Chapter 5
HR Interventions for Sustaining Turnaround
HR INTERVENTIONS FOR SUSTAINING TURNAROUND

The strategic transformation essentially helps in re-energizing an organization from a declining state to a strong performing organization. Human resource is the most important resource for any organization. Investing in human resources can go a long way in building a strong organization capable of facing the toughest of challenges. Based on this premise began the voyage of Rourkela Steel Plant’s (RSP) turnaround which is unique in terms of mass participation and involvement of employees having taken place without aid of any external factor or resources sustained over a long period of time and is still continuing. A series of initiatives were taken to tap the unlimited potential of human resources and whose focal point was survival and future of RSP, later metamorphosed to profitability and prosperity of RSP. Maintaining the status quo after the turnaround and further improving upon was a mammoth challenge faced by RSP authorities. This chapter focuses on the HR initiatives taken by RSP to sustain the turnaround in spite of all odds.

5.1 HR INTERVENTIONS DURING 2005-2008

The HR interventions taken for sustainability of turnaround of RSP during the years 2005-2008 can be divided into two types i.e. operational and social.

5.1.1 Operational

To sustain the HR interventions post turnaround, MD scripted the future of RSP. He wanted to carry on the Samskar movement and secure the future for Rourkela Steel Plant by building up facilities and processes that will sustain it as a profitable and prosperous steel plant in the days to come. He worked out the future plans in consultation with corporate headquarters and these included new activities which needed to be carried out during the next 7 to 8 years as part of SAIL’s future plans. It involved major investment in several facilities with the key objective of enhancing production, productivity, profitability and improving the environment (Choudhary, A. 2010).
i) Sustainability Plan

The sustainability plan can be viewed broadly in three separate phases interlinked to each other to secure the future for RSP. The first phase encompassed the period 2004-05 to 2005-06. The second was spread over years 2006-07 to 2007-08 and the third phase was the remaining period culminating in 2011-12. However, the present study covers the achievement in the first two phases in detail, while making a bird’s eye views on the progress made in the third phase.

a) The First Phase

One of the key areas of concern for RSP historically was the volume of hot metal from its four Blast Furnaces. Against a rated capacity of 2 million tonnes (MT), the steel plant’s production had hovered at less than 1.4 MT. It was only during 2001-02 that the production of hot metal went clearly past all earlier levels reaching 1.47 MT and following it with 1.64 MT in 2002-03 until it reached a new peak of 1.72 MT during 2003-04, which actually would have been substantially higher but for an abrupt disruption in the supply of imported coking coal which forced a cut back in production.

RSP’s largest Blast Furnace (BF#4) with a capacity of 1600 cubic metres per day, was in the 7th year of its present campaign and a bottleneck for hot metal production. The SAIL Board had sanctioned Rs.118 crores for its complete revamp and capital repairs. The completion of this project, during the first half of the financial year (FY) 2005-06 yielded several advantages such as highly improved productivity and significant reduction in the cost of production of hot metal (RSP 2005)94.

Another area of concern was the availability of adequate quantities of coke for the Blast Furnaces. With the sharp increase in the production of hot metal, the matching requirement of coke had been taken into account and Coke Oven Battery # 1 rebuilding was already under way. Being carried out at a cost of approximately Rs.112 crores the project was expected to be completed in the second half of the year 2005. This Battery of Coke Ovens, the first one of its kind in SAIL and probably in India, was an state-of-
art and envisages emission control systems conforming to international standards. This represented SAIL and RSP’s commitment to environment.

To strengthen its basket of saleable steel products, the modernization of the nearly 40-year-old Electric Resistance Weld (ERW) Pipe Plant was taken. Costing approximately Rs.90 crores, the project was completed in the early part of 2005. This facility enabled Rourkela Steel Plant to produce pipes conforming to the stringent requirement of oil and gas sectors in the higher grades of API standards, orders for which the plant had been missing out in the past.

During this period RSP had the advantage of a significant increase in its production of hot metal because of the up gradation of BF # 4. BF productivity level improved from the current 1.09 tonnes/cubic meter/day to 1.55 tonnes/cubic meter/day. While BF # 4 was supported by various technological improvements including a higher sinter burden and a high top pressure operation it also achieved substantial reduction in coke rate. This was complemented by operation of both the steel melting shops Steel Melting Shop-I (SMS-I) and Steel Melting Shop-II (SMS-II) although the emphasis was on the production of more steel at SMS-II. The production of slabs reached the level of 1.9 MT by 2006-07. Downstream processing of these slabs in Plate Mill for enhanced quantity of plates and in the Hot strip mill to generate more coils for production of high value products like CRNO, ERW pipes, Tin plates, Galvanized Sheets was done to improve sales realization.

With these investments, RSP was able to improve from its present level of performance both in quantity and quality of output and also add significantly to its profitability by bringing down the cost of production through enhanced capacity utilization and improvements in techno-economic parameters. Having achieved a remarkable turnaround, this was an important step towards securing the future for RSP.

b) The Second Phase

The period between 2006-07 and 2007-08 witnessed operation of all facilities at 100% capacity utilization to produce more than 2 MT of hot metal and conversion of the same
to steel by operating both the steel melting shops. As a part of RSP’s vision of better cost effectiveness and quality in hot metal production, one more Blast Furnace was rebuilt. Together with a highly productive Blast Furnace No. 4, which was highly efficient, hot metal production sustained at the same level. While improved productivity level was sustained, efficiency also enhanced by technological improvements in the form of auxiliary fuel injection, better top pressure, oxygen injection, higher hot blast temperature (through improvement schemes for the BF stoves including modification of stoves) and higher sinter burden in the charge, which helped in improving the vital techno-economics of lowering the consumption of coke in the production of hot metal.

However, as a further effort to cut down costs to remain competitive, the capacity utilization of SMS-II was significantly enhanced and production levels were expected to reach 1.85 MT. During this period, schemes for enhancement of BOF liquid steel capacity with balancing facilities was also planned to enable higher production from SMS-II.

From the year 2003 onwards, the acceptability of RSP’s finished products had steadily been on the rise and was still continuing in the consecutive years. RSP had produced and dispatched more than 1.5 MT of saleable steel, something the steel plant had not achieved in the past. The demand for hot rolled products (Plates from Plate Mill and Hot Rolled Coils) and cold rolled products (tin plates as well as galvanized plain and corrugated) being high and with prospects of rising further, the steel plant was taking up schemes for revamping its Hot Strip Mill (replacement of process computers), Plate Mill (trimming machine and thyristorisation), Cold Rolling Processing Mills (up gradation of Tandem mill, Pickling, Cold Reduction and Annealing lines) and revamp of finishing units in Cold Rolling Mills like the Galvanizing Line and Electrolytic Tin Plate line.

Thus, the second phase was entirely dedicated to sustaining and augmenting the level of performance in both the primary and finishing units. The major achievement was to enhance the efficiency and quality of production in the Primary Sections like hot metal and steel making where cost of production came down significantly thereby bringing...
down the cost of feedstock to the finishing units. This helped in making Rourkela Steel Plant more competitive besides bringing substantial improvement in profitability.

c) The Third Phase

The main thrust of this phase was to make RSP a 3 Million Tonne Plant. This phase aimed at a quantum jump in RSP’s status as a producer of steel. The steel plant was slated to grow by 50% in terms of sheer capacity during the four years between 2009 and 2012. By the end of the fiscal 2011-12, RSP achieved hot metal capacity of 3 MT per annum along with crude steel capacity of 2.8 MT per annum and saleable steel production of 2.55 MT per annum which consisted of 100% finished products as compared to the present level of 99% (RSP, 2005).

With the completion of rebuilding of the 2nd new coke oven batteries and the complete revamp of its old sinter plant-I, RSP developed the ability to meet the planned capacity increase in Blast Furnaces. The output of hot metal of around 3 MT was made available for slab making and subsequent rolling to finished products in the mills. Nearly one million tonnes of extra hot metal was now consumed entirely in the SMS-II by the setting up of an additional 150 tonnes LD Converter and a new Casting Shop.

SMS-II undertook the production of larger volumes of value added special purpose steels to be rolled in the downstream finishing units. In fact with the additional BOF and Casting Machine, nearly 2.8 MT of slabs was available for conversion to 2.55 MT of finished saleable steel for the market. This quantity of finished steel came from vastly increased capacities in most of the finishing units.

Rourkela Steel Plant has historically been known for its rich and varied basket of finished steel products. The future of Rourkela Steel Plant was built around the production and dispatch of these products in the coming days as well. The expansion plan of RSP to market these products therefore found expression in the increased production of these value added items. In order to fulfill this objective of RSP, finishing units undertook revamping and expansion projects. An additional Plate Mill for rolling out wider plates required in the prestigious oil and gas sectors augmented plate
production capacity by a phenomenal 300% to 1 MT, which in turn constituted nearly 40% of total saleable steel capacity.

The focus was also on augmenting rolling of slabs at the Hot Strip Mill but reducing the HR coil component in saleable steel from nearly 40% to the level of around 25% thus indicating a proportionate increase in other high value finished products like CR coils/sheets, GP/GC sheets, Tin plates and CRNO steel. While a number of revamping schemes for Cold Mills was completed by 2008, this area was provided with further up gradation to produce quality products along with reduction in cost of production. Additional facilities for production of high value items were also provided for realizing the full market potential for these products. An additional line of Silicon Steel (75,000 Tonnes per annum), Tin Plate line and Galvanised line besides augmenting pipe making facility was the strategy for sustaining and improving RSP’s profitability (RSP, 2005).

The ultimate emphasis was on reduction of cost. Starting with Blast Furnaces, hot metal cost was brought down significantly by extremely good technological inputs, which brought down the coke rate and also improved productivity. The reduction in hot metal cost had a cascading effect on cost reduction down the line.

ii) Alignment of HR Plans with Organizational Strategy at RSP

In accordance with the belief that human resources plans and strategies must not just be aligned with the business strategies and objectives of the organisation but also help the organisation sustain them especially after turnaround, the HR plans and policies of RSP were formulated with a view to help the plant achieve its performance targets and business objectives in the short-term as well as the long-term.

a) The Business Objectives of RSP

The short-term business objective of RSP was to maintain consistent production and enhance capacity utilisation and to ensure desired quality in the end-products as per
customer requirements. The long-term objectives of RSP have been to increase production through
- expansion in capacity
- increased utilisation of existing capacity
- to enhance market-share
- attract new customers while retaining the existing ones
- ensuing high quality in products to meet customer expectations
- to reduce production cost by way of process-improvements
- reduction of wastages/overheads so as to bring it to competitive levels of domestic industry.

b) Aligning HR Plan with RSP’s Business Objectives

The objectives of the organisation as enumerated above was the standard by which RSP judged the effectiveness and true worth of their actions and therefore they constituted the main source of input in the process of framing of policies and action plans. So, HR plans were made in accordance with the organizational strategies and employees/customers’ feedback. The benchmarked best practices of other organizations were also taken into consideration while designing HR plans as depicted in figure 5.1.

![Figure 5.1 Alignments of HR Plans with Organizational Strategy at RSP](image)

Keeping the above model (Fig. 5.1) in mind, the broad HR strategies of RSP was shaped to enhance productivity and competencies of employees to enable RSP achieve its performance targets on a continuous basis, promote a culture of industrial harmony.
and synergy through engagement and involvement of employees and other stakeholders, striving to enhance the quality of life of employees and people staying in the periphery, ensuring fairness, equity and transparency in all dealings and developing customer-centric HR processes and systems. These objectives were materialized through the annual action plans and other major interventions taken up from time to time. The HR plans in turn were aligned with the short term and long term objectives of the organization.

c) HR Plans for Meeting Short Term Objectives of RSP

To increase competency of employees through training on the required knowledge and skills (including training on more than one skill – multiskilling, 12462 employees were trained in 2007-08 under various modules so as to equip them adequately for maintaining a high tempo of production. These modules included technical skill development training like Basic Engineering skills, Equipment specific training, Technology awareness programmes and Systematic maintenance management. Competency assessment was done in respect of 2679 employees out of whom training needs were identified for 323 employees. Competency training was imparted to 174 employees during that year and the remaining were planned to be covered the next year. Multi-skill training was imparted to 375 employees during 2007-08 in skills like Welding and Gas cutting, Material Handling, Repair and Fitting of Electrical Machines and Electro Hydraulics etc. Redeployment training was also conducted for employees transferred to other departments (HRD documents of RSP, 2008) 97.

To improve utilization of human resources through restructuring of jobs/organization, manning of new/ additional activities through redeployment & posting of limited manpower was done in 2007-08. Altogether 216 employees were redeployed during the year; some of the important areas that profited most from this were Manning of Coke Ovens Battery no. 1 and preparing Manpower for expansion activities of Pipe Coating Plant & CDI in Blast Furnace no. 4. Confirming to the redeployment strategy, cross line of production deployment took place in Cold Rolling Mills, Repair Shop (Mechanical), Lime & Dolomite Bricketing Plant & Foundries, crane operation & shipping activities were de-criticalized, 74 employees were deployed on Mobile
Equipment operation in addition to their own jobs, and 7 days working was started at Fitting Shop in Repair Shop (Mechanical) & Trolley grinding section of SPP. There was enhancement in the number of increased working hours at Ispat General Hospital Library, Cash counter & blood sample collection and Central Blood Collection Centre was opened to enable collection of blood samples at one place.

**Incentive Schemes**

The employees were motivated to give their 100% efforts through incorporating both monetary and non-monetary schemes. Apart from the existing monetary schemes for incentive and reward based on production, a new scheme called Daily Production Reward Scheme (now rechristened as Daily Production Incentive Scheme) was introduced. The aim of this scheme was to ensure consistency in achieving production targets and rewarding employee for the same on a daily assessment basis. The earnings potential under this scheme was Rs. 3000 (Rs. 100/- per day of achieving Level-IV target). Consequent of this scheme, the total potential of earnings had doubled from approximately Rs. 3000/- earlier (for a senior level non-executive employee) to Rs. 6000/- in the year 2008.

Besides monetary schemes, RSP initiated the non-monetary schemes for recognizing and appreciating the performance of employees such as special award for group performance given annually on 1st April in which employees were nominated for prestigious national awards like Shram Awards and Vishwakarma Rashtriya Puruskar. In 2007, 11 employees were conferred with the prestigious Vishwakarma Rashtriya Puruskar and 10 nominations comprising of 34 employees were sent for Shram Awards. The Nehru Vishisht Karmachari Puraskar Award was conferred on 85 employees, 20 employees were given Best Shift In-charge award and 6 executives were conferred with Jawahar award. Further, 6 employees of Plate Mill received Gold Medal at International Convention of Quality Circle 2007 in Beijing. 2597 employees were given appreciation letters for commendable jobs, 41 innovative jobs were identified and sent to Corporate Office along with profile of employees involved. A centralized database of award winners was created for felicitation process.
Safety

Safety was the first and foremost consideration in RSP. There was one central and 9 zonal safety committees to review safety measures in the plant every month. The number of accidents taking place was on a decreasing trend from 2003-04 to 2007-2008 (Figure 5.2) due to the massive efforts taken by RSP.

![Total Reported injuries in RSP from 2003-04 to 2007-08](image)

**Figure 5.2 Injuries at Rourkela Steel Plant during 2003-04 to 2007-08**
Source: HRD Department of RSP

To target zero accident, a number of steps were taken to educate employees for preventing accidents. They were asked to think for a while before doing the job, comprehend the job properly, avoid un- mindfulness while working, follow standard operating & maintenance practices, ensure proper shut downs before starting the job and use proper tools required for the job such as safety helmets, shoes, hand gloves, safety harness (while working at heights), fire retardant jackets, goggles, gas masks etc. The total number of injuries had come down to nearly 40 percent during the five years of study. It indicated that the employees/workers were not properly cautious while working before the HR interventions for creating awareness for safety were taken.

RSP embarked upon zero accident recognition schemes to treat workplace injury as a collective failure and thereby create a culture of intolerance to accidents. To sustain the campaign for accident free steel, departments reporting ‘nil’ injury (including road
accidents) were recognized and rewarded every month. This was in the form of community lunch for all the employees organized by the department itself (HRD documents of RSP, 2008).98

Employees Welfare

RSP also took a series of steps for ensuring employees’ welfare both at the workplace and the township. A special counseling & support programme called Project Kiran was launched to counsel and guide the employees on different problems like alcoholism, family discord & health problems. In total, 291 employees along with their families were counseled in 34 sessions. This was in addition to the regular counseling programmes conducted at workplace and residence in which 1200 employees were counseled for assistance against absenteeism, alcoholism, accidents etc. Health check-up was conducted for 11238 employees to examine their medical well-being and corrective action was taken in needful cases. Special awareness programmes were also conducted on HIV, Epilepsy, Hypertension and Heart diseases. 23 restrooms & 2 Pollution Control Boards (PCBs) were renovated for providing improved facilities. An air-conditioned Nestle outlet was opened up and process was also initiated for opening of 3 numbers of canteens by M/s Indian Coffee House – a reputed agency for providing hygienic and quality food products.

d) HR Plans for Meeting Long-term Objectives of RSP

RSP geared up to work with the reduced manpower. Under this initiative several non-core, low-technology or specialized jobs were identified and outsourced. Sanitation jobs in places like Institute of Periphery Development Complex (which houses the Corporate Social Responsibility department), Rourkela House, other guest houses, HRD Centre and Central Power Training Institute were outsourced to specialized agencies resulting in much improved sanitation levels besides obviating the manpower requirements for these jobs. Some jobs pertaining to maintenance of specific equipment or facilities were also outsourced through service contracts. A committee was constituted to identify such jobs which could be outsourced. There were merger of departments, sections etc. for increasing efficiency and synergy and reducing
manpower requirement. The manual tasks like sweeping, cleaning etc were mechanized and unproductive practices in various production / maintenance processes were identified and eliminated.

**Enhancing Competency**

Apart from the regular training activities, specialized department-specific modules were designed to enhance competency levels of employees to meet both present and future requirements of skills.

**Training**

Employees were sent for specialized training to outside locations in India and abroad on technical as well as managerial / functional topics to equip them for handling future requirements in view of modernization and expansion. Competency assessment as well as training people for recouping competency gaps in all major areas had started in the year 2007 and so far 40 departments of RSP were covered under competency assessment programme (Table 5.1).

**Table 5.1 Competency Assessment Exercise in RSP**

<table>
<thead>
<tr>
<th>Year</th>
<th>Department covered</th>
<th>No. of Job Positions</th>
<th>No. of Employees</th>
<th>Training need identified for</th>
<th>Training imparted to</th>
<th>Percentage of (d/e)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>2005-06</td>
<td>22</td>
<td>630</td>
<td>2965</td>
<td>1129</td>
<td>989</td>
<td>88</td>
</tr>
<tr>
<td>2006-07</td>
<td>05</td>
<td>147</td>
<td>1541</td>
<td>339</td>
<td>339</td>
<td>100</td>
</tr>
<tr>
<td>2007-08</td>
<td>13</td>
<td>149</td>
<td>2679</td>
<td>323</td>
<td>174</td>
<td>54</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>926</td>
<td>7185</td>
<td>1791</td>
<td>1502</td>
<td>84</td>
</tr>
</tbody>
</table>

Source: Official documents of HRD Department of RSP

Besides this, training people on multiple skills, i.e. beyond the parent one they possessed, were taken up in earnest so that the employees could be trained to take new and diverse assignments that were likely to arise due to reduction in manpower, change
in technology, merger of units or restructuring of jobs. During the last three years 1502 employees were trained in multi skilling. From 2008-09 onwards, a new centralized scheme for multi skilling have been introduced with special care to improve the skills of employees to a significant level.

**Employee Committee Interaction Process**

In a good and progressive organization, it is important that all stakeholders, particularly the employees, feel an integral part of it. When the employees as well as the other stakeholders like unions and associations feel that their interest is aligned to that of the organization, they work whole-heartedly towards achieving organizational objectives as if it were their very own. Therefore, total commitment comes from belongingness for which building a relationship based on trust and mutual respect is essential. To achieve this, RSP had over the years regularly and continually engaged the employees at multiple levels and forums. Joint Committees and communication meetings had been institutionalized and served as a medium of constant dialogue, interaction and understanding between representatives of the management and the employees.

Formal joint committees like Central Consultative Committee, Central Safety Committee, and Safety Committee of Departments etc. were constituted where employees and their representatives became members. The role of these committees was to solicit the suggestions of employees as well as help in implementing various initiatives for the safety, health, welfare and productivity of the organization. Besides these, structured interactions such as weekly mass contact exercises in which typically 400-500 employees of all sections interacted with the Managing Director/Executive Directors, monthly GM's communication exercises in which 25-30 employees interacted with General Managers and bi-monthly communication exercises at the Head of Department level on issues of departmental productivity, safety and welfare aspects were conducted periodically.
e- HR Services

For achieving high employees’ satisfaction, it was important to ensure that the internal HR processes were not time-taking, error-prone and non-standard. To achieve this objective, HR services at RSP was computerized to a large extent as a result of which the basic services delivered to the employees became faster, standard and accurate. Services like issuance of promotion orders, providing Service Certificate, No Objection Certificate were also fully computerized. A Personnel website was also launched on the intranet which gave information to employees on various issues of interest including recent notifications / orders / circulars etc. However, to really get the benefit of computerization, RSP had initiated the process of making the major HR processes under the purview of Enterprise Resource Planning. Under this, HR services including payroll and leave / attendance administration were covered so that information was made available in real time basis to the agencies / officials concerned as well as the employees themselves. Obtaining the ISO9001 certification for Personnel department since 2006 had also helped in streamlining and standardizing processes in HR as well as allied areas which benefitted the employees in terms of quality of service they got (Documents of HR department, 2008).

Thought of Belongingness

Employee involvement in organizational improvement activities was the key to the latter’s effectiveness and sustainability. To ensure that belongingness of the employees were an integral part of the improvement programmes, performance improvement/excellence workshops were conducted to generate suggestions/ ideas of employees for improvement in performance. Cross-functional teams / task forces on specific issues were formed to perform specific tasks and handle specific issues as and when they arose. Communication programmes like Mass Contact Exercise (held at MD & ED level), GM’s communication meeting and Head of Department’s communication meeting where suggestions of employees were solicited on issues related to improvement. These forums regularly provided many inputs for improvement measures that were taken up in full earnest and on high priority by the agency concerned. Suggestions scheme Srujani was still continuing under which employees were awarded
for giving implementable suggestions. On implementation of the suggestion, cash award was given to the employee concerned. In 2007-08, 11,131 suggestions were received out of which 6485 were found implementable. In total, 3465 number of suggestions were implemented which generated a one-time savings of Rs. 9.06 crores and a recurring annual savings to the tune of Rs. 9.01 crores (RSP documents, 2005).

**Rewards and Recognition**

Special awards were incorporated for improvement of special jobs taken up by small groups called Quality Circles (QC) for special improvement measures / problem-solving in the department. These teams of RSP were successful in winning several awards in National Quality Circle Competitions (Table 5.2) within the department.

**Table 5.2 Award Winning Quality Circle Teams of RSP**

<table>
<thead>
<tr>
<th>Circle Name</th>
<th>Departments</th>
<th>Title of the Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rising Sun</td>
<td>Plate Mill</td>
<td>Minimizing the failure of Mill Screw Down Motor</td>
</tr>
<tr>
<td>Sarjana</td>
<td>OBBP</td>
<td>Modification of speed transformer in Weigh Feeder</td>
</tr>
<tr>
<td>Agranee</td>
<td>OBBP</td>
<td>Eliminating adverse effect of induced voltage</td>
</tr>
<tr>
<td>Pratap</td>
<td>Instrumentation</td>
<td>Minimizing the failure of temperature measuring system.</td>
</tr>
<tr>
<td>Sampresson</td>
<td>Public Relations</td>
<td>Enhancing media coverage of RSP’s CSR initiatives</td>
</tr>
<tr>
<td>Quest</td>
<td>Coke Ovens</td>
<td>Improvement in blending system.</td>
</tr>
<tr>
<td>Jagannath</td>
<td>SP-II</td>
<td>Improving under grate suction for higher productivity.</td>
</tr>
<tr>
<td>Lancer</td>
<td>SMS-I</td>
<td>Elimination of sticking slag jam on converter and heat shield of VOR.</td>
</tr>
</tbody>
</table>

Source: Official documents of HRD Department of RSP
Performance Management System (PMS)

The Performance Management System (PMS) had three main components: appraisal system, monetary incentive / reward scheme, and recognition schemes (non-monetary). Appraisal system was used for considering employees for promotion to higher grade/position based on their past performance and potential. Assessment was done annually by the immediate reporting officer and reviewed by an officer at a higher level on various parameters like knowledge of the job, attitude, discipline etc. On completing the minimum no. of years required as per the laid down policy, i.e. 3-4 years in the same grade, annual performance appraisal of the concerned years were taken into consideration for promoting employees to the next higher grade/position. As such, performances of the employee during the preceding years were critical to his promotion to higher level.

Incentive Schemes

Monetary Incentive / Reward Schemes in RSP were based on achievement of group / departmental performance targets. These schemes were for achieving rated capacity and APP targets. The cost capacity reward scheme for achieving higher level of production at reduced cost and as per desired techno-economic factors was also introduced. Some other schemes such as quality based motivational scheme for achieving quality norms and daily production incentive scheme for achieving daily production targets were also initiated. The total earning potential under these schemes was Rs. 6000/- for a senior-level employee. In addition to this, recognition schemes (non-monetary schemes) like special award for excellence in group performance was given annually, employees were nominated for prestigious national awards like Shram Awards and Vishwakarma Rashtriya Puruskar. Twenty (20) employees were given Best Shift In-charge and Leadership award, 6 executives were conferred with Jawahar award and 85 employees were conferred with Nehru Vishisht Karmachari Puraskar Award. Employees were also given appreciation letters or felicitated in meetings at departmental level. A centralized database of award winners were created and community lunch organized for all employees of the department for achievements such as best monthly production, record dispatches and zero accident.
Empowerment of Employees

Another important mechanism adopted at RSP for motivating employees at senior level was by empowering them and bestowing upon them leadership roles. Empowering suitable and deserving employees and giving them higher responsibilities served as an invaluable tool of appreciation and recognition by the management. To achieve this, half of the 2000-odd shift in charges were the senior non-executive employees of RSP under the Direct Reporting System of attendance recording approximately. As in charge of the shift they had been assigned key responsibility of their areas which included man management.

Employees Satisfaction Index

Internal Customer Satisfaction Index (ICSI) survey analysis was conducted once in every quarter to assess the satisfaction level of the employees. Over 2% of the manpower was surveyed each month and the results were analyzed quarterly. The questionnaire pertained to nine aspects of services / issues related to Personnel Department as well as Quality of Life both in the Plant as well as the Township. The overall satisfaction level during last quarter (Jan-Mar) of 2007-08 was a healthy 82.69% as against 80.24% in the preceding quarter which substantiated the effectiveness of HR initiatives for sustaining turnaround in RSP. From time to time, external agencies were also commissioned to study the satisfaction level of employees. One such survey was conducted by International Management Institute, New Delhi in 2006 which revealed that “RSP stands out from the rest of the Steel Plants as having the highest rated organizational climate”. One of the key aspects of organizational climate was the commitment of the employees and RSP emerged as having the most highly committed workforce. As part of the SAIL family, RSP also participated in Great Place to Work survey conducted in 2007.

Grievance Handling Machinery

Apart from the above mentioned employees’ satisfaction measurement tools, the analysis of employees’ grievances also gave a good assessment of the satisfaction level
in the organization. RSP was having structured easily assessable and transparent grievance machinery which could be used by employees to air their grievances on various service matters or amenities.

Employee Assistance Register (EAR) was the most popular and effective means by which employees’ grievances were recorded and redressed. These registers were placed in shift-offices at the shop-floor thereby enabling the employee to air his grievance conveniently. Compliance status on the grievances was also communicated through the EARs. Apart from this, there existed formal fora where employees could bring up their grievances. These were:

1. GRCE (Grievance Redressal Committee for Employees), and
2. GRACE (Grievance Redressal Apex Committee for Employees)

These committees consisted of senior officials from various functions who deliberated on the issue at hand and resolved it in a time-bound manner and communicated the same to the employee. The position of grievances received through Employee Assistance Register (EAR) is presented in Figure 5.3.

![Figure 5.3 Number of grievances received and disposed in RSP during 2006-08](image-url)
It can be seen from the Figure 5.3, the rise in no. of grievances were due to the growing popularity of the system that was working well and helped employees resolve their grievances at their convenience. It may be mentioned here that a large majority of the grievances pertained to maintenance of Companies quarters’ inhabited by employees.

**Labour Productivity**

Significantly, there was no man hour loss on account of IR issues during 2007-08 which was a testimony to the overall industrial peace and employees’ satisfaction in RSP, rather there was an increase in labour productivity over the years as can be seen in figure 5.4.

![Employee Productivity](Resource)

**Figure 5.4 Labour Productivity (tonnes/employee/year) in RSP**

Source: Official documents of HRD Department of RSP
iii) Outcome

All the HR initiatives taken for sustaining the turnaround after 2004 contributed to less number of accidents, less number of work stoppages and better employee productivity. All this led to sustaining the profits even after the turnaround phase was over.

Table 5.3 Profit and Loss of RSP

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit/Loss (Rs. crores)</th>
<th>Cumulative Amount</th>
</tr>
</thead>
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</tr>
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<td>2007-08</td>
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</table>

Source: Reports of RSP

iv) Rourkela Steel Plant in 2012

Through sustaining the HR Interventions viz., both operational and social, RSP was able to achieve the objective of enhancing production, labour productivity, profitability, prosperity and improving the environment. These were achieved in planning through three phases and alignment of HR plans with organizational strategies. The HR plans and policies of RSP were formulated to achieve its performance targets and business objectives both in the short-term and the long-term.

During the second half of 1990s Rourkela Steel Plant had earned the distinction of being a bulk producer of special purpose steels and during the three years of
turnaround, the steel plant had once again established that reputation in the market. The confidence of customers in the products of Rourkela Steel Plant was borne out by its special steels being accepted in large quantities. Be it the Hot Rolled coils and plates for tube manufacturers or galvanized sheets for industrial consumption; tin plates for the packaging industry or silicon steel for the electrical goods manufacturers; chequered plates for industrial flooring or pipes for Oil and Gas besides water supply projects, RSP has carved out a niche for itself in each of these market segments. It is this confidence of the market backed by RSP’s quality, packaging and adherence to delivery schedules which has made the steel plant stand in good stead in the days to come. The future of Rourkela Steel Plant is built around the production and dispatch of these products in larger volumes in the days to come. With the completion of its investment activities, Rourkela Steel Plant has become a low cost producer of these value added products and moved towards higher profitability and prosperity. It has everything in it to stand out in the steel market as “A Bulk Producer of Special Purpose Steels”.

4.1.6 Social Plans and Responsibility

To sustain the turnaround, it was very important that along with the organizational objectives, societal objectives were also met. In conformity with this RSP took upon the responsibility of bringing prosperity in not only the city of Rourkela but also in the periphery villages. The following section discusses the social plans and responsibility undertaken by RSP.

i) Corporate Social Responsibility (CSR)

Focus was first on “Survival and Future” emphasizing thereby that if RSP did not have a future then neither the employees nor their family members including the thousands who depended on the steel plant, had any future either. The relevance of this theme found expression in the communication of the Managing Director Dr. Sanak Mishra to the public during the Independence Day and Republic Day celebrations when he called upon the community at large gatherings.
He reinforced the significance of the steel plant to society when he expressed his personal belief that “Industry cannot develop in isolation,” and conveyed his commitment towards “our community neighbors who are truly our partners in progress” revealing early signals of a conviction that a profit making steel plant would herald a new life for the community neighbors be it at Rourkela or even in the periphery villages.

The introduction of *Samskar* in the steel plant coincided with the theme “Towards Profitability and Prosperity”. In the words of MD, “Profitability can be termed as the most important economic motive of an industrial enterprise”.

In line with this commitment, the Managing Director was now taking the *Samskar* movement beyond the boundary wall of RSP into the township and to the periphery. The *Samskar* basically meant reforms and now included everything that would improve the quality of life of human beings. It meant elevating the life and living style of the citizens. It meant doing all those things that could make living more complete as compared to the monotony of only producing steel. This meant embracing economic activities, cultural activities, sports activities and activities to make the environment clean and green. The steel plant was also looking at the needs of the peripheral villages and working out various schemes to take care of the needs of the population residing there. The ultimate goal was that Rourkela Steel City should not remain an island of prosperity; this prosperity had to spread to the community neighbors. At RSP, that was what was defined as the steel plant’s “Corporate Social Responsibility.” In fact, today, Rourkela Steel Plant can take pride in the initiatives that have been taken in all these areas.

**ii) Support to Small Scale Industries (SSIs)**

What really made Rourkela Steel Plant important was that it sustained life in the steel city and also among various industries and organizations dependent on the steel plant. One of the vital sections of the economy i.e. the small-scale industry entrepreneurs had also become an important stakeholder of RSP. When RSP did badly, the order position to these firms also began to shrink and upset their economics. While it was logical to
expect their improvement with improvements in the steel plant, the ground reality was not as simple as was acknowledged by these entrepreneurs. For their success, they needed to be encouraged by the mother industries.

The progress in this front had been possible due to interaction at the highest level called Plant Level Advisory Committee which comprised of the Management of RSP led by its Managing Director, the Director of Industries of Orissa, representatives of connected Government departments and representatives of small scale industry bodies including the Rourkela Chamber of Commerce and Industry. Meetings of this forum frequently during the turnaround period had led to transparency in dialogue and an appreciation that was in everyone’s interest that RSP should prosper. The Managing Director from his side made it clear that RSP would support small scale industries (SSIs) which in turn must come up to the expectation of the steel plant by maintaining quality and delivery schedules. The steel plant kept its commitment by ensuring increased interaction between the SSIs and RSP besides introducing various simplifications in the processes that had to be encountered in the course of their dealing with the plant.

As a result, the steel plant was able to build the confidence of the SSI units of Orissa in demonstrating to them the potential that they could aspire to achieve. The growth in terms of order value had been phenomenal to say the least. From Rs. 40.19 crores in the year 2001-02, the figure had gone beyond Rs.60 crores in the year 2002-03 which was the highest ever order position for any financial year besides recording a growth of more than 30% over the previous year. What was more encouraging was that as RSP planned to become a 3-million tone steel plant, this gave additional business opportunity to the SSIs, as investment started shortly.

This was another example of the “prosperity” that RSP was spreading arising out of its “profitability” and its plans to sustain the profitability in the days ahead. In fact, Managing Director of RSP was confident that with the growth and success of Rourkela Steel Plant, the enterprises and industries in the State was bound to get further opportunity to be a part of Rourkela Steel Plant’s efforts and enhance their own prosperity in the days to come.
iii) Beautification of the Steel City

The success of the Steel Plant had spread to the steel township as well. The Managing Director launched a campaign for cleaning and greening the city nearly three years ago.

It began with reinforcing the annual “Vanamahotsav” by organizing large-scale plantation of saplings before the Monsoon every year involving school children and employees. Flower bearing trees were preferred so that in coming years not only the greenery was enhanced but also the beauty of the steel city. Revival of the Annual Chrysanthemum Show, continuation of the Flower and Horticultural Show with ever increasing participation, boating facilities in Indira Gandhi (IG) Park and encouraging employees to have their own gardens by rewarding and recognizing them in the Annual Shows was making Rourkela more and more a green city besides being a steel city. The IG Park of RSP, probably the only one of its kind in the State of Orissa had become the delight of thousands of visitors almost every day. Its Horticulture and Chrysanthemum shows reflected the enthusiasm of Rourkelites who truly appeared committed to making Rourkela a garden city while converting it into one of the cleanest and greenest cities of the state.

With a view to fighting the menace posed by Plastics and Polythene, the Managing Director launched a unique campaign in 2003 when nearly 1400 participants belonging to different schools and colleges together with employees of RSP, citizens and socio-cultural organizations formed a human chain stretching over more than eight kilometers to spread the message “say no to plastics”.

The roads of the steel township had been taken up for repairs and large tracts of the famous Ring Road as well as several arterial roads of the township had received a layer of carpeting, which had been done for the first time on such a large scale after a lapse of several years. This had been supplemented by intensive garbage cleaning on a regular basis and cleaning of drains throughout the township for smooth flow of wastewater. Simultaneously, the entire township has received a face-lift in the form of whitewashing of large sections of houses with plans in the anvil for the remaining ones. Walls in the township, which wore an ugly look because of posters and commercial
advertisements, had been painted white and thus contribute to the clean look that Rourkela once used to be proud of many years ago. Playgrounds that included the Ispat Stadium, the Biju Patnaik Hockey Stadium, the famous Indoor Stadium, Basketball courts and Tennis Courts had been revamped attracting the sports loving school and college students to these locations with new enthusiasm.

iv) Steel Architecture for Harmony with Nature

Road crossings and footpaths had been redone in several places not only to bring about cleanliness in the surroundings but also to introduce safety on the roads. Structures and Monuments had been set up symbolizing the hopes and aspirations of Rourkela Steel Plant and its employees as well as stakeholders. The SAIL Chowk on the Ring Road was an expression of the importance of SAIL in the daily lives of Rourkelites. At Bonai Gate Chowk stood the monument “Bringing Closeness” which represented the effort of the collective under the leadership of the Managing Director for reducing the distance between minds of the employees for taking RSP forward. Similarly, “Water for Life” in the Water Supply office of the Township and “Ring of Well Being” in front of the Ispat General Hospital reflected RSP’s commitment to various thrust areas keeping in view the interest of the Society at large. The unique monument installed at Birsa Munda Chowk was dedicated to the people of Rourkela, who stood beside the steel plant during trying times.

The most important thing was that all these monuments had been conceived, designed, fabricated and installed from Rourkela Steel Plant’s own steel, by its own employees using resources from the steel plant itself. It was therefore, the creativity of the collective who now dreamt of a new Rourkela and a prosperous Rourkela.

The visitors to the steel city had begun to appreciate and praise the new brightness visible at Rourkela, which once was being talked of as a dying city.
a) Making the Environment Friendlier

The entire city of Rourkela Steel Plant was made environment friendly by taking the following steps:

- 41 gardens, 17 fountains and one cascade developed in the plant by employees
- Massive tree plantation – 86000 in two years
- Vanamahotsavs and Padayatras for awareness
- 8 km human chain involving 1400 people from Rourkela to create awareness against polythene/plastic bags
- Plastic bags banned in all establishments of RSP
- Repair of roads and houses
- Removal of wall hoardings and posters

b) Improving Health Care

An important ingredient in maintaining the quality of life in the steel township was through health care. RSP’s Ispat General Hospital, a 685-bedded hospital, was a premier centre for medical care in the region. Besides providing outdoor facilities in virtually every medical treatment, the hospital had several firsts to its credit in specialized treatment. It was the first in the industrial sector to initiate the concept of Intensive Care besides Haemodialysis, Sophisticated Burn Centre, Nuclear Medicine Laboratory and a whole body Ultrasound and also the first to implant Permanent Pacemakers. It was also the first to introduce automation in Biochemistry and Haematology Departments. Several equipments and facilities were added to enhance the level of treatment for patients at IGH to give them quality treatment for improving quality of life.

v) Ushering a Cultural Renaissance

It all began with the concern of the Managing Director that the employees of the steel plant needed to have a break from the monotony of steel making and the best way was to fall back on their cultural roots. It was then that he took the decision to pay more attention to the cultural side of the human beings engaged in steel making and the
decision to celebrate the *Kumar Utsav* in a befitting manner took shape; and while addressing a massive gathering during the *Kumar Utsav* celebrations as Chairman of the *Bhanja* Cultural Trust, MD introduced, for the first time, the concept of Cultural Calendar to celebrate all the important festivals every year. He further went on to express his confidence that with the kind of artistes, infrastructure and audience that Rourkela has, it had all the ingredients to become a centre of cultural excellence and occupy a place in the nation’s cultural map.

*Kumar Purnima*, a festival of unmarried girls celebrated in October 2002 was a milestone in the history of the steel city of Rourkela. On this auspicious occasion an open-air festival aptly named *Kumar Utsav* was held at the *Bhanja Bhawan* under the auspices of *Bhanja Cultural Trust* and *Adarsha Pathagar*. This open-air festival marked the nucleation of a cultural renaissance in Rourkela attended by an audience, which at one point included nearly 10,000 people. Mr. V S Jain, Chairman, SAIL, inaugurated the festival. As the audience sat that evening under the full moon, little did they know that they were setting in motion a new beginning in the cultural history of Rourkela that would in due course be enriching the lives of thousands of Rourkelites.

RSP started organizing and patronizing several programmes to celebrate festivals that symbolized the rich and diverse cultural heritage of Orissa and India in a big way. The city had been transformed into a cultural wonderland that immortalized music melodies, science, art and architecture, the glory of the past and the dream of the future. RSP was not just about making steel any more. The multi-hued canvas of the steel city offered eloquent testimony to its efforts at preserving, nurturing and nourishing tradition, culture and heritage.

The wheel of the cultural odyssey gathered momentum on April 14, 2003 with the *Baisakhi Kavya Sandhya*. The evening was a rendezvous with poetry—the language in which people explore the horizons of their imagination and expression.

*Megha Malhar*, an extravaganza of music and dance to celebrate *Raja Utsav*, a tribute to the agrarian culture and one of the most popular festivals of Orissa, was held on June
15th 2003. An Odissi dance, the dance of elaborate grace and charm, symbolizing the significance of Raja Utsav was one of the attractions of the evening.

It was on 15th August 2003 that a Kavya Sandhya was held under the aegis of RSP where the Managing Director himself participated. The highlight of the Kavya Sandhya was the recitation of poems by the enthusiastic poets of the steel city covering a wide range of themes on various facets of life.

On 9th October 2003, Kumar Utsav was celebrated for the second time and a captivating Odissi performance was the cynosure of the evening.

Dancing to the rhythm of light and music, Rourkelites celebrated the Vedvyas Sangeet Nrutyotsav from 1st to 5th November 2003 under the aegis of the Bhanja Kala Kendra and supported by Rourkela Steel Plant. The evenings resounded with the jingles of the music of dance. Each day was dedicated to one of the forms of Indian Classical music and dance, exhibiting the best of Orissa’s rich and diverse heritage. On the occasion of Makar Utsav – 2004, a spectacular show was organized by the Bhanja Cultural Trust, which has been the hub of umpteen cultural activities. The famous Gotipua dance of Raghurajpur, Puri and “Chhau” dance of Mayurbhanj were the centre of attraction in a memorable event. A new chapter was added to the cultural scenario when on 6th March a cultural vignette was presented by mentally challenged children of “Home and Hope” on the grand celebration of festival of Holi. What was happening was not merely a celebration of culture but moments intended to instill in the less fortunate children, a feeling of pride and buoyancy.

RSP celebrated Utkal Divas the foundation day of Orissa on 1st April 2004 at its Civic Centre, as a tribute and homage to its illustrious sons who had made great sacrifices for the unification of Orissa.

Bishuva Milan Utsav was celebrated on 14th April 2004 in a most befitting manner. On the evening of 24th April 2004, Baisakhi Kavya Sandhya, was organized for the second time. It was an evening of poetry and melody at the Civic Centre, where poets of national repute made the evening memorable with their inimitable style.
Kavi Samrat Upendra Bhanja Jayanti was celebrated on May 9th, 2004. An in-depth analysis and splendid presentation on Kabi Samrat by Mr. Chandrasekhar Nanda, an eminent researcher of Bhanja Literature was a great treat to the audience. Another highlight of the programme was as thrilling musical programme by Shri Kar and his worthy son Mahaprasad to a packed audience.

Apart from those that have already taken shape, the latest in the series in the cultural calendar was Rabindra Jayanti, the birth anniversary of legendary poet, philosopher, reformer and first Nobel Laureate of India. It was celebrated on 15th May 2004 under the auspices of RSP organized by the Bengali Sahitya Sammelan. The soft and scintillating Rabindra Sangeet depicting an array of emotions like love, romance, devotion and patriotism, composition dance and presentation of Gurudev’s immortal works “Puroskar” and “Riturang” were the highlights of a memorable function.

It also included days of national importance like Independence Day, Republic Day, Gandhi Jayanti, and Children’s Day besides SAIL Foundation Day as well.

The concept of cultural calendar and its effective implementation was rarely seen in any city or town and had attracted unprecedented response and enthusiasm from Rourkelites creating a harmony of heritage. These were round-the-year vibrant interludes in the otherwise routine life of Rourkela. RSP, in this spirit of celebrating culture, was getting the identity of a centre of cultural excellence.

Thus, Rourkela Steel Plant was able to create and sustain a peaceful work environment where every employee could contribute to the plant in assigned area of work with full freedom and dignity and without fear. This also revealed a deep commitment of the management to create an ambience in the organization that would give employees the things they valued most as human beings. RSP was not only been able to bring the turnaround by adapting different HR practices but was also successful in sustaining it for attainment of organizational objectives. One of the key lessons provided by the experience of RSP concerned the sustainability of success and the need for continuous change management because no organization could afford to simply maintain the status
quo in such an unpredictable and dynamic environment. The past success does not guarantee success in future, and continuous innovation is needed, because staying at the top is more difficult than reaching there. So, it can be concluded that organizations which value and prioritize their people can overcome all types of adverse situations and survive in the long run as compared to organizations which treat people only as a resource to earn profits thereby facing the threat of early extinction.

An attempt is made to understand how the executives and other employees who were either involved in the execution of the turnaround process or those who have benefitted from this intervention perceived this entire turnaround. The analyses of the perceptive observations of such people are presented in the following chapters.