

To Study the Impact of Voluntary Retirement Schemes over the Health of VRS opted Employees in India

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ABSTRACT: Initially, the concept of Voluntary Retirement Scheme has been introduced to offer the employees an option for early retirement. However, due to protectionist labour laws and cost competitiveness, the voluntary retirement schemes have been implemented by corporate world extensively to restructure the workforce. Consequently, the voluntary retirement schemes have influenced the lives of VRS opted employees in different dimensions including health. However, very few studies have analysed the impact of VRS over the health of the VRS opted employees. Hence, the present study. Further, an in-depth comparative study has also been done to analyse the impact of VRS over the health of VRS opted employees in public and private sector in selected large steel manufacturing organizations in India. Thus, altogether 310 VRS opted employees have constituted the sample of study. Primary data is collected through a specially designed schedule. It has been found in the study, that, most of VRS opted employees have experienced an increase in their physical problems after opting VRS. Although, in comparison to private sector, more VRS opted employees of public sector have considered VRS, a cause for impairment of their health and reported increased physical problems in their post VRS life.

KEYWORD: Voluntary, Retirement, Schemes, Opted, Employees, health.

I. INTRODUCTION

The vision and objectives of our national architectures after independence, was to develop India a self-reliant, self-sufficient and prosperous nation through high public saving, high level of economic growth and development. The socialistic approach of policy makers has further emphasized on more employment generation. Accordingly, the initial concept of developing public and private sector organizations was introduced to overcome the problem of unemployment in India. "Market thinking" has also influenced the Indian policy makers, who thereafter introduced the New Economic Policy 1991, in order to stabilize the Indian macro-economy. First phase of reforms was directed towards liberalisation, privatisation, globalisation, right pricing and bringing down inflation. In addition to this, second phase reforms had resulted into enhanced competition among private sectors (Datta, 2001). This transformation has opened the doors of Indian market for foreign based firms. Due to the resultant increased competition in the domestic market; it has become imperative for the Indian firms to downsize their manpower effectively. Accordingly, due to the existence of protectionist labour laws in India, organizations have preferred VRS over other methods of manpower downsizing. Consequently, Indian organizations have implemented the VRS without assessing its after-effects.

After its implementation in various sectors of Indian economy, its impact over the life of VRS opted employees have come into light. The studies on this issue have further cleared this picture. However, in India, very few researchers have studied the impact of VRS on health conditions of opted employees. Moreover, in depth study on the impact of VRS on the health of opted employees of the largest sector of employment i.e., Indian steel industry is rarely available. Therefore, a study, impact of VRS on the health condition of VRS opted employees of large steel manufacturing organizations in India, has become the need of the hour. Hence, the present study.

II. REVIEW OF LITERATURE

Opting VRS might have proved good for those VRS opted employees who were either having any health problem or about to attend the 60 years of age. As, due to the reduction of their workload they have got sufficient time to take care

of themselves. However, on other side, due to unemployment and loss of economic status, many VRS opted employees have experienced the depression, anxiety as well as other psychological problems in post VRS life. All these factors contribute in developing various diseases and ill health of the VRS opted employee. Initially, one might not be aware about these diseases and takes it in stride but in later stage, the detection of such diseases becomes a challenge to the life of VRS opted employee. It will not be out of place to mention here that, while in services the employee is covered under various medical schemes and the hospital facilities. But, after opting VRS, one has the hospital facilities available to him, in case, if he has resided in the same district or nearby areas. Moreover, under these circumstances many VRS opted employee have not received any physical, morale and monetary support from his children, relatives and society. In absence of nutritious food, the health of VRS opted employees has further deteriorated. The absence of medical facilities, situation further worsen the condition. The VRS opted employee were not in a position to afford the expensive medical treatment. Even if, the VRS opted employees who have tried to dictate terms with the family members, they were sent to mental asylum or old age homes. In line with above, some studies concerning the health of VRS opted employees are as stated below.

Chatterjee (2007) has revealed that, retirees have experienced the roll stagnation in their post-retirement life which was so acute, and stressful that he or she was found unable to accept the situation and experience tremendous insecurity at that point of time in his/her life. These insecurities were mainly due to social, health or financial perspectives.

Moreover, Solinge (2007), has found that, after retirement, the health of employees varies in line with the adopted health measures. As per the study, the inability of employee to control the retirement as per their desire has adversely affected their health. Further, employees have also experienced a reduction in their perceived health due to the perception of involuntary nature of retirement. Moreover, the study did not provide sufficient evidence that working conditions, job characteristics and access to resources like income and social contacts had any significant impact on the health of employees after retirement. However, fear associated with retirement and self-efficacy has resulted into change in the health of retiree.

The study of Quaade et. al. (2002) has also revealed the mortality rate of early retirees (those who have received benefits) varies in between the mortality rate of disability benefit recipients and employed persons. Moreover, subsequent to retirement with passage of time, the relative death risk has found to be increased among the recipients of early retirement benefits.

Further, as per Buxton et. al. (2005), specific mental health disorders have been observed among the early retiree men. Gill et. al. (2006) found in their study that, early retired British and Australian male employees (below 65 years of age) probably have more mental health problems as compared to their employed friends and the retirees above the age of 65 years. However, for the early retirees (having not less than 55 years), this divergence has been described as physical malfunctioning. Further, no primarily elevated rate of mental health problems has been found in individuals retired at 60 or older.

Additionally, Dwivedi (1997) has suggested some proactive measures like counselling etc., in order to help the VRS opted employees to come out of depression, anger and de-motivation while building confidence among them for seeking new jobs.

III. METHODOLOGY

It is neither feasible nor desirable to collect data from the entire population for the purpose of study. Therefore, for the purpose of study 4 large steel manufacturing organizations (Organization I and Organization II from public sector and Organization III and organization IV from private sector) were purposively selected. Thus, altogether 310 VRS opted employees have constituted the sample of study. For the purpose of the study, data has been collected from primary and secondary sources. Primary data is collected through a specially designed schedule. The schedule along with observations further facilitated the study to achieve its objectives.

For analysing and interpretation of the hypothesis of research, the appropriate statistical techniques such as Independent Sample T test and Paired T test have been used. Moreover, comparative percentage tables have also been developed with the help of frequency tables, for analysis and interpretation of the findings in respect to the objectives of research, while emphasizing the results of hypothesis.

In order to fulfil the above purpose, the following objectives have been set for the study:

- i. To examine the impact of VRS on the health of VRS opted employees in selected large steel manufacturing organizations in India.

- ii. To evaluate the impact of VRS over the health of VRS opted employees in selected public and private 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 the health of VRS opted employees in selected large steel manufacturing organizations in India, before opting VRS.
- ii. There exists no difference in the health of VRS opted employees in selected large steel manufacturing organizations in India, after opting VRS.
- iii. There exists no difference in the health of VRS opted employees in selected large steel manufacturing organizations in India, before and after opting VRS.

IV. RESULTS

Health Conditions of VRS opted employees under Study

The results regarding the impact of VRS on the overall health of sampled VRS opted employees of selected large steel manufacturing organizations are as discussed below.

Majority (70%) of respondents opined that VRS had positive impact on their overall health. In comparison to public sector, 2.6% more respondents of private sector have observed the negative impact of VRS on their overall health.

The percentage of respondents of ORGANIZATION I, who have expressed the negative impact of VRS on their overall health, was 14.3%. Moreover, about 14% respondents of ORGANIZATION I have also found suffering from major disease in their post VRS lives. Moreover, 45.8% and 32% respondents of ORGANIZATION II and ORGANIZATION III have also reported the adverse impact of VRS on their overall health. It might be due to the increase in their physical problems, mental stress and psychological depression, after opting VRS. Moreover, 28.6% respondents of Organization IV have also accepted that their overall health conditions have worsened in their post VRS life as compare to before VRS, owing to increase in their physical problems, psychological depression and mental stress.

Further, Kayarkatte (2011) has also found the negative impact of VRS on mental peace as well as the health of VRS opted employees. In the study, Involuntary Retirement: Prevalence, Causes, and Impacts also, 4% more individuals of voluntary group have reported fair or poor health in post VRS life as compared to their health before opting VRS (Lachance & Seligman, 2008).

However, large section (46.5%) of respondents has reported themselves healthy in their post VRS life.

As per the views of respondents, their health status in post VRS period has been classified into four groups- major diseases, unhealthy, age and healthy. Further, 13.8% respondents of ORGANIZATION I have reported major diseases after opting VRS. Further, 20.7% respondents of ORGANIZATION I were feeling unhealthy. The age factors have also been reported in case of about 6.9% respondents of ORGANIZATION I. However, 58.6% of sampled VRS opted employees of ORGANIZATION I have identified themselves healthy.

Among the sampled VRS opted employees of ORGANIZATION II, the presence of major disease has been stated by about 6.8% respondents. Moreover, 28.2% respondents were found to be unhealthy. Further, 29.1% respondents were observing age. On the other hand, 35.9% respondents have reported healthy life in their post VRS life.

The percentages of respondents of ORGANIZATION III, those have reported major disease, unhealthy state, age and healthy life after VRS, were 12%, 28%, 16% and 44%, respectively.

No respondent of Organization IV was found to be suffering from any major disease in their post VRS life. However, 10% respondents were found unhealthy. Moreover, about 30% respondents of Organization IV were also observing age in their post VRS life. However, about 60% respondents of Organization IV have reported themselves healthy.

So, comparatively, more sampled VRS opted employees of ORGANIZATION I and ORGANIZATION III have considered themselves seriously ill due to major disease, as compared to that of other selected organizations. Moreover, a significant difference has also been found in their health status before and after opting VRS.

However, majority (73.9%) of respondents have not opined VRS a cause for impairment of their health. Although, in comparison to private sector, 16% more respondents of public sector have felt VRS a cause for impairment of their health.

Further, about 18.2%, 40.2% and 22% of sampled VRS opted employees of ORGANIZATION I, ORGANIZATION II and Organization III have opined VRS as a cause for impairment of their health, respectively. It might be due to the reduction of their physical activities, change in eating habits, and more mental stress after opting VRS. However, no one among the respondents of Organization IV has felt VRS, a cause for impairment of their health.

Majority (53.9%) of respondents have experienced an increased in their physical problems after opting VRS. In comparison to private sector, 19% more respondents of public sector have reported increased physical problems in their post VRS life.

It might be due to restriction in their homes after VRS, lack of nutritious food, mental stress and age factor about 69%, 53.9%, 46% and 28.6% respondents of ORGANIZATION I, ORGANIZATION II, ORGANIZATION III and ORGANIZATION IV have reported an increase in their physical problem after VRS.

Additionally, majority (59.7%) of respondents have observed reduction in their mental stress, after opting VRS. In comparison to public sector, 7.5% more respondents of private sector have experienced increased mental stress in their post VRS life.

However, after VRS, mental stress has been reported increased in case of about 34.5% respondents of ORGANIZATION I. 40% respondents of ORGANIZATION II have also reported more mental stress in their post VRS life. The enhancement in mental stress after VRS has also been reported in case of about 48% respondents of ORGANIZATION III. About 28.6% of sampled VRS opted employees of Organization IV have also reported an increase in their mental stress after opting VRS.

Briefly, a section of VRS opted employees of all selected large steel manufacturing organizations of India has experienced the increase in mental stress after opting VRS. It might be due to the impact of VRS on various economic, social and health conditions of their life.

Further, majority (62.6%) of respondents have reported reduction in their psychological depression, after opting VRS. In comparison to private sector, 7.5% more respondents of public sector have stated increased psychological depression in their post VRS life.

However, after opting VRS, about 34.5% respondents of ORGANIZATION I have reported the increase in their psychological depression. Moreover, about 47.4% respondents of ORGANIZATION II have also reported the increase in psychological depression after VRS. Due to VRS, 34% respondents of ORGANIZATION III have also experienced more problems of psychological depression. About 28.6% of sampled VRS opted employees of Organization IV have too affirmed, the increase in their psychological depression after VRS.

The Independent Sample T test has been applied on the health status (number of diseases as variable) of sampled VRS opted employees of selected large steel manufacturing organizations of India, in order to determine whether there exists any difference in their health conditions before as well as after opting VRS. The findings of the Independent Sample T test have been mentioned in Table no. 1.

Table No. 1
Statistics of Number of Diseases of Sampled Respondents before VRS

Organizations	Number of Respondents	Mean	SD
ORGANIZATION I	84	0.32	0.470
ORGANIZATION II	100	0.41	0.637
ORGANIZATION III	100	0.56	0.701
Organization IV	10	0.00	0.000

The above Table no. 1, illustrates the results of independent sample T test on number of diseases among the sampled VRS opted employees of selected large steel manufacturing organizations, before opting VRS. In the results of Independent Sample T Test, a significant difference ($p < 0.001$) in the health status has been found among the respondents of ORGANIZATION I and ORGANIZATION III; ORGANIZATION I and ORGANIZATION IV; ORGANIZATION II and ORGANIZATION IV as well as ORGANIZATION III and ORGANIZATION IV, before opting VRS.

Moreover, a significant difference ($p < 0.01$) in the health status has also been found in between the respondents of ORGANIZATION I and ORGANIZATION II before opting VRS. However, no significant difference ($p > 0.05$) has been found in the health status of respondents of ORGANIZATION II and ORGANIZATION III, before opting VRS.

Table No. 2
Statistics of Number of Diseases of Sampled Respondents after VRS

Organizations	Number of Respondents	Mean	SD
ORGANIZATION I	84	0.71	0.964
ORGANIZATION II	100	0.47	0.674
ORGANIZATION III	100	1.02	0.932
Organization IV	10	0.10	0.316

The above Table no. 2, illustrates the results of independent sample T test on number of diseases among the sampled VRS opted employees of selected large steel manufacturing organizations, after opting VRS. A significant difference ($p < 0.001$) in the health status has been found among the respondents of ORGANIZATION I and ORGANIZATION II; ORGANIZATION I and ORGANIZATION IV; ORGANIZATION II and ORGANIZATION IV, as well as ORGANIZATION III and ORGANIZATION IV, after opting VRS. Further, the significant difference ($p < 0.01$) in the health status has been observed among the respondents of ORGANIZATION II and ORGANIZATION III after opting VRS. Furthermore, a significant difference ($p < 0.05$) in the health status has also been found among the respondents of ORGANIZATION I and ORGANIZATION III after opting VRS.

Table No. 3
Statistics of Number of Diseases among Sampled Respondents before and after VRS

Organizations	Number of Respondents	Mean	SD
ORGANIZATION I Before	84	0.32	0.470
ORGANIZATION I After	84	0.71	0.964
ORGANIZATION II Before	100	0.41	0.637
ORGANIZATION II After	100	0.47	0.674
ORGANIZATION III Before	100	0.56	0.701
ORGANIZATION III After	100	1.02	0.932
Organization IV Before	10	0.00	0.000
Organization IV After	10	0.10	0.316

The above Table no. 3, illustrates the results of paired T test on number of diseases among the sampled VRS opted employees of selected large steel manufacturing organizations, before and after opting VRS. Paired t test has established a significant difference in the health status among the respondents of ORGANIZATION I ($t = -6.429$, $p < 0.001$) before and after opting VRS. However, no significant difference has been found in the number of diseases from which the sampled VRS opted employees of ORGANIZATION II were suffering, before and after opting VRS ($t = -1.228$, $p > 0.05$). Moreover, among the sampled VRS opted employees of ORGANIZATION III, a significant difference in the health status has been found, before and after opting VRS ($t = -6.071$, $p < 0.001$). However, no significant difference in the health status of sampled VRS opted employees of Organization IV has been found, before and after opting VRS ($t = -1.000$, $p > 0.05$).

V. CONCLUSION

Most of VRS opted employees have experienced an increased in their physical problems after opting VRS. Further, a section of VRS opted employees has also opined VRS, a cause for impairment of their health. In line with above, a section of VRS opted employees has also experienced the increase in mental stress and psychological depression after opting VRS. Although, in comparison to private sector, more VRS opted employees of public sector have considered VRS, a cause for impairment of their health and reported increased physical problems in their post VRS life.

So, VRS has significantly influenced the health conditions of VRS opted employees. Therefore, it has been suggested that the planners, policy makers and the management of organizations, shall re-think their decision of implementing VRS, voluntary or involuntary, which has negatively influenced the lives of many VRS opted employees. It is not out of order to mention here that, before opting VRS, these employees have worked whole life for the well-being of the organizations and their managements. The study will also help the planners, policy makers and management of organizations to design more effective and appropriate programmes and policies for improving the conditions of the VRS opted employees while focusing on the betterment of their presently employed workforce.

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