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**VRS AND ITS IMPACT ON THE SOCIAL & ECONOMIC LIFE OF VRS
OPTED EMPLOYEES- A STUDY**

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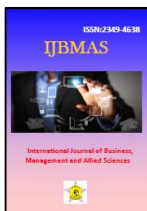
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ABSTRACT

In post independence era, socialistic government policies, management philanthropy, labour intensive technology, and political-economic conditions had led to the employment of huge manpower in Indian industries. However, this compassionate approach of management and Indian policymakers had not produced the fruitful results to the Indian economy. As a result, Indian Economy had experienced a huge budgetary deficit. Therefore, Indian Government had introduced new structural reforms in Indian economy as NEP [New Economic Policy], 1991. Prevailing rules & regulations along with national economic policies on Liberalization, Globalization, and Privatization has enhanced the corporate engagements in cost cutting and quality enhancement activities for increasing their competitiveness. Subsequently, manpower rightsizing through VRS had been adopted by corporate. Indian Steel industry, being the employer of huge manpower, had also implemented VRS to right size its workforce with quiet high rate. So, this study is a modest attempt to analyze the various causes behind opting VRS by employees in selected large steel manufacturing organization in India. Whether there exists any difference in causes of opting VRS among the employees? Further, an in-depth study has been done to analyze the impact of VRS on the social and economical conditions of VRS opted employees and their family members.

Keywords- Voluntary, Retirement, Schemes, Social, Economic, Family etc.

Introduction

The state of national economy in the three decades of post independent India continued to be managed through a complex and unproductive mechanism. The inefficiency of Indian economic system become more evident in 1970's, when Indian economy had shown comparatively much slower growth than other south east Asian nations [2]. During these unprecedented economic instability periods, the economy was restricted under regulations, controls, permits and assurances. Additionally, the philosophy of Indian policy makers to, "employees more, produce more" in order to improve the GDP led to the employment of huge manpower in India. In fact, at that time, all growth, expansion and diversification activities in organization were carried out through the employment of additional manpower in organizations. While one of the reason of additional employment of manpower was the requirement of the technology (less capacity and more time to produce), in several other cases it was due to regional, local, caste, religion and several other considerations. As a result, over manning had crept into almost all types of organizations, especially in our country [12]. Consequently, controlled financial system, outdated technology, along with the unskilled and inefficient workforce had emerged as a new challenge for Indian economy. Thus, Indian economy had faced a severe economic crisis in 1991. In 1991, the India Current account deficit was 3% of GDP and Fiscal deficit was almost 8% of the GDP [7]. As a result, New Economic Policy (NEP) 1991, introduced Liberalization, Privatization, Globalization and market friendly state. NEP, 1991 posed variety of challenges before Public and Private sector organizations. Due to global competition on the one hand and fast changes in the technologies, socio-economic and political situations marked by the global recession; worldwide, business organizations have adapted different cost cutting mechanism to face the threats of their very survival [12]. It had shown clear indication to cost competitiveness, rightsizing, with greater emphasis on quality, higher productivity and profitability. The change in economic scenario demanded a quick restructuring, modernization and up gradation of technology, along with rapid change in attitude and practices [34]. The macroeconomic stabilization and structural adjustment programme constitute powerful instruments of economic restructuring which affect the livelihood of millions of people [9]. With a view to achieving the desired cost effectiveness, downsizing of manpower has to be taken up as an indispensable exercise [16]. Paradoxically, the very employees, who are houses of knowledge and experience and used to bring competitive advantage to organizations, are suddenly becoming burden on them. The closure of sick units / plants, the problem of labour productivity and employment, labour adjustment had resulted into phasing out surplus labour. The managements of the Public and Private sector companies have devised various strategies to prune the workforce by means of Voluntary Retirement Scheme (VRS) or Golden Handshake Scheme (GHS) to reduce the wages bill by offering one time compensation.

Manpower reduction through various mechanisms has become a global phenomenon. Almost all industries both in India and abroad are involved in this exercise to reduce the cost and face the challenge of global competition. Recently, Auto major Honda Cars, India has launched the VRS for its manufacturing line associates at Greater Noida plant, at Uttar Pradesh [40]. Further, nearly one lakh employees of state run BSNL and MTNL have opted VRS [41]. In addition to above, two Wheeler market leader Hero MotoCorp has launched VRS for its employees with an objective to improve productivity and efficiency [42].

Although, VRS- a compensation package for exit policy- is not new in Indian context [15]. Moreover, it is the most human technique for downsizing workforce in our country [6]. Accordingly, as its name suggest, the VRS is strictly voluntary: you can neither compel your workers to accept it nor apply it selectively to certain individuals only, but you can choose levels, units and age group among whom you want to offer a VRS [6]. Notwithstanding the fact that the scheme of VR is voluntary in nature, because of circumstantial transformation, it has virtually emerged as a situational compulsion

for the basic survival of industrial organizations in India [11]. Accordingly, Indian Steel Industry, which is one of the largest employers of manpower, has given VRS to a large number of its employees.

REVIEW OF LITERATURE

The concept of Voluntary Retirement Scheme was established for the betterment of workforce. It was designed to give option to the employee to retire early as per the need. However, with the passage of time, this voluntary retirement scheme has not only become involuntary but also emerged as a curse for employees.

Many VRS opted employees have lost their social status. Some of them felt discomfort in their own families in post VRS life. Besides this, many of VRS opted employees has developed feeling of insecurity and unhappiness. Future uncertainty has further disturbed many employees after opting VRS [22]

VRS has severe financial implications on the people who have opted VRS by reducing the flow of regular income. These financial implications might have resulted into mental distress in case of VRS opted employees [23]. Moreover, it has also found that, 33.33% VRS opted employees have not suggested VRS to their friends, as they realized that at the later stages, the significant amount of VRS funds exhausted due to the expenditure on various accounts [28]. Due to job loss and inflation, retirees have withdrawn the money kept in various saving schemes [16]. Moreover, 9% of VRS optees have not received any kind of pension benefits. Further, other VRS opted employees were getting mean pension of Rs. 6154, whereas before retirement they were drawing a mean salary of Rs. 21,198. So, it has become difficult for VRS opted employees to maintain their early living standard [1]. It has also been established that, VRS resulted discontinuation of the regular income to VRS opted employees leading to various financial problems for them [30]. Moreover, majority of workmen perceived that their economic conditions have deteriorated in post VRS period. Further, VRS was perceived to be profit motive, and anti-workers measure [27].

In the study of displaced textile workers [29], it has been found that, 40, 000 job workers have become hawkers and lariwallas. Moreover, a large number of workers have also started auto rickshaw driving or petty trades. Other workers were still dependent on their family members for survival. Few cases have also been reported in which the entire VRS compensation has been taken by their family members, leaving them homeless in this cruel world. Further, due to these circumstances and other hard situation posed by the society various cases of murdered, alcoholism, suicides, starvation, deceitful conduct have also reported for VRS opted employees. Many have also lost a large part of their VRS compensation in gambling, stock exchange etc.

However, 47.95% of VRS funds have been invested by VRS opted employees in banks. Fixed deposits which time to time offer additional regular monthly return has also being found quite famous among VRS opted employees. Being risk free, post office monthly plans and RBI bonds have also preferred by 13% of them [4].

The above research studies have enlightened the impact of VRS over the life of VRS opted employees. However, it has become essential to obtain a comprehensive view regarding the impact of VRS on the life of voluntary retired employees. Hence, in-depth study has been conducted to determine its impact over the VRS opted employees of a public sector steel manufacturing organization situated at Chhattisgarh.

The objectives of the study are mentioned below:

- (i) To find out the causes behind opting VRS by employees in selected large steel manufacturing organizations in India.

- (ii) To find out the impact of VRS on the social conditions of VRS opted employees in selected large steel manufacturing organizations in India.
- (iii) To find out the impact of VRS on the economic conditions of VRS opted employees in selected large steel manufacturing organizations in India.
- (iv) To study the impact of VRS on the socioeconomic conditions of his/her family in selected large steel manufacturing organizations in India.

Based on the above objectives, following hypotheses were formulated for the purpose of study:

- (i) There exists no difference in causes of opting VRS among the VRS opted employees.
- (ii) There exists no difference in socio-economic conditions of VRS opted employees before and after taking VRS.

Methodology

The present research study has been conducted on the VRS opted employees of Public Sector Steel manufacturing organization situated at Chhattisgarh. It took almost a year to locate and collect the data from VRS opted employees. As, many of VRS opted employees have changed their residence and shifted to different locations after opting VRS. Further, many of them were not available or even reluctant to provide information to the researcher. However, with all difficulties and efforts, data has been collected from 103 VRS opted employees. The primary data for the study has been collected through a well-designed schedule. However, many of the respondents have not responded all the questions of the schedule, especially in case of their economic conditions. For collection of secondary data, researcher visited to various libraries all over India.

Analysis and interpretation of data have been done by using the SPSS package. However, for testing hypothesis, the appropriate statistical techniques such as, Paired t- test, Independent Sample T test have been applied. The results were presented as percentage & value of $p < 0.05$ were taken as significant.

Results & Discussions

During the study, the percentage of female respondents among the sampled VRS opted employees was found 3.9%. Further, among the VRS opted employees, nearly 6% respondents were having less than 50 years of age at the time of opting VRS. Furthermore, about 39% respondents were 51 years to 55 years old at the time of VRS. However, about 55% respondents have attained more than 55 years of age, at the time of opting VRS (n=101).

Additionally, at the time of the survey, 22.8% respondents have attained the age ranging from 51 years to 60 years. 61 years to 70 years of age has been observed completed in case of about 65% respondents. 11.9% respondents were having more than 70 years of age (n=101).

The majority of respondents (52.4%) have qualified only X^{th} or less than X^{th} , before joining the organization. Further, before employment, 20.6% respondents have passed either 11th or 12th only. Moreover, 25.4% and 1.6% respondents have joined the organization after completion of their graduation or post-graduation degree, respectively (n=63).

Table No. 1: Causes of Opting VRS by the Sampled Respondents

| Causes | Number of Sampled Respondents |
|-----------------------------|-------------------------------|
| Health Issues | 34 (34%) |
| Job Dissatisfaction | 10 (10%) |
| Domestic/ Finance | 7 (7%) |
| Management Pressure | 5 (05%) |
| One time compensation | 4 (04%) |
| Other | 40 (40%) |
| Total Number of Respondents | 100 |

Table No. 1 illustrates the causes of opting VRS among the VRS opted employees. The percentages of respondents, who have opted VRS due to health problems was 34%. However, 10% respondents have opted VRS due to job dissatisfaction. Domestic problem or financial need has also obligated 7% respondents to do the same. Further, Due to management pressure and one time VRS compensation about 5% and 4% respondents have opted VRS, respectively.

However, about 40% respondents have opted VRS due to other issues including age, unhealthy wife, comfortable life, mental stress, self-interest, caste reservation, family life enjoyment, children future, spouse's death, colleagues were opting VRS etc.

On application of chi square test, it has been established that there exist significant difference in the causes of opting VRS among the VRS opted employees of selected organization (Chi- sq. value=76.760; Df=5; P<0.001).

Social Conditions of VRS Opted employees

The present study has enlightened the following facts regarding the social conditions of VRS opted employees

About 37.3% respondents (n=102) have also not consulted with their family members before opting VRS as the majority of VRS opted employees have attained more than 55 years of age and they found VRS a golden opportunity to gain financial benefits.

As a result, only 36.1% respondents (n=97) have gotten positive response from their families, while 57.7% respondents' families have not reacted at all to the respondent's decision of opting VRS. However, about 6% respondents have received negative reaction of their family members on their decision of opting VRS, might be due to their non-consultation with family members before opting VRS. Additionally, decrease in the level of respect on the part of family members have been observed in case of 12.6% respondents. Further, 11.7% respondents have observed more negative behaviour on the part of their family members after opting VRS. It might be due to their unemployment and reduction in monthly income after opting VRS.

Moreover, 22.5% respondents (n=102) have also lost their control over the financial resources of their family, after VRS. About 9.7% of sampled VRS opted employees has said that their decisions were not at all obeyed by their family members, after opting VRS. Further, about 20% VRS opted employees have reported that sometimes their decisions were obeyed by their family members. About 13% respondents (n=101) have experienced the reduction in the support of their relatives. Further, 36.3% respondents (n=102) have also got separated from friends, after opting VRS.

In addition to above, 16.7% respondents (n=102) have reported that their relationships with friends has worsened after opting VRS. Further, 42.2% respondents (n=102) have also restricted to their homes, after opting VRS. Besides, 57.8% sampled VRS opted employees (n=102), have experienced loneliness. 89.2% respondents (n=102) have occasionally attended the social gatherings, after opting

VRS. Moreover, due to the deterioration of relations with friends and separation from friends after VRS, about 19.6% more respondents have reported the presence of only a few friends in their lives after opting VRS, as compare to that of before (n=102).

Table No. 2: Statistics of Membership of Sampled Respondents in Social Organizations before and after VRS

| Organization | Number of Respondents | Mean | SD |
|--------------|-----------------------|------|-------|
| Before | 103 | 0.25 | 0.479 |
| After | 103 | 0.30 | 0.557 |

In Table no. 2, the paired t test has established no significant difference among the VRS opted employees regarding their membership in social organizations before and after opting VRS ($t=-1.914$, $p>0.05$).

By analyzing the helping tendency of respondents before and after VRS, it has been found that, after opting VRS about the percentage of respondents who were helping others whenever they found possible gets reduced by about 15% (n=99). Further, the differences over the issues of opting VRS might have increased the number of respondents (n=102) having the formal relationship with their colleagues by 12.8%, after opting VRS. Moreover, 4.9% more respondents have reported no relationship with their colleagues after opting VRS.

Among the sampled VRS opted employees, namesake relationship with relatives has been reported by about 58.8% respondents (n=102). However, absence of relationship with relatives has been found in case of about 2.9% respondents. In comparison to that of before, 3.9% and 2.9% more respondents have reported namesake and no relationship with their relatives, after opting VRS, respectively. It might be due to the reduced support of their relatives and their reduced helping tendency, after opting VRS. However, 1.9% more respondents have reported the namesake relationship with their neighbours due to their non-helping attitude, as compared to that of before opting VRS.

In line with above, 15.5% respondents have noticed that their social status has worsened after opting VRS as compared to their social status before opting VRS. Moreover, nearly 29% respondents have appeared dissatisfied with their social status in post VRS life. As, about 29.6% respondents (n=71) were found to be earning less than Rs. 1000/- per month after opting VRS.

Living pattern

While analyzing the living conditions, it has been found that, 49% VRS opted employees (n=100) were occupied in social welfare activities after opting VRS. Moreover, about 12.1% respondents (n=99) have also reported their involvement in business activities in their post VRS life. Gossiping was also found, the part of life for 52% respondents (n=100). Approximately 7.1% respondents (n=99) have also been engaged in political activities in their post VRS life. Further, 69% respondents (n=100) were also performing the pooja and meditations daily, after opting VRS. Further, 87% of sampled VRS opted employees (n=100) have also been found engaged in family work in their post VRS life.

Economic Conditions

On investigating the economic conditions of VRS opted employees, some important facts have come into light. In line with the above, the statistics of total monthly income of respondents before and after VRS has been elaborated in Table No. 3.

Table No. 3: Statistics of Total Monthly Income of Respondents before and after VRS

| Organizations | Number of Respondents | Mean | SD |
|---------------|-----------------------|----------|----------|
| Before | 67 | 16712.10 | 9936.55 |
| After | 67 | 13443.04 | 29090.46 |

Among the sampled VRS opted employees, the paired t test has found no significant difference in their total monthly income before and after opting VRS ($t=1.059$, $p>0.05$).

However, on comparing the total monthly income of respondents before ($n=97$) and after ($n=71$) opting VRS, it has been found that, about 38.8% more respondents were earning less than Rs. 10,001/- per month, after opting VRS. It might be due to the unemployment of the majority of respondents in their post VRS life. Moreover, the monthly pension of VRS opted employees was also found insufficient in maintaining their earlier standard of living. However, the invested VRS compensation (although with low interest rates) and the properties have helped a section of sampled VRS opted employees in meeting their basic need of the life, after opting VRS. Briefly, VRS had a severe impact on the economic conditions of sampled VRS opted employees.

Further, Table no. 4 exemplifies the total VRS compensation received by sampled respondents.

Table No. 4: Total VRS Compensation Received by Sampled Respondents

| VRS Compensation | Number of Sampled Respondents |
|---------------------------|-------------------------------|
| Below Rs. 1 lakh | 0% |
| Rs. 1 lakh to Rs. 10 Lakh | 42 (60.9%) |
| More than Rs. 10 Lakh | 27 (39.1%) |
| Total | 69 |

Among the sampled VRS opted employees, about 60.9% respondents have received Rs. 1 lakh to Rs. 10 lakh as VRS compensation. Moreover, 39.1% respondents have received more than Rs. 10 lakh as VRS compensation in lieu of their acceptance of VRS. However, 70.8% respondents ($n=89$) have found dissatisfied with their VRS compensation.

During the analysis of economic conditions of sampled VRS opted employees, it has also been observed that, about 54.4% respondents ($n=79$) have spent their entire VRS compensation. However, about 39.3% respondents have reported the availability of 1% to 50% of their VRS compensation with them. Additionally, the details regarding the utilization pattern of VRS compensation among the VRS opted employees have been elaborated below.

Table No. 5: Utilization Pattern of VRS Compensation

| Percentage | Bank | Post Office | Children Marriage | Home | Debt payment |
|------------|------------|-------------|-------------------|------------|--------------|
| 0.01%-50% | 30 (50.8%) | 17 (85%) | 47 (85.5%) | 38 (88.4%) | 11 (78.6%) |
| 51%-99% | 28 (47.5%) | 3 (15%) | 5 (9%) | 3 (6.9%) | 3 (21.4%) |
| 100% | 1 (01.7%) | - | 3 (5.5%) | 2 (4.7%) | - |
| Total | 59 | 20 | 55 | 43 | 14 |

Table No. 5 has illustrated the utilization pattern of VRS compensation by the VRS opted employees. In case of sampled VRS opted employees, about 57.3% respondents have invested their VRS compensation in banks. Among them, 50.8% respondents have invested their 0.05% to 50% of VRS compensation in the banking sector. Further, about 47.5% respondents have invested their 51% to 99% of VRS compensation in banks. 1.7% respondents have also invested their entire VRS compensation in banking sector only.

About 19.4% respondents have invested their VRS compensation in post office schemes. Among them, about 85% respondents have invested nearly 0.01% to 50% of their VRS compensation in post office schemes. Moreover, about 15% respondents have also invested their 51% to 90% VRS compensation in post office schemes.

Among the sampled VRS opted employees, about 53.4% respondents have used their VRS compensation for children marriage. Among them, about 85.5% respondents have spent about 5% to 50% of their VRS compensation in children marriage. Further, about 9% respondents have used about 51% to 99% of their VRS money in the children marriage. Moreover, 5.5% respondents have spent their entire VRS compensation for their children marriage.

About 41.7% of sampled VRS opted employees have spent their VRS compensation in home. Among them, about 88.4% respondents have spent nearly 10% to 50% of their VRS compensation for the purpose of the home. Moreover, about 6.9% respondents have utilized 51% to 99% of their VRS compensation in home only. However, 4.7% respondents have used their entire VRS compensation in home.

Payment of debt has also been observed, an area, where 13.6% respondents have spent their VRS compensation. Among them, about 78.6% respondents have spent about 5% to 40% of their VRS compensation for debt payment. Further, 14.3% respondents have spent about 70% to 75% of their VRS compensation for this purpose. Further, about 7% respondents have spent 95% of their VRS compensation for debt payment.

9.7% sampled VRS opted employees have used their VRS compensation in business. Among them, 90% respondents have used 0.01% to 50% of their VRS compensation for business. Further, 10% respondents have invested their entire VRS compensation in business only.

As health care is one of the important part of life, about 6.8% of sampled VRS opted employees have utilized their VRS compensation for medical expenditure. Among them, about 86% respondents have spent nearly 2% to 20% of their VRS compensation for this purpose, while 14% respondents have spent 50% of their VRS compensation in the medical expenditures only.

About 10.68% of sampled VRS opted employees have utilized, 2.5% to 50% of their total VRS compensation in the vehicle

About 40.8% of sampled VRS opted employees have utilized their VRS compensation for other works also. Among them, about 81% respondents have spent 0.01% to 50% of their VRS compensation for other works. Further, about 14.2% respondents have spent 51% to 99% of their VRS compensation in other works. However, 4.8% respondents have utilized their entire VRS compensation in other works.

Table No. 5: Employment Status of Sampled Respondents after VRS

| Employment status | Number of Sampled Respondents |
|----------------------|-------------------------------|
| Currently unemployed | 83 (81.4%) |
| Currently employed | 15 (14.7%) |
| Self employed | 4 (03.9%) |
| Total | 102 |

Table No. 5 illustrates that, about 81.4% VRS opted employees were unemployed after opting VRS.

Further, about 28.6% presently employed VRS opted employees (n=14) were found dissatisfied from their post VRS employment status.

Socio-economic Conditions of Family

While analyzing the impact of VRS over the families of VRS opted employees, it has been found that, children education of about 4.9% respondents (n=102) has influenced due to VRS. Datta (2001) has also found in the study that, in case of "non-working" and "working" VRS opted employees around 16.3% and 12.6% children have dropped out from the school, respectively. 5.9% respondents (n=102) have reported the delay in their children marriage due to VRS. The homelessness has also been reported in case of about 10.8% sampled VRS opted employees (n=102) and their families. Further, 31.4% respondents (n=102) along with their family members have also undergone through the financial crisis, after opting VRS. Further, increased loan burden after VRS has also been reported in case of about 10.8% respondents (n=102). Due to the financial crisis, unemployment of respondents and differences among family members over the utilization of VRS compensation, about 9% respondents (n=100) have experienced the conflict among the family members over the financial issues. However, 5% respondents (n=101) have accepted that, the social life and respect of their family members have reduced after opting VRS.

Moreover, due to social problems and reduced support of relatives about 11.6% respondents have reported the reduced participation of their family members in social functions. Among the respondents, nearly 13.9% cases (n=101) of separation from children have been reported due to opting VRS. Further, the society problems have also been faced by about 10% respondent's families (n=100).

Due to the earnings less than Rs. 1000/- per month, 29.9% respondents (n=97) have reported the reduction in their monthly family expenditure, after opting VRS.

Table No. 6: Difference in Annual Family Income of Sampled Respondents before and after VRS

| Family Income [Comparison Before and after VRS] | Number of Sampled Respondents |
|---|-------------------------------|
| Rs. -4.5 lakh to Rs. -50,001/- | 16 (29.1%) |
| Rs. -50,000/- to Rs. 0 | 17 (30.9%) |
| Rs. 1 to Rs. 50,000/- | 9 (16.4%) |
| Rs. 50,001 to Rs. 4.5 Lakh | 11 (20%) |
| Rs. 4,50,001 to Rs. 10 lakh | 2 (03.6%) |
| Above Rs. 10 lakh | - |
| Total | 55 |

The above table No. 6 illustrates the reduction in the annual family income of 60% respondents after opting VRS.

Major Findings of the Study

A significant difference has been observed in the cause of opting VRS among the VRS opted employees. Further, Health issues were found to be the major cause due to which a large section of employees have opted VRS. The huge reduction in monthly income/ unemployment, inability to maintain the standard of living, financial crisis has harshly worsen the economic as well as the social conditions of VRS opted employees. Further, loneliness, separation from friends, namesake relationship with relatives, change in attitude of relatives have adversely influenced the life of VRS opted employees.

As VRS had severely influenced the social and economical conditions of VRS opted employees. It is suggested that Corporate must opt VRS as last available option. Further, the study also suggests that, the Indian steel industry must focus on enhancing its production capacity, by establishing new plants in India. The steel industry may consider recruiting more talented manpower, while establishing new plants and also utilize the experienced and talented services of their own employees, instead of downsizing and giving their employees VRS. Thereby, the steel industry may retain its talented manpower in-spite of downsizing it through VRS. For increasing the production and profits, the steel industry may emphasize on the other human resource management practices such as counselling, training, leadership development, motivation, and job rotation etc., in-spite of downsizing the workforce through VRS.

Managerial Implications:

The corporate could adjust its manpower efficiently by using various methods as mentioned below.

A. Pre-implementation Phase: VRS is one of the most appropriate technique to right size the manpower, but only if it is implemented in an ethical way as a last available option. That is, management should implement it only after undertaking a proper manpower planning. The expert opinion should be taken to make it more humane. An HR committee should be composed with responsibilities regarding counselling, retraining and outplacement of VRS opted employees. Trade union members, employees and VRS opted employees should also be invited to become the part of it. Further, the effective HR Policies should also be framed for proper implementation of VRS.

B. Implementation Phase: During implementation of VRS, proper communication channels should be used by the management to generate awareness among employees regarding the reasons of implementing VRS in the company and how the company will support them in their decision either positive or negative, through its counselling, retraining and outplacement programs etc. Further, the management should ensure the voluntary nature of VRS. Counsellors, Financial analysts, outplacement agencies should be invited to help the VRS opting employees to solve their problem regarding, personal life, finance, job etc. Along with this an appropriate training should also be provided to VRS opted employees. VRS opted employees either of same industry or others should also be invited to help the employees to take right decision.

C. Post VR Phase: The management should give all the VRS benefits of employees to them as early as possible. The annual meeting should be organized by the corporate in which counsellors, financial analysts and outplacement agencies are again invited to help them in their post VRS life.

Conclusion

It is apparent that VRS has become a mechanism for the Corporate World to right-size its manpower while performing the unethical practices like pressuring employees to opt VRS while protecting oneself from the trap of legal constraints. Further, VRS can be considered as a corporate product for its own employees. Additionally, VRS can no longer be seen as human face of rightsizing the workforce, as it had negatively impacted the socio-economic conditions of a section of VRS opted employees after its acceptance. Therefore, it has become the need of hour that, corporate must adopt more human methods, to right size its manpower.

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