



EMPLOYEE SATISFACTION ON SUPPLY OF MEAL COUPONS AS PART OF FRINGE BENEFITS IN LIFE INSURANCE CORPORATION OF INDIA- A STUDY

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Abstract

Providing of meal coupons to the employees is a novel idea which was evolved after the completion of World War – II in 1946 in U.K and spread to almost each and every Country in the World after wards. Providing the meal coupons to employees is a part of fringe benefits which is an important motivational tool and part of the Human Resource Management practices, which the employers pass on to their employees for keeping the employees in good terms and in extraction of more work in terms of qualitative as well as quantitative. This part of fringe benefits is new to the employees working in Public Sector / Government Sector in India and that too the provision of meal coupons is relatively a new concept introduced in many of the companies mostly in private sector. But the Life Insurance Corporation of India is a front runner in public sector in introduction of meal coupons to its employees in India. Many companies provide the meal coupons to its employees keeping in mind, the punctuality, regular attendance, sincerity, hard work and most importantly to arrest the waste of time involved in moving out of the employee in search of lunch. The objectives of this study is aimed at finding the satisfaction level of employees of Life Insurance Corporation of India on introduction of meal coupons and its effect on other issues like job satisfaction, punctuality in attending the Office.

Key Words: Fringe Benefits, Meal Coupons, Motivation, Punctuality, Attendance and Job Satisfaction.

Introduction

Employee benefits and benefits in kind (fringe benefits, perquisites or perks) include various types of non –wage compensation provided to employees in addition to their normal wages or salaries as per the Wikipedia¹.

Fringe Benefits stand as an important component of worker compensation and play a significant role in determining employee job satisfaction. The term ‘fringe benefits’ is a confusing one. It can affect job satisfaction in opposing ways. Firstly, as they are less taxed than the wages, they can be bought at cheaper rates when compared to the market rates from the employer. Secondly, Fringe benefits are often desirable pieces of compensation packages and so increase job satisfaction. Thirdly, if spousal fringe benefits consists of the similar fringe benefits provided by the employer, then it is wasteful. Those that are wasteful, may decrease job satisfaction (Benjamin Artz)².

The Fringe benefits normally include

- Advances for festivals, Advances for performing Marriages, purchase of Vehicles, Advances for purchase of Computers etc.
- Encashment of Earned Leave.
- Leave Travel Concession.
- Medical Insurance to self and family of the employee at concessional rates.
- Group Insurance to the employee.
- Providing of Entertainment Allowances to the employees.
- Providing of Conveyance Allowances or Fixed Travel Allowances for commuting from the house of the employee to the work place and back.
- Profit sharing by allotment of shares of the company.
- Profit Linked Lumpsum Incentives.
- Providing of Meal Coupons to the employees etc.

Of all these fringe benefits or perks, the last one i.e., providing of meal coupons to employees is now gaining popularity in the employee circles.

Review of Literature

A Meal Voucher or luncheon voucher is a voucher given to the employees as an employee benefit, allowing them to eat at a private restaurant, typically for lunch. In many Countries, meal vouchers have had favorable tax treatment. Vouchers are typically in the form of paper tickets. The Scheme dates back to 1946, when the food rationing was still in force following the end of the world war II. The British Government granted an extra-statutory tax concession, believing that this would help



citizens afford healthy meals. In the early days, a company that wanted to subsidize their staff lunches, but not run a canteen, had to have vouchers printed and make arrangements with one or more local restaurants to accept them. John Hack, a businessman realized that a single standard voucher acceptable across the UK would be more logical and efficient and started the Luncheon Voucher Company in 1955. Accor bought the company in 1982. Meal Vouchers introduced in Belgium in 1965, Electronic meal vouchers introduced in 2011 and paper vouchers phased out on 1st January, 2016. Jaques borel introduced meal vouchers by name Ticket Restaurant in France in 1962. It expanded outside France and became part of Accor in the year 1983. Accor became Accor Services in 1998 which became Edenred due to split in 2010. (Wikipedia)¹.

Motivation and satisfaction of the employees are the two very important factors for any Organization to grow and prosper. If both the factors are met, then the employee is a satisfied person and provides his maximum co-operation in performing the task he has been given. It is a well known fact that the motivated employee becomes instrumental in improving the productivity of an Organization which in turn helps the Organization to reach its goal. (Pratyay Pratim Datta & Debalina Datta)⁵.

Job Satisfaction is behavioral feeling with internal perception of employee. It makes a great impact in Organizational productivity, as it is related to the individual personality of an employee. Compensation & Security, Career Advancement, Co-operation and Job Interest are the four factors that are important in influencing the employees in job satisfaction. (Seema Singh and Dr.Meera Bamba)⁶.

In India, the Meal Voucher system was first introduced in 2001. From the beginning, employer's contribution up to a specified amount per employee was not subject to income tax. The Tax benefit was fixed at Rs.50/- (Calculated on a per-meal, per-day basis). Some possible factors responsible for the slow growth of Meal Vouchers use might be due to High level of the informal labour force, conservative public policy, Low per capita and low disposable incomes and more over a dominant sector of the Indian workforce seems to prefer home cooked food. (Rajnish Ahuja)⁴.

The share of meal benefits in the form of tax benefit, in the total compensation of the employees in India in formal sector, has been constantly decreasing in relative terms. The value of the meal vouchers are not raised on par with the rising prices of the food items in many of the companies for their employees. Successive Governments are also not increasing the tax exemption limits in regular intervals on such employee benefits extended to the employees. As it is an important tool for employee motivation and job satisfaction, the tax exemption limits should be raised in accordance with the price rise. (Prof. Biju Varkkey & Ms. Rupa Korde)³.

Profile of the Life Insurance Corporation of India

The Life Insurance Corporation of India has been formed by nationalization of 154 Indian Companies, 16 Foreign Companies and 75 Provident Societies with the passing of Life Insurance Corporation act in Parliament on 19th January, 1956 and thus the Life Insurance Corporation of India came in to existence on 1st September, 1956. LIC of India started its business in 1956 with a corpus of Rs. 5 Crores invested by the Government of India. As of 2016, i.e, after 60 years of its existence, it has to its credit Rs. 2057625 Crores of Life fund, Rs. 2210378 Crores of Assets. It was a monopoly till the year 2000, the year when the Insurance Industry was re-opened for the private and foreign players. Insurance Regulatory and Development Authority of India (IRDAI) was constituted in the year 2000 to oversee the regulatory frame work in the Insurance Industry. After the re-opening of the Insurance sector, now there are 23 private companies which are competing with the Life Insurance Corporation of India. Even after 16 years of re-opening of Insurance sector, LIC of India has kept its number one position by clinching a market share of 70.5% in First Year Premium Income and 76.84% in Number of Policies as the end of the Financial Year 2015-16. There are 114773 employees on rolls in LIC of India as at the end of the Financial Year 2015-16.

Importance of the Study

Fringe Benefits plays an important role in employee management and satisfaction of the employees in day to day working of an Organization. Of all the fringe benefits, the most talked about now-a-days, are the 'Meal Coupons' as they are now an alternative apart from the salary which is gaining popularity due to its nature of availability like paper tickets in small denominations and wide acceptance across the restaurants and stores for purchase of food items. The meal coupons are now supplied by many companies like Sodexo, Edenred India in paper ticket form and other companies in the form of food cards like that of Debit Cards.

The Objectives of this Research are

1. To study the providing of meal coupons to employees as a part of fringe benefits in LIC of India
2. To reveal the perceptions of LIC employees on introduction of meal coupons in LIC of India
3. To analyze the employee motivation & job satisfaction on the respondents in the study area
4. To draw the findings and conclusions.



Research Methodology

A discussion was carried out among the employees of the Life Insurance Corporation of India, Anantapur City. There are 103 employees (all classes put together – Managers/Officers in Class I & Class II, Employees in Class III & IV) available for this survey according to the Objectives and various factors identified as per this study. A sample of 30 comprising of 20 employees and 10 Managers / Officers were selected through simple random sampling and the interview method was adopted for this survey. The questions were put to the respondents and their answers were recorded. The qualitative data was converted in to the quantitative data and the data was further analyzed by using the statistical tools like actual counts, percentages, mean and simple averages.

Limitations

Due to paucity of time, expenditure and other constraints, my study was restricted only to Anantapur City with regard to primary data.

Introduction of Meal Coupons in LIC of India

The Life Insurance Corporation of India has been providing the Meal Coupons to its Employees since 01.09.2010. The Scheme is applicable to all the whole time employees, regular part-time employees of LIC of India including probationers and the Officers / employees who come on deputation in LIC Offices. Meal Coupons Scheme is not applicable to temporary employees, Senior Marketing Executives, Financial Service Executives, employees who have been appointed on an ad-hoc basis and to whom the LIC of India (Staff) Rules, 1960 do not apply including CBSE and Actuarial Apprentices.

The Amount of Meal Coupons proposed by the LIC of India to its employees on 01.09.2010 and the rates of meal coupons after its review on 1st September every year is depicted in Table -3:

Conditions for getting the benefit

- Paid only for working days including Saturdays.
- Not paid for the Employee who is on duty Tour.
- Not paid for the Suspension period.
- Not paid even if the employee avails half-a-day leave.
- Not paid to the employee if he leaves the Office early (i.e., facility of leaving the Office early by one hour is with drawn).

All the classes of employees (Class1, Class2, Class 3&4) have to log in daily in the attendance portal named as Concurrentia in addition to the signing in the attendance register. Those employees and / or regular part-time workmen who were not given the login facility, login on their behalf will be done by the department responsible for attendance.

The Development (Class 2) Officers will be eligible for getting the meal coupons, if they satisfy the following norms:

Table 1: Minimum Norms to be fulfilled by the Development (Class -2) Officers to get meal coupons

S. No	Period	Performance
1	First Quarter of Financial Year i.e., April to June	Minimum 20 policies each month
2	Subsequent months of the Financial Year	Minimum 25 policies each month

Development Officers who are stationed at Head Quarters of the Branch have to login daily & others stationed outside will not be required to login. Every year on 1st September, the Life Insurance Corporation of India reviews the rate of meal coupons. The meal coupons are distributed by M/s Sodexo SVC India Private Limited.

Table 2: Rates of Meal Coupons since the inception (i.e., from 2010) to 2016

Cadre	Rate of Meal Coupon per day						
	w.e.f. 01.09.2010	w.e.f. 01.09.2011	w.e.f. 01.09.2012	w.e.f. 01.09.2013	w.e.f. 01.09.2014	w.e.f. 01.09.2015	w.e.f. 01.09.2016
Zonal Manager	200	220	245	275	295	315	335
Senior Divisional Manager	175	190	210	235	255	270	290
Divisional Manager	150	165	185	205	220	235	250



Assistant Divisional Manager	130	145	160	180	195	210	225
Administrative Officer	110	120	135	150	165	175	190
Assistant Administrative Officer	100	110	125	140	150	160	170
Development Officer	90	100	110	125	135	145	155
Higher Grade Assistant	80	90	100	115	125	135	145
Assistant / Steno / Section Head	70	80	90	100	110	120	130
Record Clerk	60	65	75	85	95	100	110
Class IV	50	55	65	75	85	90	100
Regular Part-time Workmen	25	30	35	40	45	50	55
Total:	1240	1370	1535	1725	1875	2005	2155
Difference of meal coupons over previous year		130	165	190	150	130	150
Percentage of rise of meal coupons over previous year		10.48	12.04	12.38	8.70	6.93	7.48

Source: Compiled from NFIFWI web site & LIC of India Circulars on meal coupons

Table 3: Table showing increase in meal coupons over the past 6 years

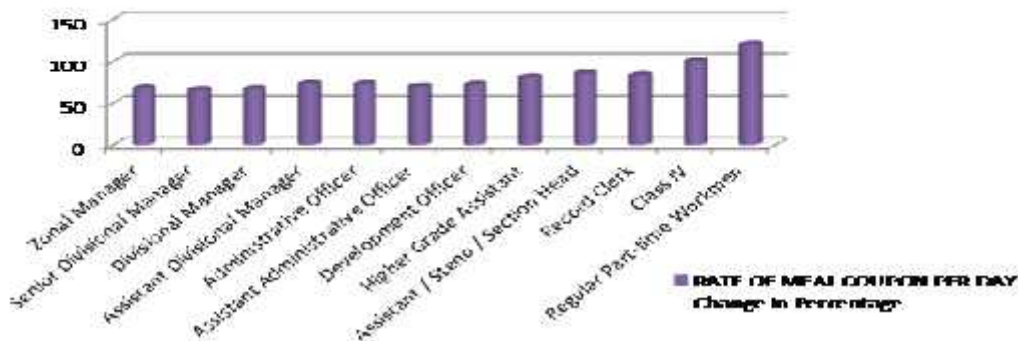
Cadre	Rate of meal coupon per day		Difference	Change in Percentage
	With effect from 01.09.2010	With effect from 01.09.2016		
Zonal Manager	200	335	135	67.50
Senior Divisional Manager	175	290	115	65.70
Divisional Manager	150	250	100	66.70
Assistant Divisional Manager	130	225	95	73.10
Administrative Officer	110	190	80	72.70
Assistant Administrative Officer	100	170	70	70.00
Development Officer	90	155	65	72.20
Higher Grade Assistant	80	145	65	81.20
Assistant / Steno / Section Head	70	130	60	85.70
Record Clerk	60	110	50	83.30
Class IV	50	100	50	100.00
Regular Part-time Workmen	25	55	30	120.00
Total			915	958.1

Source: Compiled from NFIFWI web site & LIC of India Circulars on meal coupons.

Average Change in percentage of meal coupons over 6 yrs. (i.e., from 2011 to 2016): $958.1/12=79.84$.

(Change in percentage / Total number of Cadres)

RATE OF MEAL COUPON PER DAY Change in Percentage from 2010 to 2016 (6 years)





Comparison of Rate of Meal Coupon per day in 2010 & 2016

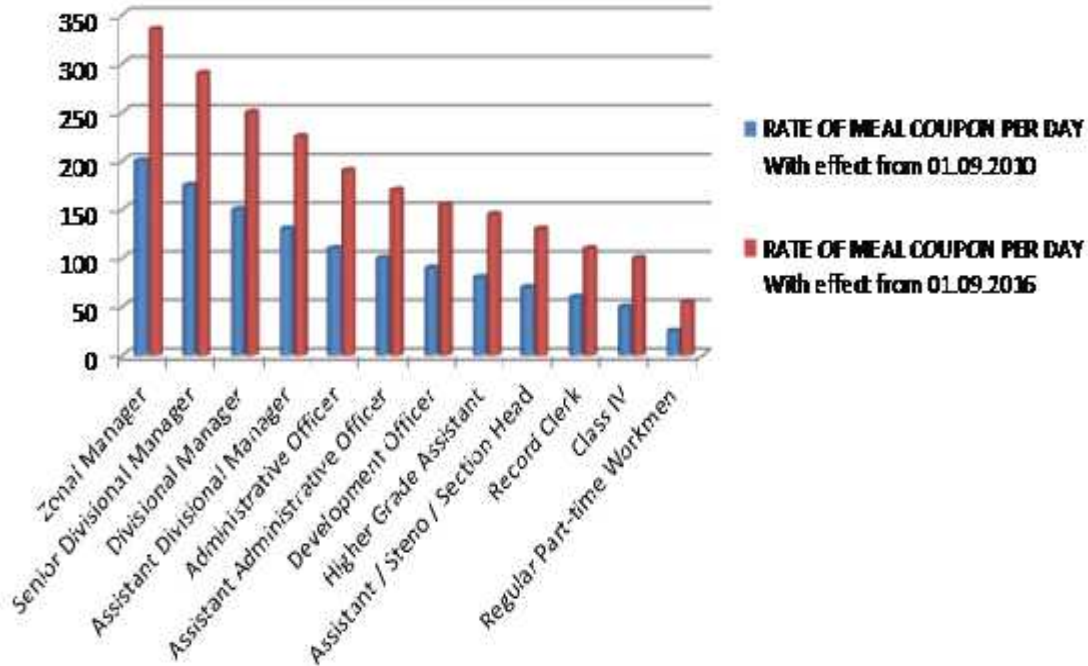


Table 4: CPI (IW) base 2001 points

Month of Consumer Price Index (Industrial Workers)	C.P.I base 2001	Difference in C.P.I base 2001
31.08.2010 (August, 2010)	178	
31.08.2011 (August, 2011)	194	16
31.08.2012 (August, 2012)	214	20
31.08.2013 (August, 2013)	237	23
31.08.2014 (August, 2014)	253	16
31.08.2015 (August, 2015)	264	11
31.08.2016 (August, 2016)	278	14

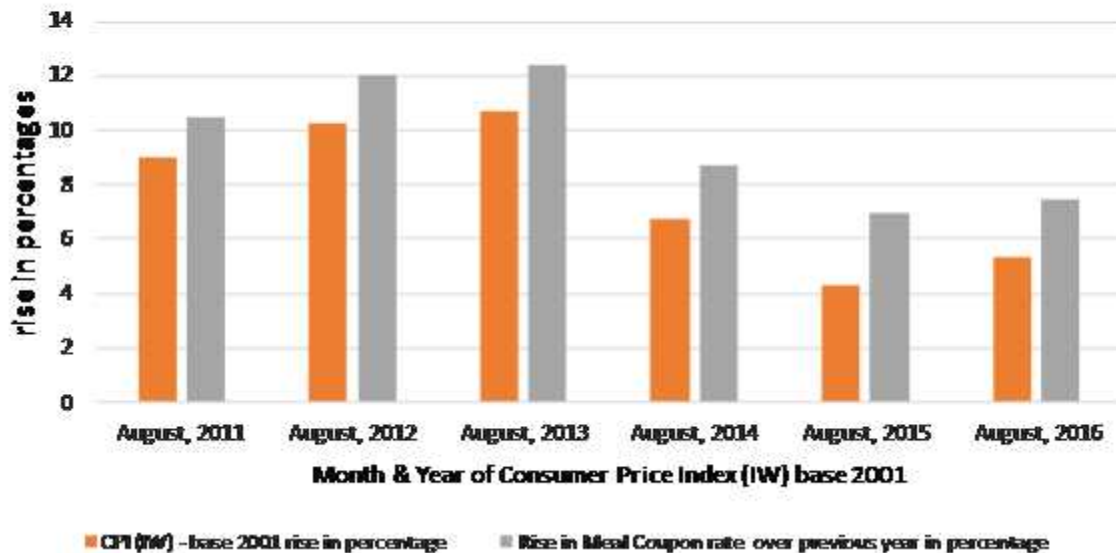
Source: Labour Bureau (www.labourbureau.nic.in)

Table 5: Table showing rise of CPI (IW) base 2001 points & rise in meal coupon rate in percentages (Compiled from Table 2 & 4)

Month of Consumer Price Index (Industrial Workers)	Rise of CPI (IW) Points	CPI (IW) rise in percentage	Rise in Meal Coupon rate over previous year in percentage
31.08.2010 (August, 2010)			
31.08.2011 (August, 2011)	16	8.98	10.48
31.08.2012 (August, 2012)	20	10.30	12.04
31.08.2013 (August, 2013)	23	10.74	12.38
31.08.2014 (August, 2014)	16	6.75	8.70
31.08.2015 (August, 2015)	11	4.34	6.93
31.08.2016 (August, 2016)	14	5.30	7.48



Comparison of Meal Coupon rise (in percentages) with rise of CPI (IW) points (base 2001) (in percentages) for the last 6 years (2011 to 2016).



Hence, it is evident from the above tables & Chart, that the rise in meal coupons provided to the employees of Life Insurance Corporation of India is approximately in proportion with the rise in Consumer Price Index (Industrial Workers) base 2001.

Table 6: Opinion of LIC Employees on Introduction of Meal Coupons as a motivational tool

S. No	Level of Satisfaction	No. of Respondents	Percentage
1	High	20	66.67
2	Moderate	7	23.33
3	Low	3	10.00
	Total	30	100.00

Source: Field Survey

Table 6 demonstrates that majority (66.67%) of the employees of LIC of India are highly satisfied, 23.33% are moderately satisfied and 10% are less satisfied with the introduction of meal coupons in Life Insurance Corporation of India as a motivational tool.

Table 7: Opinion of LIC Employees on linking of meal coupons with Attendance (Concurrentia)

S. No	Level of Satisfaction	No. of Respondents	Percentage
1	High	5	16.67
2	Moderate	7	23.33
3	Low	18	60.00
	Total	30	100.00

Source: Field Survey

From the above table it is clear that majority (60%) of the employees are having low satisfaction levels when it comes to linking of meal coupons with attendance (Concurrentia), where as 23.33% are moderately satisfied and 16.67% highly satisfied.

Table 8: Opinion of LIC Employees on revision of the rates of Meal Coupon every year

S. No	Level of Satisfaction	No. of Respondents	Percentage
1	High	18	60.00
2	Moderate	10	33.33
3	Low	2	6.67
	Total	30	100.00

Source: Field Survey



Table 8 shows that majority of the LIC Employees (60%) are in highly satisfied with the revision of meal coupons every year, where as 33.33% are moderately satisfied and 6.67% are having low satisfaction levels.

Table 9: Opinion of LIC Employees on effect of meal coupons on punctuality & attendance

S. No	Level of Satisfaction	No. of Respondents	Percentage
1	High	25	83.33
2	Moderate	4	13.33
3	Low	1	3.33
	Total:	30	100.00

Source: Field Survey

From table 9 it is evident that majority of the LIC Employees with 83.33% expressed high satisfaction on punctuality & regular attendance due to the introduction of meal coupons, 13.33 expressed moderate satisfaction and 3.33% expressed low satisfaction.

Table 10: Opinion of LIC Employees on effect of meal coupons with regard to Job Satisfaction

S. No	Level of Satisfaction	No. of Respondents	Percentage
1	High	19	63.33
2	Moderate	6	20.00
3	Low	5	16.67
	Total:	30	100.00

Source: Field Survey

Table 10 shows that on the effect of meal coupons on job satisfaction, 63.33% of the employees of LIC of India have expressed high satisfaction levels, where as 20% expressed moderate and 16.67% expressed low satisfaction levels. It can also be inferred from the table no.10 that, the effect of meal coupons on the employees will have positive effect on their work out-put.

Conclusions

From the above study it is evident that on the introduction of meal coupons as a motivational tool, revision of the meal coupons every year, the effect of meal coupons on punctuality and attendance and the effect of meal coupons on job satisfaction, the majority of the employees are highly satisfied, but with regard to the linking of Attendance (Concurrentia) with meal coupons, majority of the employees (60%) of LIC of India are less satisfied. Even though, the majority of the employees who expressed less satisfaction due to the linking of the meal coupons to that of the Attendance (Concurrentia), majority (83.3%) of the employees of LIC of India have expressed high satisfaction when it comes to the opinion on punctuality and regular attendance. From this study, it is also proved that the Life Insurance Corporation of India is revising the rates of meal coupons every year in concurrence with the rise or fall of Consumer Price Index (Industrial Workers) base 2001, due to which majority (60%) of the LIC employees are highly satisfied. The Introduction of meal coupons as a motivational tool has its positive effect on the increase in per-capita work output of the employees of Life Insurance Corporation of India.

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