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To study the awareness level of statutory compliances among employees in Adyar Ananda Bhavan

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Abstract

A Study on the Awareness and Satisfaction Levels of Statutory Compliance among Employees at Adyar Ananda Bhavan. This research paper focuses on evaluating the awareness levels and satisfaction of employees at Adyar Ananda Bhavan with respect to statutory compliance, including labour laws, social security measures, and welfare provisions. Statutory compliance is the observance of laws and rules intended to safeguard workers' rights, provide fair treatment, and pay social security payments. Employee awareness of important legal frameworks, including the Minimum Wages Act, Employees' State Insurance Act (ESI), Payment of Wages Act, and other pertinent labor laws, is examined in this study. The study also evaluates how satisfied workers are with the company's welfare programs, which include fair compensation policies, health and safety precautions, and medical benefits. Through the use of statistical tools such as ANOVA and correlation analysis, the study examines whether variables like age, income, and experience influence employees' understanding and perception of statutory compliance. The paper identifies gaps in employee knowledge and recommends strategies to improve awareness through better communication, regular training, and the promotion of ethical business practices. The study underscores the importance of compliance not only to avoid legal penalties but also to maintain employee morale, enhance organizational reputation, and foster a positive work environment that promotes trust and productivity. The study uses statistical methods, including ANOVA, to assess variations in employee satisfaction across demographic categories and provides recommendations for improving awareness, ensuring legal compliance, and fostering a positive work environment through better communication and training initiatives.

Keywords: Statutory compliance, employee awareness, labour laws, employee schemes, employee satisfaction

Introduction

Statutory compliance is the legal framework that specifies how a business must handle its workers. Every country has its own set of federal and state regulations that companies have to abide by. Organizations are required to allocate substantial resources towards ensuring adherence to statutes, as non-compliance with these regulations could potentially have legal consequences for their survival. Every individual, the employer, and the organization gain from enforcing statutory compliance. It provides assurances to employees regarding equitable treatment and timely payment. It also ensures that the workplaces are satisfactorily run and well-managed for the employees. There are still definite standards and guidelines that the employer and the organization can rely on. Based on the Global Rights Index 2020, which measures how much workers' rights are respected, India is ranked among the top 10 countries for working people. The bulk of Indians are unaware of their country's labour regulations, and labour-related legislation and changes have long been a contentious subject that no one likes to talk about. As a result, it's critical that employers and employees alike understand the laws and rights pertaining to employment through statutory compliance in HR. In addition to employee benefit acts like industrial relations, minimum wages, social security, women and child employment, health and safety, etc., the Indian government also gives organization benefit acts like provident fund, trade union, ESI, etc. It is crucial for businesses to abide by these regulations because noncompliance may result in legal consequences.

Business leaders should invest a significant amount of time, money, and personnel in adhering to these rules because failure to do so may have legal repercussions for the operation of their companies.

Statutory compliance in India

- An organization must adhere to a variety of labor rules, depending on the industry and type of business.
- For instance, the Factories Act and the Shops and Establishments Act are designed to safeguard industrial workers who are eligible for social security. We will group the statutory compliances into five main areas for ease of comprehension: statutory for social security, employee wages, labour regulations, tax liabilities, and benefits.

Important to a business

Avoiding penalties and other legal implications: Because the law is always changing and rules are subject to frequent revisions, it is essential to have a thorough understanding of India's many labour and tax laws in order to stay on top of any necessary modifications. The same factor has led to a recent increase in interest in Statutory Compliance Service providers in India.

Improved efficiency: Businesses that effectively adhere to the necessary rules can reinvest the time, money, and resources they save in areas that are more integral to their mission and way of life.

Better public relation: Stability and excellent work ethics are shown in a corporation that is skilled at statutory compliance. That is, everyone who has any kind of connection to or affiliation with the firm or company knows that its practices and image are genuine. To put it briefly, in terms of public relations, the business that engages in partial statutory compliance is ahead of the competition.

A higher morale for employees: Complying with the law inevitably raises staff morale. Adherence to the above specified regulations will guarantee optimal efficiency and sincere performance from the organization. This will increase goodwill. Employee retention is higher and morale is naturally high in a company with a positive reputation than it would be in a company with statutory non-compliance.

Review of literature

Sapna (2015) ^[27] examined the degree of workers' awareness of labor legislation. This study attempts to verify the degree of awareness among employees in Northern Indian industrial enterprises. Workers' awareness of the Factories Act, Industrial Disputes Act, Minimum Wages Act, and Payment of Wages Act as they relate to the industry is examined in this study. Based on age and experience, workers' awareness of various acts conducted in the business varies significantly, according to the study's findings.

Dr. Darshan Singh and Ashwany Kumar Sharma (2013) ^[28] conducted research on industrial workers' awareness of social security laws. The investigation showed that, in actuality, awareness of the various provisions of social welfare laws has not trickled down to the practice level. Only a few of the laws' provisions—particularly those that they frequently utilize are known to the employees.

Yadav & Kumar (2002) ^[29] researched the contentment of labour welfare program participants in eight sugar plants owned by the state government and the private sector in Uttar Pradesh's Gorakhpur division. In both state and commercial sugar companies, the results showed that workers' satisfaction with labour welfare programs was extremely low. Workers at private sector sugar mills reported better levels of satisfaction with social security, housing, health, and education programs than those at state government sugar factories.

Prabakar (2013) ^[30] researched about the Every person has needs and motivations that they wish to satisfy, according to a case study on employee satisfaction and welfare metrics with particular reference to Don Bosco College of Arts & Science. A few situational aspects are in charge of job happiness. Other contributing elements include fair behaviour, social relationships with co-workers, and appropriate evaluation of work. It is a desired state of being that encompasses physical, mental, moral, and emotional well-being when considered as a whole. Welfare as a social notion indicates the well-being of an individual, his family, and his community.

DR. R. Jeyalakshmi & Mr. Gopinath (2019) ^[31] researched that the statutory compliance pertains to the laws that are implemented to address employment and non-employment, wages, working conditions, industrial relations, social security, and the welfare of those who work for the company. Finding out how satisfied employees are with the benefits offered and how well-informed they are about the statutory compliance that ProConnect Supply Chain Solutions adheres to is the primary goal of the study. The goal of this study is to analyse the viewpoints of Pro Connect Supply Chain Solutions' personnel. For this experiment, responses were gathered using a standardized questionnaire. For the study, a sample of 86 employees has been selected. The gathered data was combined and subjected to statistical analysis. For representational purposes, procedures such as statistical analysis and percentage analysis are employed. Through analysis, it can be deduced that employees are content with the quantity of provisions offered to them, which helps both researchers and employees understand the needs of employees with regard to statutory compliance. We advise that personnel receive training that will improve their understanding of the Acts and Amendments.

Boke & B.T (1974) ^[32] researched Wage Administration at a Cotton Textile Mill, The methods for setting pay and employee involvement have been highlighted. In addition to determining pay, additional welfare and financial aid programs implemented for employees have been examined. The Leave and Holidays System in a Textile Mill was the subject of another study in 1974 by Sh. Kadapatti, I.A deciding on the working conditions and leave system, it is found that the primary focus of efforts is legislative compliance.

B.N. Raga Hans (2005) ^[34] in his paper, the Hind Mazdoor Sabha's general secretary discusses social security for workers. For their contributions to the nation's wealth, the unorganized sector's employees receive pitiful compensation. It is imperative that their pay be increased and that they be covered by social security.

Bulgurcu *et al* (2010) ^[12] Organizations recognize employees as valuable assets in mitigating risks in information security. Understanding employee compliance

behavior with Information Security Policies (ISPs) is crucial. Attitude, perceived benefits and costs, and Information Security Awareness (ISA) influence compliance intention. Benefits include intrinsic rewards and resource safety, while costs include work impediments. Fostering a compliance culture within organizations enhances adherence to information security protocols.

Needs of the study

The need for the study is to create a strong framework for compliance inside the company, the study's requirements are essential. Finding and understanding the relevant laws and regulations that control the industry is crucial, first and foremost. The basis for creating successful compliance initiatives is this understanding. In order to identify any gaps or areas that need development and maintain the organization's alignment with best practices and legal standards, it is also essential to conduct audits and assessments on a regular basis. A culture of compliance can also be fostered by providing training sessions to stakeholders and employees. These sessions will define individual duties in maintaining compliance and highlight the importance of following regulations. Last but not least, the company must exhibit accountability and openness in its compliance initiatives, since this strengthens the dedication to moral behavior and legal compliance while also fostering trust among stakeholders. These components work together to create a thorough approach to compliance that upholds the integrity and operational excellence of the company.

Objectives of the study

Primary objective

To assess the level of employee awareness regarding statutory compliances at Adyar Ananda Bhavan.

Secondary objectives

- To examine how satisfied workers are with assistance programs.
- To provide appropriate recommendations for raising employee awareness.
- To examine the correlation of income level.
- To include promoting ethical business practices.

Scope of the study

- Adhering to occupational health and safety standards to protect employees and prevent workplace accidents or illnesses.
- It ensures accurate and transparent financial reporting and prevents financial misconduct.
- It safeguards and upholds the company's intellectual property rights, including copyrights, patents, and trademarks, in order to avoid fraud, protect investors, and guarantee honest and open business operations.
- It ensures to protect their rights and establish standards for working conditions, wages and benefits.

Limitation of the study

- If statutory requirements are broken, there may be fines, penalties, and even legal action.
- Non-compliance can affect the reputation of a company, leading to loss of trust among customers, partners, and stakeholders.
- Compliance failures can create uncertainty and stress among employees, affecting morale and productivity.
- Laws and regulatory requirements are subject to change, and keeping up with these changes can be challenging for the organization.
- Multinational companies complying with statutory requirements in multiple jurisdictions can be particularly challenging. Eg. Difference in laws, cultures.

Methodology

This research employs a descriptive research design, aiming to describe the level of awareness and satisfaction of employees regarding statutory compliance and welfare schemes at Adyar Ananda Bhavan. Collected directly from employees through a structured questionnaire. The questionnaire was designed to capture their awareness and satisfaction with statutory compliance and welfare schemes. A sample of 150 employees working in Adyar Ananda Bhavan were chosen by using a random sampling method. The study utilizes a random sampling method to ensure that every employee of Adyar Ananda Bhavan had an equal chance of being selected. The study is with respect to the Indian scenario. To ascertain the level of statutory compliance awareness among Adyar Ananda Bhavan employees. SPSS is used for data analysis. The survey questions that inquire about respondents' awareness of the degree of statutory compliance in A2B have been subjected to ANOVA and correlation. Based on variables including age, gender, marital status, qualification, and monthly salary, analysis of variance has been done to look at how satisfied employees are with their knowledge of statutory compliance in A2B.

Analysis

Table 1: Annova

Need for the test:

To find the significant difference between the age and I am satisfied about the statutory compliance in Adyar Ananda Bhavan.

Hypothesis

- **H₀ (Null hypothesis):** There is no significant difference in age and I am satisfied with the statutory compliance in Adyar Ananda Bhavan.
- **H₁ (Alternate hypothesis):** There is a significant difference between the age and I am satisfied about the statutory compliance in Adyar Ananda Bhavan.

Table 1: Observed value

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
20 Below	12	1.67	.651	.188	1.25	2.08	1	3
21 - 30	99	1.51	.691	.069	1.37	1.64	1	4
31 - 40	34	1.68	.684	.117	1.44	1.92	1	3
41 - 50	4	1.50	.577	.289	.58	2.42	1	2
Total	150	1.55	.681	.056	1.44	1.66	1	4

Table 1a: Calculated value, age

	Sum of Squares	DF	Mean Square	F	Sig.
Between groups	1.218	4	.305	.651	.627
Within groups	67.855	145	.468		
Total	69.073	149			

Level of significance is 5% (0.5)

Calculated value is 0.627

Degree of freedom is 4

Tabulated value is 6.26

Since p significant value $0.627 < 6.26$

Results

The calculated value is less than the tabulated value. Hence null hypothesis H_0 is accepted and alternative hypothesis H_1 is rejected. Therefore, there is no significant difference

between the Age and I am satisfied about the statutory compliance in Adyar Ananda Bhavan.

Table 2: Annova

Need for the test: To find the significant difference between the monthly income and I agree that 21,000 is the eligibility under ESI ACT.

Hypothesis

- **H₀ (Null Hypothesis):** There is no significant difference between the monthly income and I agree that 21,000 is the eligibility under the ESI ACT.
- **H₁ (Alternate Hypothesis):** There is a significant difference between the monthly income and I agree that 21,000 is the eligibility under the ESI ACT.

Table 2: Observed Value

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					Lower Bound	Upper Bound		
10000 - 20000	55	1.75	.865	.117	1.51	1.98	1	4
20001 - 30000	65	1.42	.705	.087	1.24	1.59	1	4
30001 - 40000	21	1.24	.436	.095	1.04	1.44	1	2
40001 - 50000	5	1.6	.548	.245	0.92	2.28	1	2
50001 Above	4	1.75	.500	.250	0.95	2.55	1	2
Total	150	1.53	.748	.061	1.41	1.65	1	4

Table 2a: Calculated Value

	Sum of Squares	df	Mean Square	F	Sig.
Between groups	5.413	4	1.353	2.516	.044
Within groups	77.981	145	.538		
Total	83.393	149			

Level of significance is 5% (0.5)

Calculated value is 0.044

Degree of freedom is 4

Tabulated value is 6.26

Since p significant value $0.044 < 6.26$

Results: The calculated value is less than the tabulated value. Hence null hypothesis H_0 is accepted and alternative hypothesis H_1 is rejected. Therefore, there is no significant difference between the monthly income and I agree that 21,000 is the eligibility under ESI ACT.

Table 3: Correlation

Need for the test: To find the correlation difference between Age and I am personally benefited from the welfare schemes provided in Adyar Ananda Bhavan.

Table 3: Correlation

I am personally benefited from the welfare schemes provided in Adyar Ananda Bhavan.							
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Age	20 Below	22	18	11	2	0	53
	21 - 30	18	24	16	1	1	60
	31-40	9	8	8	1	0	26
	41 - 50	4	5	3	0	0	11
	51 Above	0	0	0	0	0	0
TOTAL		52	55	37	4	1	150

Table 3A: Observed value and Calculated value

		Value	Asymptotic Standard Error ^a	Approximate tb	Approximate Significance
Interval by Interval	Pearson's R	.024	.078	.288	.774 ^c
Ordinal by Ordinal	Spearman correlation	.057	.082	.699	.486 ^c
N of valid cases		150			

Results

The value of correlation is determined to be 0.774^c hence it is inferred that there is a positive correlation between two variable age and I am personally benefited from the welfare schemes provided in A2B.

Findings

- The findings suggest that employees possess a significant understanding of legal compliance, including labor legislation, social security regulations,

and welfare initiatives. This deficiency in knowledge represents a crucial concern, as following these rules is vital for protecting the rights of both employees and employers.

- The findings suggest that employees possess a significant understanding of legal compliance, including labour legislation, social security regulations, and welfare initiatives. This deficiency in knowledge represents a crucial concern, as following these rules is vital for protecting the rights of both employees and

employers and other Anova test examined whether income levels impacted employees' agreement on the eligibility threshold under the Employees' State Insurance (ESI) Act. Similar to the previous test, no significant difference was found between income levels and agreement with ESI eligibility, implying that income doesn't influence employee perceptions of compliance in this regard.

- According to the report, although workers are generally happy with the welfare benefits they have access to, more training and communication about these benefits are needed, especially to raise understanding of labour laws and modifications.

Suggestions

- For the benefit of the employees, the company should provide a unique presentation by specialists on a variety of laws and recently revised regulations.
- Human resource officers should communicate with employees on a regular basis to inform them about the company's policies.
- Management fosters positive relationships with employees and creates a welcoming atmosphere at work.
- Employees and their families should receive medical benefits from the company.
- An abstract of the act, written in a language that the employees can understand, can be shown on the notice board or at the workplace to raise awareness.
- The company can also improve employee safety procedures.
- Employee training seminars are conducted once a month.
- All employees should receive benefits and remuneration from the company.
- The business should be offering high-quality infrastructure

Conclusion

The goal of statutory compliance is to protect and ensure the welfare of the organization, the employer, and the employees. These compliances relate to several of the labor and tax rules that were discussed in the article above in India. The State and the Center make these laws, and they are subject to modification at their discretion. Businesses must abide by these rules in order to avoid facing legal repercussions for breaking them. Results from the study showed that employees' awareness of the current statutory compliance was a twofold dimension, in the sense that there were acts that employees were well aware of, while there were other acts in which they were not aware of. The areas in which the respondents demonstrated clear awareness level of Minimum wages act, Awareness level of Payment of wages, Awareness level of Equal remuneration, Awareness level of Employees state Insurance act (ESI) and Awareness level of Payment of gratuity act.

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