TAMILNADU CIRCLE BSNL EMPLOYEES' AWARENESS ABOUT GOLDEN HANDSHAKE SCHEME (GHS)

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ABSTRACT

Golden handshakes are pre-negotiable employment agreements that stipulate a severance payment in the event of an employee's early departure. This research investigates the success or failure of the GHS (Golden Handshake) Scheme in Tamil Nadu for Bharat Sanchar Nigam Limited (BSNL). In this regard, 520 samples were collected from VRS-eligible individuals of the relevant sector, regardless of their demographic characteristics such as gender, age, education level, work experience grade, or job title. The descriptive technique employed here is based on a preliminary discussion and pilot survey of BSNL VRS workers who opted for VRS. Therefore, a descriptive research approach was deemed acceptable for the current study in order to add to the existing system of information about the working circumstances and status of BSNL workers who chose voluntary retirement. Therefore, a descriptive research strategy is used for the investigation. This research article focuses on BSNL VRS optees' perceptions of GHS Schemes' awareness and benefits.

Keywords: Golden Handshake, VRS, GHS-Awareness Scheme,

Introduction

In India, the Industrial Disputes Act of 1947 prohibits employers from laying off excess personnel or shutting down operations. The process of layoffs in India is complex and governed by several regulations. Unions vehemently reject any suggestions for staff cutbacks and labour reductions. Consequently, VRS was an alternative legal option to solve this problem. Employers, particularly those in government-run organisations, may now provide voluntary retirement programmes to reduce surplus personnel without pressuring individual employees. The unions did not vigorously oppose the voluntary retirement plans since they are voluntary and do not require compulsion. The public and private sectors both accepted it. To supply and implement the VRS, however, public sector organisations must first get authorisation from the government.

It is a strategy businesses use to lower the number of workers in the industrial unit. It is presently commonly used to reduce the number of employees and increase the company's profit and survival. A sizeable, tax-free severance payment encourages employees to quit the company voluntarily. It is sometimes referred to as the "Golden Handshake" since it is the golden way to layoffs. A golden handshake is an executive employment contract that provides substantial severance compensation for termination, reorganisation, or retirement. Typical severance packages include cash, equity, stocks, and business benefits. But in India, only cash offers to the VRS employees.

BSNL vs GHS

'Golden Handshake' is a typical VRS programme introduced to workers by a company's management to minimise expenses. As its name implies, it is optional, and workers who elect for it will be compensated monetarily in place of pending service years. BSNL anticipates salary bill savings of around Rs 7,000 crore approximate ,if maximum of employees opt for the programme. The success of the VRS is crucial to the continued existence of BSNL, whose 1.75 lakh employees use 75% of the company's earnings in pay. The telecommunications company has incurred losses for the last decade and declared a loss of around Rs 14,300 crore in 2018-2019.

According to the proposal, all regular and permanent BSNL workers, including those on deputation to other organisations or deployed outside the corporation on a deputation basis, who have reached the age of 50, are entitled to apply for voluntary retirement under the programme. Especially Tamilnadu circle BSNL has successfully implemented this scheme among their employees.

An Analysis of Related Literature

According to the 1998 article "The Golden Handshake Option" by **John Macgregor et al.** When revisited, the primary justifications for civil service downsizing include the following: to reduce fiscal deficits and thus release domestic resources for the private sector; to lessen the impact of excess staff on management time and overhead functions; to increase the productivity of the public sector by tying personnel levels to adequate and sustainable support; and to limit the role of the state to those tasks that cannot be adequately, willingly, or professionally performed by the private sector. This study provides numerous reasons to support the process of organisational restructuring in public sector organisations.

Individuals with solid self-efficacy are more likely to quit the firm, according to **Thingalaya N.K.** The VRS, a golden handshake, has been launched. Whether it was a golden handshake or a golden trap was the subject of inquiry and investigation. The success of implementing the VRS will depend on the viewpoints of those who choose it.

Pragya Singh (2018) focused on VRS as a resource management tool in his study. Before adopting VRS, the organisation must discuss with all levels of management, including upper management, the policies and arguments for doing so. Before crafting its terms and

conditions, the company must identify which division or employees will be covered by the VRS. Additionally, they must describe the prizes participants in the VRS will get. This information, which should include the length of the program's open enrollment period, should be accessible to every organisation employee.

Objective

A study on the awareness of GHS scheme among BSNL Tamilnadu circle employees, who are retired from this scheme.

Methodology and Sample Size

Based on a preliminary discussion and a pilot survey of BSNL VRS workers who opted for VRS, the approach used in this study is descriptive. Therefore, a descriptive research approach was deemed acceptable for this study to add to the existing body of information about the working circumstances and status of BSNL workers who chose voluntary retirement. Consequently, the study employs a descriptive research approach. In addition, the research obtains 520 samples from the derived population using a multistage random sampling approach.
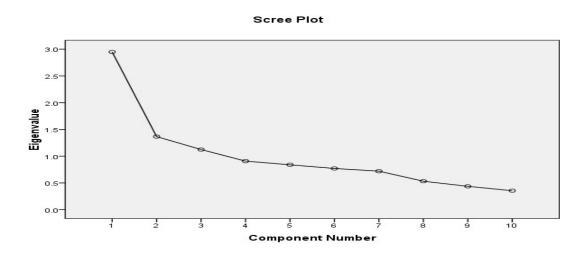
Analysis and Interpretation

In the study takes Employees' Awareness about GHS scheme independent variables namely, 'I am well aware of this GHS (VRS) scheme' (EA-1),'Employees know the procedures of the GHS scheme' (EA-2),' Employees understand the pros and cons of this scheme' (EA-3),'I have read the notice of the scheme thoroughly' (EA-4),' Employees agree with the scheme and the rules and regulations of the scheme' (EA-5),'I accept the scheme' (EA-6),' Employees think the scheme is very beneficial for the employees'(EA-7),'The provisions of the scheme have been explained to us' (EA-8),'The complete legal provisions of the scheme have been explained to the employees' (EA-9) and 'Employees know the rules well about GHS' (EA-10).

Table- 1 (a): KMO and Bartlett's Test of Employees' Awareness about GHS Scheme

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.678
Bartlett's Test of Sphericity Approx. Chi-Square	950.054
Df	45
Sig.	.000

Kaiser-Meyer-Olkin Measure is an index which defines of sampling Adequacy. The KMO test value is 0.678 which is more than 0.5, can be considered acceptable and valid to conduct data reduction technique. The Bartlett's test of Sphericity helps to the research to decide, whether the result of factor analysis is worth considering and whether the study continue analysing the research work. Bartlett's test of Sphericity significant to a level of significance is < 0.001, which shows that there is a high level of correlation between variables, which make it adequate to apply factor analysis through the extraction, Principal Component Analysis and Varimax rotation are used which are the standard rotation methods (Kaiser, 1958).

Scree Plot

The Scree plot shows the components as the X axis and corresponding Eigen value as the Y axis. First two components are 2.948, 1.366 and 1.124. Hence 2.948 is the maximum Eigen value hence this factor is most significant followed by other factors. Since the three factors are having Eigen sharing maximum variance hence, they are essential in the present study.

able-2: Total Variance of Employees' Awareness about GHS Scheme

Component	Initial Eigen Value			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	2.948	29.482	29.482	2.948	29.482	29.482	1.896	18.958	18.958
2	1.366	13.658	43.140	1.366	13.658	43.140	1.788	17.881	36.839
3	1.124	11.243	54.383	1.124	11.243	54.383	1.754	17.544	54.383
4	0.908	9.081	63.464						
5	0.839	8.391	71.855						
6	0.770	7.702	79.557						
7	0.720	7.201	86.758						
8	0.532	5.325	92.082						
9	0.436	4.365	96.447						
10	0.355	3.553	100.000						

Extraction Method: Principal Component Analysis

Table-3: Communalities and Rotated Component Matrix for Employees' Awareness about GHS Scheme

Awareness about GHS Scheme	Communalities		Rotated Component Matrix		
	Initial	Extraction	1	2	3
EA-1	1.000	0.780			**0.845**
EA-2	1.000	0.452			
EA-3	1.000	0.416			
EA-4	1.000	0.569			
EA-5	1.000	0.703		**0.815**	
EA-6	1.000	0.506		**0.674**	
EA-7	1.000	0.302			

EA-8	1.000	0.658	**0.790**		
EA-9	1.000	0.493			
EA-10	1.000	0.558	**0.702**		

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations

Every variable in the communality initially is expected to share 100% variance. Hence initially every item is having value 1.00 which mean 100% variance share by each item. The extraction value is ranging 0.302 to 0.780. Further, the above table interprets factor loading for the Employees' Awareness about GHS scheme independent variables 'Employees think the scheme is very beneficial for the employees'(EA-7) and 'Employees understand the pros and cons of this scheme' (EA-3),has comparatively low to the turn of 30.2% and 41.6% of the total variance, at the same time 'Employees have well aware of this GHS (VRS) scheme' (EA-1), 'Employees agree with the scheme and the rules and regulations of the scheme' (EA-5) and 'The provisions of the scheme have been explained to us' (EA-8)has comparatively high to the turn of 78% , 70.3% and 65.8%of the total variance respectively.

Factor-1 and Factor-2 has two significant loading respectively and Factor-3 has one significant loading. The first extracted factors are 'The provisions of the scheme have been explained to us' (EA-8) and Employees know the rules well about GHS' (EA-10)is accounted for 29.5% of the variance in Employees' Awareness about GHS scheme. The second extracted factor is 'Employees agree with the scheme and the rules and regulations of the scheme' (EA-5) and 'Employees accept the scheme' (EA-6) is accounted for 13.6 % of the variance in Employees' Awareness about GHS scheme. The third extracted factor is 'Employees have well aware of this GHS (VRS) scheme' (EA-1) is accounted for 11.2 % of the variance in Employees' Awareness about GHS scheme.

Variance Explained

The Eigen value and variance explained by each factor given in the following table.

Table- 4.: Variance Explained by Employees' Awareness about GHS scheme

Factor	Components	Item Description	Rotated Loading	% of Variance	Eigen Value
Factor-1	*'Know the Provisions & Rules of GHS'*	EA-8	0.790	**29.5**	2.948
		EA-10	0.702		
Factor-1I	*'Agree and Accept of the scheme'*	EA-5	0.815	**13.6**	1.366
		EA-6	0.674		
Factor-1I	*'Well Aware of GHS'*	EA-1	0.845	**11.2**	1.124

Findings

The result of factor analysis comprises three factors from the ten components; the first prime factor is 'Know the Provisions & Rules of GHS' it has 25.5 per cent of the total variance, which is significant in Employees' Awareness about GHS scheme variables like 'The provisions of the scheme have been explained to us' and ' Employees know the rules well about GHS'.The

second factor is 'Agree and Accept of the scheme '. It has 13.6 per cent of the total variance, which is significant variables like, ' Employees agree with the scheme and the rules and regulations of the scheme' and ' Employees accept the scheme'. The third factor is 'Well Aware of GHS'. It has 11.2 per cent of the total variance, which is significant in Employees' Awareness about GHS scheme variables like 'I am well aware of this GHS (VRS) scheme'.

Suggestions and Conclusion

The study makes recommendations and suggestions to BSNL and public sector industry authorities for improving organisation and employee benefits based on the research's results. The report advises that the company take responsibility for creating the following GHS Scheme awareness among its personnel. The authorities must provide prospective workers with a comprehensive explanation of the scheme's advantages and disadvantages, employee perks, and legal restrictions. The authorities must establish that the workers are informed of the future advantages of this programme and who will get those benefits. It should set benefits points for a definite period and analyse them to gain market competitiveness and employee welfare benefits also.

Reference:

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