

# A Study Of Manpower Optimization, Impact Of Early Separation, And Rehabilitation In Public Sector Organizations

## Authors:

1. Binod Koshy, Research Scholar (PhD – Management)  
Bhilai Institute of Technology (BIT), Durg, Chhattisgarh  
Chhattisgarh Swami Vivekanand Technical University (CSVТУ), Bhilai.
2. Dr. Sanjay Guha – Professor, Bhilai Institute of Technology, Durg,
3. Dr. Abhishek Chakraborty – Assistant Professor, Bhilai Institute of Technology, Durg, Mobile

## Abstract

Human beings are the most vital assets of any organization, and their effective management is essential for productivity and profitability. This study investigates the processes of manpower optimization and rightsizing within the steel industry, focusing on the Voluntary Retirement Scheme (VRS). It evaluates the organizational objectives behind these schemes, the factors influencing employee decisions to separate early, and the current status of their rehabilitation.

## KEYWORDS:

Manpower optimization, Early separation, Rehabilitation, Effectiveness, Employment Programme, Getting them, Preparing them, Activating them and Keeping them

## 1. Introduction

Public sector enterprises like the Bhilai Steel Plant (BSP) were established to generate employment and drive industrial growth in post-independence India. Over decades, manpower at BSP grew significantly—reaching 63,000 employees by the late 1970s for a 4 MT capacity—which led to declining labor productivity and profit margins. Increased competition from private industries necessitated a shift toward manpower optimization to achieve maximum production efficiency. Consequently, the Steel Authority of India Limited (SAIL) implemented various Voluntary Retirement Schemes (VRS) to rightsize the workforce to optimal levels.

## 2. Methodology

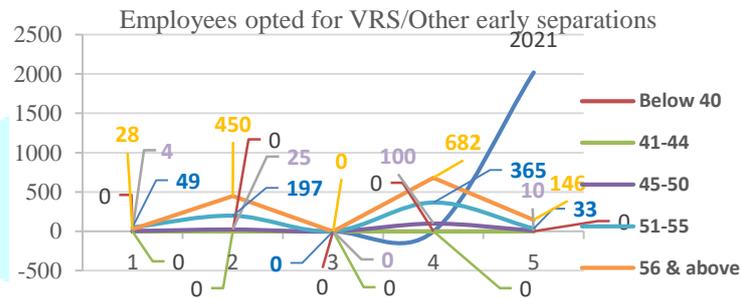
The research methodology involves a review of 53 academic papers focusing on human resource planning, organizational development, and employee performance. The study uses secondary data from the last 20 years at BSP and other government organizations to analyze satisfaction levels and the impact of service quality on separated employees.

### 3. Data and Analysis

The following tables summarize key data regarding employee participation and organizational objectives:

**Table I: Age Groups Opting for VRS/Early Separation**

Age Group (Years)	2000-05	2006-10	2011-15	2016-20	2021	Total
Below 50	4	25	0	100	10	139
51-55	49	197	0	365	33	644
56 & above	28	450	0	682	146	1306
<b>Total</b>	<b>81</b>	<b>672</b>	<b>0</b>	<b>1147</b>	<b>189</b>	<b>2089</b>



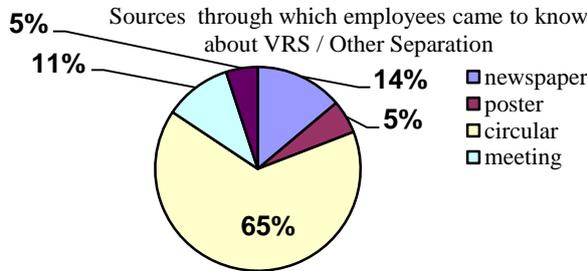
**Table II: Management Objectives Behind VRS/Other Separations**

Objective	Percentage of Respondents
Rightsizing of manpower	42.6%
Utilization of manpower	33.3%
Generating more profit	10.6%
Increased productivity	5.3%
Other	8.0%

INTEPRETATION: Management's objective is to reduce the manpower. Due to VR / Other early separation Scheme many skilled workers have been opting for VR and there has been loss of skilled workers. So, it may affect the quality of production in Bhilai Steel Plant. Life after separation of employees before attaining the age of retirement has to be properly rehabilitated by Government Organizations, and can be utilized for future plans.

**Table-III From where did employees get the information about VRS / Other Separation?**

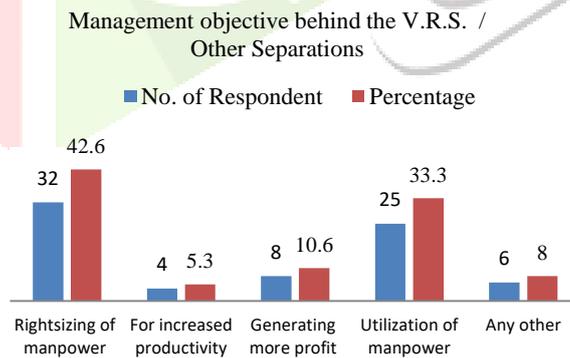
S.No.	Response	No. of Respondent	Percentage
1.	News Paper	10	13.8
2.	Poster	4	5.3
3.	Circular	49	65.3
4.	Regular Meeting	8	10.6
5.	Others	4	5



**INTEPRETATION:** In their response employees have given various sources like newspaper, poster, circular, and regular meetings. Majority of employees know about VRS / Other separation from circular.

**Table-IV What is management objective behind the V.R.S. / Other Separations ?**

S.No.	Response	No. of Respondent	Percentage
1.	Rightsizing of manpower	32	42.6
2.	For increased productivity	04	5.3
3.	Generating more profit	08	10.6
4.	Utilization of manpower	25	33.3
5.	Any other	06	8

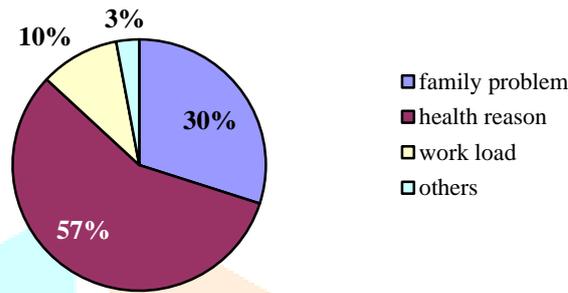


**INTEPRETATION:** Management objective behind the VRS/Other separations is very clear. Management wants to reduce the manpower. But the respondents have given various factors like cost cutting, Increase the productivity, increase the profit, and optimum utilization of manpower. In their opinion, the management wants to achieve all these factors.

**Table-V** What are the reasons, which influence workers for applying VRS/Other separations ?

S.No.	Response	No. of Respondent	Percentage
1.	Family Problem	20	26.6
2.	Health Reason	38	50.6
3.	Financial Status	8	10.6
4.	Work Load	7	9
5.	Others	2	2.6

Reasons influencing the workers for applying VRS / Other separation

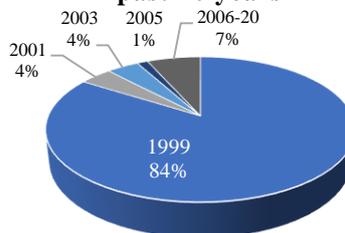


INTEPRETATION: VRS is more beneficial for those people who are not physically fit and who have family problems. So in the response, must of the employees believe in these two reasons.

**Table-VI** Most beneficial scheme in the past 20years ?

S.No.	Response	No. of Respondent	Percentage
1.	1999	63	84
2.	2001	3	4
3.	2003	3	4
4.	2005	1	1.3
5.	2006-20	5	6.6

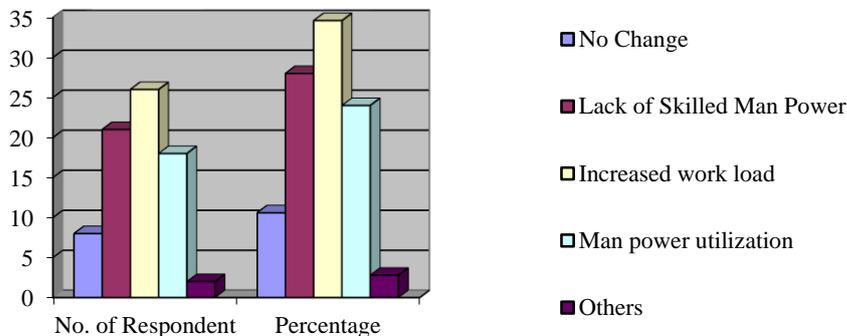
Most beneficial VR Schemes in the past 20 years



INTEPRETATION: according to majority of the employees the VRS scheme of 1999 was the most beneficial scheme.

**Table-VII What changes an employee finds in their work place on account of VR ?**

S.No.	Response	No. of Respondent	Percentage
1.	No Change	8	10.6
2.	Lack of Skilled Man Power	21	28
3.	Increased work load	26	34.6
4.	Man power utilization	18	24
5.	Others	02	2.8



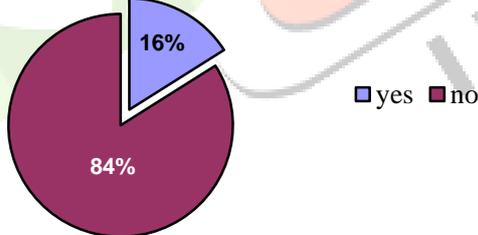
INTEPRETATION: Management’s objective is to reduce the manpower. Due to reduction of manpower many employees believe that their work load has been increased. But many employees think after VRS management can do work with maximum manpower utilization. Due to VRS many skilled workers have been opting for VR and there has been loss of skilled workers. So, it may affect the quality of production.

**Table-VIII Whether employees interested to apply for VR whenever the scheme is launched again?**

S.No.	Response	No.of Respondent	Percentage
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1.	Yes	12	16
2.	No	63	84

Employees intrest in applying for VRS if it is launched again



INTEPRETATION: Most of the employees don’t want to apply if scheme is launched again. Some of them want to apply for VRS. But the rate of interested employees is less.

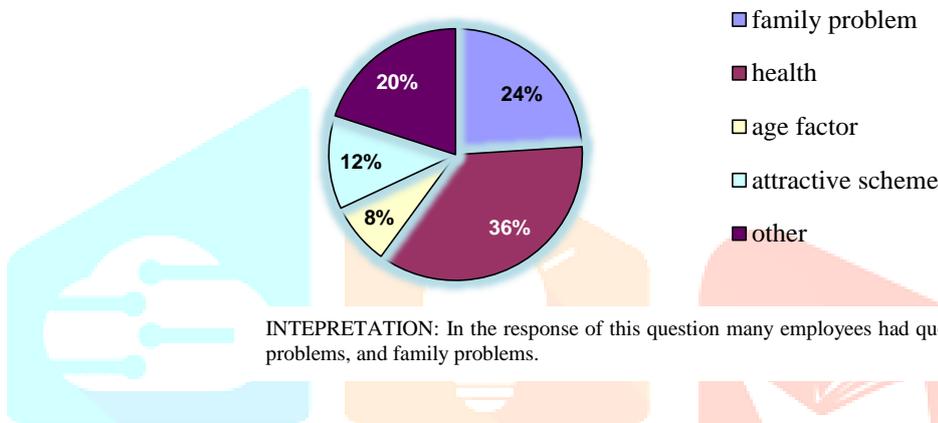
**ANALYSIS OF EX-EMPLOYEES** (No. of employees responded =25)

**Before VRS/ Other Separations**

**Table-IX** What was the reason behind employees opting for VR ?

Response	No. of respondents	Percentage
Family problem	6	24
Health	9	36
Age factor	2	8
Attractive scheme	3	12
Other	5	20

Reason behind taking VRS

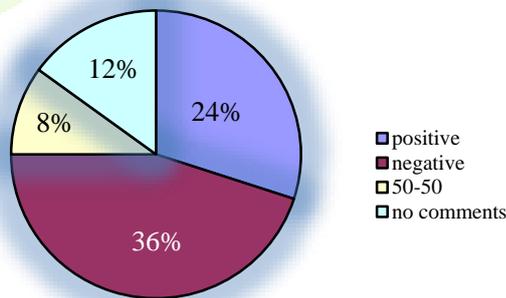


INTEPRETATION: In the response of this question many employees had quoted health problems, and family problems.

**Table-X: What was the reaction from family, relatives and friends after applying for VR?**

Response	No. of respondents	Percentage
Positive	13	24
Negative	5	36
50-50	3	8
No comments	4	12

Reaction from family after taking VRS

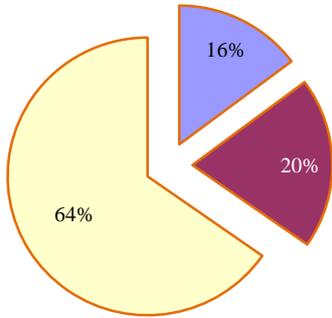


INTEPRETATION: Majority of the persons got support from relatives, friends and family but some of them did not get support from relative, friends and family, when applying for VR.

After VRS

Table-XI: What are you doing after taking VR?

Response	No. of respondents	Percentage	Total
Rest	16	64	31
Job/Business	4	16	8
Other	5	20	11

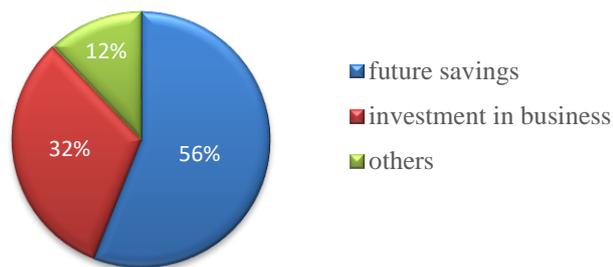


INTEPRETATION: Majority of the people have been taking rest at home. Some of them have invested the VR amount in business and do their business or job.

Table-XII: Utilized your VR compensation amount by ex-employees ?

Response	No. of respondents	Percentage
Future Saving	14	56
Investment in Business	8	32
Other	3	12

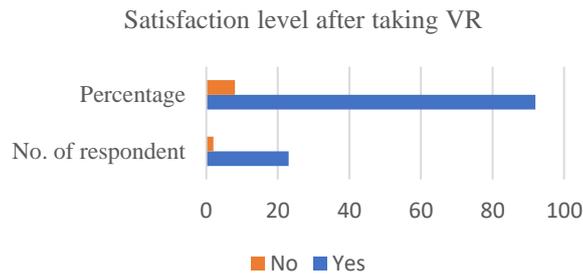
ways by which VR compensation have been utilized



INTEPRETATION: Many people have invested VR amount in bank share and assets. Some of them have invested in business.

**Table-XIII: Are you satisfied after taking VR ?**

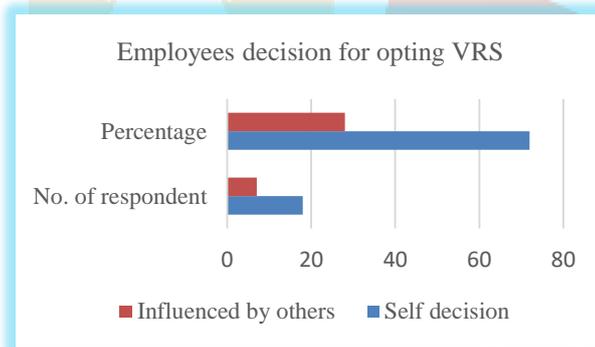
Response	No. of respondent	Percentage
Yes	23	92
No	2	8



INTEPRETATION: 23 people are satisfied after taking VR and only 2 persons are not.

**Table-XIV: Was opting VR your own decision or was your decision influenced by others suggestion ?**

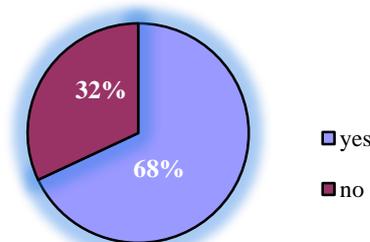
Response	No. of respondent	Percentage
Self decision	18	72
Influenced by others	7	28



INTEPRETATION: 18 people have taken their own decision for taking VR and 7 people have taken decision which was influenced by others.

**Table-XV: Are you satisfied with the mode of final payment?**

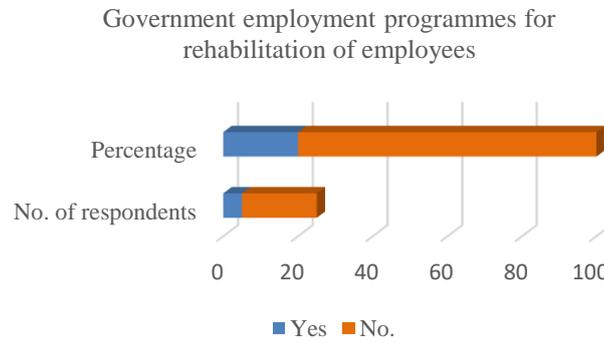
Response	No. of respondents	Percentage
Yes	17	68
No.	8	32



INTEPRETATION: 17 people are satisfied with mode of payment and 8 people are not satisfied with mode of final payment because they didn't get the full payment, they have faced some obstruct with the payment.

**Table-XVI: Are you aware of Government employment programmes for rehabilitation of employees after their early separated from an organization**

Response	No. of respondents	Percentage
Yes	5	20
No.	20	80

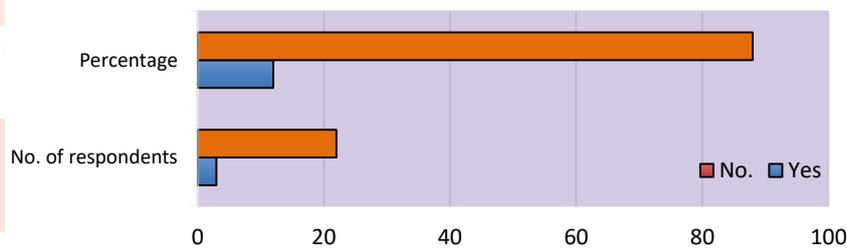


INTEPRETATION: 5 people know about the Government employment programmes for rehabilitation whereas 20 are not at all aware about the same since no one has guided about the guidelines

**Table-XVII: Are you presently working under any Government employment programmes for rehabilitation of employees**

Response	No. of respondents	Percentage
Yes	3	12
No.	22	88

Working under any Government employment programmes



INTEPRETATION: 3 people are working under the Government employment programmes for rehabilitation whereas 22 are not employed are staying at home and are jobless

**Table-XVIII: Are you satisfied with the Government policy of employment of such nature**

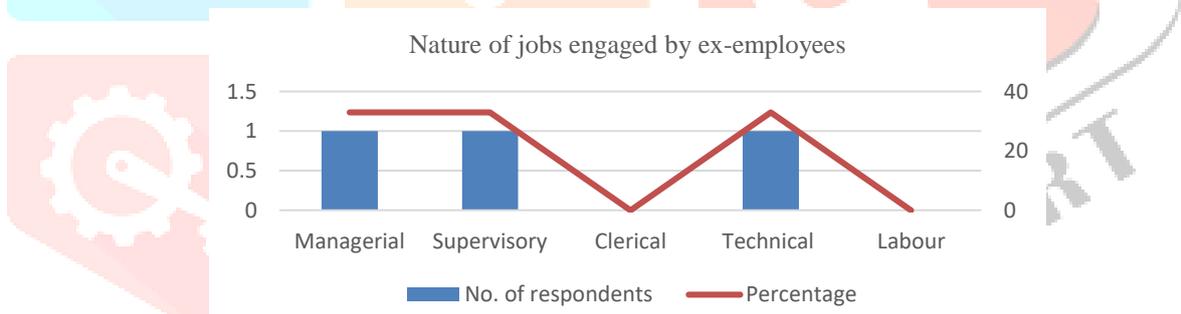
Response	No. of respondents	Percentage
Yes	3	12
No.	23	88



INTEPRETATION: 5 people know about the Government employment programmes for rehabilitation whereas 20 are not at all aware about the same since no one has guided about the guidelines

**Table-XIX: Nature of job you are engaged with under Government employment programmes for rehabilitation of employees**

Response	No. of respondents	Percentage
Managerial	1	33
Supervisory	1	33
Clerical	0	0
Technical	1	33
Labour	0	0



INTEPRETATION: 3 people are gainfully employed under the Government rehabilitation program and are engaged in Managerial, Supervisory and Clerical work

**Table-XX: What suggestion/ comments would you like to give for further improvement in the VR Scheme / Other separation?**

→ During the survey, I got various suggestions and comments from the Ex-employees. They are as below:

- Compensation should be more attractive.
- The process for final payment should be easy.
- Give the employment to one family member of VR taking employees.
- Monthly payment should be given.
- VRS should be implemented in other units of SAIL but not in BSP

## Findings on Employee Separation and Rehabilitation

- **Influencing Factors:** The most common reasons for employees to opt for early separation are health reasons (50.6%) and family problems (26.6%).
- **Workplace Impact:** While management aims for optimization, many current employees (34.6%) believe that reduction in manpower has led to an increased workload. There is also a noted loss of highly skilled workers, which may negatively impact production quality.
- **Post-Separation Life:** A significant majority (92%) of ex-employees reported being satisfied after taking VR. However, awareness of rehabilitation programs is low; 80% of respondents were unaware of government employment programs for early separated employees. Furthermore, 88% expressed dissatisfaction with current government policies regarding rehabilitation employment.

## 4. Conclusion

Manpower optimization remains a critical, yet complicated, task for achieving organizational goals and remaining competitive in a globalized market. While VRS has allowed SAIL to reach its core values of profitability and commitment to excellence, the loss of experienced talent presents an ongoing challenge. Effective rehabilitation avenues—such as consultancy and outsourcing—are available but require better awareness and more attractive implementation strategies to support separated employees.

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