we fall and the greater we'll have to make up.

Studies on Performance-Related Incentives (PRI)

Aims of the study: Pay and allowances in the Government are linked to service-incremental salary scales and promotions under different service rules. Promotions have been used as a tool to provide incentive especially at senior management levels. Pay increases are based on annual increments and the salaries depend more on length of service and grades rather than the performance of an individual employee. The aim of the study is to examine the feasibility of working out a model whereby a base salary is attached to each post based on the conventional criterion of skills and responsibility; simultaneously, a second component is introduced that is payable over and above the salary on the basis of productivity and the performance of the employees, either individually or as a group.

BANKING INDUSTRY PROFILE

HDFC Bank Ltd. is an Indian banking and financial services company headquartered in Mumbai, Maharashtra. It has a base of 104154 permanent employees as of 30 June 2019. HDFC Bank is India's largest private sector lender by assets. It is the largest bank in India by market capitalization as of March 2020.

History

HDFC Bank was incorporated in 1994, with its registered office in Mumbai, Maharashtra, India. Its first corporate office and a full service branch at Sandoz House, Worli were inaugurated by the then Union Finance Minister, Manmohan Singh.

As of June 30, 2019, the Bank's distribution network was at 5500 branches across 2,764 cities. The bank also installed 430,000 POS terminals and issued 23570,000 debit cards and 12 million credit cards in FY 2017.

Products and services

Market leader in e-commerce, HDFC Bank provides a series of digital offerings like - 10 second personal loan, Chillr, PayZapp, SME Bank, Watch Banking, 30-Minute Auto Loan, 15-minute Two-Wheeler Loan, e-payment gateways, Digital Wallet, etc.

HDFC Bank provides a number of products and services which includes wholesale banking, Retail banking, Treasury, Auto (car) Loans, Two Wheeler Loans, Personal loans, Loan against Property and Credit Cards.

The latest entry in the league is 'Project AI', under which HDFC Bank, over the next few weeks, would deploy robots at select bank branches. These robots will offer options such as cash withdrawal or deposit, forex, fixed deposits and demat services displaying on the screen to persons coming into the branch.

Acquisitions

HDFC Bank merged with Times Bank in February 2000. This was the first merger of two private banks in the New Generation Private Sector Banks category. In 2008, Centurion Bank was acquired by HDFC Bank. HDFC Bank Board approved the acquisition of CBoP for 95.1 billion INR in one of the largest mergers in the financial sector in India.

YES BANK

Yes Bank Limited is an Indian public [bank](#) headquartered in [Mumbai, India^{\[5\]}](#) and was founded by [RanaKapoor](#) and Ashok Kapur in 2004. It offers wide range of banking and financial products for corporate and retail customers through [retail banking](#) and [asset management](#) services. On 5 March 2020 in an attempt to avoid the collapse of the bank, which had an excessive amount of bad loans, the [Reserve Bank of India](#) (RBI) took control of it. RBI later reconstructed the board and named Peasant Kumar former Chief financial officer of [SBI](#) as new [MD](#) & [CEO](#) at Yes Bank.

Products and services

- Corporate and Institutional Banking-The Corporate & Institutional Banking (C&IB) division at Yes Bank contribute a major part of the bank with a turnover of over Rs 1,000 crores.
- Commercial Banking
- Investment Banking-Yes Bank's is a major player in Investment Banking in India and is involved in the identification, structuring and execution of transactions for its clients in diverse industries and geographies. Some of the typical transactions include mergers & acquisitions, divestitures, private equity syndication and IPO advisory.
- Corporate Finance-YES BANK's Corporate Finance practice offers a combination of advisory services and customized products to optimize risk based on "Knowledge Arbitrage"

Business

Yes Bank has interests in [syndicated loans](#) and [corporate banking](#). It has three subsidiaries – Yes Bank, Yes Capital and Yes Asset Management Services.

As of September 2018, Yes Bank had taken [syndicated loans](#) from eight large international entities including [ADB](#), [OPIC](#), [European investment bank](#), banks in [Taiwan](#) and [Japan](#) for amounts ranging from US\$30 million to US\$410 million, which it in turn lend to small and medium scale enterprises as well as large corporate. It has also both taken as well as given short term loans to a number of retail and corporate banks in Taiwan, Japan, the [United States](#), and [Europe](#). It has partnered with the US government based OPIC and with [Wells Fargo](#) to support women entrepreneurs.

Yes Bank provides [Unified Payments Interface](#) (UPI) services for a number of major companies, such as [Airtel](#), [Cleartrip](#), [RedBus](#), and [PhonePe](#) among others. In January 2020, it was responsible for handling 514 million UPI transactions out of the 1.31 billion made that month. Yes bank has acquired over 24 percent of [stake](#) in [dish TV](#) India on 30 May 2020.

Awards and Recognitions

- Yes Bank, received “India’s Fastest Growing Bank of the Year” award at the Bloomberg UTV Financial Leadership Awards 2011
- Bank of the Year India, [The Banker](#) London - 2015
- Asia-Pacific Quality Organization (APQO)-Adjudged World Class Organization, August 2014. Only Indian bank to win this prestigious global award.
- First bank in India to be awarded the prestigious IMC Ramkrishna Bajaj National Quality Award for Business Excellence in the Services Category in 2013.

- Dun & Bradstreet- Best Private Sector Bank (Asset Class) 2014
- Order of Merit SKOCH Financial Inclusion and Deepening Awards 2014
- First Private Bank in India to be awarded ISO 14001:2004 certificate 2013
- YES BANK was voted India's 3rd Most Trusted Private Bank in 2014 according to the [Brand Trust Report](#) 2014, a study conducted by Trust Research Advisory, a brand analytics company.

Kotak Mahindra Bank

Kotak Mahindra Bank is an Indian private sector [bank](#) headquartered in [Mumbai](#), [Maharashtra](#), [India](#). In February 2003, [Reserve Bank of India](#) (RBI) gave the license to Kotak Mahindra Finance Ltd., the group's flagship company, to carry on banking business.

It offers a wide range of banking products and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of [personal finance](#), [investment banking](#), [life insurance](#), and [wealth management](#).

Kotak Mahindra Bank has a network of 1,348 branches across 675 locations and 2,051 ATMs in the country. In 2020, it was the third largest private bank in India by market capitalization.

History

In 1985 by UdayKotak established what became an Indian financial services conglomerate. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received a banking license from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to be converted into a bank – Kotak Mahindra Bank Limited (Kmb) ltd.

In a study by Brand Finance Banking 500, published in February 2014 by the Banker magazine (from The Financial Times Stable), KMBL was ranked 245th among the world's top 500 banks with brand valuation of around half a billion dollars (\$481 million) and brand rating of AA+.^{[6][7]} and merge with ING Visa bank in 2015

Merger with ING Visa Bank

In 2014, Kotak Bank acquired [ING Vysya Bank](#) in a deal valued at Rs15,000crore (US\$2.2 billion). With the merger, total employment will jump to almost 40,000, and the count of branched reached 1261. Post the merger, [ING Group](#), which controlled ING Vysya Bank, will own a 7% share in Kotak Mahindra Bank.

Salary Comparison of Private Sector Banks

One of the most coveted jobs in India is the bank job, which offers a plethora of bright options to the employees, be it a comfortable life style, stability or low interest rates on loans. Not just in India, but throughout the world, people try their level best to end up in a bank job, because of the benefits they offer, and preferably public sector banks, as they are always a few steps up in offering the benefits to the employees.

The Private Sector and the Government Sector banks offer various jobs to the eligible candidates through various exams, public notices and even campus placements, and offer bright career opportunities to them. In the private sector banks, the majority of the stakes are held by private shareholders, while in the Government sector banks, Government holds these majority stakes, and this is one reason why public sector banks are more covetous and considered more stable and secure.

HDFC Bank:

Assistant Branch Manager	Rs 3 lakh – Rs 8 lakh
Relationship Manager	Rs 4 lakh – Rs 14 lakh
Sales Executive	Rs 1 lakh – Rs 4 lakh

Personal Banker	Rs 2 lakh – Rs 5 lakh
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Yes Bank:

Assistant Branch Manager	Rs 3 lakh – Rs 5 lakh
Relationship Manager	Rs 8.5 lakh – Rs 9 lakh
Vice President	Rs 24 lakh – Rs 27 lakh

Axis Bank:

Assistant Branch Manager	Rs 3 lakh – Rs 5 lakh
Project Advisory	Rs 10 lakh – Rs 12 lakh
Assistant Vice President	Rs 24 lakh – Rs 26.5 lakh
Management Trainee	Rs 2.5 lakh – Rs 3.5 lakh

Industrial Bank:

Relationship Manager	Rs 2 lakh – Rs 9.5 lakh
Assistant Sales Manager	Rs 2.5 lakh – Rs 3.5 lakh
Credit Manager	Rs 5 lakh – Rs 6.5 lakh
Applications Support	Rs 6 lakh – Rs 7 lakh

Bank Jobs in India and their benefits:

In India, there are many reasons for which a bank job is considered to be one of the best employments, and hence people from various educational backgrounds and various interests apply for a bank job.

Some of these reasons are:

- Comfortable working hours.
- Considerable number of leaves.
- Good salary packages
- Easy loan availabilities and that too at low interest rates.
- Medical benefits
- Retirement plans
- A healthy and comfortable working environment.
- Additional compensations on purchase, travel, and education.

Though some of these are limited to public sector banks, especially the retirement plans, one cannot doubt the easy acceptance of loan applications that the bank employees enjoy. So these are some perks of a bank job.

OBJECTIVES OF THE STUDY

- To study the awareness of employee towards the compensation policy.
- To study the satisfaction level of employee toward the compensation policy.
- To study the impact of compensation on employee performance.
- To study the factor which motivate employee to improve their performance

RESEARCH METHODOLOGY:

Universe:

- Finite

Research Design:

- Descriptive Research Design

Types of Data:

- Primary Data
- Secondary Data

Data Collection Methods:

1. Primary Data

- Questionnaire

2. Secondary Data

- Magazines
- Reports

Sampling Method:

- Random Sampling

Sampling Area:

- Greater noida

Sampling Size:

- 75

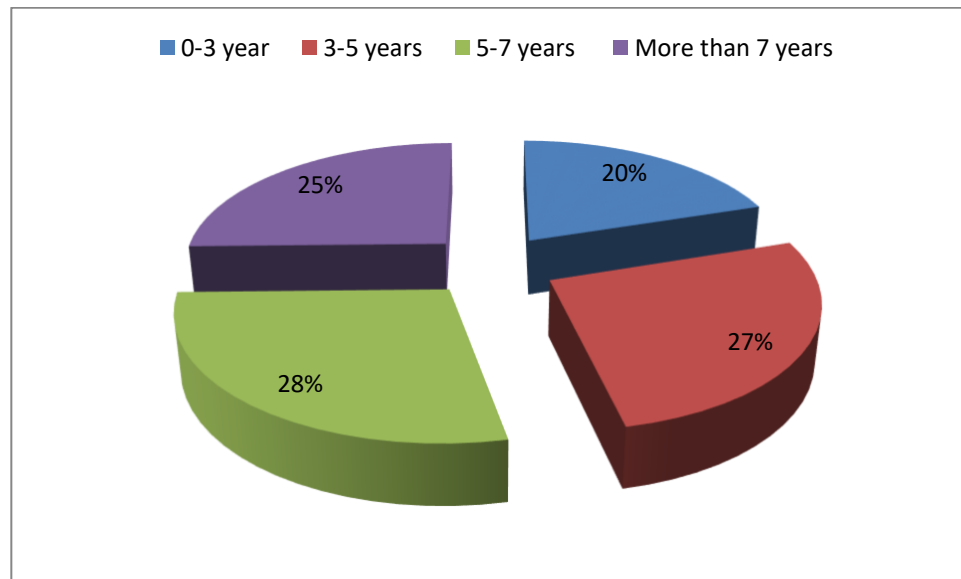
Sample Unit:

DATA ANALYSIS AND INTERPRETATION

Q.1. From how many years have you been workin

g with this sector?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	0-3 year	15	20%
(b)	3-5 years	20	27%
(c)	5-7 years	21	28%
(d)	More than 7 years	19	25%
	Total	75	100%



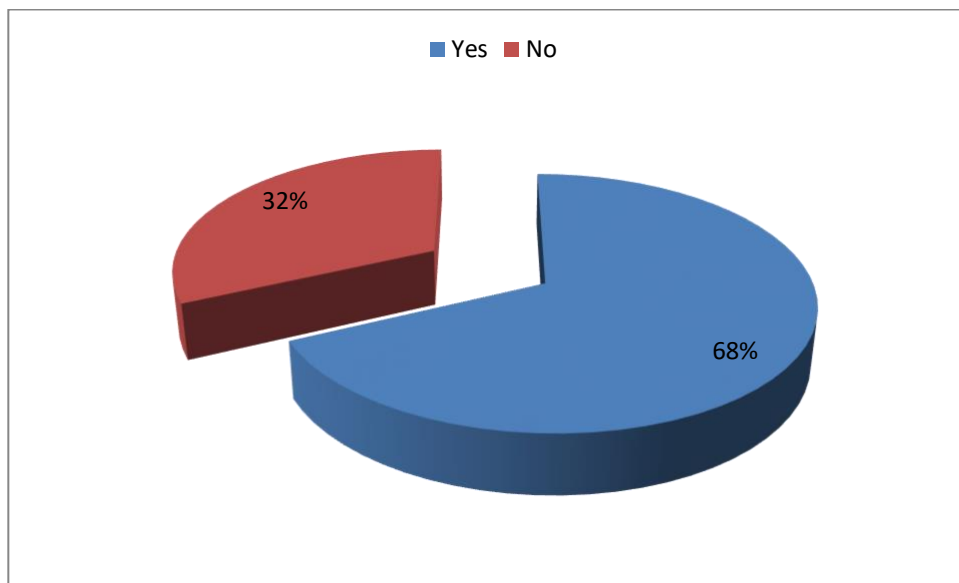
Interpretation:

According to above pie chart 20% respondents working in this sector from 3 years, 27% respondents working here 3-5 years, 28% respondents working here 5-7 years and remaining 25%

respondents working here from more than 7 years.

Q.2. Are you aware about current compensation benefits that are use in your bank?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Yes	51	68%
(b)	No	24	32%
	Total	75	100%

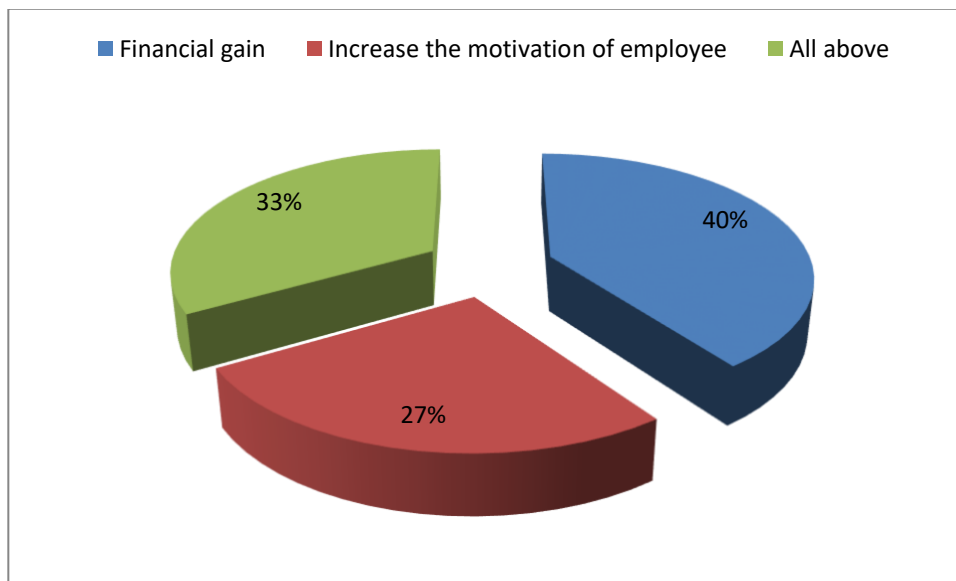


Interpretation:

The above graph illustrate that 68% respondents know about current compensation policy which use in Bank and remaining 32% respondents not aware about it.

Q.3. Which type of compensation benefit provided in your bank?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Financial gain	30	40%
(b)	Increase the motivation of employee	20	27%
(c)	All above	25	33%
	Total	75	100%

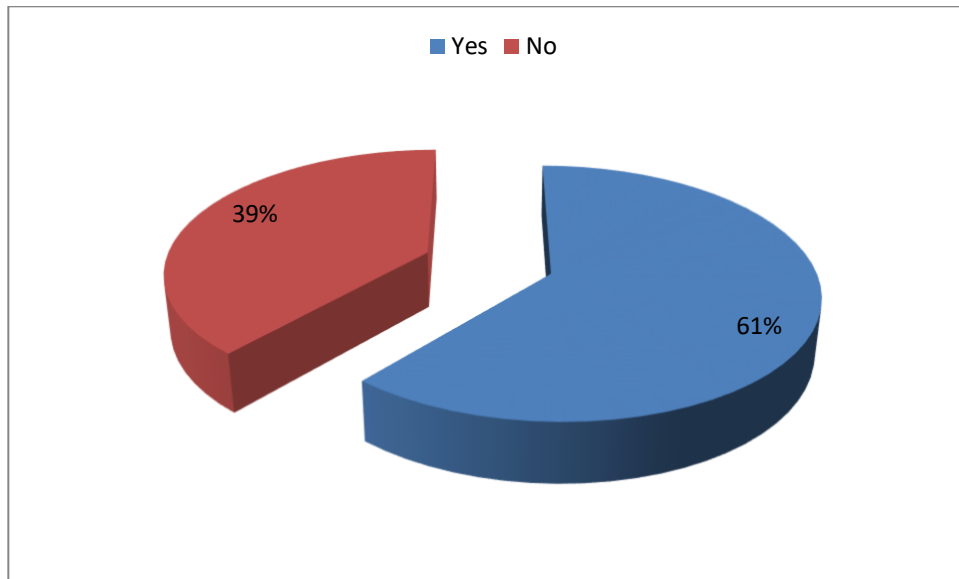


Interpretation:

According to above pie chart 40% respondents take financial gain, 27% are take benefit of increase the motivation of employee and remaining 33% respondents take benefit of all above.

Q.4. Are you satisfied with the current compensation benefit?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Yes	46	61%
(b)	No	29	39%
	Total	75	100%

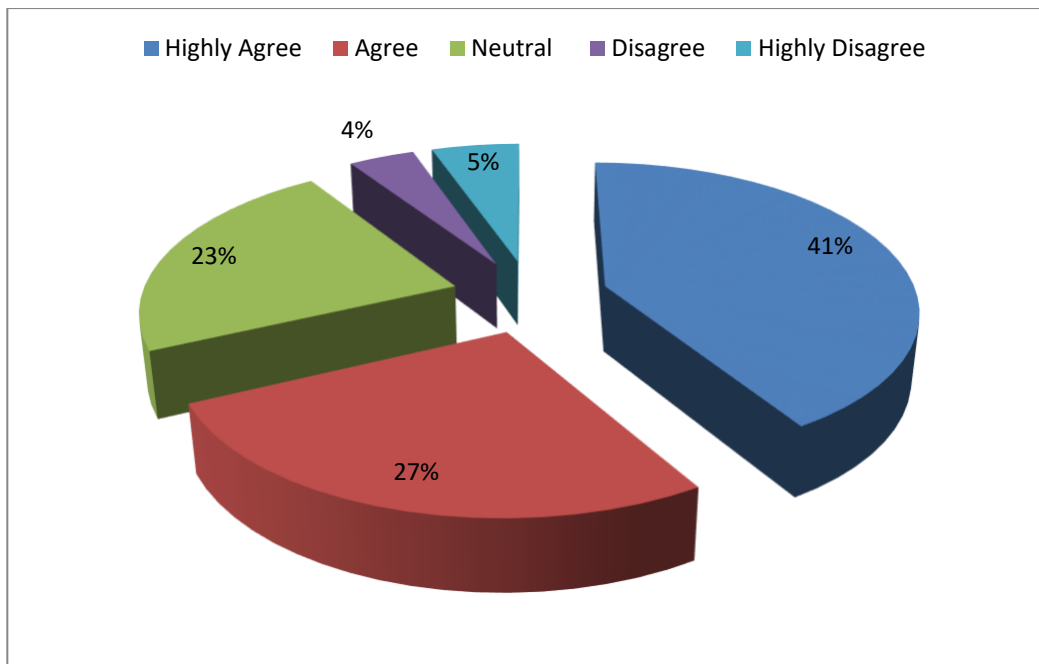


Interpretation:

The above graph illustrate that 61% respondents satisfied with current compensation policy and remaining 39% respondents not satisfied with this current compensation policy.

Q.5. Do you agree that the compensation is a reward that gives to employee for their job performance?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Highly Agree	31	41%
(b)	Agree	20	27%
(c)	Neutral	17	23%
(d)	Disagree	3	4%
(e)	Highly Disagree	4	5%
	Total	75	100%

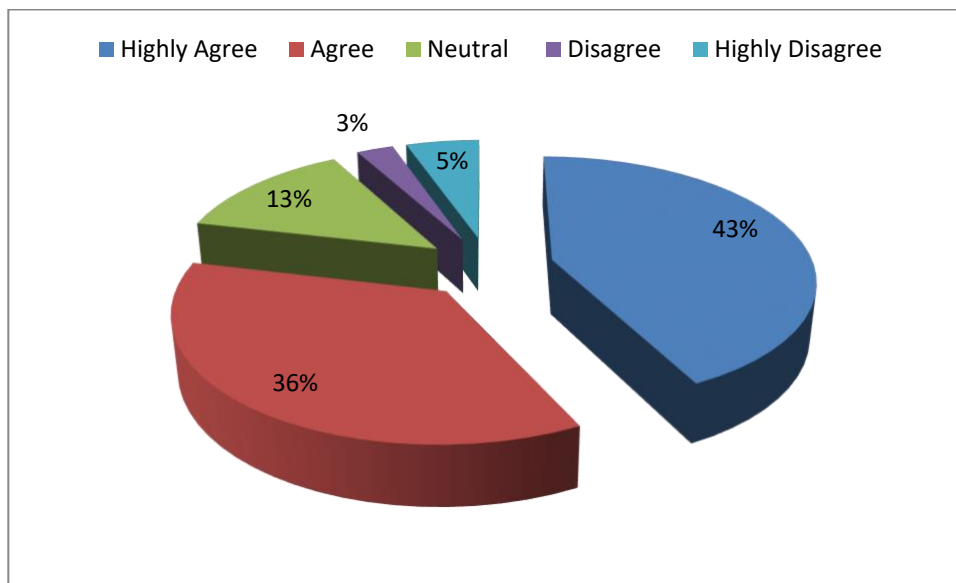


Interpretation:

The above graph illustrate that 41% respondents are Highly agree, 27% respondents are Agree, 23% respondents are Neutral, 4% respondents are Disagree and remaining 5% respondents Highly Disagree with compensation as reward given by organization.

Q.6. Do you agree the compensation policy impact on your performance?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Highly Agree	32	43%
(b)	Agree	27	36%
(c)	Neutral	10	13%
(d)	Disagree	2	3%
(e)	Highly Disagree	4	5%
	Total	75	100%

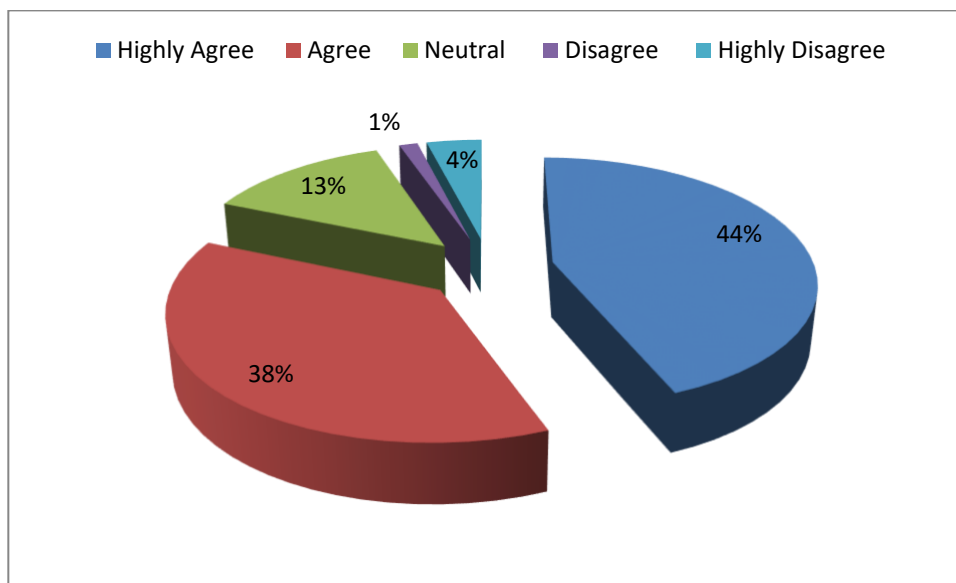


Interpretation:

According to above pie chart 43% respondents are Highly agree, 36% respondents are Agree, 13% respondents are Neutral, 3% respondents are Disagree and remaining 5% respondents Highly Disagree with compensation policy impact on your performance.

Q.7. Do you agree with the employee compensation benefits help to motivate the employee to improve their performance?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Highly Agree	33	44%
(b)	Agree	28	38%
(c)	Neutral	10	13%
(d)	Disagree	1	1%
(e)	Highly Disagree	3	4%
	Total	75	100

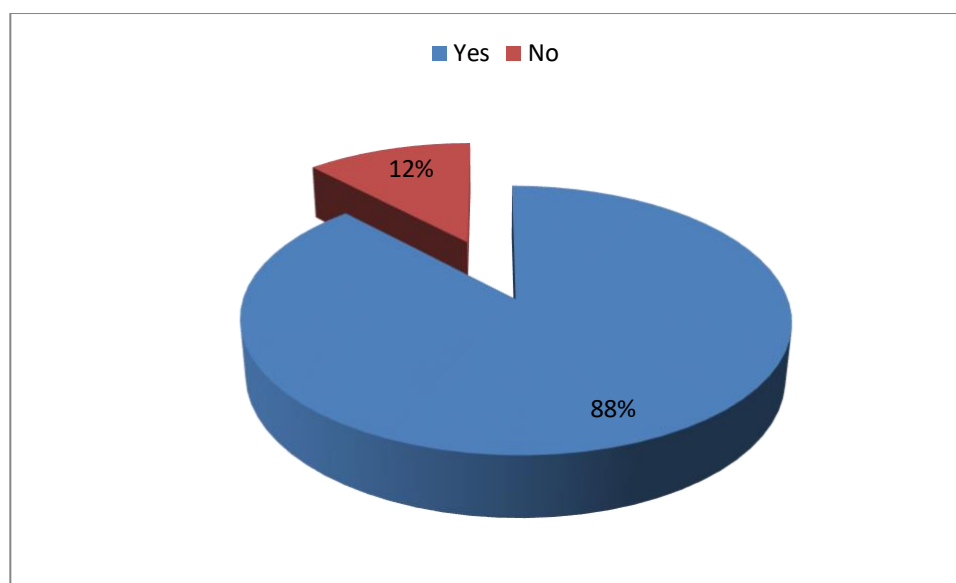


Interpretation:

The above graph illustrate that 44% respondents are Highly agree, 38% respondents are Agree, 13% respondents are Neutral, 1% respondents are Disagree and remaining 4% respondents Highly Disagree with compensation policy help to motivate the employees to improve their performance.

Q.8. Does your bank have bonus or incentive plan?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Yes	66	88%
(b)	No	9	12%
	Total	75	100%

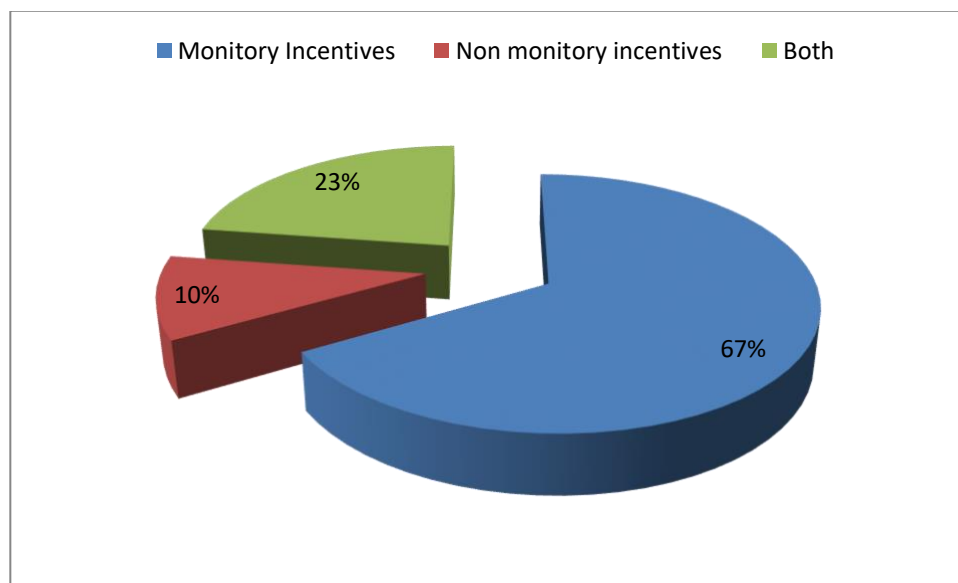


Interpretation:

According to this pie chart 88% respondents think that Bank have Bonus or incentive plan and remaining 12% respondents not think that Bank have Bonus or incentive plan for their workers or employees.

Q.9. What type of incentives motivate you most for improving work performance?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Monitory Incentives	50	67%
(b)	Non monitory incentives	8	10%
(c)	Both	17	23%
	Total	75	100%

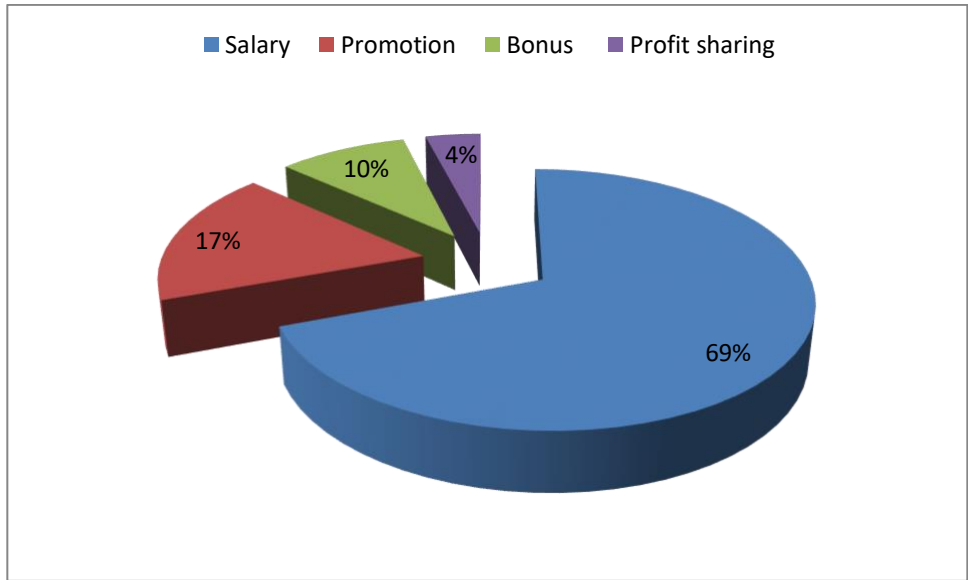


Interpretation:

The above graph illustrate that 67% respondents prefer choose Monitory incentives, 10% prefer line monitory incentives and remaining 23% respondents prefer like both incentives.

Q.10. Which monetary incentive motivates you more?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Salary	52	69%
(b)	Promotion	13	17%
(c)	Bonus	7	10%
(d)	Profit sharing	3	4%
	Total	75	100%

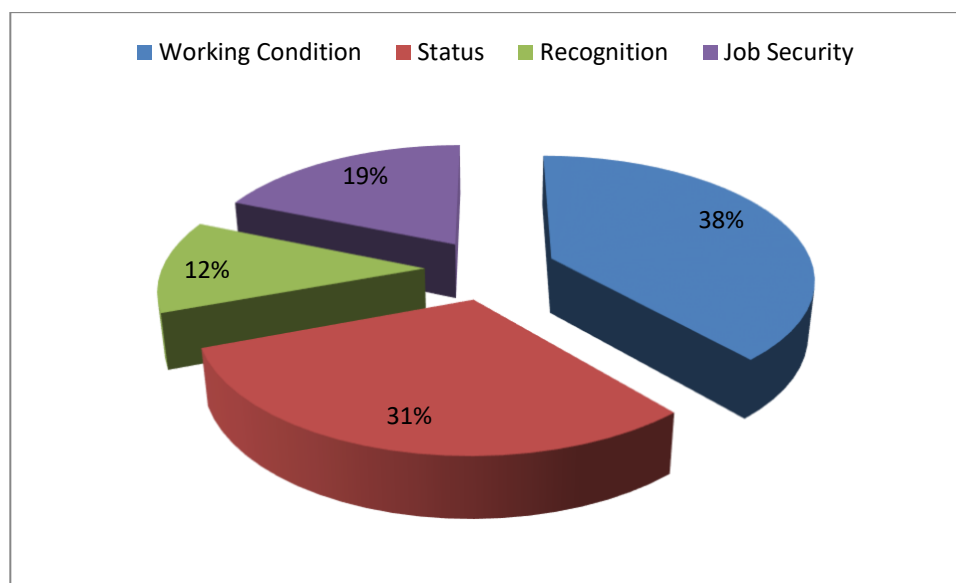


Interpretation:

According to this pie chart 69% respondents motivated by salary factor, 17% motivated by promotion factor, 10% motivate more by Bonus and remaining 4% motivate by profit sharing factor.

Q.11. Which non monetary incentive motivates you more?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Working Condition	29	38%
(b)	Status	23	31%
(c)	Recognition	9	12%
(d)	Job Security	14	19%
	Total	75	100%

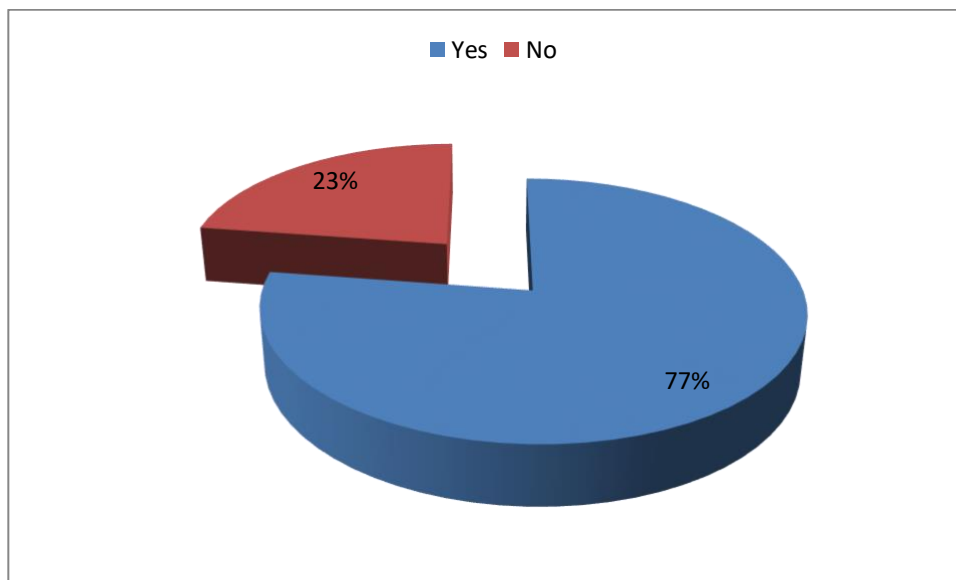


Interpretation:

The above graph illustrate that 38% respondents motivated by working condition, 31% motivated by status, 12% motivated by Recognition and remaining 19% respondents motivated by non-monitory factor is job security.

Q.12. Does your Bank provides to you fringe benefit?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Yes	58	77%
(b)	No	17	23%
	Total	75	100%

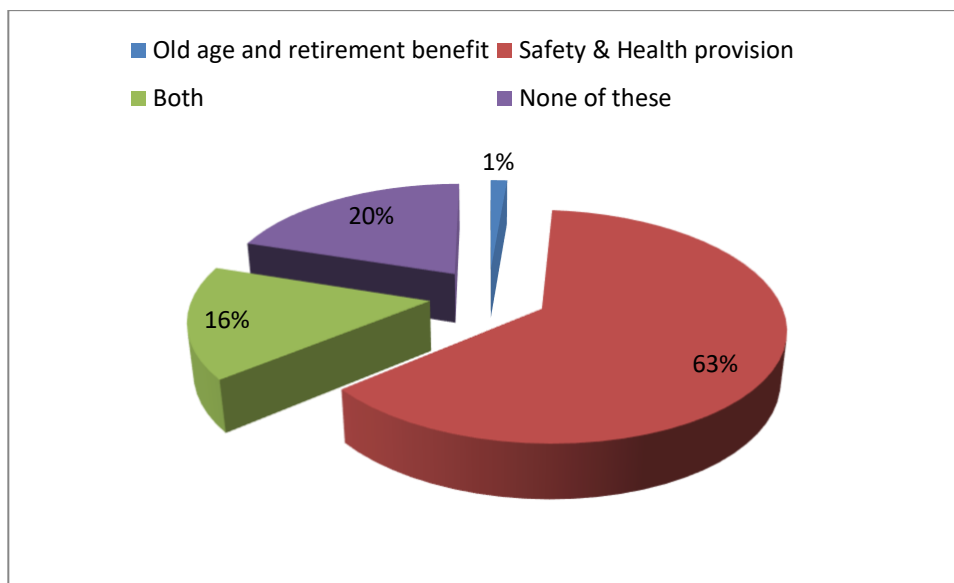


Interpretation:

According to this pie chart 77% respondents are satisfied with bank provided him fringe benefit and 23% respondents not satisfied with the bank provided him fringe benefit.

Q.13. Which type of fringe benefit is giving to you through your bank?

Sr. No.	Particulars	Respondents	% of Respondents
(a)	Old age and retirement benefit	1	1%
(b)	Safety & Health provision	47	63%
(c)	Both	12	16%
(d)	None of these	15	20%
	Total	75	100%



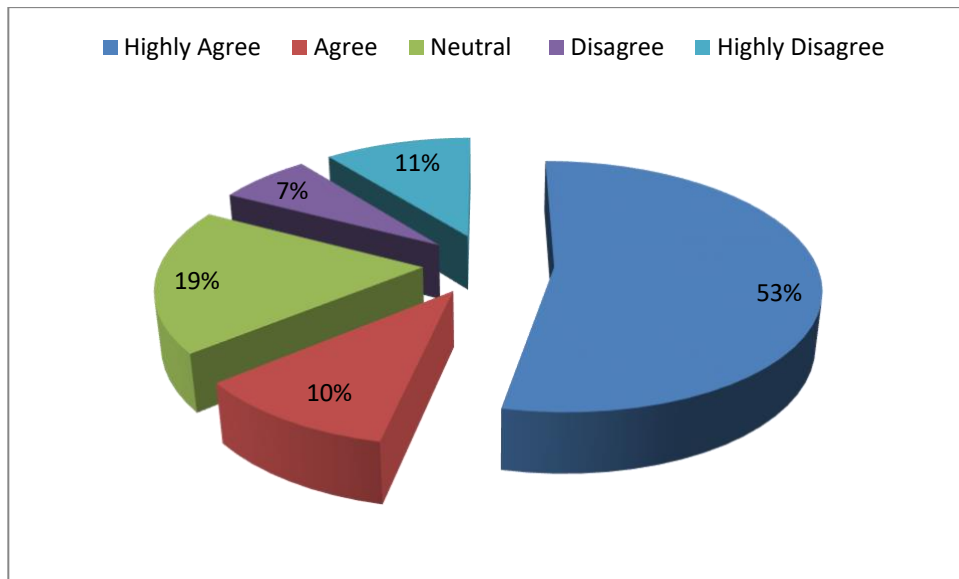
Interpretation:

The above graph illustrate that 1% respondents take old age and retirement benefit from their banks, 63% respondents received safety and health provision by their bank, 16% received both benefit from their bank and remaining 20% not take any type of benefits from

Q.14. Are you satisfied the fringes benefit that providing to you by your bank?

Sr. No.	Particulars	Respondents	% of Respondents
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(a)	Highly Agree	35	47%
(b)	Agree	8	10%
(c)	Neutral	20	27%
(d)	Disagree	7	9%
(e)	Highly Disagree	5	7%
	Total	75	100%



Interpretation:

According to these pie chart 53% respondents Highly Agree with this fringes benefit, 10% Agree, 19% respondents are Neutral, 7% respondent Disagree and remaining 11% respondents are Highly Disagree with fringes benefits that provide to you by your Bank.

FINDINGS

- Mostly respondents have been working 5-7 years with this sector.
- Majority of respondents aware about the current compensation benefit.
- Most of the respondents says that financial gain as compensation benefit provided in their bank.
- Most of the respondents satisfied with the current compensation benefit.
- Most of the respondents highly agree that compensation is a reward which given to the employee for their job performance
- 43% respondents are highly agreeing with the compensation benefit that impact on their performance.
- Majority of respondents are highly agree with the employee compensation benefit help to motivate them to improve their performance.
- Most of the respondents say that their bank provides them bonus or incentive plan.
- Majority of respondents says that monetary incentives motivate them for improving their work performance.
- 69% respondents say that salary factor motivates them more.
- 38% respondents say that the working condition motivate them more.
- 77% respondents say that their bank provides fringe benefit to them.
- Safety and health provision benefit are given to the employee by the bank.
- Most of the respondents are highly satisfied with fringe benefit providing to them by bank.

Suggestion

- To motivate the employees, the non-monetary benefit provided by bank should be improved.
- More financial benefit should be provided by the bank to improve performance.
- Bank should be providing retirement and old age benefit to their employees.
- The pressure of work should be reduced over the employees so that they give their best.

LIMITATIONS OF THE STUDY

1. The busy schedule of employees cause delay in filling the questionnaire.
2. The study has been restricted to greater noida only.
3. The sample taken for the study was only 75 and the results drawn may not be accurate.
4. 4. Few employees refused to respond or could not respond appropriately due to Lack of time, Ignorance etc.

CONCLUSION

- As we know compensation is a systematic approach to providing monetary value to employees in exchange for work performed. It is a tool used by management for a variety of purposes to further the existence of the company. “It may be adjusted according to the business needs, goals and available resources.
- According to my study mostly employees aware about the current compensation benefit and employees are highly satisfied that compensation is a reward which given to the employee for their job performance.
- Employees like to work for organizations which can provide them an excellent work culture, an attractive performance based pay package. Employees also look for growth opportunities because today employees are very much aware about their surroundings and they want to continuously grow and improve on their skills in order to stay competitive in the market.
- Findings and suggestions are based on the survey conducted and these points are to be looked into and steps are to be taken in this regard for higher growth.
- From the analysis conclude that the compensation benefit provides the opportunity to the employees to exercise his/ her skills at workplace. Number of employees accepted that at times there is a considerable flexibility co-ordination with work and they are satisfied with the existing inter personal communication. In banks they follow the systematic planning and review process to evaluate the performance of employees and both monetary and non-monetary factor motivate them and satisfied them to achieve the organization goal.
- From analysis it was also observed that was there is a scope for the improvement of working conditions in banks and bonus, incentive benefit is enhance the productivity of employees.

- According to this study we can say that over all employees of the bank are satisfied with the compensation benefit which provides them. Finally, I would like to conclude that the employees of banks are satisfied with their work and organization as well as their current salary status.

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- Management Chronicle

QUESTIONNAIRE

Name: _____

Age: _____

Phone No.: _____

Q.1. From how many years have you been working with this sector?

(a) 0-3 year

(b) 3-5 years

(c) 5-7 years

(d) More than 7 years

Q.2. Are you satisfied with the current compensation policy?

(a) Yes

(b) No

Q.3. Are you aware the current compensation policy that is use in your bank?

(a) Yes

(b) No

Q.4. Do you agree that the compensation is a reward that gives to employee for their job performance?

(a) Highly Agree

(b) Agree

(c) Neutral

(d) Disagree

(e) Highly Disagree

Q.5. Do you agree the compensation policy impact on your performance?

(a) Highly Agree

(b) Agree

(c) Neutral

(d) Disagree

(e) Highly Disagree

Q.6. Do you agree with the employee compensation policy help to motivate the employee to improve their performance?

- (a) Highly Agree
- (b) Agree
- (c) Neutral
- (d) Disagree
- (e) Highly Disagree

Q.7. Does your bank have bonus or incentive plan?

- (a) Yes
- (b) No

Q.8. What type of incentives motivate you most for improving work performance?

- (a) Monetary Incentives
- (b) Non monetary incentives
- (c) Both

Q.9. Which monetary factor motivates you more?

- (a) Salary
- (b) Promotion
- (c) Bonus
- (d) Profit Sharing

Q.10. Which non monetary factor motivates you more?

- (a) Working Condition
- (b) Status
- (c) Recognition
- (d) Job Security

Q.11. Are you satisfied with the incentive policy?

- (a) Yes
- (b) No

Q.12. Does your Bank provides to you fringe benefit?

- (a) Yes
- (b) No

Q.13. Which type of fringe benefit is giving to you're through your bank?

- (a) Old age and retirement benefit
- (b) Safety & Health provision
- (c) Both
- (d) None of these

Q.14. Are you satisfied the fringes benefit that providing to you by your bank?

- (a) Highly Agree
- (b) Agree

(c) Neutral

(d) Disagree

(e) Highly Disagree

Q.15. What is the benefit of compensation to your bank?

(a) Financial gain

(b) Increase the motivation of employee

(c) All above

