CHAPTER VI

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

Reward management is considered as one of the crucial element in an organization. If it is not properly managed, it may cause reduction in productivity, increase employee turnover, increase wastage, absenteeism, accidents, etc. In each and every organization the main aim will be to maximize productivity and thereby maximum profit. The other side of the token, the employees’ aim will be to maximize their earnings to satisfy their needs.

The organizational efficiency is dependent on technological and various non-technological factors. But the organizational efficiency to a large extend is dependent on the efficiency of labour. Even the machine efficiency also is dependent on the labor that operates it. It is no doubt that the manpower of all types being the fundamental resource of industry, its effective organisation and control remains the prime task of those responsible for production.

The major determinants of labour efficiency are the personal skills and capabilities of the worker, the work facilities and work environment, and the motivational inputs provided to them. In order to increase the overall productivity of the organization there should be a combination of technological and various non-technological factors.

This study revealed that among the above determinants, the employees are not much bothered about the work facilities, at the same time they are much bothered about the rewards. The skills and capabilities to a certain extend can be
increased by proper training. But as a motivational input, a developing country like ours, especially in Kerala’s Public Sector Undertakings, the most important motivating factor is rewards. So reward management is very important for satisfying the needs of the employees and thereby increased productivity. The employees are motivated by rewards and incentives which will enable them to satisfy their needs. If an individual does not have a need, he may not do any work. Need is the base of motivation.

The socio-economic background of the workers will have an influence on the satisfaction level of the workers. That means the satisfaction derived from, the same amount of incentives to two persons may not be same. This study covers a careful analysis of the socio-economic background of the workers and satisfaction with salary, incentives and work environment. The socio-economic background of the workers affects the productivity also. That is, the productivity of two workers doing the same kind of work may not be the same. There may be difference on the basis of the socio-economic background of the workers. Almost all the aspects to increase the overall productivity of the organization are critically analyzed in this study.
The Major Objectives of the Study are Recapitulated below:

1. To study the relationship between the socio-economic background of the employees and satisfaction with salary, incentives and working conditions.

2. To trace out the reasons for dissatisfaction with salary, incentives and working conditions.

3. To trace out different incentives and its effect on employees.

4. To throw light on various factors affect labour productivity.

5. To analyse the relationship between the socio-economic background of the employees and their productivity.

6. To highlight the pitfalls in the incentive system in public sector enterprises.

7. To identify the problems and difficulties experienced by the employees of public sector undertakings.

8. To analyse the role of various incentives in promoting more accountability and thereby increased labour productivity.

9. To design an effective incentive scheme for the public sector enterprises.

10. To offer suggestions on the basis of the findings and conclusions of the study, so that deficiencies and shortcomings can be rectified.
Methodology of the Study

The primary data collection was conducted in two stages. In the first stage a sample comprised of 600 respondents were selected. Out of this 600, 150 respondents each from Kochi Refineries Ltd. (KRL), Fertilizers And Chemicals Travancore Ltd. (FACT) and Travancore-Cochin Chemicals Ltd. (TCCL) and 75 respondents each from Hindustan Organic Chemicals (HOC) and Hindustan Machine Tools (HMT) were selected. In the second stage a sample comprised of 150 respondents were selected. Out of this 150, 50 respondents each from, Kochi Refineries Ltd. (KRL), Fertilizers and Chemicals Travancore Ltd. (FACT) and Travancore-Cochin Chemicals Ltd. (TCCL) were selected. The researcher with the help of an interview schedule interviewed the respondents. While selecting the respondents due importance was given to age, sex, nature of work, length of service, etc., of the respondents.

In the foregoing chapters an attempt was made to analyze the role of incentives in increasing labor productivity based on selected public sector undertakings in Kerala. This chapter is divided into three sections. Section A contains the summary of the findings of the study, Section B contains the conclusions of the study and Section C contains the suggestions emanating from the findings and conclusions of the study.
Section A

Summary of Chapters

The first chapter is the introductory chapter, which encompasses the objectives of the study, hypotheses set, the variables studied, concepts and definitions used in the study, the methodology adopted for data collection and survey design of the study. A brief account of the role of incentives in labor productivity is also given in this chapter.

The second chapter describes a theoretical perspective of incentives and labor productivity. It gives an overview of the existing theories of motivation and remuneration. It also provides different measurements to find out productivity.

An account of the available literature on incentives and productivity is given in the third chapter.

The next two chapters i.e., chapter IV and chapter V comprise the analysis of primary data, collected through a field survey. The results are interpreted in these chapters. The main focus of these chapters is the role of incentives in labor productivity. Chapter V specially focuses on the relation between the socio-economic background of the workers and their productivity and also the relative importance of incentives in improving the productivity.

The sixth and last chapter contains the findings of the study, the conclusions arrived at by the researcher and the suggestions made on the basis of the findings and conclusions of the study.
Findings

The major findings of the study are summarized below:

I. Satisfied/Dissatisfied with Working Conditions

1. 87.5 per cent of the workers are satisfied with the working conditions.

2. 12.5% of the respondents are not satisfied with the working conditions.

II. Age-wise analysis of Employees Satisfied with Working Conditions

1. All employees who fall the age group of above fifty are found satisfied with the working conditions.

2. 95.45% of the employees fall under the age below twenty-five is satisfied with the working conditions.

3. 87.39% of employees with in 36-50 years of age are satisfied.

4. 80.86 per cent of the employees between the ages of 26-35 are satisfied.

III. Age-wise analysis of Employees Dissatisfied with Working Conditions

1. The employees between the ages of 26-35, 19.14 per cent are dissatisfied with the working conditions.

2. 12.61 per cent of the employees with in the age of 36-50 are dissatisfied.

3. The employees having the age below twenty-five years, 4.55 per cent are dissatisfied.

4. Employees above the age of fifty, nobody is found dissatisfied with the working conditions.

IV. Length of Service and Satisfaction with Working Conditions

1. All the employees who are having above thirty years of service are found satisfied with the working conditions.
2. Employees having 26-30 years of service, 95.24 per cent are found satisfied.

3. Employees between 16-25 years of service, 87.13 per cent found satisfied.

4. Employees with in 6-15 years of service, 86.73 per cent are satisfied.

5. In case of employees less than five years of service, only 78.57 per cent are satisfied with the working conditions.

V. **Length of Service and Dissatisfaction with Working Conditions.**

1. The dissatisfaction is the highest among the employees having less than five years of service (21.43%).

2. The second highest is 6-15 years of service (13.27%).

3. Employees between 16-25 years of service, 12.87 per cent found dissatisfied.

4. Employees having 26-30 years of service, 4.76 per cent are dissatisfied.

5. Employees having above thirty years of service, nobody is found dissatisfied with the working conditions.

VI. **Company wise data on Satisfaction with Working Conditions**

1. Among the five public sector undertakings taken into the study, the employees satisfied with the working conditions is found high in FACT (98.67%).

2. Ninety two per cent of the employees of HMT and HOC are found satisfied.

3. In KRL, 84.67 per cent found satisfied.

4. The lowest satisfaction percentage is with the employees of TCCL (74.67%).

VII. **Reasons for Dissatisfaction with Working Conditions**

1. Forty per cent of the employees dissatisfied with the working conditions expressed the reason for dissatisfaction as lack of friendly attitude by the supervisors and management.
2. Thirty five per cent point out other reasons for dissatisfaction.

3. Only twenty five per cent of the employees point out the reason as lack of safety measures.

4. Participative management found effective in improving employee satisfaction.

VIII. Communication

1. Lack of proper communication is found one of the major problems in the public sector undertakings.

2. There is no proper flow of communication in the organizations.

IX. Satisfied/Dissatisfied with Salary

1. Fifty five per cent of the employees are found satisfied with their salary.

2. Forty five per cent are not satisfied with their salary.

X. Age wise analysis of Satisfaction with Salary

1. On the basis of age, the satisfaction with salary is high among the employees having above fifty years of age. About seventy four per cent of them are satisfied with their salary.

2. The second highest satisfaction is with the employees having the age with in 36-50. Sixty three per cent of them are satisfied with their salary.

3. The lowest satisfaction is among the employees having 26-35 years of age (35.55%).

4. The satisfaction with salary is found high among the aged employees and low among the young people. The main reason for this difference is the difference in needs among the two groups. Another reason is that in case of aged workers, when compared with the young workers, the efforts taken by them and also their
qualification is much low at the same time they are getting more pay on the basis of length of service, so they are satisfied with the salary.

XI. **Satisfaction with Salary on the basis of Sex**

1. Sex wise female employees are found more satisfied with their salary. Sixty two per cent of them are satisfied with their salary.

2. In case of male of employees only fifty three per cent are satisfied with their salary.

XII. **Satisfaction with Salary on the basis of Religion.**

1. There is no relationship exist between religion in which the worker belong and his satisfaction with salary.

2. Among the Christians, 61.62 per cent found satisfied with the salary

3. 51.86 per cent of the Hindu workers are satisfied with the salary

4. Among the Muslims, 50.77 per cent found satisfied.

XIII. **Marital Status and Satisfaction with Salary**

1. Married employees are found more satisfied with their salary. Fifty eight per cent of the married employees are satisfied with their salary.

2. Among the unmarried employees only thirty two per cent are satisfied with their salary.

XIV. **Spouse of the Worker Employed or not and Satisfaction with Salary**

1. It is found that the satisfaction is high among the employees whose spouses are not employed (55%).

2. In case of employees whose spouses are also employed, only forty five per cent are satisfied.
3. It is supposed that if both husband and wife are employed their family income will be high and they might be satisfied with their salary. The study found out the reasons as; if both husband and wife are employed they will try to spend more. When the earnings is more the needs also will be more. They will try to achieve the higher needs. If they are not able to achieve those needs the dissatisfaction will arise. Another aspect is that they will try to compare the salary of both. It is a psychological feeling that the fewer earners will be dissatisfied.

XV. Educational Qualification and Satisfaction with Salary

1. On the basis of educational qualification, highly qualified employees are found more satisfied with their salary. The satisfaction is high among the professionally qualified employees (72.84%).

2. The satisfaction is low among low qualified employees. Among the diploma holders only thirty three per cent are found satisfied with their salary. It indicates that the employees doing manual job are less satisfied with their salary.

3. The employees with higher qualification than required for the post, found dissatisfied with their salary.

XVI. Nature of Work and Satisfaction with Salary

1. The satisfaction is high among the managerial employees. All the top level managers are found satisfied with their salary. Eighty six per cent of the middle level and sixty six per cent of the lower level managers are found satisfied.

2. The satisfaction level is low among the labor class employees. Only thirty eight per cent are satisfied with their salary.

3. Among the clerical staff fifty three per cent found satisfied.
XVII. Length of Service and Satisfaction with Salary

1. The satisfaction is high among the employees having long years of service. The employees having above thirty years of service, eighty three per cent of them are satisfied with the salary.

2. The satisfaction level of employees having services of 26-30 years (76.74%), 16-25 years (64%), 6-15 years (39.15%) and below five years (34.94%).

XVIII. Salary Amount and Satisfaction with Salary

1. The satisfaction is high among the employees getting high amount of salary. All the employees getting above twenty five thousand rupees salary are found satisfied.

2. Ninety seven per cent of the employees drawing a salary of rupees 20001-25000 are satisfied with their salary.

3. The percentage of satisfaction among the employees getting less than five thousand rupees salary is found very low (20%).

XIX. Company wise data on Satisfaction with Salary

An analysis of company wise data on satisfaction with salary reveals that the satisfaction is high among the employees of FACT (90%), followed by HMT (57.33%), HOC (53.33%), KRL (48.67%) and TCCL (25.33%) in the second, third, fourth and fifth position respectively. Here it is interesting to note that the satisfaction with salary among the employees of KRL stands fourth in position. When compared to all other companies KRL is paying high salary, at the same time the employees are less satisfied. The reason for this is KRL is making more profits and the employees are of the view that it is due to the efficiency of them and so they are demanding more as share of the profit. FACT is now going in a loss, even
though, the employees are more satisfied with their salary, because they are fully aware of the position of the company. Some of the employees are even afraid of the security of job also.

**XX. Reason for Loss in the Public Sector Undertakings**

1. So many reasons can be pointed out for the dismal performance of public sector undertakings. One of the important reasons for loss in public sector undertakings is that the management is not able to utilize the full efficiency of the workers. The reason for this can be attributed as lack of facilities in the work place, mismanagement, inadequate motivation etc.

2. Political instability and over interference of trade unions at the work place can be posed as other major reason for the dismal performance.

3. The reward is not based on the labor productivity.

4. In almost all the public sector undertakings the labor strength is very high. It should be reduced.

5. Due to political interference, there is a practice of appointing less qualified employees.

6. The measures taken in the organizations are only for immediate result and not giving due care for the future prospects.

7. There is no efficient supervision in the organizations. The supervisors play an important role in increased labor productivity. There is no proper training facility to the supervisors also.

8. The incentives provided are inadequate to motivate. Due importance is not given to non-monetary incentives.
XXI. Union Participation and Participation in Strikes

1. About fifty per cent of the employees are active in trade union.

2. Seventy five per cent of the employees are participated in one or more strikes.

3. Seventy seven per cent of the employees, who participated in strikes, pointed out the reason for strike as for getting more salary and incentives. It reveals that in majority of the public sector undertakings, the salary and incentives are insufficient to motivate the workers.

4. In Kerala’s public sector, due to over influence of labor unions, the employees are not fully offering their efforts and at the same time demanding more salary.

5. The labor unions are reluctant to accept the suggestion linking wages with productivity.

XXII. Reasons for Dissatisfaction with Salary

1. Sixty five per cent of the employees expressed the reason for dissatisfaction with salary as the present salary is not at par with the cost of living.

2. Fifty per cent of the employees pointed out the reason as the same kind of employees in the same industry are getting more than that of what they are getting.

3. Twenty six per cent of the employees opined that the present salary is not enough for the work done by them.

4. Eight per cent expressed that their work requires expertise and getting a substitute is not easy, so they expect more.

XXIII. Salary Differentials

1. Fifty one per cent of the employees expressed that there is difference in salary among the same class of employees.
2. Fifty eight per cent of the employees, who opinioned that there is difference in salary, revealed that it does not affect their morale or commitment to work. The reason for this as: seventy threes per cent of the employees pointed out that the difference is on the basis of length of service, others expressed the reasons as the friendly attitude of the management (7.91%), better future prospects (12.43%), other reasons (11.30%) and one employee revealed that his efficiency is less.

3. Twenty per cent of the employees revealed that there is difference in salary in the same class of employees and it affects their morale and ultimately their efficiency unfavorably.

4. Salary differential in the same class of employees is found another reason for low productivity.

XXIV. Relation between Salary hike and Commitment to Work

1. Among fifty nine per cent of the employees, the commitment to work has increased after the hike in salary.

2. Thirty eight per cent of the employees expressed that the commitment to work has not increased after the salary hike.

3. The reasons pointed out as (a) sixty two per cent of them expressed that they are doing the work with their maximum efficiency. So there is no question of increase in efficiency after the salary hike, (b) the hike was below to their expectation (25.54%).

4. In short, if the salary hike would have been up to the expectation of the above sixty two per cent, it can be concluded that seventy four per cent of the
employees are of the view that the salary hike will increase their commitment to work.

**XXV. Search for another Job**

Thirty two per cent of the employees revealed that they searched another job. The reasons pointed out as: (a) sixty per cent searched another job for better future prospects, (b) for more salary (45%), (c) for better working conditions (16.67%). Most of the workers expressed both reasons (a) and (b). The employees are very sensitive on salary and better future prospects.

**XXVI. Employees Satisfied and Dissatisfied with Incentives**

1. The study found that fifty two per cent of the employees are dissatisfied with the incentives.

2. When compared to satisfaction with salary (54.83%) it is found that the satisfaction with incentives (47.67%) is less.

3. The influence of incentives in increasing labor productivity is much more than the salary.

**XXVII. Age and Satisfaction with Incentives**

1. The satisfaction with incentives is high among the aged employees. Employees above the age of fifty, fifty eight per cent are satisfied. Employees with in the age of 36-50, fifty two per cent are satisfied and 26-35, forty per cent are satisfied with the present incentives.

2. The study found that in case of satisfaction with working conditions, salary and incentives, aged employees are more satisfied. But when compared with the
satisfaction percentage of the three, the satisfaction with incentives is the lowest. It again indicates the importance of incentives.

3. The satisfaction is low among the employees below the age of twenty five. Only nine per cent of them are satisfied with the incentives.

**XXVIII. Sex and Satisfaction with Incentives**

1. Sex wise, female employees are more satisfied with the incentives. Sixty four per cent of the female employees found satisfied with the incentives.

2. In case of male employees only forty four per cent are satisfied with incentives.

**XXIX. Religion and Satisfaction with Incentives**

This study found no relationship between satisfaction with incentives and religion in which the worker belongs.

**XXX. Marital Status and Satisfaction with Incentives**

This study found that the married employees are more satisfied with incentives. Forty nine per cent of the married employees are satisfied with the incentives. In case of unmarried employees, only forty per cent are satisfied with the incentives. It again clarifies the finding that the young employees are more dissatisfied with the incentives.

**XXXI. Spouse Employed or not and Satisfaction with Incentives**

The satisfaction is high among the employees whose spouse is not employed (54.73%). Only forty six per cent of the employees, whose spouse also employed are satisfied with the incentives.
XXXII. Education and Satisfaction with Incentives

On the basis of educational qualification professionally qualified employees are found more satisfied with the incentives (65.43%). The satisfaction is low among the diploma holders (25.85%). It indicates that the labor class employees are the more dissatisfied group in the workplace, because most of the diploma holders belong to labor class. Education wise, highly qualified employees are found more satisfied with the incentives. But most of the over qualified employees (more qualifications than what is required for the post) are found dissatisfied with the incentives.

XXXIII. Nature of Work and Satisfaction with Incentives

1. The satisfaction is high among the managerial employees. All the top level managers are found satisfied with their incentives. Seventy four per cent of the middle level and seventy seven per cent of the lower level managers are found satisfied.

2. The satisfaction level is low among the labor class employees. Only twenty five per cent of them are satisfied with their incentives.

3. Among the clerical and non-clerical staff fifty per cent are found satisfied.

XXXIV. Length of Service and Satisfaction with Incentives

With reference to the length of service the satisfaction is the highest among the employees having 26-30 years of service (69.78%). It is low among the employees having less than five years of service (30.12%). In short the satisfaction level is increasing on the basis of length of service. But the satisfaction among the employees having above 30 years of service is less than that of 26-30 years
In case of satisfaction with salary this group is the highest satisfied group. A personal interview with this people found that they are expecting some non-monetary incentives from the management. They complained that they are not getting proper recognition from the management. That is regarded as the reason for low satisfaction.

XXXV. Salary and Satisfaction with Incentives

The satisfaction is high among the employees getting high amount of salary. All the employees getting above rupees twenty five thousand are found satisfied with their incentives also. Ninety per cent of the employees getting a salary of rupees 20001-25000 are found satisfied. The satisfaction is low among the employees getting below five thousand rupees salary (11.11%). It is found that the satisfaction with incentives is increasing on the basis of increase in salary. So there exists a positive relation between salary and satisfaction with incentives.

XXXVI. Reasons for Dissatisfaction with Incentives

1. Sixty seven per cent of the employees expressed the reason as the incentives should be increased on the basis of cost of living.

2. Twenty eight per cent are of the view that the incentives should be increased on the basis of length of service.

3. Eighteen per cent opined that the incentives should be increased on the basis of the post occupied.

4. Only 4.77 percentage of the respondents opined that the incentives should be increased on the basis of productivity.

5. The employees are reluctant to accept linking rewards with productivity.
XXXVII. Freedom of Decision Making

Forty three per cent of the employees opined that they don’t have a voice in decision making in the organization. Out of this forty three, sixty five per cent are of the view that if they are getting the decision making opportunity their efficiency would increase. But thirty per cent of the employees are of the view that even if they are getting the decision making opportunity there will not be any change in efficiency. The reason pointed out for this as the work is such that it is not possible to take an individual decision. Participation in decision making is important for increasing the efficiency of the workers and thereby increased productivity.

XXXVIII. Monetary and Non-monetary Incentives and Labor Productivity

1. Money is a strong motivator, which affect labor productivity also.

2. Eighty percent of the employees strongly believe that monetary and non-monetary incentives will affect labor productivity.

3. Eighteen per cent believe that it will not affect labor productivity. The reasons pointed out as commitment to work (67.89), friendly attitude of the management (18.35%) and other reasons (13.76%).

XXXIX. If getting more Incentives, Efficiency increase or not

1. Sixty eight per cent of the employees opined that if they are getting more incentives they will do the work more efficiently.

2. Thirty per cent are of the view there may not be any change in efficiency even if there is an increase in incentives.

3. The reasons expressed for no change in efficiency as, 67.42 per cent revealed that presently they are doing the work with maximum efficiency, incentives is not a
concern for me (33.15%), non-friendly attitude of the company (7.87%), working conditions (lack of adequate machinery/technology etc.) (2.81%) and other reasons (4.49%).

XXX. Effect of Efficiency, if the Incentives are reduced

1. Of the above thirty per cent opined that there may not be any change in efficiency even if there is an increase in incentives, Sixty three per cent of them expressed that if the incentives are reducing their efficiency also will reduce.

2. But thirty seven per cent of them again expressed that there may not be any change in efficiency, because incentives is not a concern for them.

3. Of the total respondents, sixty nine per cent of the employees opined that if the incentives are reducing the efficiency also will reduce.

4. Thirty one per cent claimed that there will not be any change in efficiency.

The reasons pointed out as, commitment to work (58.29%), possibility of better future prospect (18.18%), present incentives are more than enough (2.67%), lack of other opportunities (10.70%), friendly attitude of the management (7.49%) and other reasons (2.67%).

5. It is also found that all of the employees, who claimed that the present incentives are more than enough, are top managerial staff and aged above fifty. It is already found that they are more satisfied with the rewards and they are not much concerned about the rewards.

6. Now it is clear that a reduction in incentives will affect the labour efficiency unfavourably. It has an immediate effect on the efficiency of the workers. Where as
the degree of effect on the efficiency of the workers, while increasing the incentives is gradual.

**XXXI. Productivity**

1. The overall productivity of an organization is largely dependent on labor productivity and the labor productivity is dependent on the motivating power of the organization. There are three important elements that influence productivity; they are capital, technology and people. An efficient utilization of these three elements will ensure higher productivity.

2. Especially in case of process industries, where collective effort required for production, no effective method is available for measuring the individual productivity.

3. Dividing the total production by the number of workers is not a good measure for finding out the individual productivity, because the efficiency of all the workers may not be identical.

4. The supervisor is the right person to measure individual productivity. The measurement should be based on time and motion study (i.e., time taken for doing a particular work and the way of doing a particular work), decision making capacity in the work, behaviour at the work place (i.e., attitude of the worker towards the superiors and co-workers), initiative, readiness to accept the orders, work perfection, punctuality in time (attendance) etc.
XXXII. socio-economic background and Labor productivity

(a) Age and productivity

1. Against the general notion that age of the worker and productivity are inversely correlated, the study found that the productivity is maximum for middle aged workers (Age 36-50) and minimum for young people.

2. The employees who fall under the age up to 35, 56.8 percentage’s productivity is low, 34.1 percentage’s productivity is medium and only 9.1 per cent have high productivity.

3. The maximum productivity is with the employees falling the age between 36-50 years. Among the group, 30.3 per cent have high productivity, 43.9 per cent have medium and 25.8 per cent have low productivity.

4. In case of employees above the age of 50, fifteen per cent have high productivity, 30 per cent have medium and 55 per cent have low productivity.

5. Another important aspect revealed by the study is of the 150 respondents analysed, only 20 per cent have high productivity, 37.3 per cent have medium and 42.7 per cent have only low productivity.

6. The chi-square test reveals that there is close association between age and labor productivity.

(b) Sex and Labor Productivity

1. Sex wise, man is superior to woman in productivity. Twenty one per cent of the male workers have high productivity. Where as only fifteen per cent of the female workers have high productivity.

2. In case of clerical work the female workers are found more efficient.
3. Male employees found high in high and low productivity. It indicates that the factors which affect labour productivity have more influence on male workers.

4. The chi-square test reveals that there is relationship between sex and labor productivity

(c) Religion and Labor Productivity

1. No close relationship exist between the religion in which the worker belongs and his productivity.

2. Among the Christians 37.5 percentage’s productivity is low, 41.7 percentages’ productivity is medium and 20.8 percentage’s productivity is high. Among the Christians and Hindus, the productivity has not much difference. But some differences exist in case of Muslim workers. Among them 65 per cent have low productivity, 25 per cent have medium and only 10 per cent have high productivity. This difference may be due to, the count of the Muslim workers is very less and most of them are lower level female workers. So it can be concluded that there is no close relation exist between the religion in which the worker belongs and productivity.

(d) Marital Status and Labor Productivity

1. No strong relationship exists between marital status of the employees and their productivity.

2. The productivity of unmarried employees found less than that of married employees.
(e) Spouse Employed or not and Labor Productivity

1. There is no close association between the spouse of the employee employed or not and labor productivity.

2. Among the employees whose spouse employed, the low, medium and high productivity is 35.1%, 42.1% and 22.8% respectively. In the unemployed category it is 45.1%, 34.1% and 20.7% respectively.

(f) Nature of Work and Labor Productivity

1. The chi-square test reveals that there is no close association between nature of work and labor productivity. However, the productivity table reveals that there exist some relation between the nature of work and productivity.

2. The productivity is maximum among the managerial staff, middle level managers ranks high in the higher productivity (45.8%).

3. The productivity is low among the labour class employees, it is found that among the labor class employees, only 3.3 per cent have high productivity, 33.3 per cent have medium productivity and 63.3 percentage’s productivity is low.

4. The second position in low productivity is with the clerical staff (38.5%). Low productivity is lowest among the lower level managers (14.3%).

(g) Educational Qualification and Labor Productivity

1. There is close association between educational qualification of the worker and productivity.

2. Professionally qualified workers have maximum high productivity (47.1%) followed by graduates (27.8%), matriculate (16.1%), Post graduates (15.4%),
diploma holders (12%), pre-degree holders (8.3%) and below matriculation (6.3%) in the second, third, fourth, fifth, sixth and seventh position respectively.

3. Comparatively the productivity is found high among the highly qualified employees.

4. Appointing people with higher qualification than required for the post is found a common phenomenon in Kerala.

5. Most of the over qualified employees seems to be dissatisfied with the present job and their productivity also is very low.

(h) Length of Service and Labor Productivity

1. The productivity of employees having 6-30 years of service is found comparatively high.

2. The productivity is found very low among the employees having above thirty years of service. The productivity employees above thirty years of service are 65.5%, 20.7%, 13.8% as low, medium and high respectively.

3. The chi-square analysis revealed that there is close association between length of service and labor productivity.

(i) Participation in Decision Making and Labor Productivity

1. There is close association between participation in decision making and labor productivity.

2. The productivity of employees who get participation in decision making is found high and it is low among not getting opportunity in decision making.

3. The productivity of employees getting participation in decision making is found 22.2%, 43.3%, 34.4% as high, medium and low respectively. Where as in case of
employees not getting the participation the productivity is 16.9%, 28.8%, 54.2% as high, medium and low respectively.

(j) Labour Union Participation and Labor Productivity

1. The productivity of employees active in labour unions found low. The high, medium and low productivity of them are 11.8%, 33.8% and 54.4% respectively. Where as, the employees who are not active in labour unions, the high medium and low productivity are 26.3%, 40.0% and 33.8% respectively.

2. The labour unions are reluctant to accept the suggestion linking wages with productivity.

3. In Kerala’s public sector, the labor union movements is not found healthy.

4. The productivity of most of the union leaders found very low, they are not doing the work properly instead they are engaged with the union works.

(k) Satisfaction with Working Environment and Labor Productivity

1. The employees who are highly satisfied with the working environment are found highly productive. The employees having low satisfaction, the productivity also is found low. Among the highly satisfied workers the high, medium and low productivity are 22.1%, 43.4% and 34.5% respectively. In case of medium satisfied workers the high, medium and low productivity are 20.8%, 20.8% and 58.3% respectively. At the same time in case of employees having low satisfaction nobody is there with higher productivity, only fifteen per cent have medium and eighty five per cent have low productivity only.

2. There is close relationship exist between satisfaction with working environment and labor productivity.
(l) **Salary and Labor Productivity**

1. The employees drawing high amount of salary found highly productivity.

2. The high productivity is highest among the employees drawing a salary of rupees 25001-30000 (75%). But comparatively the productivity is high among the employees drawing a salary of rupees 15001-20000.

3. The employees drawing a salary of rupees less than five thousand are found less productivity. 87.5 per cent of them have low productivity and the remaining 12.5 per cent have medium productivity only.

**XXXXXIII. Satisfaction with Salary, Incentives and Working Environment and Labor Productivity**

1. There is positive correlation between satisfaction with salary, incentives and working environment and labor productivity.

2. The correlation coefficient is high with the satisfaction with incentives (0.553) and labor productivity. Hence it is proved that the satisfaction with incentives is more important in increasing labor productivity.

3. The second highest correlation is with satisfaction with salary (0.419). In case of satisfaction with environment, it is 0.387.

**XXXXXIV. Contribution of the variables, Satisfaction with Salary, Incentives and Work Environment in Labor Productivity**

1. The regression analysis reveals that among the satisfaction with salary, incentives and working conditions, satisfaction with incentives is the highest contributing factor in labor productivity (coefficient is 0.424).
2. It indicates that satisfaction with incentives contribute 42.4 per cent in labor productivity.

3. Satisfaction with work environment contribute 19 per cent in labor productivity (coefficient is 0.190).

XXXV. Class System in Work

In our country, the caste system affects negatively on productivity. This caste system divides the work into different classes. Some works and workers are supposed to be superior and some others are supposed to be inferior. This ‘class system’ in work created a big problem in our work view. This study found that the main reason for dissatisfaction with the monetary and non-monetary rewards and thereby low labour productivity is the ‘class system’ in work.
Section B

Conclusion

The findings summarized in the previous section have lead to the following conclusions:

1. Employees generally are not much bothered about the working conditions.

2. Older and longer served employees are found more satisfied with the working conditions. It indicates that the aged employees are not much bothered about the working conditions, instead they are preparing for their retirement. With the organization almost all of their needs were satisfied.

3. The major reason for dissatisfaction with working conditions can be described as lack of friendly attitude by the supervisors and management. The management is not recognizing the efforts taken by the employees.

4. Employees expect good relationship with management than physical working conditions.

5. Unmarried employees have more aspirations and therefore they expect more from the work. So they found more dissatisfied with their salary. Most of the young employees are of the view that they are doing the work more efficiently than others and they are more qualified also, but at the same time getting the same or low salary. The management is not taking effective step to communicate the reasons for such difference.

6. The labor class employees found more dissatisfied with their salary. They are of the view that when compared to the managerial staff they are doing more manual work, but getting only lower pay. Here the problem is lack of proper
communication. It is the task of the management to communicate the reasons for this change to the employees.

7. The satisfaction with salary is increasing on the basis of increase in length of service.

8. There exists a positive relationship between the salary amount and satisfaction with salary.

9. One of the major reasons for labor agitation and low productivity can be seen as inadequacy of salary and incentives.

10. The main reason for dissatisfaction with salary is that the amount is not at par with the cost of living.

11. Aged employees are found more satisfied with their present salary and incentives.

12. The productivity is largely dependent on the labor class people. The study found that the labor class people are more dissatisfied with the salary and incentives. This can be indicated as the main reason for low productivity in the public sector undertakings. When compared to the rewards to the managerial staff, rewards to the labor class are much low. This difference should be minimized; otherwise there should be sufficient clarification for the difference and it should be properly communicated to the workers.

13. In order to utilize the full efficiency of the aged employees, it is required to provide more importance to non-monetary incentives.
14. Most of the employees are aware that they are not utilizing their efficiency fully. For that they are forwarding the reason as the salary and incentives provided by the organization is not sufficient to motivate.

15. It can be concluded that in Kerala’s public sector, the average labour productivity is only medium.

16. Most of the young unmarried employees are not satisfied with their work itself and their productivity also is very low.

17. Appointing over qualified employees is not good for the organization.

18. There is close association between age of the worker, sex, length of service, educational qualification, participation in decision making, active participation in labor unions, satisfaction with work environment, satisfaction with salary and satisfaction with incentives and labor productivity.
Section C

Suggestions

Based on the findings and conclusions drawn from the study, the following suggestions seem feasible for improving the overall productivity of the public sector undertakings.

1. Incentives alone may not enhance productivity. At the same time there should be good relationship between management and workers.

2. Devise and implement an incentive system in which employee bonuses should be related with productivity.

3. There should be an effective appraisal system clearly differentiating between the excellent, the good, the average and the poor performers in the organization.

4. Before offering productivity based incentives the organization should see whether the circumstances are suitable or not. In other words the organization should check whether it is in line with its plans and the resources to manage it is available or not. Before introducing the system the organization should make sure that how many employees would be covered by it, how performance would be measured, frequency of the payouts and the degree of employee responsibility etc.

5. The productivity based incentives should be the same for all and the employees should be treated as a single entity.

6. It is preferable to pay the productivity related incentives and bonuses frequently, say on a monthly basis. With a bonus in his pocket the employee will himself set an equal or in most cases a higher target for the next month.
7. Where the manpower base is very large, productivity linked incentives should be designed for smaller groups performing similar tasks.

8. There should be provision for reviewing the performance appraisal system and salary and incentives system. If the employees are not satisfied with the incentives or performance appraisal system, it is better to review it as early as possible.

9. A productivity based incentive scheme should have clear measurement criteria and as far as possible the evaluators should be few. In such scheme the chances of manipulation will be lower.

10. When ever the organization make a change in the existing incentive scheme, make sure that it is communicated to all the concerned employees well before it is announced.

11. The incentives should be paid in time at a predetermined frequency, which can either be monthly, quarterly or half yearly or even yearly. It is advisable to avoid too much gap between the payouts.

12. The incentive scheme should include a higher pay for highly productive workers. In such cases importance should be given to non-monetary incentives also.

13. If an employee is being transferred from a position where he/she was eligible for incentives, to a position where he/she is not eligible for incentives, then make sure that he/she is suitably compensated.

14. In highly automated work environment productivity linked incentive plans may be unnecessary.

15. The job should be assigned to the right person, it should be clearly defined, assign responsibilities and set tight but realistic deadlines.
16. There should be team work in the organization. It will improve productivity.

17. Frequent meetings reviewing the performance of the employees are essential. It should find out the drawbacks and should be rectified.

18. There should be provision for prompt resolution of employee grievances. In problems corrective action should be taken. If employees are not satisfied with the manner in which their grievances were handled by the managers, let them to approach the next management level.

19. Sufficient powers should be delegated to the employees.

20. The employees should get participation in decision making.

21. The management should make the employees aware that they have scope for higher earnings provided they improve their productivity.

22. Before allocating a particular work to a worker or to a group, make sure that they are capable to do it.

23. There should be provision for good supervisors to monitor the work and they can play a big role in motivating the workers. So it is advisable to provide leadership training to the supervisors.

24. It is advisable to keep referring the names of outstanding performers in the company journals or seminars or other sources of information.

25. There should be co-ordination and team work between various departments.

26. The employees should be consulted for their ideas for improving productivity.

27. Do not over utilize the employees who are more capable, give the inexperienced ones a chance too. Improvement comes from exposure.
28. Always be result oriented and make the best use of available resources by integrating and coordinating them wherever required.

29. It is required to maintain an open door policy in the organization. That is for example, the middle line managers should be able to easily access the senior management. So that the suggestions to improve will reach the right man and it will be critiqued, evaluated and implemented quickly. In the same way all the workers should get an access to their superiors.

30. Ensure that technically trained persons do not have to do mundane or non-technical jobs.

31. Productivity will be higher where organization structure is simple, the management is responsible and leadership is excellent.

32. Absenteeism is a major deterrent to productivity, lay focus and stress up on regular attendance.

33. There should be provision for quick and proper communication between the management and workers.

34. Do not hesitate in removing incompetent managers from their positions.

35. Tighter controls could be necessary but rigidity could have a negative effect on productivity.

36. When forming teams, it is advisable to put together people with different backgrounds. The ability to see things in different perspectives will be beneficial for improved productivity.

37. Increased job security will result in increased worker commitment and which will in turn result in increased productivity.
38. Creating a feeling of dignity to all work is very important in increasing labor productivity. The inherent worth of all workers should be acknowledged and their dignity upheld.

39. In an ever changing environment, technical, socio-economic or political reasons can be a cause for decrease in productivity. The organization should be keen in technological up gradations and to make change to cope with the situations.

40. Good reward management is only one part for increased labor productivity. The other part, the management should be able to meet other requirements of the workers.

The performance of the public sector undertakings in Kerala State is not satisfactory. Majority of the public sector undertakings are working in a dismal way. In order to change the situation, it is required to change our work view itself. In most of the organizations mismanagement can be placed as one of the important reasons for low productivity. There should be good employer – employee relationship in the work place. The employees should be properly motivated. In a developing country like ours the reward management is very important in motivating the workers. In reward management, monetary and non-monetary incentives play a big role in improving the labor productivity.

In order to have an increased productivity, the employees should be satisfied with the working environment and also with the rewards. The socio-economic background of the employees will affect the satisfaction level of the employees. The socio-economic background of the worker affects the labor
productivity also. So the management should consider all these aspects while fixing the incentive scheme. It is also to be noted that the incentives alone will not contribute higher productivity; there should be a combination of all factors, which contribute higher labor productivity. In order to attain overall productivity, there should be a combination of people, technology and capital. Among these variables, the satisfaction of people is very important. Based on the findings of the study, we can conclude that monetary and non-monetary incentives will improve labour productivity and it play an important role in the over all productivity of the organization.

**Scope for Future Research**

On the basis of the investigations made by the researcher, the following areas related to the study are identified for further research.

a. Measurement of individual productivity from group effort.

b. Incentive schemes in different organizational situations.

c. A thorough study on the areas of mismanagement in public sector undertakings.

d. A study on how to remove class system in work and how to restore a feeling of dignity in all works.