CHAPTER - III

EXISTING MOTIVATIONAL FACTORS IN SALEM STEEL PLANT (SSP) - AN OVERVIEW
CHAPTER – III

3.1 Introduction

3.2 Financial Incentives

3.3 Guidelines for various Awards
3.1 INTRODUCTION

In an organization, management tries to co-ordinate various factors of production in such a way that each factor contributes to its maximum efficiency to achieve organizational goals. As far as non-human factors, i.e., materials, machines etc., are concerned, their efficiency depends largely upon the type of technology being followed by the performance level of human factors who handle and control these non-human factors. Thus, to make total factors efficient and effective, one has to improve the performance level of human beings in the organization.

This performance is determined by two factors, viz;

(i) Level of ability to do certain works and

(ii) Level of motivation.

Keeping in this mind, the Salem Steel Plant (SSP) has implemented various motivational factors in the organization in order to obtain the utmost performance from its work force.

The motivational factors such as financial as well as non-financial incentives can be studied in detail in this chapter.
3.2. FINANCIAL INCENTIVES

(1) INCENTIVES IN THE FORM OF SALARY AND INCREMENT

In the context of existing economic system, money has become a means not only to satisfy the physical needs of daily life but also of obtaining social position and power. Human being first take care of their primary needs of food, shelters, clothing etc., since money has the exchange values - they can have in exchange of money – money becomes a basic incentive for individuals. The organization offers wages which become incentives for individuals to join the organization. The wage structure should be such that it motivates the present and prospective employees of the organization.

Salem Steel Plant (SSP) fixed the pay day for both the staff cadre as well as for the workers on 7th of every month.

Table 3.1

TABLE SHOWING THE SCALE OF PAY FOR NON-EXECUTIVES

<table>
<thead>
<tr>
<th></th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
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</tr>
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<tbody>
<tr>
<td>S-1</td>
<td>4000</td>
<td>80</td>
<td>5600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S-2</td>
<td>4080</td>
<td>86</td>
<td>4682</td>
<td>91</td>
<td>5865</td>
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<tr>
<td>S-3</td>
<td>4170</td>
<td>93</td>
<td>4821</td>
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<td>S-4</td>
<td>4300</td>
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<td>S-5</td>
<td>4500</td>
<td>118</td>
<td>5326</td>
<td>126</td>
<td>6964</td>
</tr>
<tr>
<td>S-6</td>
<td>4800</td>
<td>133</td>
<td>5731</td>
<td>140</td>
<td>7551</td>
</tr>
<tr>
<td>S-7</td>
<td>5100</td>
<td>148</td>
<td>6136</td>
<td>156</td>
<td>8164</td>
</tr>
</tbody>
</table>
Table 3.2

TABLE SHOWING THE SCALE OF PAY FOR EXECUTIVES

<table>
<thead>
<tr>
<th></th>
<th>Rs.</th>
<th>Rs.</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-0</td>
<td>8600</td>
<td>250</td>
<td>14600</td>
</tr>
<tr>
<td>E-1</td>
<td>10750</td>
<td>300</td>
<td>16750</td>
</tr>
<tr>
<td>E-2</td>
<td>13700</td>
<td>350</td>
<td>18250</td>
</tr>
<tr>
<td>E-3</td>
<td>16000</td>
<td>400</td>
<td>20800</td>
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<td>E-4</td>
<td>17500</td>
<td>400</td>
<td>22300</td>
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<td>E-5</td>
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<td>23900</td>
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<td>E-6</td>
<td>19000</td>
<td>450</td>
<td>24400</td>
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<td>E-7</td>
<td>19500</td>
<td>450</td>
<td>25350</td>
</tr>
<tr>
<td>E-8</td>
<td>20500</td>
<td>500</td>
<td>26500</td>
</tr>
<tr>
<td>E-9</td>
<td>23750</td>
<td>600</td>
<td>28550</td>
</tr>
</tbody>
</table>

(2) REWARDS FOR BOTH EXECUTIVES AND NON-EXECUTIVES FOR ACQUIRING HIGHER QUALIFICATION:

(A) Initiatives by the employee to enhance his knowledge by way of acquiring higher qualification are rewarded.
FOR EXECUTIVES AND NON EXECUTIVES ON SELECTIVE BASIS:

1. FOR EXECUTIVES:

To enhance the managerial and professional abilities, their efforts are recognized and sponsorship extended for special courses in recognized institutes and institutions of eminence.

Coverage:

1. General Management programme.

2. Special programme in the earlier of engineering and technology or other functional discipline.

3. Specialization courses for medical executives.

4. Courses may be part time, or correspondence or full time.

5. Sponsorship can be for leave of absence with no financial commitments from the company.

6. (i) own study leave.

(ii) study leave with grant of finance.

(iii) Companies sponsorship with financier benefit.

CONDITIONS:

The sponsored employees shall have to wind themselves with the company through a bond with varying specifications as to the period and bond amount.
2. FOR NON – EXECUTIVES:

Those qualifying themselves with professional qualifications, their efforts are rewarded with

(a) An immediate reward of Rs.10000/- for Engineering professionals.

(b) Reduction in the eligibility period by 6 months during promotions between the clusters.

(c) Reduction to 7 years from 9 years of the eligibility period to become an executive that is E-O from Non-Executive Cadre (S-10).

(B) As a measure to improve literacy among employees special incentive of Rs.2000/- is being granted to employees who pass matriculation from recognized board including Indira Gandhi National Open University (IGNOU).

(C) Incentives are awarded for acquiring proficiency certificate for boiler operation from recognized board.

(i) For II class certificate : Rs. 1000/-.  
(ii) For I class certificate : Rs.2000/-

(iii) Degree in boiler Engineering Equivalent : Rs.5000/-

(D) These incentives provide an opportunity to employees to enhance their knowledge by acquiring qualifications. These
incentives have motivated many employees in SSP to opt for higher education there by thus provided a better placement for the employees not only in their working atmosphere but also in their social atmosphere.

(3) AWARDS:

Salem Steel Plant has its own polices to award individual / groups / departments depending up on their best achievement. Award plays vital role in motivating the employees to perform in a better way.

In general, the employees are awarded according to the following factors:

a. Multi – skill

b. In-house development for the reduction of cost of production etc.

c. New product development, marketing and increase in market base.

d. Any other specific task may be clearly brought out with result.

e. Special job exhibiting creativity, extra effort and specific contribution.

f. Outstanding records in production, maintenance, quality, techno-economic parameters and dispatches.

g. Acts of bravery in prevention of accidents, fire, theft, damage to the equipment, timely action during such incidents.

h. Improvement over existing practice / system / design.
The proposal for awarding the employees may be done by the Head of the Department within a month of completion of the job. The proposal may concern jobs / achievements done by employees of a single department or by the joint efforts of employees from more than one department. In case it is a single department, the proposal shall limit the number of employees to be recognized to seven. In case of multi-departmental effort, the total number shall be limited to ten with a maximum of three employees from each department.

Table 3.3

TABLE SHOWING THE LIST OF AWARDS

<table>
<thead>
<tr>
<th>Basis of awarding</th>
<th>Awards</th>
<th>Day of awarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Jawahar awards for (two executives one for Work and one for Non-Work)</td>
<td>National Metalurgist Day (NMD)</td>
</tr>
<tr>
<td>Individual</td>
<td>Nehru Award for eight non-executives (five for Works and three for Non-Works)</td>
<td>15th August</td>
</tr>
<tr>
<td>Individual</td>
<td>Ambedkar award for three SC/ST non-executives</td>
<td>14th April</td>
</tr>
<tr>
<td>Individual</td>
<td>Suggestion master for the maximum number of accepted suggestion given by an employee during suggestion mela.</td>
<td>NMD</td>
</tr>
<tr>
<td>Individual</td>
<td>Suggestion scheme (token gift once in a year for suggestion mela)</td>
<td>REGULAR.</td>
</tr>
<tr>
<td>Group Awards</td>
<td>Good work done award for an individual/Group/Section/Department</td>
<td>REGULAR.</td>
</tr>
</tbody>
</table>
3.3 GUIDELINES FOR VARIOUS AWARDS:

I. **(A) NEHRU AWARD:**

An employee is eligible to get an award of Rs.2500/- under the scheme.

**ELIGIBILITY:**

1. An employee has at least five years of service in the plant. The period of training in respect of all trainees will not be counted for the purpose.

2. An employee is clear from the vigilance and disciplinary angles.

3. An employee has not received award under the special award scheme of the plant in the same year for the same job.

4. The nominee for the award should have secured a minimum of 60% in aggregate for every year of appraisal rating for the last 3 years. That apart, the employee should not have secured any adverse rating in any of the factors of assessment.
5. The eligible non-managerial employee should have worked for not less than 290 days in the preceding financial year. Punctuality in attendance shall also be a criterion to be considered.

6. Significant contribution made by the employee which can be quantified or qualitatively described and its impact on the productivity level / profitability of the organization should be recorded incident wise.

7. Ability of the employee to conceptualise, plan, execute and follow through shall be delineated in detail in support of the recommendation for award.

8. The employee shall be rated in inter personal and creative problem solving skill dimension.

9. The employee's ability in meeting target dates for replies, disposal of pending reference etc., shall also be taken into account.

(B) JAWAHAR AWARD:

An employee is eligible to get a sum of Rs.5000/- under this scheme.

ELIGIBILITY:

1. An employee has at least five years of service. The period of training in respect of all trainees will not be counted for the purpose.

2. An employee has not received award under the special Awards Scheme of the plant in the same year for the same job.
3. Good conduct and performance as reflected in the appraisal reports for the last three years.

4. Eligible employees should be clear from vigilance and disciplinary angles.

5. The eligible employee should have worked for not less than 290 days in the preceding financial years.

6. Significant contribution made by the employee which can be quantified qualitatively described and its impact on the productivity level / profitability of the organization should be recorded incident wise.

7. Ability of the employee to conceptualize, plan, execute and follow through shall be delineated in detail in support of the recommendation for award.

8. The employee shall be rated in interpersonal creative problem skill dimension.

9. The employee’s ability in meeting target dates for replies, disposal of pending reference, etc., shall also be taken into account.

(C) AMBEDKAR AWARD:

Under this scheme, Rs.1,500/- is awarded to eligible SC/ST non-executive employees.
ELIGIBILITY:

1. Five years service in the company.
2. 60% appraisal ratings for preceding 3 years.
3. 290 days attendance in the preceding financial years.
4. Punctuality in attendance.
5. Should be clear from vigilance and disciplinary angles.
6. Should not have received any award under Special Award Scheme in the same year.
7. Significant contribution made by the employee which can be quantified.

II. (A) GOOD WORK DONE AWARD:

An amount of Rs.500/- or in kind is awarded to the eligible employees under this scheme.

ELIGIBILITY:

a) Exemplary devotion to duty.
b) Performance of important, experimental work over and above normal duty.
c) Taking action on voluntary basis and effecting improvement in productivity, equipment utilization, quality, working procedure / process and reduction in special consumption of consumables, cost of production etc.,
(B) SPECIAL AWARD:

An amount of Rs.1500/- is awarded under this scheme.

1. Acts of bravery in prevention of accidents, fire, theft, damage to the equipment, etc., and a timely action during such incidents.

2. Specific contribution or savings effected over the normal procedure / systems in improving performance.

3. Establishing outstanding records in production, maintenance, quality, techno economic parameters, dispatches etc.,

III. DEPARTMENTAL AWARDS:

A. SAFETY:

A Rolling shield is awarded to the winning section / department.

ELIGIBILITY:

1. Use of need – based personnel protective equipments.

2. Absence of unsafe conditions in the work area and immediate vicinity.

3. Observance of safety systems and procedures.

4. Good safety record.

5. Prompt compliance of safety action points.

B. HOUSE KEEPING:

A Rolling Trophy to winning section / department.
CRITERIA:

1. Cleanliness of floor, passageways, walkways, aisles, upkeep of surroundings.
2. Ventilation.
3. Scrap bins.
4. First aid provisions.
5. Fire extinguishers.
6. Fire alarms.
7. Electrical facilities.
8. Lighting.
10. General house keeping.
11. Upkeep of materials and spares on the shop floors.

C. OUTSTANDING PERFORMANCE:

FOR WORKS:

1. Record Production per month.
2. Equipment availability - Electrical per month.
3. Equipment availability - Mechanical per month.
4. Percentage of diversions per month.
5. Special consumption of operating consumables.
6. Improvement in productivity, quality, cost of production, reduction, safety and work procedure.

FOR NON – WORKS :

1. Any achievement
2. Cost reduction / savings

II. NON – FINANCIAL INCENTIVES :

(1) PROMOTION :

A promotion is said to take place when an employee is moved to a position higher than the formerly occupied. The responsibility, status and pay of the employees also increase.

The advantages of promotion schemes are the following :

➢ They provide an opportunity to the present employees to move into jobs that provide greater personal satisfaction and prestige.

➢ They offer opportunities to management to provide recognition and incentives to the better employees, to correct initial mistakes in appointments and to freeze inefficient personnel.

➢ They generate within an organization beneficial pressures on work performance and desired behavior of all its members.

➢ They serve as an orderly, logical and prompt source of recruitment for management to fill vacancies as they arise.
PROMOTION SYSTEMS:

There are two systems of promotion within the employees positions in SSP.

PROMOTION WITHIN CLUSTER OF PAY:

It introduces the concept of clusters for the purpose of promotion and career planning. Under the concept, a group of scales are clubbed into a cluster and promotions within a cluster are made on the executive acquiring the required credit points in the appraisal and completing the minimum prescribed period of service in the present scale.

PROMOTION BETWEEN CLUSTERS OF PAY:

It is performance based. An employee is required to put in sustained good results as reflected in his appraisal, for earning a promotion. For promotion one cluster to another, average credit point is the main basis for determining eligibility.

Promotion between clusters will depend on availability of vacancies in the next higher cluster.

Promotions are decided by a high-level departmental promotion committee.

1 PROMOTIONAL ACTIVITIES FOR NON–EXECUTIVES:

Non-executives are promoted according to their performance. The appraisal is made at the end of every calendar year that is particularly during the month of December. The Reporting Officer is responsible for
assessing the performance of the employees. The Performance Review Committee will allot credit points for the employees and this will be converted into grades.

FACTORS TO BE ASSESSED IN CASE OF EMPLOYEES:

(i) Those who are to be promoted from Grade S-1 To S-2:

1. Job performance
2. Attendance and punctuality
3. Discipline
4. Safety and house keeping

(ii) Those who are to be promoted from Grade S-3 To S-5:

1. Quality of output
2. Quantity of output
3. Discipline
4. Attendance and punctuality
5. Job knowledge and skill
6. Dependability
7. Record keeping
8. Safety and house keeping
9. Cost consciousness
10. Co-operativeness
(iii) Those who are to be promoted from Grade S-6 To S-9:

1. Quality of output
2. Quantity of output
3. Discipline
4. Attendance and punctuality
5. Job Knowledge and skill
6. Dependability
7. Record keeping
8. Safety and house keeping
9. Cost consciousness
10. Co-operativeness
11. Initiative and resourcefulness
12. Ability to analyses and express
13. Ability to supervise
14. Ability to assume higher responsibility

Promotion of the employees will be made according to the assessment made both by the Reporting Officer and the Reviewing Officer. Remarks will also be made on employees strength, weakness / deficiencies etc., based on factors on which assessed or other wise.
Table 3.4

TABLE SHOWING CONDITIONS TO BE TAKEN INTO CONSIDERATION IN CASE OF PROMOTION BETWEEN CLUSTERS

<table>
<thead>
<tr>
<th>GRADE</th>
<th>CATEGORY</th>
<th>QUALIFICATIONS</th>
<th>CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>S-2 To S-3</td>
<td>Both for Works and Non-Works</td>
<td>Passed Matriculation and I.T.I</td>
<td>Promotion within 3 years</td>
</tr>
<tr>
<td>S-2 To S-3</td>
<td>Both for Works and Non-Works</td>
<td>Passed only Matriculation</td>
<td>Promotion within 3 ½ years</td>
</tr>
<tr>
<td>S-2 To S-3</td>
<td>Both for Works and Non-Works</td>
<td>Between 8&lt;sup&gt;th&lt;/sup&gt; Std and Matriculation.</td>
<td>Promotion within 5 years</td>
</tr>
<tr>
<td>S-5 To S-6</td>
<td>Both for Works and Non-Works</td>
<td>Below Matriculation</td>
<td>No regular promotion</td>
</tr>
<tr>
<td>S-5 To S-6</td>
<td>Both for Works and Non-Works</td>
<td>Diploma holders</td>
<td>Promoted within 3 years</td>
</tr>
<tr>
<td>S-5 To S-6</td>
<td>Both for Works and Non-Works</td>
<td>Passed ITI</td>
<td>Promoted within 3 ½ years</td>
</tr>
<tr>
<td>S-5 To S-6</td>
<td>Both for works and non-works</td>
<td>Passed only matriculation</td>
<td>Promoted within 4 years</td>
</tr>
<tr>
<td>S-8 To S-9</td>
<td>For Works</td>
<td>Degree holders in Engineering</td>
<td>Promoted within 3 years</td>
</tr>
<tr>
<td>S-8 To S-9</td>
<td>For Works</td>
<td>Diploma holders</td>
<td>Promoted within 3 years</td>
</tr>
<tr>
<td>S-8 To S-9</td>
<td>For Works</td>
<td>Full time post Graduate professional 2 year course</td>
<td>Promoted within 3 years</td>
</tr>
<tr>
<td>S-8 To S-9</td>
<td>For Non - Works</td>
<td>Graduates and Post Graduates</td>
<td>Promoted within 3 ½ years</td>
</tr>
</tbody>
</table>
The employees those who are all qualified below 8\textsuperscript{th} std. are not promoted to higher Grade. But they are given the pay scale of the higher Grade only after 5 years of service.

**II. PLAN FOR PROMOTING NON-EXECUTIVE CADRE TO THE EXECUTIVE CADRE:**

In order to maintain quality and standard of the executive cadre in the Salem Steel Plant at a high level, it provides opportunities to non-executive employees to move into the executive cadre.

There will be two streams of promotions to the executive cadre.

a) Promotions in the technical stream.

b) Promotions in the non-technical stream.

The employee who is in the E-0 Scale will be placed in the E-1 scale only after successful completion of prescribed training and based on performance in E-0 Scale as prescribed.

**PROMOTION IN THE TECHNICAL STREAM:**

Promotion from the non-executive cadre to the executive cadre in the technical stream will be subject to fulfillment of the following criteria.

a) Minimum eligibility period as may be prescribed.

b) Minimum educational qualification as may be prescribed.
c) Minimum Standard in annual assessment year may be prescribed.

d) Disciplinary record, vigilance clearance, as per rules.

e) Suitability in interview.

f) Availability of vacancies in the cluster of E-O / E-1/E-2 Grades and the need to fill up the vacancies to be decided by the management.

g) Test /Satisfactory completion of development, training as may be prescribed.

Since the non-executive employees in the technical stream include those who are involved in operation of key equipment in the Salem Steel Plant, on their promotion to the executive cadre, these employees will mainly be responsible for operation of the key equipment and in addition perform such other jobs they may be assigned to them from time to time. This will ensure preservation of skill of these incumbents on their promotion to the executive cadre. With regard to those non-executive employees who are involved in areas other than operation of key equipment, on their promotion to the executive cadre, they will have the responsibility for shift supervision and critical operations as required by the management.
PROMOTION IN THE NON-TECHNICAL STREAM:

Promotion from the non-executive cadre to the executive cadre in the non-technical stream will be subject to the criteria as prescribed for technical stream.

However, non-technical stream will exclude Doctor's posts in medical department, posts in finance disciplines and in such other departments where specialized or statutory qualification is needed.

(2) TRAINING:

All employees promoted to the E-0 Grade will be required to undergo one year post-selection training as may be prescribed by the management.

The post selection training shall be on overall SAIL basis with a common course of study and a common test conducted by MTI. The test will be held once in a year as per a fixed calendar.

Those employees who successfully complete the post-selection training will be promoted to the E-1 Scale subject to satisfactory performance in E-0 Scale based on annual appraisal reports and other criteria as may be prescribed and on completion of two years service in the E-0 Scale.

Those employees who do not pass the post selection training within one year will be given two more chances to clear the same. Those who successfully complete the training in the second attempt will be promoted.
to the E-1 Grade on completion of three years in the E-0 Grade and subject to other criteria as may be prescribed.

All other employees who successfully complete the training thereafter will be promoted to the E-1 Grade on completion of four years of service in the E-0 Grade, subject to other criteria as already be prescribed.

Those employees who are being promoted will be placed on probation for a period of six months.

All promotions from the non-executive cadre to the executive cadre will depend on the availability of vacancies in the cluster E-0/E-1/E-2 grades and the need to fill up the vacancies to be decided by the management.

CRITERIA FOR PROMOTION:

Promotions will be based on the following criteria.

A. Length of service

B. Performance

C. Qualification

D. Interview
A. LENGTH OF SERVICE:

Table 3.5

THE TABLE SHOWING MINIMUM ELIGIBILITY PERIOD FOR PROMOTION OF EMPLOYEES ACCORDING TO THEIR QUALIFICATION

<table>
<thead>
<tr>
<th>Stream of employment</th>
<th>Grade</th>
<th>Qualification</th>
<th>Minimum period of service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Stream</td>
<td>S-8 / S-9</td>
<td>Engineers</td>
<td>7 Years</td>
</tr>
<tr>
<td>Technical Stream</td>
<td>S-8 / S-9</td>
<td>B.Sc/Diploma Holders</td>
<td>9 Years</td>
</tr>
<tr>
<td>Non-Technical Stream</td>
<td>MS-3/MS-4</td>
<td>Graduates &amp; Post Graduates Possessing professional Qualification</td>
<td>7 Years</td>
</tr>
<tr>
<td>Non-Technical Stream</td>
<td>MS-3/MS-4</td>
<td>Graduates &amp; Post Graduates</td>
<td>9 Years</td>
</tr>
</tbody>
</table>
B. QUALIFICATION:

The educational qualifications for promotion in the technical stream will be diploma/degree in engineering in Civil, Mechanical, Electrical, Metallurgy, Electronics, Computer Science, Draughtsmanship or its recognized equivalent as prescribed by the management.

The educational qualification for promotion in the non-technical stream will be graduate in any discipline as its recognize equivalent as prescribed by the management. The professional qualifications are those as prescribed by the management.

C. PERFORMANCE:

Performance will be measured as a percentage of 30 on the basis of the average of the scores obtained by the employee in the annual confidential reports/assessment reports during the eligibility period in the respective scales of pay.

In order to be eligible for consideration for promotion, a non-executive employee will have to obtain at least ‘Good’ or higher grading in the annual confidential reports/assessment reports in the last three years preceding the date of consideration for promotion.

D. INTERVIEW:

A duly constituted Selection Board will interview the eligible employees to assess their suitability.
The maximum attainable points in the interview will be based on the potential of the employee for occupying executive position and general advancement, job knowledge/skill gained in his area of work, knowledge gained in related areas of work, ability to analyze, express and communicate clearly and precisely, ability to innovate and effective management.

No employee will be promoted unless he secures 60% marks in the interview.

The Selection Board shall interview the candidates. On the basis of the total points obtained based on interview, length of service, qualification and annual assessment reports, the final merit list will be drawn up. The Selection Board shall recommend the candidates for promotion in the order of their positions in the merit list against available vacancies.

III. PROMOTIONAL POLICY FOR EXECUTIVES (OFFICERS):

The executives of SSP are graded according to their performance in their work. An appraisal is made on the basis of performance, once in a year. The Reporting Officer is responsible assessing the performance of the executives. The performance review committee will allot the credit points for the employees and this will be converted into grades.
Executives who are graded E-1 and E-2 are said to be promoted to higher grade once in 4 years and they are said to score 120 credit points. And all others are promoted once in 3 years and they are said to score 100 credit points. In addition the executive whose grade is E-0 is said to undergo a training for 1 year.

**Performance Assessment:**

The executives of SSP are assessed according to the following two factors.

1) **Performance Factors:**

   (i) Quality of output.
   
   (ii) Quantity of output.
   
   (iii) Cost control.
   
   (iv) Job knowledge and skill.
   
   (v) Team spirit and lateral coordination.
   
   (vi) Discipline.
   
   (vii) Development and quality of assessing subordinates or ability to learn.
   
   (viii) Special relevant factors.

2) **Potential Factors:**

   (i) Communication skill.
   
   (ii) Initiative.
   
   (iii) Commitment as sense of responsibility.
(iv) Problem analysis and decision making skill.
(v) Planning and organizing
(vi) Management of human resources.

PROMOTIONAL PLAN:

1. Grade E-0 is given to the person who is promoted from the non-Executive cadre to Executive cadre.
2. Management Trainees fall under Grade E-1.
3. E-9 is said to be the top grade. The executive director of SSP holds this grade.
4. The promotion of executives who are graded with E-0, E-1, E-2, E-3, E-4, E-5 are to be executed within the plant itself.
5. Executives who are graded as E-6, E-7, E-8, the corporate office of SAIL at New Delhi promotes E-9.

2) TRAINING AND DEVELOPMENT:

HRD center caters all the training needs of all the department of Salem Steel Plant. Training is imparted to the employees to upgrade the skill, refresh the standard operating practices, etc., Training is considered as a tool for human resource development. It has immense potential in transfer and utilization of latest technical know-how, leadership development organization of people, formation of self help
group, mobilization of people as well as resources, which are considered as essential components of HRD.

Human competencies are to be upgraded every year to meet the current business changes and challenges. Training is for all staff at all levels as a basic mechanism for inculcating competence professionalism and service morale. For all these, an appropriate training methodology is very much essential. There are many methods to impart training. Salem Steel Plant being a small unit, Training Department takes the faculty support of experts from the user departments. Over the years SSP have developed a dedicated team of faculty for conducting training on various subjects. Salem Steel management extends the necessary support and cooperation in providing financial assistance.

TRAINING PROGRAMMES CONDUCTED BY THE HRD CENTER AT SSP:

1. FIRST AID:

A refresher course on first aid is conducted every year to cover both new employees as well as others with an aim to update and refresh. Their basic knowledge and skill in rendering first aid in the event of an emergency.
2. **HUMAN RELATIONS AT WORK:**

   This course is imparted to the non-executive employees in various departments with a view to further strengthen the bond of better human relationship at the shop floor level.

3. **FIRE FIGHTING:**

   This course is to create awareness among the employees of the fire fighting devices available within the work environment, and how best they can make use of them profitably in an emergency.

4. **SELF – DEVELOPMENT:**

   Employees in SSP are young in age, highly motivated and have a lot of aspiration to go upto in life. To give them a kind of enthusiastic support in their developmental goals, this course is conducted with the help of external faculty. The course has an impact on the general thinking and attitude of the employees to work.

5. **CONFLICT RESOLUTION AND ABILITY TO WORK IN A TEAM**

   Conflict resolution and ability to work in a team is an essential ingredient of group interaction situation. Hence the course finds an important place in the training needs identified for non-executive employees.
6. COMMUNICATION SKILL:

The prime purpose of this course is need for the employees to be able to communicate effectively to their superiors and subordinates.

7. SAFETY AND OCCUPATIONAL HEALTH:

This is a general kind of training need, the purpose of which is to keep the employees ever alert on the safety front and take adequate precautionary measures to help them keep fit and free from the hazards of occupational diseases.

8. PERSONAL SECRETARY COURSE:

Personal Secretaries are posted to all senior executives to provide them and adequate secretarial service to organize their day-to-day activities. In organizations there is a need for personal secretaries to develop and learn a lot in order to discharge their duties effectively.

9. CUSTOMER SERVICE TO CANTEEN WAITERS:

Industrial catering service is a sensitive area which needs constant management attention. This course is to improve the customer service of the industrial canteen waiters in order to upgrade the quality of service provided.

10. PLANT APPRECIATION COURSE:

The plant appreciation course is designed to upgrade the employee's basic knowledge of the plant, products, their understanding of the organization as a business entity, and for them to understand what
role they have got to play for the organization to achieve higher productivity an improved results.

11. PERSONAL COMPUTER:

   The need for computer literacy and ability to effectively make use of computers to generate adequate quantum of management information systems is a felt training need among the employees.

12. REFRESHER COURSE FOR COOK-CUM – WAITERS:

   This course is intended to refresh the skill of the cook-cum-waiters in the functional area in the guest house.

13. REFRESHER COURSE FOR PARAMEDICAL STAFF:

   The purpose of this course is to update the knowledge and skill of the paramedical staff to provide customer-happy health service.

14. COURSE ON MICROPROCESSORS AND APPLICATION:

   Most of the electric control of equipments at SSP are either based on relay logic control, sematic system or analogue based system. The second phase of expansion has heralded in equipment which are fully microprocessor controlled. Besides, as equipments get older, control systems are changed over to the latest microprocessor based system. Hence there is a need for the employees both in the understanding and application of microprocessor based electrical control system. This course is to take care of this need.
15. COURSE ON SERVO CONTROL SYSTEM:

There are some employees who need coverage on the basis understanding, fault diagnosis, and trouble shooting of the servo control devices used in a majority of equipment at SSP. The objective of this course is to update their knowledge.

16. COURSE ON HOUSE KEEPING:

Since SSP is a specialty steel division of SAIL’s business, there is a need for an immaculately clean working environment. Hence the message of good housekeeping is reinforced through this course.

17. MANAGERIAL EFFECTIVENESS:

There is a pressing need for improving the effectiveness at the lower end of the spectrum of the managerial hierarchy since they are the field executives who convert the unit level plans into reality working with the shop floor team.

18. SCHEME FOR SPONSORING EXECUTIVES FOR HIGHER SPECIALIZED EDUCATION/TRAINING:

A scheme for grant of study leave for pursuing higher studies/specialized training according to which the executives get admission and take their own leave with or without pay and attend such courses without any financial support from the company. In return for the grant of leave, they undertake to serve the company for a specified number of years depending upon the duration of the course they undergo.
To enhance general managerial abilities, a comprehensive scheme is worked out for sponsoring executives from the company to different training/specialized courses which are relevant to meet the requirements of enhanced skills in the futures.

19. TRAINING ABROAD:

Executives and non-executives are sent for training in abroad under equipment supply contract for getting the know-how from foreign collaborators or for general training. The corporate office takes the decision on the choice of trainees. The prospective applicants are screened and assessed before they are chosen for abroad training.

3) WORKERS PARTICIPATION IN MANAGEMENT

Decision-making is usually made to attain the objectives of business units. Every aspects of management functions is determined by decisions, the result of which is refolded in organizations, it helps to setup definite objectives and prepare plans of action, determine organizational structure and encourage the workers.

Workers participation in decision making leads to understanding between two principle group leading to better effort and harmony. This participation develops among workers free personality and to recognize human dignity. Therefore workers participation is to make the workers conscious of their democratic rights in their work place and thus brings about industrial democracy as an adjunct to democracy participation
provides the workers with a sense of importance pride and accomplishment. Freedom and opportunity for expression of feeling of belongings and a sense of workmanship and creativity. Keeping in mind, SSP have formulated various committees with regard to this.

BI PARTITE FORUM

1) PRODUCTION AND PRODUCTIVITY COMMITTEE:

Production and productivity committee deals with the matters like annual production plan, quality of the product difficulty in target, customer satisfaction which are to be discussed.

The members of the committee consist of 9 members from worker group and Deputy General Manager was the chairman of the committee. The committee will meet once in every 3 months. This committee mainly deals with the production problems.

A. APEX COMMITTEE:

This committee deals with matters related to the top management. This committee will meet once in every 3 months.

Executive Directors, General Managers, Deputy General Manager and all departmental heads are the members of the committee.

The over all plant matters will be discussed like raw materials, production, stock, marketing, man power policy etc.
B. SHOP FLOOR COMMITTEE:

This committee will meet once in every 3 months. The matters like how to overcome the problem of output, to improve the efficiency of the production, are discussed by this committee.

(2) SAFETY, HEALTH AND ENVIRONMENT COMMITTEE:

(i) SAFETY:

This committee deals with the matters like plant safety rules, safety procedure safety equipments, safe operation of the equipment. The members for the committee consist of all departmental managers and 9 members from the workers group. This will meet and discuss the problem related to safety. The main duty of the committee is to check the safety appliances (for example) fire-fighting system are properly functioning in their plant.

(ii) HEALTH:

This committee deals with the health aspects of the worker. Periodical medical tests are conducted for the workers. This committee will also verify whether treatment is given to the workers properly and proper maintenance of hospital.

(iii) ENVIRONMENT:

The environment committee deals with the environment aspects of the plant. Like noise pollution, and plant wastage is properly managed or not.
(3) WELFARE AND EDUCATION COMMITTEE:

WELFARE:

This committee will discuss the matters with regard to welfare facilities, like canteen, uniform etc.

EDUCATION:

To update the knowledge of the workers and for their dependents, free education facilities are provided to them. Deputy General Manager was the Chairman of the committee.

(4) SPORTS AND CULTURAL COMMITTEE:

(i) SPORTS:

This committee deals with sports activities like how to promote the sports and proper availability of sports materials for the sportsman. Recognized Trade union will be the member for this committee.

(ii) CULTURAL:

The interested workers are the members of this committee, but one member will come from recognized trade union. The main duty of the committee is to conduct the cultural programmes.

QUALITY CIRCLE IN SALEM STEEL PLANT:

Quality circle is small group of employees in the same work area or doing similar type of work who voluntarily meet on regular basis for about an hour every week to identify the problems in their work area, analyze causes, recommend and implement the solutions. Optimum
number of members in a Quality circle are between 5 and 10 but actual optimum number is 7.

4. SUGGESTION SCHEME IN SALEM STEEL PLANT:

The suggestion is an original idea from an employee, which is to be implemented yielding the improved situation. Suggestion scheme is an employee based scheme which provides a formal channel of effective participation for all levels in the sphere of productivity and quality improvement by tapping hidden potential ideas. The scheme speaks that the man on the job is the best judge to suggest the ways and means for bringing about improvement in the work place.

5) LABOUR WELFARE MEASURES

Some of the welfare activities at SSP are as follows;

i) MEDICAL BENEFITS:

The plant has got a main hospital situated in the township. It is a well-equipped having 40-bedded facility. Where the treatment facility is not available in the plants hospital, the patient is referred to their hospitals and the full expenditure of treatment is borne by the plant.

ii) EDUCATIONAL FACILITIES:

Monthly tuition fee and the annual fee paid by the employees for their children’s education are reimbursed based on eligibility limits and claims. Educational awards/Scholarships are provided to the employees who are outstanding in their studies. Transportation facilities are provided
to the employee’s children who are studying in Salem city. The township has two school up to XII standard with all facilities including a modern computer lab.

iii) EMPLOYEE FAMILY BENEFIT SCHEME:

On the death of an employee, nominated person of the deceased shall receive the last drawn basic + dearness allowance till the normal date of retirement on transferring and crediting the provident fund and gratuity with the company. This is unique scheme in the company which takes care of the livelihood of the dependents of the deceased employee.

iv) ALLOWANCES:

Many allowances like local traveling expenses, night shift allowance, vehicle cleaning allowance, city compensatory allowance, House Rent Allowance etc., are provided to the employees.

v) RECREATIONAL ACTIVITIES:

The organization periodically conducts cultural and recreational programmes. Competitions like cooking, rangoli, fancy dress, drawing, photography, essay writing, quiz and other cultural activities of various association. This help the employees and their dependents to unravel their talents and display them deriving greater satisfaction. This is one of the most important ways to improve the quality of life.
vi) SPORTS AND GAMES:

Special importance is given for sports and games in this plant. Games like football, volleyball, cricket, ball badminton, shuttle are of special attention.

vii) EMPLOYEE'S MUTUAL FAMILY BENEFIT SCHEME:

This scheme provides for payment of a lumpsum amount to the nominee of the deceased employee, through collection of a fixed sum of rupees forty from the salaries of member employees.

viii) RETIREMENT BENEFIT:

Employees are entitled to receive gratuity at the rate of half month's wages (Basic + DA) last drawn by the employee for every completed year of service and at the rate of one month's wages for service rendered beyond thirty years in the case of non-executives.

In case of executives, the amount is subject to a maximum limit of twenty month's emoluments (Subject to the maximum of Rs.50000/-).

ix) FAREWELL TO RETIRING EMPLOYEES:

Employees superannuating or voluntarily retiring from service are given a fitting farewell, which includes a service certificate, and a gift of a stainless steel dinner set.

x) ASSISTANCE FOR FUNERAL EXPENSES:

Assistance to families towards funeral expenses of employees who die while in the service of the company.
xi) SAFETY:

A separate department is functioning in the plant to take care of the safety aspects of employees. Safety equipment like gloves, glasses, masks, earmuffs, belts, shields, shoe, helmets are provided to the employees and other agencies working in the plant. Well-managed fire fighting system functions in the plant under the Central Industrial Security Force (CISF). There are installations of safety alarm, smoke detectors, water sprinkles advantages locations to take care of the emergency situations with regard to safety front organization and knowledge about safety measures and safety practices are also provided at the time of appointment of the employees. Refresher course on safety are conducted from time to time.

xii) TOWNSHIP:

SSP township, known as "Mohan Nagar" is an architecturally planned one sector township which caters to the accommodation needs of the employees.

Accommodation at mohan nagar consists of

(i) A TYPE HOUSES
(ii) B TYPE HOUSES
(iii) C TYPE HOUSES
(iv) D TYPE HOUSES
This township has recreational and entertainment facilities and also a township library.

xiii) CANTEEN:

Two departmental canteens are provided – one in the administrative building complex and other in the cold rolling mill complex. It cater to the needs of all the employees in three shift operation. This facility is extended on subsided rates. They are very clean and they provide wholesome food and beverages round the clock.

xiv) CO-OPERATIVE SOCIETY:

The co-operative society supplies essential commodities at reasonable rates to the employees. The society has more than 1300 members.

xv) TRANSPORT:

Arrangements are made with Tamil Nadu State Transport Corporation to ply buses to the plant to coincide with the shift timings. Most of the employees have their own vehicles.

xvi) CYCLE/ SCOOTER/ CAR PARKING:

Facilities are provided in all work areas to enable employees to park their personal vehicles well protected from the elements of nature.

The company reimburses partly the expenses incurred by the employees in maintaining and utilizing personal vehicles for official work.
xvii) CASHIER SERVICES:

The accounts department has spot service facilities to disburse money. T.A. bills, medical claim bills, at the place of work in the CRM complex.

xviii) CO-OPERATIVE HOUSE BUILDING SOCIETY:

The company has provided fifteen acres land at a cost of rupees twenty-five thousand per acre for the benefit of employees who are keen to construct houses.

xix) MONET:

For entertainment to the resident of Mohan Nagar MONET (Mohan Nagar Network) system is installed. The dish antenna gives worldwide news and entertainment.

xx) LANDSCAPING:

Extensive lawns, avenue trees along the eight-kilometer steel plant road, shrubs and plant form a beautiful landscape which is a feast for the eyes. The SSP has a nursery where plants are propagated and used for a forestation purposes. A park named “Nehru park” is provided for the resident of the township.

xxi) WATER:

Water supply for the plant and township is drawn from the river Cauvery at Poolampatti
6) GRIEVANCE REDRESSAL SYSTEM

Grievance is a complaint stemming from an injustice or injury, real or imaginary suffered by an employee for whom he seeks redress or relief from the management. The complaint may be both job related or otherwise.

With regard to this, Salem Steel Plant had its own thermal system of handling grievance management consisted of bipartite forums. Since 1985, SSP had only informal system of handling grievances.

This system consists of

1. Recording grievance in the register

2. Meeting directly with the personnel executives, head of the department and other concerned executives.

The line manager is considered to be responsible for solving all the problems of the employees. The executive of the personal and other service departments aids and support the line manager in solving the individual grievances.