CHAPTER 1

INTRODUCTION
## TOPICS OF CHAPTER 1

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1.1 Job Satisfaction

The advent of industrialisation brought about the outgrowth of big organisations and production on large scale basis. Initially, emphasis was laid on maximising the production & capturing the supply of resources to get a competitive edge over other companies. Then, technology and innovation became the tools to ensure rising profits and expand market base. But with changing times, the erstwhile overlooked human resources gained importance, joining the ranks of natural and technological resources in deciding the fate of an enterprise. The key reason behind this shift was realization of the fact that it’s the exertions of the employees that can actualize the vision of the company. The quality of workforce acts as powerful driving force to enable a company to survive and succeed in uncertain business environment along with determining its future.¹

A company cannot think of attaining high profitability and optimum operational efficiency without active support and collective contribution of its employees. They fulfill the short term & long term objectives and assist in proper execution of plans so as to achieve the ultimate goal set by the organization. During late 1920s and early 1930s, Elton Mayo analyzed workers’ behavior in detail. His Hawthorne studies revealed that workers are the true essence of an organization and keep it alive and growing. He was the pioneer of the human relations approach which was an unexplored aspect of business management.

Work plays a variety of roles in the life of an individual, from providing status, power & reputation to giving an outlet for one’s creativity & opportunity to learn something new. But, the primary need of a job is that of earning a livelihood. Yet, it’s seen time and again that

monetary benefits are inadequate in themselves to induce committed performance in a person.\(^2\)

One of the best modes to evaluate an enterprise is in terms of levels of satisfaction of its employees. Both practical and humanitarian grounds necessitate the need for understanding the job satisfaction of employees and finding ways to enhance it. The field of social sciences has served as a cradle for development of the topic of job satisfaction wherein it’s highly discussed and examined. Psychologists, sociologists and economists have been studying the effect of job satisfaction on labor market behavior and organizational dynamics. The study of job satisfaction was further enriched by the findings of Taylor’s scientific management and Maslow’s motivation theory.\(^3\)

1.2 Theories of Job Satisfaction

The theories of job satisfaction can be classified into following groups.

Content Theories

These theories are centered on motivation and deal mainly with issues of discovering the needs of individuals, their respective strengths & priorities and goals established for satisfaction of those needs. Usually the list of needs include biological, psychological, social


and higher level needs of people. These theories include Maslow’s Need Hierarchy Theory, Herzberg’s Two Factor Theory, X & Y Theory, Learned Need Theory and ERG Theory.

**Process Theories**

These theories are focussed more on the process of motivation. They try to explain how the needs are fulfilled cognitively. These theories include Equity Theory, Vroom’s Expectancy Theory, Job Characteristics Theory, Goal Setting Theory, Dispositional Theory and Discrepancy Theory.

### 1.3 Public Sector Enterprises

It’s a generally held belief that people intending to join and/or working in the public sector, do so with a motive to serve the society. But only this single criterion does not determine the job satisfaction of employees working in this sector. Their mindset is affected by several other factors which play a definitive role in influencing their performance, sincerity and loyalty. Also, the factors which tend to affect the job satisfaction of individuals working in public sector are quite different for those working in private sector. This is because both sectors differ when their system of organization and governance are compared. Their labour management procedures & provisions and work values also vary. For example, research conducted by Bram Steijn (2002) in area of job satisfaction in public sector showed

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that the satisfaction of employees was affected not only by workplace environment but also by skill utilisation and HR practices adopted by the organisation.

1.4 Public Sector In India

After independence, the Indian government established public sector enterprises in the country with the basic aim of strengthening the industrial base and accelerating the rate of economic development. The first 7 “five year plans” provided all possible support to their modernisation and expansion with the sole purpose of making them more professional and hi-tech.

The industrial, trade and fiscal scenario of the economy underwent a drastic change when the government ushered in the economic reforms under the liberalization policy in 1990. Economic activities were formulated to be market oriented rather than policy driven. The opening up of the economy led the way for unrestricted entry of big multinational companies. The domestic companies which dominated the Indian market faced tough competition from their foreign counterparts. Such a situation called for a modification in their business structures and management styles, which were proven to be out-dated to cope up with new challenging environment.

Of the two sectors, public sector saw greater transformation. In order to boost its efficacy, the government introduced swift changes in practices, scope, organisation and management of public enterprises. Globalisation resulted in their reorganisation and privatisation. Human

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resource management was highlighted which emphasized on proper planning of personnel function so as to attain the objectives of the organization through recruiting, retaining & developing efficient employees.

1.5 Job Security

Job security refers to the chance & related sureness an employee has about retaining his employment. It’s generally observed that employees perform better and remain more committed to a firm when they are not constantly bothered by the fear of losing their job.  

With changing times, plethora of new avenues opened and people have started showing interest in unconventional jobs for the sake of adventure. Job security is no longer among one of leaders in the employees’ list of preferred attributes in a satisfying job. However, many argue that the factor of job security has benefitted from changing economic situation & is again regarded as a good indicator of job satisfaction along with other factors. David G. Blanchflower & Andrew J. Oswald (1999) studied job satisfaction in various counties in the USA, and found job insecurity to be a driving force in decreasing job satisfaction.

1.6 Non-Monetary Incentives

Non-monetary incentives include all types of non-cash remuneration and rewards given by an employer so as to improve and increase the efficiency of his employees. They generally

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comprise of flexible timings, opportunity for learning & growth, praise, recognition of good work, opportunity to participate in decision making process, health savings, opportunity & rewards for giving suggestions, better working conditions, autonomy etc. Such rewards need not be expensive, but they provide sincere appreciation and positive motivation to the employees. Also, it’s convenient on part of the employers to implement, maintain and monitor these incentives. Several research studies, like one by Sara Depedri, Ermanno Tortia & Maurizio Carpita (2010) showed the importance of such incentives in determining employees’ job satisfaction.

1.7 Work–Life Balance

The concept of work life balance deals with allocating equal time, energy and attention by the employees between work and other aspects of their daily lives. This ensures that both work and personal life are not neglected due to overburden in any one field.

An individual is expected to give adequate care to family, recreation, professional development, community participation, personal growth, spirituality and other activities. When all aspects of life are properly balanced, that feeling of fulfilment transforms into enhancement of employees’ performance which in turn can lead to increase in productivity. For example, the survey conducted by Sakthivel Rani, Kamalanabhan & Selvarani (2011) found that work-life balance positively affects several elements of job satisfaction. The

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employers, to a greater extent can help employees achieve work-life balance by making right policies for it. They can offer them the following facilities- flexible work schedules, paid time off policies, special leave for emergencies, employee support services like counselling service or crèche facilities, company sponsored family events and activities etc.

1.8 Steel Authority of India Limited (SAIL)

1.8.1 Historical background

After independence, the Indian leaders took up the herculean task of boosting up the economic progress of the country weakened by British rule and the partition. They sought to strengthen the industrial base so as to lay the foundation for a stable & self-sustaining nation. The first steel producing companies established in India were Tata Iron & Steel Company (TISCO), set up in the year 1907 and Indian Steel Co. founded in 1918. However, they could not cope up with the immense infrastructural requirements of the country, in terms of capacity & volume of output. The first Industrial Policy announced by the government came up with various plans and policies for setting up steel plants in the public sector.\textsuperscript{12} The first stepping stone to industrialized and modern India came in the form of establishment of Hindustan Steel Private Limited in January 19, 1954. The president of the country held shares of this public company on behalf of the people.

The company in its initial years, had a full-fledged plant only at Rourkela. It was in the year 1957 that the Bhilai and Durgapur plants came under its supervision, which were set up and formerly managed by Iron and Steel Ministry. Its registered office was first located in

\textsuperscript{12} http://eprints.nmlindia.org/5558/1/1-7.PDF
Delhi but then it was shifted to Ranchi. The crude steel production of Hindustan Steel Limited crossed the mark of 1.5 million tonnes in January 1962. This was the result of setting up of Wheel and Axle plant in Durgapur Steel Plant which raised the steel output. Further expansion was made possible by installing new Wire Rod Mill at Bhilai Steel Plant in September 1967, Tandem Mill at Rourkela in February 1968 & erecting furnace in SMS at Durgapur Steel Plant. All these technological improvements and additions not only helped in the progress of individual units but also increased the total crude steel production capacity from 3.7 million tonnes in 1968 to 5.9 million tonnes in 1972-73.\(^{13}\)

1.8.2 Formation of Steel Authority of India Limited (SAIL)

The Committee of Public Undertaking of the 5\(^{th}\)LokSabha, appraised the prospect of setting up a holding company in steel industry, after the Department of Steel made the opening move in that direction. The economic situation of the country demanded government to make direct investment for the betterment of industries. That would make the public sector enterprises more efficient and the increased revenue earned by government from industrial firms could be utilised for development of other sectors. Also, a holding company brought along with it, the additional advantages of proper coordination of subsidiary units, adoption of technological improvements and giving due attention to research and development activities. Finally, the formation of Steel Authority of India Limited was approved by the government in December 1972. The company was incorporated in January 1973, with an authorized capital of Rs. 2000 Crore and the 5 steel plants at Bhilai, Bokaro, Durgapur, Rourkela &Barnpur, the Alloy Steel Plant and the Salem Steel Plant came under its dominion. The organisation structure of SAIL was modified in the year 1978.\(^{14}\)


\(^{14}\)http://www.sail.co.in/company/background-history
1.8.3 SAIL in recent years

From its humble beginnings, SAIL gradually excelled to become one of the 5 Maharatna enterprises in the Indian public industry arena. It provides its products for usage in industries related to construction, engineering, power, railway, motor vehicles and defence. It manufactures hot and cold rolled sheets and coils, galvanised sheets, electrical sheets, railway products, plates, bars and rods, stainless steel and other alloy steels. It occupies second position not only in iron ore production but also in network of mines in the country. Its plants are situated in central and eastern India, wherein it can have dominant access to raw materials required for production of steel, namely, iron ore, limestone and dolomite. About 86% of equity shares of SAIL are held by the Indian central government which also possesses the voting control of the company.\(^\text{15}\)

SAIL’s quality products are not only meeting requirements of its customers at national level but also have created a niche in the foreign markets. The list of its new products includes earthquake resistant TMT, corrosion resistant wire rods, vanadium micro-alloyed rails, steel armour plates etc. The business transactions of the company are handled by Central Marketing Organisation with the help of 37 Branch Sales Offices, 25 Departmental Warehouses, 42 Consignment Agents and 27 Customer Contact Offices. Over 3000 rural and urban dealers ensure that its products are made available in all areas across the country, thus fulfilling demands of small customers along with industrial users. The International Trade Division (ITD), which is situated in New Delhi, deals with the function of exporting mild steel products and pig iron procured from the integrated plants. SAIL and its associated units have got ISO certification that authenticates the quality of their products.\(^\text{16}\)

\(^{15}\)http://www.meconlimited.co.in/ocm54/prof/opr_com/sail.pdf

\(^{16}\)http://www.psgim.ac.in/journals/index.php/jcrm/article/viewFile/88/94
1.8.4 Major Units of SAIL

INTEGRATED STEEL PLANTS

☐ Bhilai Steel Plant (BSP) in Chattisgarh
☐ Durgapur Steel Plant (DSP) in West Bengal
☐ Rourkela Steel Plant (RSP) in Orissa
☐ Bokaro Steel Plant (BSP) in Jharkhand
☐ IISCO Steel Plant (ISP) in Asansol, West Bengal

SPECIAL STEEL PLANTS

☐ Alloy Steel Plant (ASP) in West Bengal
☐ Salem Steel Plant (SSP) in Tamil Nadu
☐ Visvesvaraya Iron & Steel Plant (VISL) in Karnataka

SUBSIDIARIES

☐ Indian Iron & Steel Company Limited (IISCO) in West Bengal
☐ Maharashtra Electros Melt Limited (MEL) in Maharashtra

OTHER UNITS

☐ SAIL Consultancy Division (SAILCON) at New Delhi
☐ Central Marketing Organization (CMO) at Calcutta
☐ Research and Development Center for iron and steel (RDCIS) at Ranchi
☐ Center for Engineering and Technology (CET) at Ranchi
☐ Management Training Institute (MTI) at Ranchi
☐ Central Power Training Institute (CPTI) at Rourkela

http://www.sail.co.in/company/about-us
NTPC SAIL Power Company Limited (NSPCL)

SAIL and NTPC Ltd. joined hands to set up three captive power plants at Rourkela, Durgapur and Bhilai which began operations from the year 2009.

Bokaro Power Supply Company Pvt. Limited (BPSCL)

The joint project signed between SAIL and Damodar Valley Corporation in 2002, aimed at managing power generation and steam generation at Bokaro Steel Plant. Plans are underway to expand the project by installing another boiler and back pressure turbo generator.

mjunction services limited

SAIL and TATA Steel came together in this venture to promote e-commerce in steel sector by facilitating various services like e-assets sales, enterprise procurement system, category management services, events, conferences, publications etc.

SAIL-Bansal Service Center Limited

With the intention of developing the steel industry, SAIL came up with the idea of this venture with BMW industries Ltd. It has started its operations by providing assistance in setting up of a service centre at Bokaro.

➤ Bhilai JP Cement Limited

SAIL & M/s Jaiprakash Associates Ltd became partners to establish a cement plant in Bhilai which used the slag of the plant as its raw material. The project was divided into two locations, with clinkerisation unit set up in Satna and grinding unit being located in Bhilai. The plant began its production in June 2010.

➤ Bokaro JP Cement Limited

SAIL and M/s Jaiprakash Associates Ltd partnered for a second time for the purpose of building up a cement unit at Bokaro. The unit started producing cement from the year 2011 through by making use of the slag generated at the steel plant.

➤ SAIL & MOIL Ferro Alloys (Pvt.) Limited

SAIL teamed up with Manganese Ore (India) Ltd. for production of ferro-manganese and silico-manganese which are the raw materials required for production of steel. The plant was established at Nandini, Bhilai.  

➤ S&T Mining Company Pvt. Limited

SAIL and TATA Steel formed joint partnership for the purpose of acquiring & developing coal mines in the country. They are also giving a thought to the prospect of securing coking coal supplies.

➤ International Coal Ventures Private Limited

This company brought together five public sector enterprises of India namely, SAIL, RashtriyaIspat Nigam Limited (RINL), Coal India Limited (CIL), NTPC Limited and NMDC Limited. The basic intent was that of steel units in public sector attaining self-sufficiency in production of coking coal. The company is considering expanding its operations & is exploring coal mines in Australia, Mozambique and other countries.

20 http://mines.nic.in/writereaddata%5CContentlinks%5Cb8cd701ab23841058219847dea4bd622.pdf
Development of Hajigak iron ore mines in Afghanistan

SAIL led a group of steel producing companies for investing in iron ore mines in Afghanistan. Both public and private sector companies of India agreed to be a part of this venture. The list included NMDC, RINL, JSW, JSW Ispat, Jindal Steel & Power and Monnet Ispat& Energy. The group has proved its mettle by acquiring mining rights for three mines in the foreign country.

**TABLE 1.1**

**Production Data of SAIL (Unit: MT)**

<table>
<thead>
<tr>
<th>Year/Items</th>
<th>Hot Metal</th>
<th>Crude Steel</th>
<th>Saleable Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>14116</td>
<td>13350</td>
<td>12400</td>
</tr>
<tr>
<td>2012-13</td>
<td>14266</td>
<td>13417</td>
<td>12385</td>
</tr>
<tr>
<td>2013-14</td>
<td>14447</td>
<td>13579</td>
<td>12880</td>
</tr>
<tr>
<td>2014-15</td>
<td>15413</td>
<td>13908</td>
<td>12842</td>
</tr>
</tbody>
</table>

**GRAPH 1.1**

Source: SAIL Annual Report 2014-15
### TABLE 1.2

**Financial Data of SAIL (Unit: Rs. Crore)**

<table>
<thead>
<tr>
<th>Year/Items</th>
<th>Sales Turnover</th>
<th>Profit before tax</th>
<th>Profit after tax</th>
<th>Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>50348</td>
<td>5151</td>
<td>3543</td>
<td>39811</td>
</tr>
<tr>
<td>2012-13</td>
<td>49350</td>
<td>3241</td>
<td>2170</td>
<td>41025</td>
</tr>
<tr>
<td>2013-14</td>
<td>51866</td>
<td>3225</td>
<td>2616</td>
<td>42666</td>
</tr>
<tr>
<td>2014-15</td>
<td>50627</td>
<td>2359</td>
<td>2093</td>
<td>43505</td>
</tr>
</tbody>
</table>

### GRAPH 1.2

![Graph showing financial data](image)

Source: SAIL Annual Report 2014-15
TABLE 1.3
Trends of Domestic Sales & Exportsof SAIL (Unit: Rs. Crore)

<table>
<thead>
<tr>
<th>Year/Items</th>
<th>Domestic Sales</th>
<th>Exports including incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>49084</td>
<td>1264</td>
</tr>
<tr>
<td>2012-13</td>
<td>48162</td>
<td>1188</td>
</tr>
<tr>
<td>2013-14</td>
<td>50339</td>
<td>1527</td>
</tr>
<tr>
<td>2014-15</td>
<td>49031</td>
<td>1595</td>
</tr>
</tbody>
</table>

GRAPH 1.3

Source: SAIL Annual Report 2014-15
### TABLE 1.4

**Plant-Wise Financial Performance of SAIL (Unit: Rs.Crore)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bhilai Steel Plant</td>
<td>2232.42</td>
<td>2084.84</td>
<td>2048.22</td>
<td>2714.75</td>
</tr>
<tr>
<td>Durgapur Steel Plant</td>
<td>506.12</td>
<td>415.60</td>
<td>552.66</td>
<td>503.46</td>
</tr>
<tr>
<td>Rourkela Steel Plant</td>
<td>232.04</td>
<td>212.20</td>
<td>363.37</td>
<td>645.93</td>
</tr>
<tr>
<td>Bokaro Steel Plant</td>
<td>451.37</td>
<td>202.01</td>
<td>307.50</td>
<td>703.43</td>
</tr>
<tr>
<td>IISCO Steel Plant</td>
<td>-1072.17</td>
<td>-653.05</td>
<td>-158.73</td>
<td>-410.80</td>
</tr>
<tr>
<td>Alloy Steel Plant</td>
<td>-134.15</td>
<td>-92.59</td>
<td>-119.53</td>
<td>-53.19</td>
</tr>
<tr>
<td>Salem Steel Plant</td>
<td>-355.09</td>
<td>-375.55</td>
<td>-419.73</td>
<td>-154.83</td>
</tr>
<tr>
<td>Visvesvaraya Iron &amp; Steel Plant</td>
<td>-97.31</td>
<td>-122.68</td>
<td>-116.67</td>
<td>-130.75</td>
</tr>
<tr>
<td>SAIL Refractory Unit</td>
<td>7.42</td>
<td>3</td>
<td>9.76</td>
<td>11.41</td>
</tr>
<tr>
<td>Chandrapur Ferro Alloys Plant</td>
<td>-45.22</td>
<td>-77.65</td>
<td>-38.74</td>
<td>9.59</td>
</tr>
<tr>
<td>Raw Materials Division/Central Units</td>
<td>633.48</td>
<td>1628.42</td>
<td>812.55</td>
<td>1311.87</td>
</tr>
</tbody>
</table>

### GRAPH 1.4

Source: SAIL Annual Report 2014-15
1.9 Organisation of Study

First, a general introduction to the topic of job satisfaction is presented and how it emerged as an important aspect that requires adequate attention in the industrial scenario. Next, the basic theories of job satisfaction are discussed. Then, the main subtopics are described, namely, public sector enterprises, public sector in India, job security, non-monetary benefits and work life balance.

Chapter 2 dealing with review of literature begins with discussing the definition of job satisfaction and its types. Then, the various theories of job satisfaction propounded by economists, psychologists and management & business professors are dealt in detail. Finally, previous research work done in this area is presented, considering their relevance for this study.

Next chapter on the research proposition creates a general framework for the research and which also determines the scope of the work. It includes the statement of problem, research objectives and the hypotheses. It gives an overview of what the work intends to study.

The following chapter on the research context focuses on Bhilai Steel Plant as an employer and investigates into the various facilities provided & welfare schemes launched for the benefit of its employees after giving a general overview of the company. It also discusses the important policies of the organisation, especially, personnel, operational and safety policies.

The chapter on the research methodology then discusses research design, population & sample that are used and the chosen method of data collection, together with the rationale for their selection. It also describes the manner in which reliability & validity of the collected data is ensured and the statistical techniques that are used for analysis of collected data.
Then the data analysis chapter begins with a description of the respondents- their classification and on what basis they were put in separate groups. It then gives the summarised results of statistical analysis. Lastly, it presents the tests of proposed hypotheses, individually.

The last chapter on the findings & conclusion discusses the common factors which acted as drivers of job satisfaction for both the groups that were studied and also the specific drivers for each group. Suggestions are then given to assist the organisation in taking necessary steps to ensure optimum effectiveness of its policies. Next, the limitations of the study are discussed. Finally, a set of recommendations for future research suggests the areas which could not be highlighted or issues which were not addressed in the study.