

COMPENSATION MANAGEMENT AT HETERO DRUGS LTD

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ABSTRACT

Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction. An ideal compensation management system will help you significantly boost the performance of your employees and create a more engaged workforce that's willing to go to the extra mile for your organization. Such a system should be well – defined and uniform and should apply to all levels of the organization as a general system. Plus you ‘ ll enjoy clearer visibility into individual employee performance when it comes time to make critical compensation planning decisions. With effective compensation management you’llalso enjoy clearer visibility into individual employee performance when it comes time to make critical compensation planning decisions. With effective compensation management you’ll also enjoy clearer visibility into individual employee performance when it comes time to make critical compensation planning decisions. These performance appraisals assist in determining compensation and benefits, but they are also instrumental in identifying ways to help individuals improve their current positions and prepare for future opportunities. Human resource is the most vital resource for any organization. It is responsible for each and every decision taken, each and every work done and each and every result. Employees should be managed properly and motivated by providing best remuneration and compensation as per the industry standards. The lucrative compensation will also serve the need for attracting and retaining the best employees.

INTRODUCTION

Compensation is the remuneration received by an employee in return to his/her contribution to the organization. It is considered to be the most important task in any human resource management process. It occurs periodically, demand accuracy and must not be delayed. It is also concerned with the formulation and implementation of strategies and policies that aim to compensate people fairly, equitably and consistently in accordance with their value to the organization. It requires integrating human resource information with business process and strategies to achieve organizational goals and objectives. Fair and reasonable compensation will always help the organization to retain the employees to get desired goals and objectives. This practice helps in maintaining good industrial relations by providing monetary and non-monetary benefits to all the employees. A fair compensation system always helps the organization in enhancing the satisfaction, productivity, performance and retention of employees.

NEED FOR THE STUDY

Fixation of compensation is the important part in compensation management. It is one of the important factors which help to reduce the staff turnover with in the organization. Increased competitiveness in the labor market and highest turnover of employees are made multinational companies to think of new strategies to retain skilled staff within the organization. Today competition is common among the multinational companies to attract qualified, skilled and experienced young professionals by offering very attractive compensation packages.

SCOPE OF THE STUDY

In today's world organizations try more to assess the worth of an individual in terms of his performance and contribution to the organizations. With the growing demand of workforce and constant challenges in the business environment, organizations have to evolve and accurate system for evaluating jobs and assessing their worth. Compensation management helps to determine the relative worth of a job in an organization in a systematic, consistent and accurate manner. It also helps in estimating the basic pay for each job in accordance with the importance of the job in the organizational hierarchy ..

OBJECTIVES OF THE STUDY

Human beings within the organization control and manage materials and other resources in the organization in order to achieve the organizational goals and objectives. As a result of this, it is imperative for any organization that wants to be successful to pay adequate attention to the needs of human beings who contribute to the organizational success.

- To study and understand the compensation process system at Hetero Drugs Ltd
- To measure the employee satisfaction level towards compensation process.
- To make suggestions on how best to apply system in Hetero Drugs Ltd

RESEARCH METHODOLOGY

Methods of Data Collection

The data's were collected through Primary and secondary sources.

Primary Sources

The primary sources are discussion with employees, data's collected through questionnaire.

Secondary Sources

The secondary data mainly consists of data and information collected from records, company websites and also discussion with the management of the organization. Secondary data was also collected from journals, magazines and books.

Sample Size

Number of the sampling units selected from the population is called the size of the sample. Sample of 100 respondents were obtained from the population.

LIMITATIONS OF THE STUDY

These were certain limitations of my project if these limitations would have been taken care of project would have been catered to its need in a better way

- Survey was conducted in 45 days due to which Employees did not get enough time to complete the survey properly.
- Incidents happening at the time of the survey have affected it.
- Employees thought that the questionnaire was too big and too specific.
- Responses to Close ended questions were not been given as the employees were reluctant in giving responses due, to which we could not decipher the exact opinion of the Employees for most of the questions.

REVIEW OF LITERATURE

COMPENSATION MANAGEMENT

Meaning of wage/ compensation payment:

Wage is a monetary payment made by the employer to his employee for the work done or services rendered. It is a monetary compensation for the services rendered. A worker may be paid Rs. 100 per day or Rs. 4500 per month. This is wage payment. The worker gives his services and takes payment called wage payment. Industrial workers are paid remuneration for their services in terms of money called wage payment. Wages are usually paid in cash at the end of one day, one month or one week. Money wage is the monetary compensation or price paid by the employer to his employee for the services rendered. Such compensation is also called wage or salary or reward given by an organization to a person in return to a work done.

Generally, compensation payable to an employee includes the following three components:

- Basic compensation for the job (wage/salary)
- Incentive compensation for the employee on job
- Supplementary compensation paid to employees (fringe benefit and employee services)

INDUSTRY PROFILE

The pharmaceutical industry in India is expected to reach \$65 Bn by 2024 and to \$130 Bn by 2030. The pharmaceutical industry in India is currently valued at \$50 Bn.

India is a major exporter of Pharmaceuticals, with over 200+ countries served by Indian pharma exports. India supplies over 50% of Africa's requirement for generics, ~40% of generic demand in the US and ~25% of all medicine in the UK.

India also accounts for ~60% of global vaccine demand, and is a leading supplier of DPT, BCG and Measles vaccines. 70% of WHO's vaccines (as per the essential Immunization schedule) are sourced from India.

The Average Index of Industrial Production of Manufacturing of pharmaceuticals, medicinal chemicals and botanical products in the FY 2021-22 is 221.6 and has grown by 1.3%

For the period 2021-22, export of drugs and pharma products stood at \$24.6 Bn compared to \$24.44 Bn as of 2020-21. The Indian pharma industry witnessed exponential growth of 103% during 2014-22 from \$11.6 bn to \$24.6 Bn.

GROWTH DRIVERS

Government Support

Government incentives including an outlay of INR 21,940 for PLI 1.0 and PLI 2.0 . Three bulk drug parks, located in Gujarat, Himachal Pradesh, and Andhra Pradesh should provide a consistent supply of bulk drug active components and will ensure India's drug security.

Medical tourism

Quality services at marginal costs compared to US, Europe, and South Asia
Infrastructure development

COMPANY PROFILE

OUR LIFE STUDY

Hetero is driven and driven by its expertise in Research and Development. Sinceback in 1995, our R&D division has played a key role in creating a growing basket product to meet the needs of various markets around the world.

With the help of nearly 1000+ top scientists with a wealth of knowledge and experience, our R&D has been able to create niche generics, sophisticated APIs, Novel Drug Delivery systems (NDDS), New Chemical Entities (NCEs) and Biosimilar. Many PCTs, patents, ANDAs and FTFs accredited to us demonstrate our strengths in R&D.

Hetero Research Foundation - a special state-of-the-art institute that supports all of our research efforts under one roof. It is a haven for research teams working in a variety of technology areas including APIs, design, custom integration, contract research, analysis, packaging, IP, technology transfer and quality assurance. We haveworld-class R&D centers dedicated to the construction and investigation of Biologic in the relevant production structures.

Hetero has more than 36 high-quality manufacturing facilities located in the world - including India, USA, China, Russia, Egypt, Mexico and Indonesia. Permitted by strong global regulatory authorities, Hetero buildings have integrated systems and processes to ensure adherence to cGMP (current good production practices). Theyare also integrated upwards and can be used for large-scale production of APIs, formulated in a variety of instantaneous ways.

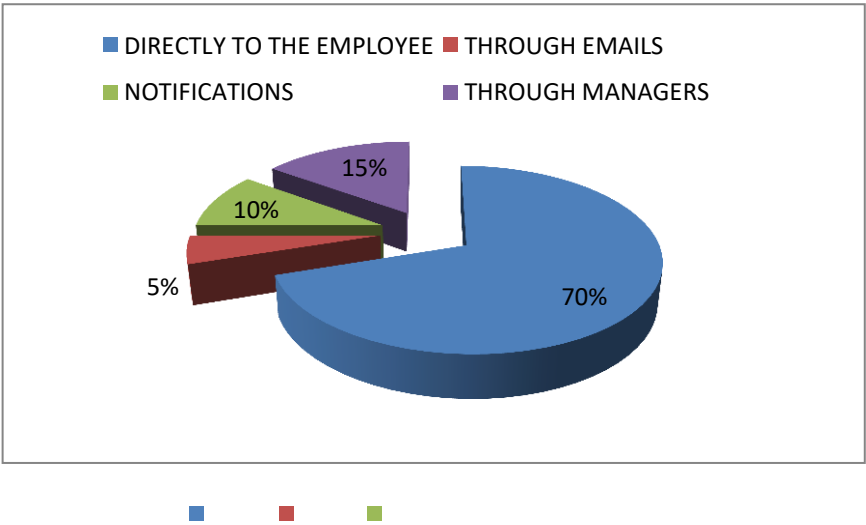
We are making a continuous investment in the development of production facilities with special emphasis on the use of high-quality equipment and adopting the latest21 CFR compliance technology. In addition to allowing us to produce high quality medicines at an affordable cost, it also helps us to pass easy-to-manage audits. It is these benefitis that make us the partner of choice in major pharmaceutical companies around the world.

DATA ANALYSIS & INTERPRETATION

How is the compensation program and total compensation package communicated to employees?

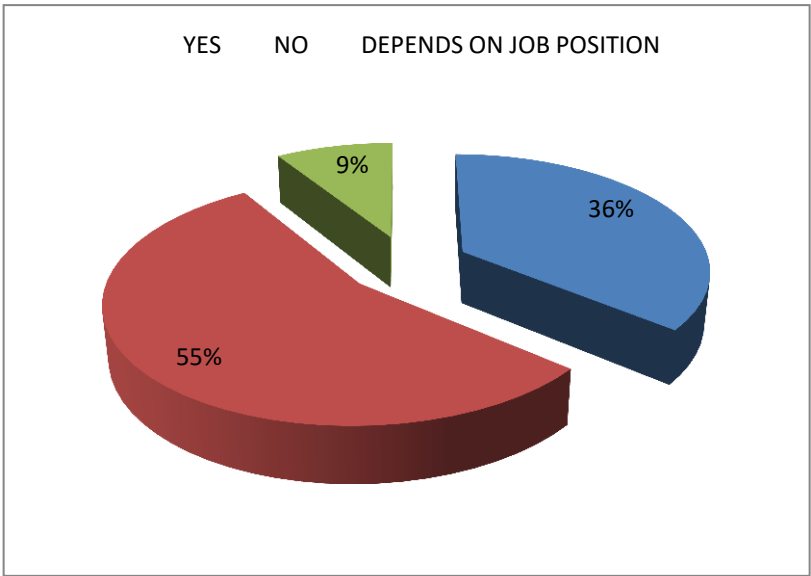
a) Directly to the employee b) Through emails c) Notifications d) Through Managers

PARTICULARS	PERCENTAGE	RESPONDENTS
DIRECTLY TO THE EMPLOYEES	70	70
THROUGH EMAILS	5	5
NOTIFICATIONS	10	10
THROUGH MANAGERS	15	15



- INTERPRETATION:-**
- Majority of the compensation programme is communicated directly to the employees at the time of their recruitment.
 - some of the employees get the compensation information through managers,notification, or emails
- 2) Is there a cap to limit the amount of vacation accrued?
- a) Yes b)No c)Depends On Job Position

PARTICULARS	PERCENTAGE	RESPONDENTS
YES	36	36
NO	55	55
DEPENDS ON JOB POSITION	9	9



INTERPRETATION:

- Majority of the employees said that there is no limit to the amount of vacation accrued.
- For some employees there is a limit to the amount of vacation
- Only 9% of the employees vacation amount is depend on job position.

FINDINGS

- ☐ The compensation system followed by the organization is a formal one and majority of the employees are satisfied with the compensation packages.
- ☐ Employees are allowed to substitute their sick leaves as vacation which indicates that some liberty is given to employees.
- ☐ Unused vacation is refunded back to the employees and they can also carry forward the vacation.
- ☐ Compensation program is planned by the higher authority of the organization and they consider all the aspects the skills, specialization based on their respective branches.
- ☐ Salary of the employees will change frequently based on surveys conducted by the top management. They conduct surveys like meeting the compensation committee for review, adjustments and approvals. pay ranges are revised based on the requirements of the organization. Through monitor feedback from managers of particular departments.
- ☐ Job rating is done by the famous methods like ranking, classification, and point method.

SUGGESTIONS

- ☐ It encourages individual initiative
- ☐ It encourages working for the good of the whole
- ☐ It helps people improve, not just rewards them when they do
- ☐ The decision process is seen as based on all the real facts (i.e. thorough)
- ☐ Inputs to the process are received from multiple constituencies (group and project leaders, clients, subordinates, peers.)
- ☐ The decision process is perceived as fair
- ☐ The criteria for differential rewards are well understood at the beginning of the year
- ☐ At the end of the process, people know why they got what they got
- ☐ At the end of the process, people know what to do (and how to do it) next year to get higher rewards
- ☐ It encourages people to work for the long-term, not just latest year

CONCLUSION

The compensation system followed by the organization is a formal and majority of the employees are satisfied with the compensation packages. Company can go on greater heights as majority of the employees are satisfied .job rating is done by the famous methods like ranking, classification, and point method. Health insurance program provided by the organization is medical, dental, vision plans and child care centers for the employees and for disability and long term care programs. Majority of the compensation programme is communicated directly to the employees at the time of their recruitment. The company has to work on its retirement packages and benefits under section 80 ccc (1) are very less when compared to other pension.

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