Chapter-IV

PROFILE OF THE STUDY AREA
CHAPTER- IV
PROFILE OF THE STUDY AREA

4.1 INTRODUCTION

Paper is the basic material 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, packaging, toweling, insulating and photography.

Paper has been defined as a matter or felted sheet formed on a wire screen from water suspension. The word paper is derived from the name of the ready plant papyrus, which grows abundantly along the Nile River in Egypt. In ancient times, the fibrous layers within the stem by side and crossed at right angles with another set of layers similarly arranged. The sheet so formed was dampened and pressed, upon drying, the glue-like sap of the plant, action as an adhesive, cemented the layers together, complete defibring, on indispensable element in modern paper making did not occur in the preparation of papyrus sheets. Papyrus was most-widely used writing material in ancient times and many papyrus records still survive.

4.2 ORIGIN AND HISTORY

Paper making can be traced to about AD105, when Ts’ailvn, an official attached to the Imperial Court of China, created a sheet of paper using mulberry and other best fibres along with fish nets, old tags and hemp waste. In its slow travel was toward the art of papermaking reached Samarkand in central Asia, in 751; and in 793, the first paper was made in Baghdad during the time of Harun-ar-Rashid, with the golden age of Islamic culture that brought paper making to the frontiers of Europe.
By the 14th Century, a member of paper mills existed in Europe particularly in Spain, Italy, France and Germany. The invention of printing in the 1450's brought a vastly increased demand for paper. Though the 18th century the papermaking process remained essentially unchanged, with linen and cotton rags furnishing the basic raw materials. Paper mills were more and more plagued by shortages. In the 18th century, they even advertised and solicited publicity for rags. It was evident that a process for utilizing in 1800.

A book was published that launched development of practical methods for manufacturing paper from wood pulp and other vegetable pulp. Several major pulping process were gradually developed that relieved the paper industry of dependency upon cotton and linen rags and made modern large-scale production possible. These developments followed two district path ways. In one, fibre fragments were separated from the wood structure by mechanical means and in the other, the wood was exposed to chemical solutions that dissolved and removed other wood components, leaving cellulose fibre behind. Made by mechanical methods, ground wood pulp contains all the components of wood and this is not suitable for papers in which high whiteness and permanence are required.

Chemical wood pulps such as soda and sulfite pulp are used when high brightness, strength and permanence are required. Ground wood pulp was first made in Germany in 1840, but the process did not come into extensive use until about 1870. Soda pulp was first manufactured from wood in 1852 in England, and in 1867 a patent was issued in the United States for the sulfite pulping process.
It seems that the Chinese were the first to make paper, from where the technology went to Samarkand; from there it eventually reached India. Soon the Indian paper was being exported to West Asia, Europe and Turkey.

4.3 INDIAN PAPER INDUSTRY

There are traces of development of writing materials in India. It is noticed that the great medieval scholar, always very objective and observant. It records a good deal of information about writing materials also. The utilization of bagasse for paper in all the sugar-producing countries that is deficient in forest resources in a practical step.

The paper industry tends to be concentrated in those countries that are industrially advanced and have abundant supplies of fibrous raw material, especially wood. There is a large scale international trade in wood pulp, pulp wood, and paper flowing from those countries with large forest resources to those countries with less or as they yet undeveloped.

The Indian paper industry, which took birth in 1812 when the first paper mill was set up in Bengal, has made considerable progress during the last 50 years. At the time of Independence, there were less than 20 mills in India with a total annual production of one lakh tonnes. Today, the Industry’s output is over 35 lakh tonnes from more than 500 mills. However, these are trying times for the industry has been caught in a vicious down cycle that has rendered operations unviable.

During 1980-82 production of paper and paper board increased from 3,50,000 tonnes to 13,00,000 tonnes at a compounded annual growth rate of 5.9% percent of the production of newsprint, of which there is a serious
shortage being met mostly by imports, improved at a compounded annual
growth rate of only 2.9% percent during the period.

The paper industry in India in the 1980's presents a paradox. The
percapita consumption of paper in India is only 1.6 Kgs as compared to
225Kgs in USA, 141Kgs in Canada and 73Kgs in Japan and there is a
veritable famine in newsprint, despite this is early 1980's the paper industry
passed through a severe crisis with low off take from mills and large unsold
stocks. At the same time, students, scholars, publishers and newspapers all
suffered due to inadequate supply and high prices. The government ought to
lend a hand in spotting the tangle. The setting up of the Hindustan Paper
Corporation (HPC); with a string of plants in Assam, Kerala and Nagaland is
a welcome step, provided the corporation can keep a tap on costs and prices
be a model producer and supplier for the next in the industry. Another thing,
the first cooperative paper mill commenced production in Maharashtra in
1976, and this movement should be fostered, elsewhere in the Prevernagar
country by the Government. The joint sector must also give it a hand the
future of the industry also, therefore looks doubtful.

4.4 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 September
1995. 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 in the country duty free, with the accompanying rides that only actual users would be allowed to import. Further for each tonne of imported materials, users would have to consume two tonnes of indigenous newsprint. As paper prices rallied, duty was reduced to 20% percent from 60% percent for ordinary grades of paper and in the case of newsprint. The actual user’s condition was set aside and brought under OGL (Open General License) umbrella with no duty.

The Indian newsprint industry has built up, over a period of nearly four decades, a capacity of 7 to 8 lakh tonnes at an investment of more than 20,000 crores. There has always been a gap between demand and supply. To start with only public sector mills were engaged in manufacturing newsprint.

In the wake of economic liberalization the newsprint sector was thrown open to the private sector from April 1994. Since then 36 mills mostly in the small scale sector, have developed the capacity to manufacture and market newsprint. Since all the mills use different raw materials mixes and manufacture processes. Sometimes there is wide difference in quality. Moreover, there is an apparent anomaly in the definition and specification for manufacture of newsprint, drawn by the Bureau of Indian Standards Newsprint control order and customs and excise.

Public sector companies such as Hindustan Newsprint Ltd (a subsidiary of Hindustan Paper Corporation), Mysore Paper Mills, NEPA and Tamilnadu Newsprint and Paper Mills are the major players in the newsprint
sector, with about 60 percent share of the total market. In the private sector, Rama Newsprint and Papers is the latest and largest.

4.5 NEWSPRINT DEMAND

Demand for newsprint is expected to rise to 6.62 lakhs tonnes by 1994-95 and 8.90 lakhs tonnes by 1999-2000 and imports had risen from 2.24 lakhs tonnes in 1989-90 to 2.26 lakhs tonnes in 1990-91 before it dropped to 2.15 lakhs tonnes (estimated) in 1991-92 following decanalisation, newsprint imports are allowed for actual users are at concessional rate of duty. The ICICI has projected the demand at 8.50 lakhs tonnes by 1995-96, 8.90 lakhs tonnes by 1996-97 and 10-80 lakhs tonnes by 2000-01 and additional capacities like to materialize are projected by the ICICI as follows.

Paper and paper board stocks, especially the front line ones of Tamilnadu Newsprint, West coast paper and Sashesayee paper can be held and also considered for accumulation at lower levels as the outlook for the industry in 2004 appears promising on the pricing front.

Demand from Asian markets, especially China, has been the key factor over the past 12 months. This is in market contrast to the firm trends in the past, which were driven by strong demand in the North American markets and to lesser extent, Europe. These two key markets have been by characterized by sluggish demand. But the scorching pace of growth of the Chinese economy are bound in economies such as Korea and Taiwan, tenuous stability in Japan and strengthening of other Asian Markets have helped to pep up demand levels.

For instance, newsprint shipments from the North American markets provide a clear view of the Asian story behind the gradual improvement in
price this year. In September newsprint shipments were up by 35 percent on a year-to-year comparison. This was also the 18th straight month of enhanced shipments to Asia. But for the peg to the pulp; paper and newsprint market, prices may have had a third straight year of weakness.

The base level of demand is much higher than in the Asian economies and even a modest pick up is likely to have a significant influence on paper prices. On the back of higher average prices most paper majors have turned in better growth rates in revenues and earnings for the first two quarters of 2003-04. But they have had limited success in pushing through price hikes. However on an average, the prices of most paper varieties have stayed higher compared to the proceeding three years despite only a modest hike. So far, in financial year 2004 prices in coated paperboards segments have stayed under pressure. If exports pick up and domestic growth rates in consumers goods show a sustained improvement on the back of bountiful rains, pricing may improve in this segment as well.

4.6 PAPER INDUSTRIES IN TAMILNADU

In Tamilnadu there are few small and medium fixed paper industries producing less quantity of paper and paper products. Tamilnadu accounts for about 12 percent of India’s paper production. There are 74 paper mills in operation in Tamilnadu only there are two major industries in Tamilnadu i.e. Tamilnadu Newsprint Papers Limited (TNPL) as a public sector organisation Government of Tamilnadu set up Tamilnadu Newsprint and Papers Limited (TNPL) in 1979 as a Public Sector Company under the Companies Act, 1956. Tamilnadu Paper Limited is the largest paper mill in India with an installed
capacity of 230,000 TPA from 2001-2003. As the Country’s forest cover is much below the desired level, the Government of Tamilnadu established TNPL to manufacture newsprint and paper using bagasse (sugarcane waste) as the primary raw material. In 2004-2005, the Company produced 177037 MTs of newsprint and printing and writing paper. Tamilnadu contributes 40 percent to South India’s production of paper and Seshasayee paper and Boards Limited (SPBL) as a private sector organisation producing over 600 tonnes of paper and it produces 450 tonnes of paper and paper products per day respectively. Some of the small and medium size industries in Tamilnadu and Pondichery States are:

1) Sun paper mill at Tirunelveli 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 Tamilnadu.

3) Pondicherry paper mill producing 30 tonnes of paper per day

4) Nizam paper mill at Pudukotti producing 25 tonnes per day

5) Several paper mills at Nilakottai producing 50 tonnes of paper per day

Hence, the researcher undertook the study on the two major paper producing industries in Tamilnadu namely Tamilnadu Newsprint and Papers Limited and Seshasayee Paper and Boards Limited and compared HRD practices towards their employees.
PROFILE OF THE SELECTED COMPANIES

4.7 TAMILNADU NEWSPRINT AND PAPERS LIMITED (TNPL)

4.7.1 Introduction

Tamilnadu Newsprint and Papers Limited, known as TNPL is the largest bagasse, an agricultural residue, based paper unit in India presently having an installed capacity of 1,80,000 tpa of Newsprint and Printing and Writing Paper in various combinations. TNPL was formed by the Government of Tamilnadu in April 1979 as a Public Limited Company under the provisions of the Companies Act, 1956 with loan assistance from the World Bank. It is a Government of Tamilnadu Enterprise commissioned in 1985 and is the pioneer in commercially successful production of Newsprint from bagasse in the entire world. The factory is situated at Kagithapuram (Pugalur) in Karur District of Tamilnadu. The Corporate office of the company is situated at 67, Mount Road, Guindy, Chennai-32 Tamilnadu News Print and Papers Limited is promoted by Government of Tamilnadu. TNPL was incorporated in April 1979. Production activities commenced on February 1982. The company’s initial capacity was 90,000 tpa and the project cost was Rs.239 crores the World Bank’s assistance was Rs.100 crores in 1985. The Expansion I capacity was 1,80,000 tpa and the project cost was Rs.585 crores the World Bank’s assistance was Rs.75 crores in 1996. Then the II expansion’s capacity was 2,30,000 tpa and the project cost was Rs.150 crores total cost was self financed in 2002-2003

Recognizing the pioneering effort, World Bank had extended a loan of US $ 100 million through IDBI in 1981 and based on its performance, World Bank for the first time directly financed the Company to the tune of US $ 75 Million for its expansion project in 1993 for enhancing capacity from 90,000
tpa to present level. Notwithstanding the highly fluctuating market conditions of paper in India, TNPL has been achieving consistently high capacity utilisation of over 100% and a unique record of “ZERO STOCK” at the end of each financial year since 1989-90, except for 1997-98. TNPL is an ISO 9001 and ISO 14000 certified company with its commitment to satisfy customers with products developed using eco-friendly raw material and at competitive prices. Environmental solution with an approach of sustainable development has always drawn top priority at TNPL.

4.7.2 Organisational set up

TNPL has fifteen functional departments namely Human Resources, Accounts and finance, Materials, Offsites, Forests, Plantation, Security, Production, Engineering, Electrical, Instrumentation, Research and Development, Quality control and Laboratory, Marketing, Project management and Technical outsourcing.

4.7.3 Employees Details

In TNPL, there are 1424 employees’ permanent jobs holders working at present. Among them 402 personnel’s are Executives and officers, 196 staff members and 826 workmen performing various operational works. Also, there are 3400 workers performing various jobs temporarily. They are called as casual callers (1500 personnel) and contract workers labours (1800 personnel).

4.7.4 Working Hours

The employees are working on shift system. They are working in General shift, A, B, and C shift. General shift is during 8.00 A.M to 5.30
P.M., A shift (6.00 A.M to 2.00 P.M), B shift (2.00 P.M to 10.00 P.M) and C shift (10.00 P.M to 6.00 A.M). The worker are working 3 shifts in a week i.e. A shift 2 days, B shift 2 days and C shift 2 days. Then one day weekly half (rest holiday). The executive staff members are working in General shift only. The Sunday will be the weekend holiday. But workmen are taking alternative days in a week for weekly half (Rest holiday).

4.7.5 Employment

TNPL provides direct employment to 3628 people and indirect employment to around 5000 people.

4.7.6 HR policy of TNPL

TNPL believes that human resource is the most significant asset of the organisation because all other natural resources can be better utilized by motivated human resources only. Therefore, the company is ready to invest time, money and effort for employees’ development. The investment of resources gives fruitful results as the human resources can be developed to an unlimited extent because every human being has endless potentials. Enhance competency or skill of employees from a particular stage to desired stage will come-on (getting knowledge) within a year time period and increase training days per person are the every year HR policy of TNPL.


- Enhance competency or skill of workmen from 65% to 66%
- Increase training days per person from 6.2 days to 6.5 days.

4.7.8 Recruitment system of TNPL

The management follows two types of recruitment system i.e. workmen recruitment and executive recruitment. Workmen requirement lists
are send to District employment office and asking to send the suitable candidate. Required workmen lists are prepared on the basis of O.C, B.C, MBC, SC/ST and sent to DEO. Then DEO send the 200 candidate list then call for written test, then qualified candidates are send to trade test then short listed candidate called to interview. Then merit list is prepared and filled the vacancies on the basis of reservation system. Executives requirement lists are send to professional employment office, Chennai. They send the candidate list or non available candidate letter to management; executive candidate should have experience in the relevant field. If non available suitable candidate letter is received from professional employment office then the management gives advertisement in news papers. Calling applications, shortlisted candidates called interview. Interview based merit list is prepared vacancies filled on the basis of Reservation system. Overall recruitment of this concern is only lower grade personnel only. Fresh MBA and Engineering candidate are called for interview on the basis of professional Employment Office candidate lists.

**4.7.9 List of Training and Development Programmes**

1. Supply chain management
2. Developing supervisory skills
3. Value engineering
5. Pneumatics
6. PLC → programmable logic control
7. Soft skills
8. Insight self discovery
9. Creativity training, problem solving and decision making
10. Safety training
11. Productivity and self developments
12. First Aid Training
13. 5S' House keeping
14. Personality development
15. Computer orientation programme
16. Effective communication strategies
17. Leadership training
18. Finance for non-finance executives

In TNPL, the HR department provides need based training programmes to their workforce. If any installation of new equipment in production area, the installing company can provide on the job training to the worker of TNPL. The HR department tries to achieve the optimum level of training objectives of the current year.

4.7.10 Performance appraisal system in TNPL

Performance appraisal system is practised in TNPL through confidential report forms which are prepared by the immediate superior of the employees. The performance appraisal is used as a mechanism for supervisor to understand and pointed out the difficulties of their subordinates and understand the strength and weaknesses of their subordinates in TNPL. The superiors and senior officers help the subordinates to acquire new capabilities and talents for effective utilization in the challenging tasks. In TNPL, every supervising officer or senior realises their responsibility to ensure the development of his immediate subordinates in relation to the capabilities required to perform his job effectively. The appraisal period may be once in
six months to once in a year. The appraisal system generally aims at the superior understanding the difficulties of the subordinates and identifying his developmental needs. The performance appraisal system provides highly useful information in much advance of time while enforcing discussions regarding various personnel aspects such as promotion, pay increments, transfers and disciplinary actions.

4.7.11 Rewards and Compensation of TNPL

TNPL management understands that rewarding employees' performance is an essential part of HRD. Suitable rewards not only recognize and motivate employees; they also speak the organisation’s values among the employees. The executives and employees are having similar motivation towards their tasks. The reward makes the workforce more efficient and active towards work which is termed as incentives. The rewards concerned with more effective utilization of manpower at all levels, which is the cheapest, quickest and surest means of increasing productivity. TNPL gives distinctive rewards that includes certificate of appreciation, newsletter announcement, salary increment, and bonus whereas mainly rewards are based on performance. Rewards may be given to groups and departments within the organisation as well as to the individual employees.

4.7.12 Career Development

Whenever TNPL plans to modernize the production system, all the employees are communicated. Employees are helped to prepare for future changes and challenges whenever such change is planned and forecasted; main changes of production processes are discussed at all levels to increases employee understanding and commitment towards their new tasks. The
management discloses the possibilities of the employees’ own growth and career opportunities in the near future. In practice, Career planning is a slow process and come as a natural part of the organisational culture. TNPL management focuses the career development of employees on a systematic basis to avoid problems and industrial disputes.

4.7.13 Safety Measures

This is the only department which is the backbone of any industry. As this is the only department which provides a safer environment to its employees by providing various safety measures.

4.7.14 Safety Committee Meeting

This meeting is held once in a month. In this meeting there is one Chairman (Head, Electrical secretary safety officer, Committee members Equal number of workers and executive staff from different section. They discuss over accident, unsafe act, unsafe condition, quality of personnel protective. After the meeting, minutes are made and section wise list is prepared and sent to top management’s office.

4.7.15 Training for Accident Prevention

The safety department arranges four different types of training for accident prevention namely Safety Area training, Fire Fighting Area training, First Aid Area training and Hygiene Area training. To fulfill the statutory complaint, safety department do Examination of pressure vessel, Report of accident - It comes under Form No.18 of Factory Act, Further details of accident- It comes under Form No.18-B of Factory Act, Register of accident- It comes under Form No.26 of Factory Act, Accident investigation report, Register of dangerous occurrences - It comes under Form No.26-A of Factory
Act, Fitness certificate for dangerous operations - It comes Under Form No.27-A of Factory Act, Eye examination- It comes under Form No.38 of Factory Act, Medical examination certificate for canteen workers, Minutes of safety committee meeting, Building stability certificate, Test certificate for lifting machine, tackles and safety belt, License to work a lift, Issue of appropriate maintenance of personal protective equipments.

4.7.16 Workers participation

In TNPL, workers participation depends on the nature of problem involved, individual characteristics of employees and teams. The management allows the employees to participate plant level to improve the working condition and services to the employees within the organization. The scope of workers participation scheme in TNPL is related to maintain better relationship among the employees, eliminate the waste and defective works, reduce production cost, improve the quality and working conditions, increase production and productivity, safety and welfare of workers. At the plant level there is safety committee and canteen committee to provide better service and maintain accident free safety work environment. The TNPL employees also allowed participating at the department level because at this level each employee can contribute the development of the organizations with the co-workers.

4.7.17 Industrial relations

The TNPL management believes that good industrial relations based on mutual trust and goodwill make the execution of HRD programmes easy. The main purpose of industrial relation is to maintain cordial relationship among the employees, employee and management (employer), employee
representative (trade unions) and management, and trade unions. There are various categories of employees namely process, maintenance and service side. Thus the management has to take care that there will be no dispute among the employees. For this, the management used to conduct a training programme for better industrial relations in which they are taught social values but there may be grievances redressal, machinery among employee and management. At present, in TNPL there are more than ten trade unions are functioning.

4.7.18 Facilities provided for employee development in TNPL

The company provides various facilities to their workforce i.e. Training and Development programmes, Rest room facility, Canteen facility, Hygienic work place, Hi-tech training centres, External field visits, Effective and efficient Internal and External facilities, Yoga and meditation centre, creating awareness programmes, counseling programmes, Sports and

Competitions

Welfare activities

- Housing Colony – 365 Acres containing 750 houses
- Medical centre, school, cooperative store, Bank, Post office, Temple, Church and Mosque
- Stadium, Play grounds, Recreational clubs, Open Air Auditorium, Community Hall.
- Medical camps conducted for Diabetic, Cardiology, Neurology, Nephrology etc.
- Health checkup at BHEL OHS for employees over 40 years of age.
Community development

- Drip Irrigation scheme to cover 1500 acres of dry land utilising treated effluent from TNPL.
- Drinking water supply scheme to nearby villages.
- Laying and improvement of roads, culverts
- Providing lighting facilities and park developments
- Supply of equipments and instruments to schools, fair price shops
- Contributing to cultural programs, sports activities and temple construction/ renovation works, to near by villages.

4.7.19 Quality policy of TNPL

TNPL is committed to manufacture and supply eco-friendly papers to customer’s satisfaction with emphasis on continual improvement in its quality management system.

4.7.20 Environment policy

TNPL Kagithapuram T.N. India’s largest bagasse based integrated pulp and paper manufacturing mill are committed to

- Produce eco-friendly quality papers adopting innovative technologies.
- Provide a cleaner environment by sustained Research and Development efforts and continual process improvement.
- Comply with all relevant environmental legislations and regulation
- Conserve and optimize the usage of resources viz. power, water, fossil fuels and raw materials like bagasse and wood.
• Impart training to promote and motivate our human resources to be environmentally responsive.

4.7.21 Awards and honours

TNPL has obtained the ISO 9001 - 2000 certification from RWTUV of Germany for development, manufacture and supply of Newsprint and Printing and Writing Paper.

The Business World, a leading business weekly, which conducted an employees’ involvement and motivation survey in India jointly with Grow Talent Company Ltd, New Delhi and the Great Places to work Institute of USA has selected TNPL as one of the top 25 Great Places to work in India. TNPL is the only one company from Tamilnadu to get this coveted ranking.

4.7.22 Awards

• Dr.M.S.Swaminathan Award for Environmental Protection 2002 instituted by Rotary Club of Chennai (East) and Earth Care.

• Best corporate citizen and Mother Theresa Award from Loyola Institute of Business Administration.

• As a testimony of TNPL’s commitment to the protection of Environment, World Wildlife Fund for Nature India has accorded permission to TNPL to use “Panda” Logo.

• FIEO, has bestowed special export award for 3 consecutive years.

• CAPEXIL has bestowed special export award for 3 consecutive years.

• Energy conservation award for 2001 from Ministry of Power, Government of India;

• National Safety awards

• Star Awards for Safety.
4.7.23 Authority set up

TNPL is managed by the Managing Director (MD). He is the top authority of the company who is appointed by the Government of Tamilnadu. The next authority level is Board of directors who directly report to the Managing Director. The third stage is Chief General Managers who are directed by the directors. The fourth stage is General Managers who directly report to the CGM’s. The fifth stage of authority is Chief Managers who directly report to the GM’s. The sixth stage of the authority is Managers who report to the Chief Managers. The seventh stage of authority is Deputy Managers who manage the next level senior officers. They control the next stage officers; they managed the assistant officers who directly control the staff and workers.

### TABLE NO.4.7.1

**AUTHORITY HIERARCHY**

<table>
<thead>
<tr>
<th>Authority set up</th>
<th>Workmen Hierarchy</th>
<th>Staff Hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>Foreman</td>
<td>Directors</td>
</tr>
<tr>
<td>Directors</td>
<td>Assistant Foreman</td>
<td>CGMs</td>
</tr>
<tr>
<td>Chief General Managers</td>
<td>Charge man</td>
<td>GMs</td>
</tr>
<tr>
<td>General Managers</td>
<td>Charge man UG</td>
<td>Directors</td>
</tr>
<tr>
<td>Chief Managers</td>
<td>Highly skilled</td>
<td>CGMs</td>
</tr>
<tr>
<td>Managers</td>
<td>Skilled ‘A’</td>
<td>GMs</td>
</tr>
<tr>
<td>Deputy Manager</td>
<td>Skilled “B”</td>
<td>Managers</td>
</tr>
<tr>
<td>Senior officers</td>
<td>Semi skilled-A</td>
<td>Deputy Managers</td>
</tr>
<tr>
<td>Officers</td>
<td>Semi skilled-B</td>
<td>Senior officers</td>
</tr>
<tr>
<td>Assistant officers</td>
<td>Semi Skilled-C</td>
<td>Assistant officers</td>
</tr>
<tr>
<td>Staff</td>
<td>Unskilled</td>
<td>Staff</td>
</tr>
</tbody>
</table>

Source: TNPL HR records
4.8 SESHASAYEE PAPER AND BOARDS LIMITED (SPBL)

4.8.1 Company profile

Seshasayee Paper and Boards Limited (SPBL), the flagship company belongs to 'ESVIN GROUP', operates an integrated pulp, paper and paper board Mill at Pallipalayam, Erode-638 007, District Namakkal, Tamilnadu, India.

SPBL, incorporated in June 1960, was promoted by Seshasayee Brothers (Pvt) Limited in association with a foreign collaborator M/s Parsons and Whittemore, South East Asia Inc., USA. After commencement of commercial production, having fulfilled their performance guarantee obligations, the foreign collaborators withdrew in 1969. Main promoters of the Company as on date are a group of companies belonging to the ESVIN group headed by Mr. N.Gopalaratnam.

SPBL commenced commercial production in December 1962, on commissioning a 20000 tpa integrated facility, comprising a Pulp Mill and two Paper Machines (PM-1 and PM-2), capable of producing, writing, printing, kraft and poster varieties of paper. The Plant capacity was expanded to 35000 tpa in 1967-68, by modification of PM-2 and addition of a third Paper Machine (PM-3). The cost of the expansion scheme, at Rs 34 Millions, was part financed by All India Financial Institutions (Rs 31 Millions).

In the second stage of expansion, undertaken in 1976, capacity was enhanced to 55000 tpa, through addition of a 60 tpd new Paper Machine (PM-4). Cost of the project, including cost of a Chemical Recovery Boiler and other facilities for enhanced requirement of utilities, was estimated at Rs.176 Millions. The same was part financed by term loans from Institutions and
Banks to the extent of Rs.145 Millions and the balance out of internal generation.

SPBL undertook various equipment balancing and modernisation programmes, since then, for improving its operating efficiency, captive power generation capacity, etc., upto 1992-93.

4.8.2 Expansion and modernisation project

The Company embarked on an Expansion and Modernisation Project to enhance its production capacity from 60000 tonnes per annum, to 1,15,000 tonnes per annum and to upgrade some of the existing facilities, at an estimated cost of Rs.1890 millions.

The said Expansion and Modernisation Project were completed in December 2000. After successful trials, the Commercial Production out of the new Paper Machine commenced on July 1, 2000. The current installed capacity of the Company stands at 1,15,000 tonnes per annum.

4.8.3 Human resource function in SPBL

Organisation Objectives and Vision

HRM Department

HR Section  HRD Section  Industrial Relation Section

4.8.4 Employees details

As on June 1, 2008 in SPBL, there are 1412 employees (permanent job holders) working at present. Among them 213 personnel’s are Confidential Pay-roll Officers (Executives), 531 staff members and 668 workmen performing various operational works. Also, there are 1800 workers...
performing various jobs temporarily. They are called as casual callers (600 personnel) and contract workers labours (1200 personnel).

In SPBL, there are 1450 employees approximately. All are permanent employees. The employees are classified into two broad categories. (i) Workers and (ii) Staff

In SPBL, more than 500 contract employees and 1500 permanent employees (company employees) are working. There are more than 10,000 employees' families living through the company production and have indirect job opportunities.

4.8.5 Organisational setup

There are various departments whose records are kept in establishment department. i.e. Accounts, Cost Account, System, Administration, Public Relations, Forests, Weigh Bridge, Printing, Personnel, Time office, Welfare, Occupational Health Centre (OHC), Canteen, Purchase, Stores, Marketing coordination system, Godown, Pulp (Operation), Soda Recovery Process (Operation), PMC (Operation), Finishing House, Pulp(Mechanical), Soda Recovery Process (Mechanical), Paper Machine (Mechanical), Workshop, Instruments, Water treatment plant, Boiler, Electrical, Civil, Laboratory, (New) Project Works, Research and Development, Chennai Office, Marketing (Chennai and Other states), MF-3, Contract farming, MFE, and Work Office.

4.8.6 Establishment

The HR department mainly deals with appointment of employees at various posts and their promotion at various posts. This department keeps the record of number of employees work in each and every department and the total strength of industry as well as they keep on updating the information.
Establishment department have all the data regarding the number of employees in all these above mentioned grades from the starting date of company till now. By nature, there are four kinds of section, viz., Process section, Mechanical process section and Service process section. Above all, there is an important section called Administration section.

4.8.7 HR policy of SPBL

SPBL thought that human resource is the most important asset of the organisation because all other natural resources can be better utilized by motivated human resources only. Thus, the company is ready to invest time, money and effort for employees' development. The investment of resources provides fruitful results as the human resources can be developed to an unlimited extent because every human being has endless potentials. Improve competency or skill of employees from one stage to next stage will come-on (getting knowledge) within a year time gap and enhance training days per person from 7 days to 8days are the current year HR policy of SPBL.

4.8.8 Recruitment policy in SPBL

"There are 2 Schemes of recruitment"

If the lower level service employees wish for VRS, the company offers heirship employment system. The employees should have 20 years of service and left over service should be before 2 years of retirement. The employees' attendance of last 3 years should be satisfactory level (240 days per year) it is called managements scheme (no settlement involved) or discretion of management.
In SPBL, there is another one heirship scheme that is called dying in harness scheme. An employee dies on or after 01.04.1991, employment will be provided to either son or son-in-law of deceased employees.

The company recruits employees and staff through campus interview. The campus interview is held for process, instrument, electrical, mechanical departments and also systems departments. Some of the executive recruitment posts are advertised through "THE HINDU" newspaper and reputed magazines.

Some times the management appoints employees and staff through direct application for posts which are require experience. These direct applications are stored in data banks, whenever required these applications are considered by the top management.

4.8.9 Training and Development

The department of training and development comes under the Head of the Department (HOD) Personnel department. The main function of the department is to conduct training programs for the employees. Different departments recommend the required training program to the training and development department. This process is known as training needs identification.

Training programs

In SPBL, training is classified into two broad categories viz.,

i. Skill training and
ii. General training

There is another type of training called Executive training. (Training for executives)
Skill training

It is classified into 12 types of trainings viz.,

1. Simple measurement training,
2. Bearing maintenance training,
3. Reduction of down time training,
4. Energy conservation training,
5. Welding technique training,
6. Preventive maintenance training,
7. Properties of steam 4 assessing the steam / air leakaging training,
8. Basics on pump alignment training,
9. Parameters / conditions training, and
10. Process variables in operations training,
11. Cable termination training, and

General training

It is classified into 8 types of trainings viz.,

1. Safety awareness training,
2. Fire fighting training,
3. First aid training,
4. Supervisory development training,
5. Communication development training,
6. Work culture training,
7. Productivity training, and
8. Self development training.
Initially, the dept HODs are asked to identify training needs of the employees. Then, HODs assess training requirement the employees' name list and sent to HRD department. After collecting the requirement details, the HRD dept assigns the schedule for training and development programme. Then employees are sent in the different batches for various training classes.

4.8.10 Performance appraisal system in SPBL

Different methods of Performance appraisals are practiced in SPBL. Performance appraisal reports are prepared by the department’s heads and supervisors. A systematic performance appraisal is used as a mechanism for assessing and understanding the employees’ strength and weaknesses in the work environment. The supervisors help the subordinates to obtain new capabilities and talents to do the challenging tasks. Every supervisor and department heads’ should assess the immediate subordinates in relation to the capabilities required to perform his job effectively. The period may be twice in a year or once in a year. The appraisal systems normally aim at the supervisor perception about the difficulties of the subordinates and spot his developmental needs. The performance appraisal system offer highly helpful information in much advance while discussing personnel aspects like promotion, salary increments and departmental transfers in the SPBL.

4.8.11 Promotion policy in SPBL

Staff members are promoted once in 5 years: workers are promoted to higher grade once in 6 years. Promotions are given within the group, it is called upgradation. If the employee prefers VRS or gets dismissed or dies, the dept requires to fill the vacancy. In this situation, the employee gets group to group promotion. (i.e., group C to group B or group B to group A)
Sometimes there is no vacancy in higher grade even after six-years, the employee gets stagnated. It means the company provides only monetary benefit as if he is promoted to next grade, No change in the designation (work).

4.8.12 Rewards and compensation of SPBL

In SPBL, the management realizes that rewarding employee performance is an important part of HRD. Appropriate rewards not only recognize and motivate employees; they also communicate the organisation’s values to the employees. The managers and employees are having similar motivation towards their work. The reward makes the workforce more efficient and active towards work which called as incentives. It is concerned with more effective utilization of manpower at all levels, which is the cheapest, quickest and surest means of increasing productivity. SPBL offers typical rewards that includes certificate of appreciation, newsletter announcement, salary increment, bonus, special privileges and desired training whereas most rewards are based on performance. Rewards may be given to teams, departments and other units within the organisation as well as to the employees individually.

4.8.13 Career development

Long-range plans for the SPBL are made known to all the employees. Employees are helped to prepare for future changes and challenges whenever such change is planned and forecasted; Major changes of SPBL are discussed at all levels to increase employee understanding and commitment. The management discloses the possibilities of the employees’ own growth and career opportunities. In practice of SPBL, Career planning is a slow process
and come as a natural part of the organisational culture. The management concentrates the career development of employees on a systematic basis to avoid conflicts and problems within the organisation.

4.8.14 Safety measures

This is the only department which is the backbone of any industry. As this is the only department which provides a safer environment to its employees by providing various safety measures.

4.8.15 Safety committee meeting

This meeting is held once in a month. In this meeting there is one Chairman Head, Electrical secretary (Safety Officer), Committee members (Equal number of workers and executive staff from different section). They discuss over accident, unsafe act, unsafe condition, quality of personnel protective. After the meeting, Minutes are made and section wise list is prepared and sent to top management office.

4.8.16 Workers participation

In SPBL, workers participation depends on the nature of issues involved, level of participation, individual characteristics of employees and extent of participation. The management allows the employees to participate plant level and department level developments of the organization. The scope of workers participation scheme in SPBL is related to elimination of waste and defective work, reduction of cost, improvement of quality and working conditions, production and productivity, safety and welfare of workers. At the plant level there is works committee and safety committee and at the department level there is World Class quality committees for best quality of production, better service provided to employees and maintain accident free safety work environment. SPBL employees desire to participate at the floor
level because at this level they can directly participate and maintain cordial relationship with their management and co-workers.

**4.8.17 Industrial relations**

The main purpose of industrial relation is to maintain cordial relationship among the Employees, Employee and Management (Employer), Employee representative (Trade Unions) and Management, and Trade Unions. There are three categories of employees namely process, maintenance and service side. So the department has to take care that there will be no dispute among them. For this, they used to conduct a training programme in which they are taught social values but there may be grievances redressal, missionary among employee and management. So SPBL had introduced an “Open Door Policy”. According to this policy any employee can contact anyone else in hierarchy (even CMD) for his/her problem. It is a flexible system to solve the grievances. The relationship between the trade unions is smooth in SPBL. At present, in SPBL there are twelve trade unions functioning.

**4.8.18 Welfare facilities**

SPBL provides statutory and non statutory welfare measures and facilities to their workforce/employees viz. Co-operative stores, Thrift society (loans up to Rs.1,00,000), Higher education scheme to employees for upgradation of qualification, Provision for in-plant training in company premises, Educational loan of Rs.10,000 per annum recoverable in 12 installments, Cycle stands and shopping complex. The company grants more
welfare measures to their employees. viz. Priority is given to employees ward for employment, Wedding gift silver kuthuvilaku (Rs.1,000) at the staff’s wedding or their ward’s wedding, in appreciation to long service, farewell party is given, felicitation done by officers/ trade unions/ colleagues. PF/gratuity cheque and a silver kuthuvilaku, One elementary/ higher secondary school and a matriculation school are run at nominal fee, about 2000 students, Housing to about 70% of the employees, 161 acres housing colony, houses for about 1200 families, treated water supplied, temple, mosque, church, STD, cable TV, post office, bank ATM etc. are provided, Transport to staff for all three shifts via 5 buses owned by SPBL.

4.8.19 Awards

SPBL is in receipt of various Awards awarded by Government of India, Government of Tamilnadu, Industry Associations, etc. Some of the Awards received by SPBL in the past include:

- Capacity Utilisation Award
- Energy Conservation Award
- Environmental Protection Award
- Safety Award
- Export Performance Award
- Good Industrial Relations Award
- TERI - Corporate Environmental Award

4.8.20 Environmental Protection

The Company attaches paramount importance to the conservation and improvement of the environment. In its efforts to improve the environmental protection measures, the Company has installed:
• Two Electro Static Precipitators for its Boilers to control dust emissions
• an Anaerobic lagoon for high BOD liquid effluents
• a Secondary Treatment System for liquid effluents and
• an Electro Static Precipitator and Cascade Evaporator to the Recovery Boiler.

These facilities will ensure sustained compliance by the Company of the pollution control norms prescribed by the Pollution Control Authorities.

4.8.21 ISO 9001/ ISO 14001 Accreditation

The Company's quality systems continue to be covered by the "ISO 9001" accreditation awarded by Det Norske Veritas, Netherlands. The Company has also been accredited with "ISO 14001" certification by Det Norske Veritas, The Netherlands, for its Environmental Quality Systems.

4.8.22 Employees' grade hierarchy

Workers - There are eight grades for workers. Worker’s promotion at suitable grade is done once in six years that is also on the basis of performance and attendance of employee.

Staff - The grades that are controlled by Personnel or HR department. Under these grades the employees are promoted once in five years.

Executives - The grades that are controlled by Chief Managing Director (CMD). Under these grades the employees can be promoted any time based on their performance. They are called as executives and come under CPR (Confidential Pay-Roll system).
TABLE NO.4.8.1
AUTHORITY HIERARCHY

<table>
<thead>
<tr>
<th>Authority set up</th>
<th>Workmen Hierarchy</th>
<th>Staff Hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Managing Director</td>
<td>Senior selection</td>
<td>DGM (HR)</td>
</tr>
<tr>
<td>President</td>
<td>Selection grades</td>
<td>Officer</td>
</tr>
<tr>
<td>Vice President</td>
<td>Highly Skilled</td>
<td>Assistant Officer</td>
</tr>
<tr>
<td>General Manager</td>
<td>Skilled A</td>
<td>Junior Officer</td>
</tr>
<tr>
<td>Assistant General Manager</td>
<td>Skilled B</td>
<td>Senior Clerical assistant</td>
</tr>
<tr>
<td>Chief Managers</td>
<td>Semi-skilled A</td>
<td>Clerical assistant</td>
</tr>
<tr>
<td>Managers</td>
<td>Semi-skilled B</td>
<td></td>
</tr>
<tr>
<td>Deputy Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistant Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPBL HR records

4.9 SUMMARY

There are 74 paper mills producing less quantity of paper and paper products in Tamilnadu. Among these mills there are two major industries producing newsprint papers, writing papers and paper boards. i.e. Tamilnadu Newsprint Papers Limited as a public sector organization and Seshasayee paper and Boards Limited (SPBL) as a private sector organisation. Both companies have well established HRD department and practiced the HRD for developing their workforce as well as development of organisation. Hence, the researcher undertook the study on the two major paper producing industries in Tamilnadu namely Tamilnadu Newsprint and Papers Limited and Seshasayee Paper and Boards Limited and compare HRD practices towards their employees.