



AN OVERVIEW OF MOTIVATIONAL SCHEMES PROVIDED IN SPB LTD,PALLIPALAYAM,ERODE.

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1.1) Abstract

This study focuses on how the workers are motivated on the various aspects of financial and non-financial motivational schemes offered by SPB Ltd,Pallipalayam, Erode.Human Resources are considered as the “Back bone” of the various industrial sectors. Without preserving and proper maintenance of the human resources, it is highly impossible to obtain the desirable goals of the organization. Hence, the management of the organizations must provide the financial and non-financial motivational schemes for the employees in order to encourage them to do the work properly, effectively and to retain the talented workers constantly. The resources of men, money, materials and machinery are collected, coordinated and utilized through people.

1.2) Introduction

In today’s rapidly changing corporate environment, organisations want to use the maximum potential of their human resources to stay ahead in the fierce competition and survive. Great organisations are built on the inherent values of their human resources, as motivated and committed employees almost always allow an organisation to grow faster than similar competitive organisations. Well motivated and committed workforces feel that organisations value them and they play an essential role in their organisation which significantly enhances both employees’ as well as organisational performance¹. Motivated and committed employees with high levels of job involvement are considered as an important asset of an organisation. Keeping the employee motivated and committed with high job involvement are always rewarding to a business as motivated and committed employees are more productive and ensure higher productivity which usually results in higher profits².

In a manufacturing industry such as automobile, pump, textile, engineering, sugar and paper industry employees who are highly motivated and committed to the organisation provide excellent quality of services keeping the customer happy and satisfied which is always positive for a business. Motivated employees will put maximum efforts for achieving organisational goals. The untapped reservoirs, physical and mental abilities are tapped to the maximum. Better performance will also result in higher productivity. The cost of production can also be brought down if productivity is raised. The employees should be offered more incentives for increasing their performance. Motivation will act as a stimulant for improving the performance of employees.

When the employees are not satisfied with their job it will result in attrition whenever the employees get an alternative offer. The dissatisfaction among employees also increases absenteeism. The employment training of new employees costs dearly to the organisation. When the employees are satisfied with their jobs and they are well motivated (by financial and non-financial incentives), then they remain in the organisation. The rate of absenteeism will also be low because they will try to increase their output. Those enterprises, which offer better monetary and non-monetary facilities to their employees, have a better employer image. Such enterprises are successful in attracting better-qualified and experienced persons. Since there is a better manpower and several development programmes, the employees like to join such organisations. Motivational efforts will simplify Human Resource function also. A good motivational system will create job satisfaction among employees. The employment will offer them better service conditions and various other incentives. There will be an atmosphere of confidence among employers and employees. There will be no reason for conflict and cordial relations will create a healthy atmosphere. So motivation among employees will lead to better industrial relations.

1.3) Importance of Motivational Schemes

The term “motivation” is also highly essential for an organization to attain the following:

- a) Improve overall efficiency.
- b) Create more volume of Job satisfaction.
- c) Build friendly relationship and effective co-operation.

¹ Shore, L. M., & Martin, H. J. (1989). Job satisfaction and organisational commitment in relation to work performance and turnover intentions.*Human Relations*, 42(7), 625-638.

² Denton, K. (1987). Effective Appraisals: Key to Employee Motivation. *Industrial Engineering*, 19(12), 24.



- d) Retain the employees for a longer period.
- e) Help in self-development of the individual.
- f) Create healthy and safety working environment.
- g) Develop team work among the employees.
- h) Create a sense of belongingness and organizational commitment.
- i) Boost higher morale among the employees.
- j) Increase in productivity.

1.4) Statement of the Problem

It is proved that a non-motivated employee is more than just lazy employee. Mostly non-motivated employees are very less active and they may fear to take any decisions for the organizational activities. So if the management of the organization fails to provide adequate volume of financial and non-financial benefits for the employees properly, it may cause various kinds of problems within the organization such as job dissatisfaction among the employees, decrease in productivity, migration of the qualified and skill full employees to other concerns, absenteeism, strikes and lockouts. Hence this study helps to find out the impact of motivational schemes for the employees working in the SPB Ltd, Pallipalayam, Erode.

Objectives of this Study

1. To study the existing financial and non-financial motivational schemes that motivate the employees working SPB Ltd., Pallipalayam of Tamil Nadu.
2. To evaluate the present working environment of the organization.
3. To know the fringe benefits provided for the employees of this company.

1.5) Need of the study

The study was helped to find out the existing motivational schemes provided for the employees of SPB Ltd, Pallipalayam, Erode. So that this study mainly focused on the employees benefits and facilities for them in this organization.

2.) Review of Literature

Ameh and Shokumbi (2013)³ observed that in Nigeria's labour intensive construction industry, ways of motivating workers to ensure high productivity and enhanced job performance are regarded as important factors for long-term survival of firms. Financial motivation is adjudged a lower level motivator and should not be treated as a prime motivator. This study investigates the effectiveness of non-financial motivational schemes employed by construction firms within the Lagos metropolis. A survey research design was adopted. The survey instrument comprises of two sets of close ended questionnaires administered to skilled and semi-skilled workers and the management staff. The findings of the study reveal that the most effective non-financial motivation to skilled and semi-skilled workers include provision of personal protective equipment, love and belongingness, leadership by example, free transportation and free medical facilities. The most effective non-financial motivation to management staff include provision of residential accommodation, company car with free fuel allocation, pension scheme and opportunity to do something that gives a sense of self-esteem.

Chipunza (2013)⁴ investigated the relationship between different leadership styles and employee motivation and commitment after a merger in a retail bank operating in an economically volatile environment. Data was collected from 121 employees (17 managers and 104 non-managerial employees) using three closed-ended questionnaires. The Multifactor Leadership Questionnaire Form 5X was used to measure leadership styles and the Organisational Commitment Questionnaire was used to measure employees' commitment. Employee Motivation Questionnaire developed from Herzberg's Two-Factor Theory and from the Job Design measured employees' motivation. Using measures of central tendency and correlation analyses, results indicated weak but significantly positive relationship between different leadership styles and employee motivation and commitment.

³ Ameh, OJ, & Shokumbi, BB (2013). Effectiveness of Non-Financial Motivational Scheme on Construction Workers Output in Nigeria. 6(3), 263-272.

⁴ Chipunza (2013). Leadership style, employee motivation and commitment: Empirical evidence from a consolidated retail bank operating in a depressed economy. African Journal of Business Management, 5(20), 8337-8346.



John and Monica (2013)⁵ found that motivation is central in the discourse of productivity among employees. Yet the nature of welfare package in every organization determines the level of motivation. Against this background, this study investigated the role of welfare package in determining level of motivation among workers. The welfare packages available in the organization consisted of medical health care (91.3%), car loan (76.0%), staff housing (19.3%) and off/on-the-job training (90.7%). Consequently, 85.3% of the employees expressed high level of motivation. At the levels of employees' categories, professionals (69.6%), managerial (88.9%), skilled non-manual (89.8%) and skilled manual (78.6%) expressed high level of motivation. Qualitative data showed that workers remained committed to the goal of the organization. There was desire for job retention and productivity. Industrial organization may not achieve relatively high level of motivation among employees where welfare services are taken for granted. Organization should review its welfare package services to be competitive. This should be on regular interval as agreed by the management.

Mishra and Bhandari (2013)⁶ investigated the impact of motivation on job satisfaction and job performance at executives at Bhilai Steel Plant. The idea was to profile factors causing high motivation and job satisfaction and also to profile those factors that contribute to low motivation and dissatisfaction at work and to manage those factors in order to achieve high job performance. The rationale for the study was simply an observation that some employees seem better adjusted and happy at work and are able to cope well with the demands of the working environment while others are not.

3.) Company Profile of Seshasayee Paper and Boards Ltd.⁷

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

Expansion / Modernisation Project

The Company embarked on an Expansion / Modernisation Project to enhance its production capacity from 60000 tonnes per annum, to 1,15,000 tonnes per annum and to upgrade some of the existing facilities, at an estimated cost of Rs 1890 millions. The said Expansion / Modernisation Project was completed in December 2000. After successful trials, the Commercial Production out of the new Paper Machine commenced on July 1, 2000. The current installed capacity of the Company stands at 1,15,000 tonnes per annum.

Exports performance

SPB's exports are nearly 20% of its production and are a significant exporter in the Indian Paper Industry. Due to its excellent export performance, SPB has been awarded 'Golden Export House' status.

Awards

SPB is in receipt of various Awards awarded by Government of India, Government of Tamilnadu, Industry Associations, etc. Some of the Awards received by SPB in the past include: Capacity Utilisation Award, Energy Conservation Award, Environmental Protection Award, Safety Award, Export Performance Award, Good Industrial Relations Award and TERI - Corporate Environmental Award.

Environmental Protection

The Company attaches paramount importance to the conservation and improvement of the environment. In its efforts to improve the environmental protection measures, the Company has installed:

- Two Electro Static Precipitators For Its Boilers To Control Dust Emissions
- An Anaerobic Lagoon For High BOD Liquid Effluents
- A Secondary Treatment System For Liquid Effluents And
- An Electro Static Precipitator and Cascade Evaporator to the Recovery Boiler.

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

⁵ John, M.D. & Monica, I. (2013). *The Role of Welfare Package In Employees Motivation: An Analysis*. *Science Journal of Sociology & Anthropology*, 9, 1-8.

⁶ Mishra, A.K. & Bhandari, P. (2013). *A Study on Motivation Scheme for Executive Employees with Special References to Bhilai Steel Plant*. *International Journal of Science and Research (IJSR)*, 2(1), 149-153.

⁷ <http://www.spbltd.com>



3.2. Employees Motivation in SPB Ltd.

The following motivational schemes are provided for the employees of SPB Ltd.,Pallipalayam.

Financial Motivational Schemes

- **Good pay** is provided for the employees of SPB Ltd on the basis of their educational qualification, experience and performance.
- **Increment** –Increment is provided to the employees yearly once on the basis of their grade and experience.
- **Bonus** is paid by the Management properly to their employees at the time of Deepavali festival .Yearly 11% of the total salary amount is given as the Bonus for the employees of SPB Ltd for the same.
- **Allowances** such as T.A.(Travelling allowance), D.A. (Dearness Allowance), C.C.A.(City Compensation Allowance) and H.R.A. (House Rent Allowance) is provided for their employees properly.
- **Gratuity** is paid for all employees as per the Gratuity Payment Act.10% of the total salary of the employees per year is added for the same.
- **NSC SCHEME** : For this purpose 5% the salary of the staffs and 15% of the same by the management contribution is deposited in the post office under NSC Scheme and accumulated. The minimum eligibility of the scheme is when an employee draws a salary amount of Rs.15000/ and above in this Organisation.
- **Pension** Contributory Pension is also granted for the employees of SPB LTD after their retirement on the basis of the maturity of their P.F. amount granted for them as per the Government rule.

Non-Financial Motivational Schemes

Promotion : Promotion is provided for the employees of this Organisation mainly based on the regular Attendance and efficient performance of them after the consideration of their Departmental Head's recommendations and suggestions.

Career Development: Free education facility is provided for the employees of SPB Ltd for those who are studying M.B.A. course by Distance Mode in IGNOU and the education fees for the same is paid by the company management. National Supervisory Certificate course is also Conducted for the Technical staffs of this organization by the National Productive Council to promote supervisory skill among the formers.

Training &Development programmes: Both on-the-job training and off-the-job training programmes are provided for the employees and all work groups in SPB Ltd.

Rewards: Employees of the SPB Ltd are encouraged by providing 2 Gram of Gold coin on every year who kept NIL stock on 31st March.

Gifts : The company provides “Silver Kuthu Vilakku” as gift for the marriage of the employees children.

Heirship Job :Heirship job scheme is followed in the SPB Ltd especially for voluntarily retired staffs on the basis of their requisition.

Personal accident insurance policy

Personal accident insurance policy is taken for the employees of SPB Ltd under ICICI Banks-LOMBARD scheme for those who are getting the monthly salary Rs.15,000/-..

Housing facilities : Housing facilities are provided for the employees of SPB Ltd with a very cheapest cost of rent. There are also 1100 quarteres in the SPB colony. Monthly maximum rent for the residential accommodation is only Rs.75 for (3 Bedroom+1 Hall+1Kitchen+1Diningroom with attached toilet and bathroom facilities)and the minimum rent for the same is Rs.9.00 for(1 Bedroom+1 Hall+1 Kitchen with attached toilet and bathroom facilities) house.

Leave facilities : The employees are given casual leave-7 days, sick leave-8 days, earned leave for 22 days in an year.

Canteen facilities : Canteen facilities and food accommodation is arranged for the staffs of this organization within cheapest cost-which is highly essential for the employees. And this has been insisted in “Maslow's Theory” as one of the physiological needs i.e; Hunger and Thirsty needs.



The following price list indicates the lowest prices charges in The SPB Ltd Company canteen for their staffs only.

- a) Idly-0.05 paise.
- b) Dhosa-0.10 paise.
- c) Masal Dhosa-0.15 paise.
- d) Other Tiffin Items(including Medhu Vada &Pongal)-0.15 paise.
- f) Meals-0.75 paise.
- g) Chappathi-0.75 paise.

Health Awareness Program: Monthly once Health Awareness Programme and Health Camp is conducted for the employees of SPB Ltd. Free medical treatment and physical checkup is available at “Occupation Health Centre” especially for the employees.

Transport facilities: Transport Facilities are arranged for the Staffs of this Organisation from SPB Colony to reach the Company and Company Buses are operated within cheapest cost. Monthly Rs.11.00 only has been charged for the transport facilities from the Staffs.

Hostel accommodation: Hostel Facilities are arranged for the Bachelor Staffs of this company with subsidy rate for both food and lodging for the monthly rate of RS.450/ only.

SPB Ltd is providing certain other facilities to their employees as follows:

- Once in a year, Rs.1000 worth of notebooks are offered at Rs.40/ to the employees children.
- Two sets of uniform is provided to the employees at free of cost.
- There are also 3 types of clubs for the staffs as follows:
 - a)Staffs Club, b.) Club for labourers and c.)Ladies Recreation Club for the wives of the Staffs & Executives
- Besides, Tour and Picnic Programmes are arranged for the Staffs and their family through these Recreation Clubs.
- There is also a good play ground situated within the SPB Colony which covers both Indoor and Outdoor Games facilities for the staffs.
- Safety and Welfare measures are provided by this company to their workers properly.
- Lunch rooms, Rest rooms, Toilets, Shelters, First Aid Applications, Sitting facility and Purified Cauvery Drinking water is also provided.