Chapter - III

Profile of TNPL and SPB Ltd.,
(Including existing HRM Techniques)
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Introduction

Paper is the basic materials used for written communication and the dissemination of information. In addition paper and paper board provide materials for hundreds of other uses, such as wrapping, packing toweling, insulating and photography.

Paper has been defined as a matter on felted sheet for med on a wire screen from water suspension. The word paper is derived from the name of the ready plant papioms, which grows abundantly along the Nile river in Egypt. In ancient times, the fibrous layers within the fibrous layers within the stem by side and crossed at right angels with another set of layers similarly arranged.

The sheet so formed was dampened and prossed upon drying, the grue-like sap of the plant, acting as an adhesive, cemented the layers together. Complete defibring on indispensable element in modern paper making, did not accure in the preparation of papiom sheets. Papioms was most widely used wiring material in ancient times and many papiom records skill sunrise.

In India, paper industry was first established in 1812. The demand for paper is going up every year with rapid growth of population and literacy rate. Shortage of raw materials is a chronic problem in this industry. This has been further accentuated by the stricter ecological regulation around the world, restricting the felling of trees.

The forest cover of India is estimated to have declined from about 51 million hectares in 1988 to about 46 million hectares in 2010. With depleted forest resources, the supply of forest based raw materials has reached a precarious stage.
Reason for the recent Depression in Indian Paper Market

The fortune of the paper industry is closely linked to the buoyancy in the national economy. When the economy grows the consumption of paper increases. The general recession in the industry and the consequent sluggish market led to an unprecedented slump in the paper market since Sept. 2005. Paper as a commodity is subjected to well savings in price every time the demand equation shifts and the international prices fluctuate. The paper industry elsewhere enjoys substantial advantage, like, cheaper raw materials and power and the economy of scale.

A few years ago newsprint came into the country duty free, with the accompanying rider that only actual users would be allowed to import. Further for each tonnes of imported material, users would have to consume 2 tonnes of indigenous Newsprint. As paper prices rallied, duty was reduced to 20% from 60% for ordinary grades of paper and in the case of newsprint the actual users’ condition was set aside and brought under Open General License (OGL) umbrella with no duty.

In Tamil Nadu, there are few small and medium sized paper industries producing less quality of paper and paper products. Since their activities are very low, there is no scope for HRM practices in these industries. Only there are two major industries in Tamil Nadu, i.e. TNPL as a public sector organisation and SPB Ltd as a Private Sector organisation producing 600 tonnes of paper and its products per day and 450 tonnes of paper and paper product per day respectively.

Some of such small and medium size industries are:

1. Sun Paper Mill at Trinelveli producing 80 tonnes of paper per day in order to meet its own requirements.

2. Venkateswara Paper Mill at Udumalpet producing 50 tonnes of paper per day having its seven small subsidiary mills in Tamil Nadu.
3. Pondicherry Paper Mill producing 30 tonnes of paper per day.


5. Serve all Paper Mill at Nilakottai producing 50 tonnes of paper per day.

6. BVV paper industries Ltd., Marichinaickenpalayam, Tehsil Pollachi, Coimbatore, Tamil Nadu producing 50 tonnes of paper per day.

7. V.G. Paper and Boards Ltd., Unit – I, Swaminathapuram, Taluk Palani, District Dindigul producing 40 tonnes of paper per day.

So, the researcher undertook his study on the two major paper producing industries namely TNPL and SPB Ltd, in which there is a greater scope for an effective HRM practices.

Profile of TNPL - TAMIL NADU NEWSPRINT & PAPER LIMITED

TNPL was established in 1979 as an Indian Premier institution and enjoys as one of the world's largest non-convertional Bagasse based paper mill located as Kagithapuram in Namakkal District with its corporate office at Chennai. It is a public sector enterprise under the control of TamilNadu government.

It manufactures high quality newspaper, writing and printing paper from Bagasse. It has two objectives:

a) To conserve the fast depleting forest resources.
b) To reduce the dependence on imported newsprint.

TNPL was established under the Companies Act, 1956 as a Public Sector enterprise under the control of State Government.
TNPL is acknowledged as the world leader on Technology for the manufacture of newsprint, PWP from Bagasse Pulp mix. The newsprint consists of 85% Bagasse and 15% hardwood, chemical pulp: Pulp is manufactured from 75% Bagasse pulp and 25% of hardwood chemical pulp.

Now, the company has installed two paper machines, one is imported from U.K. in 1985 and the second is imported from Germany in 1995.

Both the machines are designed to produce newsprint as well as printing and writing paper (PWP) assuring flexibility in production depending on the market situations.

TNPL has been designed for manufacturing 50,000 tonnes of newspaper and 40,000 tonnes of printing and writing paper and 1,00,000 tonnes of newsprints with flexibility. It is the most modern mill exercise with unique Bagasse handing system, multifuel boilers and highly sophisticated laboratory research and development centre.

For maximum capacity production, the mill requires about 8, 00,000 tonnes of Bagasse every year and probably it gets Bagasse from 6 sugar mills.

1. Salem Co-operative Sugar Mills, Mohanur
2. Decan Sugars, Pugalur
3. Sakthi Sugars Ltd, Appakudal
4. Aringar Anna Sugar Mills, Karungulam
5. Cauvery Sugars and Chemicals Ltd, Petavaithalai
6. Kallakurichi Co-operative Sugars, Kallakurchi

It has executed a total no. of 11 coal fired boilers in the above sugar mills for production in order to save the Bagasse. The cost of purchase and installation of coal fired boilers is ₹ 20 crores. For energy formation, TNPL use innovative method, one is 15 wind farms which are largest in Asia, consisting of 60 wind electric generations.
It has the most sophisticated modern plans capable of producing first quality printing and writing paper. It has the capacity to meet large requirements with minimum lead time.

In that sense TNPL is really a harbinger of new technology for the country and the third world as well.

It has got the ISO-9001 - reward for dedication. It has achieved the ISO 9001 accreditation with a short span. As a result is maintain a quality standard in its product.

Now, the plan is designed for a normal capacity of 180,000 TPA using Bagasse as the principal ratio - material.

It is now proposed to develop about 2000 acres of dry land adjoining the factory for using the treated effluent water.

It has set-up a housing colony under the separate township named “Kagithapuram” in the adjoining area factory.

It helps the country in saving precious foreign exchange agent newsprint import and it saves over 30,000 acres of forest land.

A Complete Range

TNPL is a dominant newsprint and printing & writing paper manufacturer in the paper industry. India’s leading newspaper, including The Hindu, The Times of India, Ananda Bazaar Patrika, Hindustan Times amongst others are printed on newsprint manufactured by TNPL.

It was the first company to introduce high brightness and pink newsprint in India and is the market leader in the computer stationery and note books segment.

TNPL also supplies large quantities of paper for text books, public issue stationary printing, telephone directory, photocopying etc.
Figure 3.1
Organization Structure

Managing Director

Director (Operation)

Executive Director

Director (Finance)

General Manager

Director (Marketing)

Deputy General Manager

Senior Engineer (Technical) and

Senior Engineer (Non-Technical)

Officers (Technical)

Officer (Non-Technical)

Asst. Engineers and

Asst. Officers

Staff

Charge men

Workers
Human Resources Management [HRM]

The real challenge before the organisation is to enthuse human resources to be innovative to keep ahead of competition. TNPL realises that its continued success depends on a healthy human resources policy. Some of the important issues tackled during the year 2010-2011 set out below:

1. Training

45 Inhouse Training Programmes were conducted during the year covering 1733 mandays with an expenditure of ₹ 14.32 lakhs on topics like Team Building, Personality Development, Safety, Interpersonal skill, Productivity etc.

Three Process Engineers of TNPL were deputed to attend programmes on environment Technology in Pulp & Paper Industries and Paper and Paper Board Production & Environmental Training at Sweden during the year through the aegis of the Government of India.

2. Performance Appraisal and Key Result Areas (KRAs):

Performance Appraisal plays a significant part as a tool and technique of Management development and growth. Key Result Areas have been identified and responsibility, accountability, objectives and targets defined. Internal customers (users) expectations have been built in to the Key Result Areas. Continuous appraisal against Key Result Areas as it is expected will create a sea change in the attitudes towards work.

3. Optimisation in Labour Productivity

TNPL has had frank discussions with labour on various issues relating to productivity. This has led to a better understanding of the way to go forward. Worker participation is now actively canvassed. A detailed study of manpower levels conducted by the National Productivity Council (NPC) has been kept as the bench mark. TNPL is currently close to about 60% of the levels recommended by the NPC.
4. Harmonious Industrial Relations

During the year 2008 - 2009, TNPL has maintained its track record of fostering harmonious industrial relations. During this period, the company nurtured a participative atmosphere of redressing the grievances of the employees, which paved the way for a congenial work environment.

A Tri-partite Wage Settlement valid for 4 years upto 15.5.2008 was signed with workmen and staff. Large numbers of employees have participated in the “Suggestion Scheme”. Several of them have been given awards for their valuable suggestions. This has been well received by the employees

Total Quality Management (TQM)

To be innovative and to stay ahead, organisations have to keep trying new techniques. "The philosophy of TQM, integrating all activities in an organisation coupled with a customer centered focus, is now well understood and TNPL is on the path of implementing TQM.

A perception survey was conducted through an outside consultant and based on the results, TNPL started to build up a quality assurance system. For spearheading TQM activities, TNPL has identified the Sponsor, Co-sponsor, Champion, Institutionalise, Quality Steering Team, CAN-PROJECT Team, and CAN-TRAINING Team. To start with, Ten Quality Improvement Projects have been identified as Pilot projects. These ten projects are being implemented. This will enable TNPL to make good savings in costs and achieve quality improvement, simplify work methods, improve its image 'building and enhance the capability of its human resources.

Based on the first series of projects, fourteen spin-off projects have been identified and Mentors/Leaders/Team members inclusive of workmen/staff have been selected from the spin-off projects. Paving the way for continuous improvement, another seventeen projects have been identified as new projects for which also, Mentors/Leaders/Members have been selected. TQM has thus been launched in a big way involving all as a way of life.

60
The above activities have facilitated the employees to understand their professional strengths (and weaknesses) and motivate them to make continuous improvements in their own jobs in a competitive spirit.

Quality

TNPL's Quality Policy is committed towards meeting fully customer requirements using eco friendly raw materials through continuous process improvements.

Despite opening of Indian markets to imports, TNPL has been consistently recording increased exports year by year, which very well demonstrates TNPL's commitment to Quality. A customer service cell has been constituted to get first hand feedback on the performance of TNPL products at the customers' end and to evaluate their requirements. This has assured that TNPL not only meets their requirements but ensured their satisfaction also. Being an ISO 9001 accredited company, TNPL's efforts have been oriented towards developing new products to suit specific customer and specific end use. The ISO 9001 quality assurance procedure ensures consistent quality and assures promptness in carrying out timely corrective action. The customer complaints, however small, are resolved using laid down procedure under the quality assurance system. An intranet system of information including process data under the On Line Integrated Information System has been put on line to ensure faster information transfer for faster decision making to improve and assure product quality.

In addition, the automated process control system, throughout the manufacturing process, ensures complaint free products, even up to the packing and dispatch level. TNPL also has a state-of-art sophisticated pulp and paper testing facility, which has been the key element of the Quality drive.
EMLOYEES OF TNPL

The total no. of employees working in the factory is 1720 as on 31.01.2011.

Table 3.1
The strength of Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle level executives</td>
<td>420</td>
</tr>
<tr>
<td>Staff</td>
<td>318</td>
</tr>
<tr>
<td>Workmen</td>
<td>982</td>
</tr>
<tr>
<td>Total</td>
<td>1720</td>
</tr>
</tbody>
</table>

Source: Annual Report

The above table shows the total employees strength of TNPL. Out of 1720 employees in TNPL:

i) 420 are middle level executives

ii) 318 are staff level employees

iii) 982 are workmen

Chart 3.1
Employees Strength of TNPL
EXISTING HRM TECHNIQUES IN TNPL

Recruitment process in TNPL

In TNPL, both sources of recruitment are followed.

Internal sources

Promotion, transfers are the usual internal sources of recruitment followed by TNPL.

External Sources

- Employment Exchanges
- Other sick units
- Advertisement
- Land Donars
- Other reputed organizations
- Deputation from government
- Local Area

Selection Process in TNPL

Once the recruitment process is over, the selection process begins. While selecting an employee, various trade tests are conducted by TNPL questions asked in the trade test are all objective types relating to their employment (nature of work type, method of operations etc.,). Interview is also carried on for the selective candidates.

After the employees have gone through the trade test, they are appointed. After the completion of training by an apprenticeship employee, job-related test is conducted. If they do this test in a best way, they are appointed permanently to the post.

TNPL does not conduct any psychological test. The selection committee consists of G/M (operation) DGM (HRD) and personnel managers.
Training and Development in TNPL

There is a well-equipped training centre with A\c and safety valve control. There are 14 specialized trainer and external trainer. There is one Executive trainer and one Chief Manager for Training Development in TNPL and one manager for Executive Development.

There is an O/H Projector, video aided with computer with full comfortable furniture having a seating capacity of 50 workers.

Training classes are conducted for top level executives, middle level executives, junior officers, staff, charge man and workmen. The internal training is given for learning of safety awareness, productivity ,technical presentation, supervisory development, apprenticeships training, computer technology, fire fighting, pulp maintenance, communication skill, etc.,

Internal Training

After the employees are newly recruited, the trade test is conducted. they are given induction training for a period of one week.

Induction Training

Newly appointed employees are sent for one week induction training in the company.

After completing 3 years training by new workers, they are placed in the unskilled workmen cadre. Internal training is given for especially safety awareness. Fire fighting, training for total quality management and total productivity management are conducted for all employees in all work method in the organizations.

Apprenticeship Training

It is given to Diploma (ITI) holders and B.E degree holders coming from outside for a period of one year internally. They are given a stipend of ₹1150 to 1300 p.m. for ITI diploma holders and ₹2000 is given as a stipend for B.E. degree holders.
### Table – 3.2

**Apprentice Strength as on Jan. 2011**

<table>
<thead>
<tr>
<th>ITI</th>
<th>Nos.</th>
<th>Engineering</th>
<th>Degree</th>
<th>Diploma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpenter</td>
<td>05</td>
<td>Civil</td>
<td>02</td>
<td>05</td>
</tr>
<tr>
<td>Electrician</td>
<td>09</td>
<td>Mechanical</td>
<td>63</td>
<td>44</td>
</tr>
<tr>
<td>A/C Repairing</td>
<td>03</td>
<td>Instrumentation</td>
<td>04</td>
<td>02</td>
</tr>
<tr>
<td>Welder</td>
<td>04</td>
<td>Chemistry</td>
<td>02</td>
<td>02</td>
</tr>
<tr>
<td>MMU</td>
<td>04</td>
<td>Electrician</td>
<td>04</td>
<td>08</td>
</tr>
<tr>
<td>Plumbers</td>
<td>05</td>
<td>DCP</td>
<td>-</td>
<td>05</td>
</tr>
<tr>
<td>D.M</td>
<td>06</td>
<td>Computer</td>
<td>03</td>
<td>04</td>
</tr>
<tr>
<td>Fitter</td>
<td>12</td>
<td>Pulp Paper</td>
<td>-</td>
<td>05</td>
</tr>
<tr>
<td>Mechanical</td>
<td>02</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I.M</td>
<td>04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turner</td>
<td>03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workmen</td>
<td>05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>79</strong></td>
<td><strong>18</strong></td>
<td><strong>75</strong></td>
<td></td>
</tr>
</tbody>
</table>

As on 31.01.2011 79 ITI Diploma holders, 18 Engineering and 75 Diploma holders were working as apprenticeship in TNPL.

**Refresher Training**

Refresher Training is conducted for TQM frequently within the organization. Sometimes workers sent outside for knowing the changes in their work methods.

**On the job Training**

On the job training is given for production, electrical, mechanical division etc. pulp mill, soda recovery, power boiler, instrumentation, paper machine etc.,

It is given in the form of directions, instructions given by superior to the subordinate on the job.
Training for Executives

National Productivity council, Institute of Management Studies and All India Management Association conducts this Training frequently. Middle Level Executives are sent to these institutions for learning new technical changes in management.

Training in abroad

Every year, group of executives are sent for training to learn new technology in paper production. Three Process Engineers of TNPL were deputed to attend programmes on environment technology in pulp and paper industries and paper and paper board production and environmental training at Sweden during the year 2010 – 2011.

Table 3.3

Training facilities given by TNPL

<table>
<thead>
<tr>
<th>Year</th>
<th>Man days</th>
<th>Amount spent for Training ₹.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004 – 05</td>
<td>30</td>
<td>2 lakhs</td>
</tr>
<tr>
<td>2005 – 06</td>
<td>44</td>
<td>3 lakhs</td>
</tr>
<tr>
<td>2006 – 07</td>
<td>1099</td>
<td>13 lakhs</td>
</tr>
<tr>
<td>2007 – 08</td>
<td>2187</td>
<td>13.5 lakhs</td>
</tr>
<tr>
<td>2008 – 09</td>
<td>2520</td>
<td>16.34 lakhs</td>
</tr>
<tr>
<td>2009 – 2010</td>
<td>1415</td>
<td>10.56 lakhs</td>
</tr>
<tr>
<td>2010 upto 2011</td>
<td>1625</td>
<td>10.63 lakhs</td>
</tr>
</tbody>
</table>

Source: Annual Records of TNPL

The above table shows the annual expenses for giving training facilities to the employees of TNPL. During the year 2004 – 05, it has spent ₹. 2 lakhs for 30 man days.
During the year 2005 – 06 it has given training facilities to the 44 man days and it has incurred ₹ 3 lakhs for giving training facilities to the employees. During 2006 – 2007 it has given training facilities to 1099 man days by spending ₹ 13 lakhs during that year.

During the year 2007 – 08 it has given training facilities to the 2187 man days by spending ₹ 13.5 lakhs. During 2008 – 2009 it has given training facilities to the 2520 man days employees by spending ₹ 16.34 lakhs during that year.

More training facilities are given to different categories of employees in order to ensure TQM and TPM during the year 2009 – 10 and 2010 -11. Man days employees for training was 44 and it was increased to ₹ 1099, 2187 and 2520 during the year 2006 – 07, 2007 – 08, 2008 – 09 respectively. It shows that there is an increased trend towards annual amount spent in training facilities.

There was a sudden increase in expenses for training from ₹ 3 lakhs during the year 2005 – 2006 to ₹ 13 lakhs, 13.5 lakhs ₹ 16.34 lakhs during the year 2007 – 08, 2008 – 09, 2009 – 10 and 2010 - 11 respectively.

So, it is clear that it gives more importance to the development of employee’s skill and knowledge through training facilities.

The year 2010 – 2011 mandays stood at 1625 and the expenses stood at ₹ 10.63 lakhs.

During the year 2010 – 2011, the middle level executives were sent abroad in order to gain technical knowledge and skill.
Table – 3.4
No. of participants in Training programmes

<table>
<thead>
<tr>
<th>Name of the Program</th>
<th>No. of Participated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter Personal Skill</td>
<td>60</td>
</tr>
<tr>
<td>Company Information</td>
<td>40</td>
</tr>
<tr>
<td>House keeping</td>
<td>40</td>
</tr>
<tr>
<td>Counseling</td>
<td>60</td>
</tr>
<tr>
<td>Skill Development</td>
<td>40</td>
</tr>
<tr>
<td>Productivity</td>
<td>40</td>
</tr>
<tr>
<td>First Aid</td>
<td>40</td>
</tr>
<tr>
<td>Fire fights</td>
<td>40</td>
</tr>
<tr>
<td>Safety</td>
<td>40</td>
</tr>
<tr>
<td>O.D</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total No. of Workers</strong></td>
<td><strong>440</strong></td>
</tr>
</tbody>
</table>

The above table shows that 240 junior level executives were sent for training facilities during the year 2010 – 2011.

Besides, 43 employees are identified to be given institutional training on technological operation. They were sent to SPB Ltd., and other paper mills in U.P., M.P., Maharashtra etc.

**Promotion Method of TNPL**

Promotion is usually based on seniority because TNPL is a public sector enterprise. Promotion is otherwise called as up gradation.

**Promotion methods for workmen and staff**

It is implemented through settlement between 4 recognised Trade Unions and management.

1. Promotion for workmen
2. Promotion for staff including Technical Staff.
Promotion for workmen

Promotion is purely based on seniority for workmen. It consists of 4 stages.

Stage 1: From unskilled to semiskilled ‘C’: By completing 5 ½ years service in unskilled labour, such worker is promoted to semi-skilled.

Stage 2: From semiskilled ‘C’ to semiskilled ‘B’: By completing 6 years service in semi-skilled ‘C’ such worker is promoted to semi-skilled ‘B’.

Stage 3: From semiskilled ‘B’ to semiskilled ‘A’: By completing 6 ½ years service in semi-skilled ‘B’ such worker is promoted to semi-skilled ‘A’.

Stage 4: From semiskilled ‘A’ to highly skilled workers: By completing 7 years service in skilled ‘A’ such worker is promoted to highly skilled.

Technical staff:

For highly skilled to technical staff, charge men, it requires 7 years service in highly skilled workmen cadre.

Performance Appraisal is not considered for such promotion.

For up gradation of Asst. Foremen to Charge men – minimum 240 days worked in a year. This 240 includes EL, Leave due to industrial accident, and special leave for 7 days.

A worker against whom criminal cases are pending, he is not eligible for promotions. If workman is awarded a major punishment, his promotion is postponed for 1 year.

Major punishment includes stoppage of increment with cumulative effect, and suspense not exceeding 30 days.

But promotion is also considered for minor punishment – s toppage of increment without cumulative effect.
Promotion for staff

1. From junior staff to Asst. staff by completing 6 years service in junior staff post.
2. From Asst. staff to staff Grade II by completing 6 ½ years.
3. From staff Grade II to Grade I by completing 6 years.
4. From staff Grade I to Senior staff by 6 years.
5. From senior staff to staff (UG) by 5 years.

The above rule for workmen is applicable to staff cadre for promotion.

Promotion for Executives

- From Asst. officer to officer – 5 ½ years
- From officer to senior officer – 6 ½ years
- From senior officer to Deputy Manager – 6 ½ years

Promotion for Top level executives

- From D.M. to mangers by completing 6 years service in Deputy Manager.
- From manager to chief manager by 5 years service in manager.
- From Chief Managers to Deputy General Manager by completing 4 years in

Chief Manager

From Deputy General Manager to General Manager by completing 4 years in Deputy General Manager. It is based on performance appraisal, qualification and length of service. Promotion will be considered once a year in May or June month. For this interview is conducted by Department of Promotion Council [DPC] consisting of chairman, M.d., Director [Finance], DGM[HRD] acting as a Secretary of the Committee and one nominated G.M. by the State Government.
Performance Appraisal System in TNPL

There is a systematic and formal appraisal system followed in TNPL.

1. Performance appraisal for unskilled labour

   It is obtained from superior’s report (field review) twice in a year. This is done up to 3 years.

   Work performance is measured in terms of work quality and quantity, job knowledge, initiative, dependability, attitude, discipline, safety, house keeping maintenance and team work for all categories of unskilled labour.

2. Performance appraisal for Executives

   They are measured once in a probation period of one year. They are also measured in terms of task accomplishment, job knowledge, planning, organizing, Staffing, controlling, problem solving, leadership, development of subordinates, innovation, communication, human relation, team work and discipline.

   This appraisal is carried on for the up gradation of low level executives to upper level executives. This is very essential for conformation of jobs for the executives.

3. Performance appraisal for staff employees

   Probation period for staff employees and workmen is 6 months. During their probation period, they are rated once in every 3 months and after confirmation, performance is evaluated in terms of work output, work quality, job knowledge, dependability, initiative, suitability, communication and skill once in every year. Based on this they are promoted.
TNPL Incentive Schemes

1) In super session of clause 29 of the Memorandum of settlement under section 12(3) of Industrial Disputes Act, 1947 dated 19.1.1991 and in pursuance of the clause 30 of the memorandum of settlement under section 12(3) of the Industrial Disputes Act, 1947 dated 23.09.1999, and the productivity linked Incentive scheme shell be as under with effect from 1.8.2010.

2) However, those who have worked less than 30 days will not be for the Bonus/Special Incentive for the financial year, 2009-2010.

3) The Trainees will be paid ₹3,500/- (Rupees Three thousand and five hundred only) as Annual performance Bonus for the financial year 2008-2009 for 240 days of work and proportionately for less than 240 days of work during the year 2009-2010. All leave with wages and the leave on account of Industrial Accident will be taken into account for computing 240 days. The Trainees will not eligible for special Incentive as stated above.

a. Eligibility
All the employees except trainees are eligible for the productivity linked Incentive.

b. Mode of calculation
The quantum of productivity is to be calculated on the basis of finished standard production.

c. Quantum of Incentive
The quantum of productivity linked Incentive payable will be as follows:
<table>
<thead>
<tr>
<th><strong>Finished standard production</strong></th>
<th><strong>Monthly productivity linked Incentive payable</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>From 1.8.2010 - 31.03.2011. For the production of 15,000 Mts. Per month</td>
<td>₹.50/-</td>
</tr>
<tr>
<td>For every addition of 100 Mts. Of production</td>
<td>₹.10/-</td>
</tr>
<tr>
<td>For the production of 16,000 Mts. per Month</td>
<td>₹.50/-</td>
</tr>
<tr>
<td>For every addition of 100 Mts. per Month</td>
<td>₹.10/-</td>
</tr>
</tbody>
</table>

4) The employees will be paid production linked Incentive not later than 15th in the subsequent month for the actual days of work into preceding month.

5) The Incentive amount payable under the scheme will not form part of the wages or salaries for any purpose like Bonus, PF, OT, HRA etc.,

6) The Incentive scheme will be reviewed and discussed with the Recognised Trade Unions.

**Bonus**

An employee, whose salary is less than ₹3500/- per month, is not eligible for production Incentive scheme. He is given one month salary plus 20% of his gross income per annum as Bonus in the year 2008 -09 and 2009 -10.

Overtime wages are paid at double the normal rate of wages per hour.
Special Production Incentive: This scheme is eligible to all employees whose pay is more than ₹.3500/- per month.

From the year 2005 – 2006 to 2009 – 2010 Bonus named special production incentive is given at a flat rate to all categories of employees on Deepavali festival. Every year ₹.10,000/- was given as a production incentive to all employees irrespective of top to bottom level every year from 2005 – 06 to 2008 – 09. But in 2009 – 10 ₹.10,500 was given as a production incentive instead of percentage of income of the employee. It was given to all employees who have worked for 240 days during the given year.

Worker’s Participation in Management

It consists of the following:

- Suggestion scheme in TNPL:

Suggestion Scheme

- Areas of Suggestion

Suggestion Committee

Evaluation Procedure

The committee may call the suggested for any clarification. Acceptance / Rejection of the suggestion will be communicated to the suggestor.

a. Tangible Suggestion
b. Intangible suggestion

Counselling in TNPL

Counselling is carried by the management along with employees to discuss certain emotional and serious problems of employees. In TNPL counseling is done for regular absenteeism, alcoholism, indebtedness and other family problems.
Trade Unions in TNPL

There are 15 trade unions in TNPL of which 4 are recognized.

They are as follows,

- Anna Thozhilalar peravai.
- Thozhilalar Munnetra Sangam
- TNPL Tholilalar Sangam
- TNPL Staff Association

Any problems relating to employees are settled through these trade unions. So there is no possibility of dispute between the management and workers. All settlements are carried on through these four trade unions. The individual members problems are also settled through these trade unions.

Workers Participation in TNPL

1. Work's Committee
   TNPL works committee is an in the SPB Ltd.

2. Safety Committee
   As in the SPB Ltd.

3. No shop floor council in TNPL

4. Canteen maintenance committee as in SPB Ltd.

5. P.F Trust committee is formed in order to take care of funds of P.F fund of employees in TNPL which consists of 9 members of which 6 are elected by the employees and the remaining three are nominated by the management. There is no P.F Trust committee in SPB.

Employees' Grievance Redressel Machinery

According to Michel J.Juices "Grievance means discontent or dissatisfaction whether expressed or not and whether valid or not arising out of anything connected with what the employee thinks, believes or even feels is unfair, injustice or inequitable."
Causes of Grievance

- Difference of opinion or thought.
- Position of trade union in the organization
- Demand for labour welfare facilities.
- Doubts and fears in the minds of workers of management.
- Social injustice with the workers
- Policies and procedures if not followed strictly

Grievance Handling Procedure

1. Common Procedure

The steps in procedure are:

- Immediate supervisor
- Departmental head or personnel relation offices
- Top Executive i.e., General Manager
- Grievance handling committee.

2. Model Grievance Procedure

The steps are:

- Officer – designate for the purpose
- Head of the department
- Grievance Committee
- Manager
- Appeal to Manager for revision
- Voluntary arbitration
- Formal conciliation machinery

Labour welfare activities in TNPL

Non – Statutory Welfare Measures

Uniforms

Two pairs of Terri cotton uniform are being issued for all employees,
Shoes

Industrial type Bata safety shoes are being issued to all employees with three pairs of nylon socks.

Identity Badge

Identity Badge has been issued to all employees.

Family Planning Incentives

Cash Incentive of ₹. 2,000/- with 1kg. Complan Tin and 7 days special leave is given as incentive if employees or employee’s wife undergoes FP sterilization operation.

Corporate Day gift

A gift worth about ₹.750/- is given to all employees who are on the rolls as on 24th May of every year.

Group Insurance Scheme

Company is remitting the premium. In case of natural death of workers / staff, the next of in will get a compensation of ₹.50,000/- and that of the Executives will get ₹.75,000/-.

Personal Accident Insurance Policy

Company is remitting the premium. In case of death by accident (inside or outside the factory) the nominee will get 96 months’ salary.

Death Relief Fund

In case of death either by accident or natural death, the nominee will get Half-a-day’s salary of all our employees towards DRF. This is a voluntary contribution.

First Aid Medical Centre

We have a first aid medical centre with one male medical officer, one female medical officer, one nurse and two dressers. The first aid medical
centre is rendering medical assistance to the colony residents besides rendering assistance to the accident cases.

**Recreational Facilities**

Following clubs are functioning in the TNPL Housing Colony, which conduct regular cultural programmes.

- TNPL Recreation club [workmen]
- TNPL Staff Club [officers & staff]
- TNPL Ladies Recreation Club for employees’ wives [workman & staff]
- TNPL Ladies Club [officers’ wives]
- TNPL Orchestra
- TNPL Study Centre
- TNPL Children Club
- TNPL Youngsters Voluntary Club
- TNPL Cricket Club

**Cooperative Stores**

For the benefits of employees a cooperative stores is being run in colony premises.

**TNPL Housing Colony**

A well laid out housing with 702 quarters is maintained by the company where essential employees are given accommodation on nominal rent 50% of the employees eligible for quarter accommodation had been provided in our housing colony.

**Bachelor Hostel**

There are two hostels with 30 double accommodation rooms in each of the hostels. The hostels can accommodate maximum of 120 persons. The rooms are fully furnished. The accommodation is free of cost for trainees and for the confirmed employees, a monthly rent of ₹.250/- per person for ‘A’ hostel and ₹. 150/- for ‘B’ hostel residents is being charged.
Staff Mess

The company has provided a staff mess building with furniture’s, utensils, cooking facilities including fuel for the benefit of the hostlers. The hostlers are encouraged to form committee to run the staff messes on a dividing system basis.

Satellite T.V. System

The company has provided a satellite TV system, in which 19 channels are available apart from Doordarshan.

Medical assistance in chronic illness

Company, besides granting leave with wages for a period of six months, pay for the hospitalization charges for employees, who suffer from certain specific chronic ailments such as

a. Heart ailment
b. Cancer
c. Kidney transplantation
d. Paralysis
e. Leprosy
f. Tuberculosis
g. Brain Surgery

Housing Loan and Employees housing Society

Housing Loans are arranged by the company through HDFC. In order to encourage employees to go in for their houses, loan subsidies of 5%, subject to payment of minimum of interest at 9% is being arranged.

A society has been formed to render all assistance to the employees for constructing their own houses. Further, when the employees proposed to construct housed in cluster, the company pays the developmental charges to the Government Agencies on behalf of the workers.
School

TNPL School society runs a Matriculation School where about 1700 children are studying.

Annual Sports

Every year, we have been celebrating Annual Sports as a Mega Event in which employees, their wives and children are participating in various events. About 500 persons are participating.

Labour Welfare Centre

Efforts are also on to start a Labour Welfare Centre at Velyauthampalayam for the benefit of the dependents of the employees with a view to utilize their leisure time for some creative activities such as Sewing, Embroidering etc., so that the family may be able to augment their income, which will pave the way for raising their standard of living.

Community Services

On every October 2nd Gandhi jayanthi Sweets and clothes are being distributed to the residents of the surrounding villages of Kurukkappalayam, Moolimangalam, Masakkavandanpudur etc, water filters, wooden benches and alamyrahs were also donated to the schools in the above villages.

Medical Camps

Every month free mobile medical camp is conducted at the surrounding villages with the help of our RMO and other paramedical staff. These camps highlight aspects relating to Hygiene and Good Health besides literacy programmes.

Sick Leave

Sick leave is accorded to all employees
Community Hall

A full fledged community hall has been constructed for the benefit of the employees, where in only nominal rent is charged.

Bus facilities

To enable our employees as well as inhabitants of surrounding villages to commute without difficulty to the nearby towns and cities, adequate number of buses have been arranged.

Bank and Post office

For the benefits of the employees a bank and a post office have been housed in colony premises itself.

Temple, church & Mosque

The company has a temple, church and mosque inside the colony premises.

Note Books

12 one quire note books are given for the employees limited to 2 school going children.

Rain Coats

One rain coat is provided to the employees once in 4 years.

II. Co-operative Credit & Thrift Society

The company had started co-operative credit and thrift society for the benefit of its employees.

Caps

Caps are distributed to our employees, who are working in critical areas.
Sports

The company has given due importance to the sports activities by having a Tennis Court, shuttle Court, Volleyball Court, Basket Ball Court, table Tennis, Carrrom Boards, etc., in the colony premises. It has also got a full fledged playground, where cricket, football, hockey etc., are played.

Pepermint

Pepermint is issued to our employees, who are working in Pulp Mill and Chlorine Areas.

Library

The company has made arrangement for two libraries i.e., one at TNPL staff club and one at TNPL study centre in TNPL Recreation club:

TNPL Study Centre

The company has encouraged for formation of TNPL study centre which is arranging for Typewriting classes apart from purchase of Encyclopedias. This study circle has a library and will become a career counselling centre by housing entrance exams coaching manual, question and answer papers etc.,

Weight Lifting Room

A separate room is provided for weight lifting.

Calendar or Diary

Every year one calendar or diary is distributed to our employees.

Sweet

Sweets are distributed for Ayudha Pooja, Deepavali, and Zero stock and for achieving highest production.
Statutory Welfare Measures

Canteen

A subsidized canteen as per the prescribed standard has been provided to cater to the needs of workers, staff and officers.

Toilets, shelters, Rest Rooms and Lunch Rooms

Toilets, Shelters, Rest Rooms and Lunch Rooms with provision of cooling water have been provided as prescribed.

First Aid Appliances

First aid boxes equipped with the prescribed contents have been provided.

Provident Fund

PF contribution at 12% of basic and DA from the employee with matching contribution from the employer.

Leave

a. Casual Leave – 12 days – Staff & Workers
   – 10 days officers
b. Sick Leave – 10 days – Officers & Workers – 8 days Staff
c. Privilege Leave – 1 day for every 20 days worked – 30 days – Officers & staff
d. National & Festival Holidays – 5 + 4 days per annum
e. Gratuity:
   a. As per the Act – staff & workers
   b. As per service rules – officers

Safety

Safety is our watch word and it has been given prime importance and a safety committee is also constituted to monitor the safety measures.
PROFILE OF SESHA SAYEE PAPER AND BOARDS LIMITED

Many States in India had built Pulp and Paper Mills during 1950s but the State of Tamil was without any paper Mill till the dawn of 1960, but in 1960 Sri S. Viswanathan (Chairman) took efforts to put a Paper Mill. Seshasayee Paper and Boards Limited were incorporated in 1960. Commencement of production took place in November 1962. The mill was built in collaboration with the leading US Company “Whittle More” New York. The initial capacity of the Mill was 20,000 tonnes per annum.

The first expansion of the company took place in 1969. The capacity was increased to 35,000 tonnes per annum. It went for second expansion in 1978 when the production capacity was increased to 60,000 tons per annum. The numbers of employees working in the Organization are 1608 as on 31.1.2001 and the total area of the company is 161 acres, out of which the Factory area is 101 acres.

The registered office and the factory is situated near Cauvery Railway Station, Erode. The Marketing office is situated at Chennai. The mill was designed to use bamboo as primarily raw material for manufacturing its pulp and paper. Letter hard woods like Eucalyptus supplemented bamboo in large measure. The ultimate answers for raw material were sugarcane Bagasse. It did not take much time for the mill to anticipate that Government would call upon the Pulp and paper Industry to shift to alternate raw material and this soon led to the birth of establishing a sugar mill. This led to yet another story 'the genesis of Ponni Sugars and Chemicals in 1984." It can acquire the required Bagasse raw material from the Ponni Sugars and Chemicals which is located adjacent to the factory. The Government of India has recently announced a shift in its licensing policy under which sugar and paper Mills will be required to be integrated, each supporting the other and forest wealth from denudation. Seshasayee paper and Boards limited is going for the next expansion at present and the production will be increased to 1,20,000 tons per annum.
The Seshasayee's annual production is 60142 tonnes of paper and paper product during 2009-2010. It is a major private sector industry in paper production.

The mill is first ever in the world to cook bamboo in its continuous digester (Pandia Digester). This is the first mill to cook both bamboo and bagasse in the same digester.

Owing to continued short supply of bamboo, the mill started using various types of hard wood and soft wood in its furnish and as at present the admixture of bamboo and wood is in the ratio of 10:90. Such high percentage of wood in the furnish can truly be acclaimed as a technological breakthrough.

The mill began to outgrow its size and expanded and diversified capacity in 1969 to 35,000 tonnes of pulp and paper per annum, including capacity to produce 10,000 tonnes of duplex board.

In 1976, the mill embarked upon its second expansion project to increase its capacity to 55,000 tonnes of paper per annum which was commissioned in 1978 in a recorded time of 24 months involving an outlay of ₹18 crores. It is worth mentioning that the two expansions were achieved by the company without any foreign collaboration.

Considerable research and development is undertaken by the mill which already helped it to identify a wide spectrum of primary raw materials to supplement the conventional raw materials, namely bamboo, for manufacture of pulp and paper joint research project is also undertaken with a neighbouring agricultural university for growing new strains of fast growing species of wood which can be used as raw material with advantage.

The company has now established a separate Research and Development cell to enlarge the scope and amplitude of the existing R & D activities. The cell would primarily concentrate upon identification of cheaper substitutes for
costly chemicals, improvement in process efficiencies, thermal energy recovery studies and treatment and utilisation of liquid effluent for irrigation purposes. The company has also undertaken a joint research programme in association with Belloit Jones Division, U.S.A.

The company also renders consultancy services in the establishment of integrated pulp and paper plants both within India and abroad including TNPL. After having completed initially some minor consultancy assignments both within the country and abroad, the company is now actively engaged in the Newsprint project of the TamilNadu Government for which it has been acting as the project consultant. This mammoth project involving capital outlay exceeding ₹ 200 crores is nearing completion within the original cost and time schedule. Besides, the company also rendered consultancy services to a neighbouring sugar mill, Ponni sugars and chemicals limited for setting up its plant.

The company undertook some renovations like modernisation programme in 1980, to diversify and enlarge its product range and produce specialised grades of paper and boards. This project was completed in 1984. As a part of its continuous efforts to become self reliant on the energy front, the company has installed an ignited boiler which has fluidized bed to burn different types of fuel like coal with single ash content pith, lignite arid leo.

Awards

SPB is in receipt of various awards awarded by Government of India, Government of TamilNadu, industry associations, etc. Some of the awards received by SPB in the past include:

- Capacity, Utilization Award
- Energy Conservation Award
- Environment Protection Award
- Safety Award
- Export Performance Award
- Good Industrial Relations Award
- TERI – Corporate Environment Award

**ISO 9001 / ISO 14001 Accreditation**

The company's quality systems continue to be covered by the "ISO 9001" accreditation awarded by Det Norske Veritas, The Netherlands.

The company has also been accredited with "ISO 14001" certification by Det Norske Veritas, The Netherlands, for its Environmental Quality Systems.

**Table 3.5**

**Establishment Highlights**

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporation of the company</td>
<td>1960</td>
</tr>
<tr>
<td>Commencement of Production</td>
<td>1962</td>
</tr>
<tr>
<td>First expansion</td>
<td>1969</td>
</tr>
<tr>
<td>Second expansion</td>
<td>1978</td>
</tr>
</tbody>
</table>

A planned and well laid Housing colony accommodates at present nearly 1,100 of its employees with facilities of a High school and Elementary school, Recreation Clubs an Open Air Theatre, Parks, a Temple, a Church and a Mosque, a Shopping Complex and other amenities.

The company is proud of its technical executives and its army of skilled and semi-skilled personal. The company is professionally managed with number of individuals or group having a controlling or vested interest in the Company. About 60% of the shares are held by Government and Quasi Government bodies.

The Company continues to make a steady progress and it is rated high in terms of operational efficiency. It has established a good record for capacity utilisation and energy conservation. Mindful of its multifarious duties to its
shareholders, employees, customers and the nation as a whole, it would leave no stone unturned to contribute its share to the national wealth by improving productivity.

Finance Department

Finance is the life blood of any organisation. All the other departments are depending upon the finance department for their survival.

Organisation Set up

The Company is managed by Board of Directors who have delegated to Managing Director substantial powers of management, plus power to appoint personnel at all levels, enter into contracts in ordinary course of business, purchase and sell assets and invest funds of the company within limits fixed by Board from time to time. The Managing Director delegates his power to Vice President (Operations) who is the sole in charge for the normal administration and day-to-day functioning of the factory.

Determination of sales policy, fixing selling prices, settlement with labourers, undertaking new projects, borrowing long term loans are done with the approval of the Managing Director and if necessary the same will be submitted to the Board, purchase and sale, selecting suppliers, placing orders to them, production, planning, distribution, of finished goods, manpower planning and recruitment up to middle management and decisions are taken care of by the Vice President (Operations).

The Vice-President (Operations) is aided by three Deputy General Managers viz., Deputy General Manager (Works), Deputy General Manager (purchase & systems) and Deputy General Manager (Personnel/HRD). There is a flow of delegation of authority from Deputy General Manager to functional Chief Managers. The Functional managers are fixed with the responsibility of achieving the targets and goals of their respective functions.
Monthly meetings of various Heads of Departments are convened to assess and review the performance of functional Chief Managers to monitor and control their activities. These meetings are beneficial to all Heads of Departments in appreciating problems faced by individual sections and ensuring better co-operation and coordination. It exports Papers to different countries and thus fulfills the new economic policy laid by the Government of India. It even competes with other industries for making the sick units viable.

Figure 3.2
Organisation Chart-SPB Ltd.

Personnel Management is that part of Management process which is primarily concerned with human constituents of an organisation.
Figure 3.3

ORGANISATION STRUCTURE (SPB Ltd)
(At Management Level)

CHAIRMAN

MANAGING DIRECTOR

VICE-PRESIDENT (OPERATIONS)

MANAGER [PERSONNEL]

Asst. Manager (Industrial Relations)
Asst. Manager (Safety) (Welfare)
Asst. Manager Officer
Security Officer
Estate Office
Employees of SPB Ltd.

The total number of employees working in the factory is 1701 as on 31.1.2011. There are 436 middle level executives 307 staff and 958 workmen cadre of employees.

Chart 3.2
Employees Strength of SPB Ltd.

EXISTING HRM TECHNIQUES IN SPB LTD

Requirement Process in SPB Ltd:

Internal Sources

Through promotion and transfers, middle level executive vacancies are filled up.

External Sources

SPB Ltd., follows the following External sources of recruitment procedure.

1. Advertisement
2. Educational institutions
3. Heirship
4. Campus Interview
5. Friends and relatives
6. Employee’s Recommendations

**SELECTION**

The various steps in the selection of the desirable persons in the employment of the organization should be finalized by the company.

**Meaning**

The selection process is a tool in the hands of the management to differentiate the qualified and unqualified applications, by applying various techniques such as interviews, tests, etc.

In the words of Dale Yoder “Selection is the process in which candidates for the employment are divided into two classes. Those who are to be offered employment and those who are not.”

**Selection procedure for large scale business concerns**

Selection procedure starts only after the application from the prospective employees are received by the concerns. The applications are screened out at each step and those who are found fit for the job are selected finally. The following are the necessary steps generally involved in the selection procedure.

I. **Preliminary Interview**

The purpose of the interview is to eliminate the unqualified or unsuitable candidates. It should be intended to have an idea about general education, experience, training, appearance, personality etc., If the applicant appears to have some chance of being selected, be is given the applications blank to fill in.

II. **Application Blank**

The successful candidates in the preliminary interviews are supplied the application blank to get a written record of the following information.
a. Identifying information
   i. Date of birth, place of birth, age, sex, height, family background, material status etc.,
   ii. Information about education
   iii. Information about experience
   iv. Expected salaries and other allowances
   v. Information regarding community activities
   vi. Other information

III. Employment Test

Psychological test and other test are becoming a part of the selection process. There are two types of tests

   a. Trade Test
   b. Psychological test

Trade Test

Technical jobs require this type of test. The purpose of this test is to assess the capabilities of the candidates for the type of job which is being offered to them.

Psychological Test

It is conducted in evaluating the performance on the task relative to that of the other candidates. Psychological tests are as follows:

Aptitude Test

Such tests are designed to measure the capacity of the candidate to learn the skills required on a particular job.

Intelligent test

It measures the individual learning ability to understand instructions and also ability to reason and make judgment.
Interest Test

It is for determining the preferences of the applicants for occupations of different kinds.

Knowledge test

To measure the depth of the knowledge and proficiency in certain skills i.e., engineering, accounting etc., this type of test is conducted.

Projective test

Which uses the projective technique whereby the applicant projects his personality?

Responding test

To determine characteristic of the candidate such as team spirit cooperativeness emotional balance etc., it is conducted.

Judgments test:

For evaluating the ability to apply knowledge judiciously in problem solving. It is conducted.

IV. Employment Interview

The purpose of the interview is to determine the suitability of the applicant for the job and of the job for the applicant. This interview is conducted in friendly manner and the candidate must be made to feel at ease. The verification of information in the application blank is possible.

Reference Check

After the applicant crosses all the hurdles, reference may be called upon through phone or mail or personal visit. Necessary information about the candidate can be collected from the referee.

Medical Examination

It is conducted after the final selection. Through physical examinations is also carried on that the candidate is able to handle the job efficiently.
Final selection

After ascertaining the candidate’s having good health through medical examination, he would be declared selected. An appointment letter will given to him mentioning the terms of appointment, pay scales, name of the post etc.,

Selection Process in SPB Ltd.

While selecting an employee, trade tests and interviews are carried out properly by the HRD department. Selection committee is responsible for selecting the candidates finally. It consists of G/M (Operation) DGM (HRD) and Personnel Managers.

It also does not conduct psychological test for the selection of the employee.

Training & Development Programmes in SPB Ltd.

Two types of training such as skill training and general training are given to the employees.

1. Skill Training

Skill training is given by SPB Ltd. on the following programmes.

a) Bearing maintenance
b) Process control instrumentation
c) Energy Management
d) Conveyor belt
e) Welding technology
f) Electrical maintenance

2. General Training

It is given on the programmes

a) Safety
b) Productivity
c) Communication Skill
d) Absenteeism and its effect  
e) Supervisory Development  
f) First aid  
g) Fire fighting procedures  
h) On site emergency-chlorine mock drill  
i) On site emergency-fire mock drill.

**Training Programme for Executives**

1. Computer awareness for assistant managers.  
2. Managerial effectiveness.  
3. Refresher Training on pulp and paper technology (Technical Executives)  
4. Field and panel instrumentation for Technical executives  
5. Training programme for marketing executives.

1. Safety (including house keeping and onsite emergency-coloring-fire fighting)

The aim of this training programme is to cover all the employees.

**Table 3.6**

**Staff participation in Training Programme during 2010-2011**

<table>
<thead>
<tr>
<th>Name of Programs</th>
<th>No. of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Application</td>
<td>30</td>
</tr>
<tr>
<td>Office productivity</td>
<td>30</td>
</tr>
<tr>
<td>Safety</td>
<td>30</td>
</tr>
<tr>
<td>First Fighting</td>
<td>30</td>
</tr>
<tr>
<td>Insight self descending</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
</tr>
</tbody>
</table>

The above table shows that 150 employees were sent for training to the above mentioned programmes during the year 2010-2011.
Table 3.7

<table>
<thead>
<tr>
<th>Name of the Programs</th>
<th>No. of Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Planning &amp; Corporation Strategy</td>
<td>25</td>
</tr>
<tr>
<td>Organisation Behaviour of Attitudes</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
</tr>
</tbody>
</table>

The above table shows that 50 senior executive employees were sent for training for the above mentioned programmes during the year 2010-2011.

Table 3.8
Middle Level Executives Participation in Training during 2010-2011.

<table>
<thead>
<tr>
<th>Name of Program</th>
<th>No. of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insight self discovery</td>
<td>40</td>
</tr>
<tr>
<td>HRD</td>
<td>40</td>
</tr>
<tr>
<td>Energy Conservation</td>
<td>40</td>
</tr>
<tr>
<td>Folder Salary Technique</td>
<td>40</td>
</tr>
<tr>
<td>Finance for Non-Executives</td>
<td>40</td>
</tr>
</tbody>
</table>

The above table shows that 200 middle level executives were sent for training facilities for the above mentioned programmes during the year 2010-11.

Table 3.9
Programs

<table>
<thead>
<tr>
<th>Name of Program</th>
<th>No. of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Application</td>
<td>40</td>
</tr>
<tr>
<td>Organisational Effectiveness</td>
<td>40</td>
</tr>
<tr>
<td>Relatives</td>
<td>40</td>
</tr>
<tr>
<td>Company Information</td>
<td>40</td>
</tr>
<tr>
<td>Safety</td>
<td>40</td>
</tr>
<tr>
<td>First Aid</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
</tr>
</tbody>
</table>
Promotion Methods in SPB Ltd

Performance appraisal is also considered for employee's promotion. Employee's efficiency is taken into account for promotion. Now-a-days, promotion is based on seniority as well as merit. However, like TNPL, time bound promotion is followed by SPB Ltd., in the following manner.

Promotion for workmen

a. Promotion from unskilled to semi-skilled 'B' cadre (Helper): By completing 6 years service in unskilled cadre, such unskilled cadre workman is promoted to semi-skilled 'B' workmen cadre.

b. Promotion from semi-skilled 'B' semi-skilled 'A' (Helper) after 6 years service in semi-skilled 'B' cadre, he is promoted to semi-skilled 'A' cadre.

c. Promotion from semi-skilled 'A' to skilled 'B' (operator). It also requires 6 year experience in semi-skilled 'A' cadre for his promotion to the next cadre (ie.) Skilled B cadre.

d. Promotion from skilled 'B' to skilled 'A' cadre (operator): It also requires 6 years experience in skilled 'B' cadre.

e. Promotion from skilled 'A' to highly skilled (senior operator): It also requires 6 years experience in skilled 'A' cadre.

f. Promotion from Highly skilled to selection grade (senior operator) including technical worker. It also requires 6 years service in highly skilled cadre.
II. Promotion for staff employees:

Group 'C'

Promotion from junior asst to asst:

1. Promotion from junior asst to asst post: It requires 5 years service in junior assistant staff cadre.

2. Promotion from asst to senior assistant: It also requires 5 years service in 'asst' staff cadre.

Group 'B'

a. Promotion from junior officer to assistant officer: It also required 5 years service in junior officer cadre.

Group 'A'

Promotion from assistant officer to officer cadre

It is done by completing 5 years service in assistant officer cadre.

Sometimes new vacancy for officer post may also be filled up by Direct recruitment. But Retirement vacancy is filled up immediately by promotion. Top level posts are directly recruited by the management on the basis of experience, specialized qualification etc.

Performance Appraisal in SPB Ltd

There is formal and systematic performance appraisal in SPB ltd.

1. Performance appraisal for workmen (unskilled)

SPB limited follows appraisal method as it was in the TNPL.

2. Performance appraisal for executives

For all executives probation period is 6 months. Only upto their probation period they are rated once in 3 months (twice). Unlike TNPL, they are not rated after the first confirmation.
3. Performance appraisal for staff employees

Staff employee’s probation period is 6 months. Only unto their probation period they are rated once in 3 months. After they are confirmed, they are not subjected to performance appraisal.

Motivation and Incentives

**Meaning and Definition:** Motivation is derived from the ‘word’ motive. Motive means any idea, need, emotion or organic state that prompts a man to action. Motivation is a process to get the needs of the people realized with view to induce him to work. Induced motivation is nothing but an action of inducement.

According to Edwin B. Flippo “Motivation is the process of attempting to influence other to do your will through the possibility gain or reward”.

**Motivation is of two kinds.**

1. Positive motivation
2. Negative motivation

**Incentive schemes in SPB**

Like TNPL, in SPB also the time wage payment method is followed.

**Bonus**

Every year, Bonus is give to the employees who worked 240 days in a year. Overtime wage are given at double the rate. At an emergency, compulsory duty is allowed for employees to do some emergency work, for this usual wage rate is followed.

During the year 2009 – 10 production Incentive at 9% of total yearly income of the employee was given to all employees who get ₹.3500/- or above as salary per month.

For employees whose salary is less than ₹.3500/- per month bonus was given at 9 % of yearly income and 20 % of such 9% as bonus.
Unlike TNPL there is no special incentive scheme and production linked incentive scheme for trainees.

**Suggestion Schemes in SPB Ltd.**

There is no effective suggestion scheme in SPB Ltd. The maximum award for valuable suggestion is only ₹.500 each + merit certificate, where as in TNPL it is ₹.5000 + merit certificate.

**Suggestion Procedure**

Suggestion box is placed at the time office. It is opened once in a week on Monday. Such suggestion letters are sent to the HRD department and then sent to the evaluation committee.

After evaluation of such new ideas, suggestion in terms of cost reduction, man power reduction, such letters are sent to the concerned department to decide whether such suggestion is viable or not. If such suggestions are recommended by evaluation committee and the concerned department, they are eligible for the award.

If whatever be the merit of the suggestion, they are awarded with maximum of ₹.500 + merit certificate.

**Various committees in SPB Ltd**

1. Work Committees in SPB Ltd.
2. Canteen maintenance committee in SPB Ltd.
3. Safety committee in SPB Ltd.
4. Shop floor council in SPB Ltd.
5. Counselling in SPB Ltd.

**Trade Unions in SPB Ltd.**

There are 10 trade unions. Trade union activities are not recognized in the SPB Ltd.
Grievance Redressal System in SPB Ltd.,

Though a separate grievance committee is constituted for employees grievance redressal, they are not settled immediately because trade union activities are not recognized by the company, various committees are used to solve the relevant problems in SPB Ltd., But they are not very effective.

Employee’s welfare facilities

International Labour Organisation ILO report defines labour welfare as, “such services, facilities and amenities established to enable the persons employed to perform their work in healthy and congenial surroundings and to provide them with amenities conductive to good health and good morals”.

The Labour Investigation Committee defines Labour Welfare as “Anything done for the intellectual, physical, moral and economic betterment of the workers, whether by employers, by government or by other agencies over and above what is laid down by law or what is normally expected as part of the contractual benefits for which workers have bargained”.

Labour welfare is of two types:

a. Statuary welfare measures
b. Non statuary welfare

Statutory & Non – Statutory or Voluntary statutory welfare

Statutory welfare

It consists of those provisions of welfare work which depend for their implementation on the cohesive power of the government. The Government enacts certain rules of labour welfare to enforce the minimum standards of health and safety of workers. The employers are required to fulfill their statutory obligation on welfare.
Non – Statutory Welfare

Measures include all the activities which employers undertake for the welfare of their worker on voluntary basis is generally known as non-statutory welfare measures. These activities are undertaken, usually outside the workplace. They are medical, educational, recreational and other activities like transport, co-operative stores / society, distress relief and cash benefits etc.,

Non-statutory welfare facilities provided to the workers over a wide range depends upon the attitude of the employer towards the workers well being. The committee experts on welfare facilities for industrial workers constituted by the ILO in 1963 divided welfare services into two groups. They are, welfare amenities with in the precinct of the establishment and outside the establishment.

Welfare facilities in SPB Ltd.

- Cleanliness Award
- Good performance award
- Canteen
- Encouragement for workers’ education
- Facilities for Education

Educational Loan – Financial Assistance

The management provided a scheme to extend financial assistance to a limited number of deserving employees to enable their children pursue higher education in polytechnics / colleges. The facility is extended to two children up to a maximum of ₹.10,000/-.

Uniform to Employees

Two sets of Terry Cotton uniforms are provided to all categories of employees every year.

Footwear

One pair of footwear shoes / chappals is provided to all employees as per plant requirements.
Residential Quarters

About 1150 spacious and pucca concrete residential quarters have been provided for the benefit of the employees.

A nominal monthly rent ranging from ₹9/- to ₹62.50/- has been recovered from the salary / wages of the employees.

A shopping complex has been provided in the colony to meet the requirements of the residents.

Post office, Bank, STD Booth, are available in the colony. An open air auditorium and vast play ground also have been provided.

A community hall is provided for use of employees at nominal rental charges for conducting their family functions.

Safety – in the residential colony

A centralized colony Estate office has been established for monitoring the entire colony area under the overall supervision of an Estate officer. He is also incharge of security operations in the colony. Round the clock security is provided. A dog kennel is also provided for colony security.

Recreational and Cultural Activities

Sports and cultural activities are encouraged through Recreation clubs, whose office bearers are nominated by the company. Interested employees are deputed for the various tournaments and sports meets.

A well laid out Tennis Ground and a coach have been provided in the colony.

Employees deputed by the clubs are treated to be ‘On duty’ and given financial assistance for covering the stay charges and food expenses. Employees are permitted to take part in most of the sport events and games at District and Zonal levels in the sports conducted by the Labour Welfaré Fund
for the past three years. District level / State level tournaments for various
games are organized by the clubs every year.

Cultural activities such as dramas, music performance and literary
debates are conducted regularly under the auspices of the club. The nearby
villages are also permitted to witness these film shows. Both indoor and
outdoor games are conducted for the club members. A library is also run by
the club. Free accommodation has been provided at the colony to the Local
Library Authority for a library.

**Death Relief Fund**

A Death Relief Fund has been constituted. If any employee dies while
in service ₹. 5/- per head is contributed by each and every employee. The
company contributed equal amount and the total amount is paid to the legal
heir/s of the deceased employees to provide immediate relief. In deserving
cases, employment is also provided to the son or dependent of the deceased
employee.

**Retirement Relief Fund Scheme**

As per the scheme, each employee contributes a sum of ₹. 5/- per month
to the Fund and the company will make the balance contribution so as to make
up a total sum of ₹.20,000/- for payment for each employee at the time of
retirement. In case of superannuation, Voluntary Retirement, Resignation the
eligibility criteria would be minimum of twenty five years of continuous
service.

**Incentive for Family Planning**

Family Planning amongst employees is encouraged by providing
incentives. Special leave of 7 days is given to an employee undergoing
vasectomy operation besides a cash award of ₹.200/- per head. Alternatively
the cash award of ₹.200/- to an employee on his wife undergoing tubectomy
operation. Periodical family planning camps are organized for sterilization
operations and ₹.5/- is paid towards transportation charges to all the employees
attending such camps in addition to the incentives stated above. Expenses in connection with the camps are met by the company. Contraceptives also are distributed to its employees.

Memento to retiring employees and to employees / their children on the occasion of their marriage:

A siler “Kuthuvilaku” is presented to all employees on the occasion of his marriage.

His son’s / daughter’s marriage

Her retirement from service

**Issue of Notebook at confessional rates**

Notebooks, paper and wrappers are issued to employees for their own use at confessional rates. Normally such issues are made in May every year i.e., well before the beginning of the school year. In addition, employees requiring additional supplies are also given this facility during the course of the year.

**Conveyance Facility**

Conveyance facilities are provided to employees and their children on first come first service basis. Employees reporting for work in relay shifts are to provide conveyance and from the colony in company buses. Similarly transport facilities are provided for employees residing at Erode and at the colony, who work in the General shift. Such facilities are provided to the employee’s children for attending the schools/ colleges at Erode as well as the SPB School in the Thottipalayam colony. Nominal charges are levied for the above transport facility. Free transport is provided to go to hospital in case of emergencies.

**Temple / Mosque / Churches**

Temple / Mosque / Churches are available on the free land provided for in the residential colony.
Other welfare benefits

An educational allowance of ₹. 50/- per month is provided to all permanent employees.

An amount of ₹.40/- per month is provided as a washing allowance to all permanent employees.

Night Shift allowance of ₹.10 per shift is granted to employees who attend duty in Night shifts.

An amount of ₹.50/- is given to all permanent employees as a leave Travel Allowance for every month.

An amount of ₹.100/- [One Hundred Only] per month us provided to all permanent employees who have not been provided with company's quarters / rooms.

Used machine felts are provided to the employees at a very nominal rate, for their own use.

Safety

A high sense of safety consciousness is inculcated amongst employees to avoid accidents and reduce time loss arising out of accidents. Safety Committee consisting of 14 nominees 7 each representing the workmen and the management on the ways to reduce / avoid unsafe working conditions has been constituted. Besides, periodical inspections of various departments are also made by the officers of the company to detect unsafe practices and unsafe working conditions and to suggest remedial measures.