

Does Precise Portfolio Construction Of Compensation Generate Organization Excellence? - An Empirical Study in Rashtriya Ispat Nigam Limited, Visakhapatnam (A.P), India

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ABSTRACT

Employee job satisfaction is a critical factor in determining the organizational effectiveness. Once the employees are motivated, it influences organization as a whole. Generally an organization uses many techniques to retain and motivate the talent. In this context, the organization should implement reward strategies to make the employees work hard. Sometimes, a sound compensation practices make them work more. These are like recognition for achievement, perks and perquisites, and opportunities for promotion, job security and congenial work environment. Precise Portfolio Construction of Compensation definitely has an impact on organisation performance. Organization wants every individual to think of better performance. One should compete for higher performance and deliver excellent results in the

form of profit. The RINL has been executing effective compensation policies and practices that enhance the employees' competencies to achieve its strategic aims. As a result employee productivity is enhanced in the recent past and cost of production is also drastically declined. It is also observed that the commitment and motivational levels among the employee are also abnormally increased.

KEY WORDS: Precise Portfolio Construction of Compensation, Employee motivation, Perks and Perquisites, Performance based pay, Employee Productivity, Reward Strategy, Incentives, Job satisfaction, Congenial work environment.

1. INTRODUCTION:

Employee job satisfaction is a critical factor in determining the organizational effectiveness. Once the employees are motivated, it influences organization as a whole. Generally an organization uses many techniques to retain and motivate the talent. In this context, the organization should implement reward strategies to make the employees work hard. Sometimes, a sound compensation practices make them work more. These are like recognition for achievement, perks and perquisites, and opportunities for promotion, job security and congenial work environment.

Precise Portfolio Construction of Compensation definitely has an impact on organisation performance. Skill-based payment plans and performance linked benefits have gained popularity in the recent past in the corporate sector. The individual employee-oriented schemes are introduced for quality improvement and for greater commitment of the employees in their work. The main focus of performance based incentives and benefits are to treat employees as partners and to get them think of the organization and its objectives as their own.

Payment of salary and incentives are a matter of great importance to employees. It increases their income, liquidity, their attitude towards the company and influences their motivation to work. The rationale behind this is understandable. Organization wants every individual to think of better performance. One should compete for higher performance and deliver excellent results in the form of profit.

2. REVIEW OF LITERATURE:

Miss. Rina Seraphim (1988) viewed that the Indian steel industry is facing the major problem of low labour productivity, particularly in Public Sector Undertakings. She compared the productivity in Private and Public Sector Units and identified the reasons for the problems like lack of latent technology, work culture, low employee morale and lower attractiveness of capable managers. She also stressed the need for the induction of new compensation strategies to attract younger generation, implementation of new technology, and new methods of production. If it is possible, they could attain positive results. Mr. Somnath Chatterjee (1997), the-then Member of the Parliament in an International steel Seminar in 1997 on Role of Technology and HR Implications advised the Indian steel industry to put more stress on effective Human Resource Policies, especially good Compensation management practices R&D activities to improve their products' quality to the world standard.

Mr. J.J. Irani (2003), Ex-Managing director of TATA Steel, who participated in a seminar called for a close working between India and China in the coming years to take the World steel industry to greater heights by sharing their raw-materials, resources and expertise. He feels that India should also boost up its steel production and cross 100 Million Tonnes mark as early as possible much before 2020. To do that he advised Indian steel industry may have to follow the Compensation strategies to enhance the productivity. Mr. S.P.Srivatsava (2004) has examined that the Employee-Management relations among the Steel plants in India and observed that many factors were influencing the relations between employees and management like economic factors, political factors, and psychological factors, social factors and cultural factors. He examined the management encouragement towards Reward system, Welfare Schemes and employee supportive schemes through agreements. He also viewed that compensation mechanism in the industry should review from time to time to satisfy the employee.

Mr.S.K.Roongta (2006) stated that the demand for steel in the country has been projected at 200 Million tonnes by 2020 and SAIL will maintain its 30 per cent market share. He said that SAIL is working on effective compensation plans and wishing to achieve organizational

excellence and aspiring to raise production capacity to 60 Million tonnes. He also hinted over the combination of another state-owned unit RINL with the company and for the merger there are lots of synergies between the two companies he added. Ahindra Ghosh (2007) has viewed in his paper presentation that global competitiveness of Indian steel industries requires quality manpower in sufficient numbers with sound compensation. Indian steel sector is on a growth path. This will make the shortage more acute in future. For the industries to remain competitive, indigenous innovations are a must for optimization of cost-effectiveness, productivity and quality. Substantial indigenous research and development efforts are required not only for this, but also for quality manpower development with precise compensation.

3. OBJECTIVES:

3.1 To know the importance of compensation management in achieving organizational excellence.

3.2 To be acquainted with the perception of Shop floor level Workers and Supervisors on precise portfolio construction of compensation in the RINL.

3.3 To portray how precise portfolio construction of compensation generates excellence in the RINL.

4. METHODOLOGY AND SAMPLE DESIGN:

To achieve the objectives of the study the following methodology has been adopted. The volume of the data was collected by using many research instruments. However collected data was systematically developed and analyzed. Utmost care was taken in selecting the representative sample. The sample employees are working in different departments in RINL. Shop floor level employees and supervisors of 500 have been taken as a sample size for the study. A stratified sampling technique has been used to collect the response.

Data has been collected through primary data. A structured questionnaire was prepared and canvassed to the shop floor level workers and supervisors in RINL. The questionnaire consists of both closed ended and open-ended questions, Rank Order scale is used to measure the responses from the workers at shop floor level and supervisors. Before collecting the relevant data, a pilot study was conducted for testing the questionnaire.

5. COMPENSATION CONSTRUCTION IN THE RINL, VISAKHAPATNAM:

Compensation policies and strategies help the RINL in attaining the long term goals and to balance its internal strengths and weaknesses with its external opportunities and threats to maintain competitive advantage. The RINL has been executing effective compensation policies and practices that enhance the employees' competencies to achieve its strategic aims

5.1. PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON SALARY AND INCENTIVES IN THE RINL:

Here the researcher made an attempt to know the views of workers and supervisors in compensation practices in the RINL. Here the researchers used Ranking method. A scale of six ranks is used. For the reason chosen as first, six points are given, for the reason chosen as second, five points are given and the same descending order is followed. **Table 5.1** reveals that the opinion of shop floor level and supervisory employees in the RINL on payment of salary and incentives. 'Individual performance' takes first place with 1999 points and it was ranked 1st by 28.2% workers and supervisors, ranked by 2nd by 21.8% workers and supervisors, ranked 3rd by 14.6% workers and supervisors, ranked 4th by 10.4% workers and supervisors, ranked 5th by 7% workers and supervisors and ranked 6th by 18% workers and supervisors.

One of the influencing factors in payment of incentives and bonus in RINL that 'Group performance' secured second place with 1894 points and it was ranked 1st by 18.4% workers and supervisors, ranked 2nd by 17.2% workers and supervisors, ranked 3rd by 18.4% workers and supervisors, ranked 4th by 20.4% workers and supervisors, ranked 5th by 21.2% workers and supervisors and ranked 6th ranked by 4.4% workers and supervisors.

It is to be acknowledged that 'Basing on the regularity in attending the work' is a deciding factor in payment of incentives and bonus which was given third place with 1833 points and it was ranked 1st by 17% workers and supervisors, ranked 2nd by 20.6% workers and supervisors, ranked 3rd by 19.2 workers and supervisors, ranked 4th by 13.6% workers and supervisors, ranked 5th by 14.4% workers and supervisors and ranked 6th by 15.2% workers and supervisors. It is scrutinized that RINL's practices of payment of incentives and bonus 'Basing

on cost savings' stood at fourth place with 1894 points and it was ranked 1st by 13.2% workers and supervisors, ranked 2nd by 10.6% workers and supervisors, ranked 3rd by 17.6% workers and supervisors, ranked 4th by 18.6% workers and supervisors, ranked 5th by 22.4% workers and supervisors and ranked 6th by 17.6% workers and supervisors.

TABLE 5.1: PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON SALARY AND INCENTIVES IN THE RINL

	1 st rank	Poi nts	2 nd rank	Poi nts	3 rd rank	Poi nts	4 th rank	Poi nts	5 th rank	Poi nts	6 th rank	Poi nts	Total weigh -tage points	Rank
Individual performance	141 (28.2)	846	109 (21.8)	545	73 (14.6)	292	52 (10.4)	156	35 (7.0)	70	90 (18.0)	90	1999	1
Group performance	92 (18.4)	552	86 (17.2)	430	92 (18.4)	372	102 (20.4)	306	106 (21.2)	212	22 (4.4)	22	1894	2
Basing on cost savings	66 (13.2)	396	53 (10.6)	265	88 (17.6)	352	93 (18.6)	279	112 (22.4)	224	88 (17.6)	88	1604	4
Basing on offering suggestions for betterment of RINL	83 (16.6)	498	81 (16.2)	405	81 (16.2)	324	91 (18.2)	273	76 (15.2)	152	88 (17.6)	88	1440	5
Basing on the regularity in attending the work	85 (17.0)	510	103 (20.6)	515	96 (19.2)	384	68 (13.6)	204	72 (14.4)	144	76 (15.2)	76	1833	3
Basing on the increase in profit of the company	33 (6.6)	198	68 (13.6)	340	70 (14.0)	280	94 (18.8)	282	99 (19.8)	198	136 (27.2)	136	1434	6
Total	500		500		500		500		500		500			

Note: A scale of six ranks is used. For the reason chosen as first six points are given for the reason chosen as second five points are given and the same descending order is followed and figures in parentheses are percentages to total.

In the study another option is given to the workers and supervisors to know the RINL's pay policy. It is examined that 'Basing on offering suggestions for betterment of RINL' is the considered factor which secured fifth place with 1440 points and it was ranked 1st by 16.6% workers and supervisors, ranked 2nd by 16.2% workers and supervisors, ranked 3rd by 16.2% workers and supervisors, ranked 4th by 18.2% workers and supervisors ranked 5th by 15.2% workers and supervisors and ranked 6th by 17.6% workers and supervisors. At the end it is examined in case of variable pay of incentives and bonus of RINL that 'Basing on the increase in profit of the company' got sixth place with 1434 points and it was ranked 1st by 6.6% workers and supervisors, ranked 2nd by 13.6% workers and supervisors, ranked 3rd by 14% workers and supervisors, ranked 4th by 18.8% workers and supervisors ranked 5th by 19.8% workers and supervisors and ranked 6th by 27.2% workers and supervisors. It is observed that the employees in the RINL are managed with the sound salary system and varied of incentive system.

5.2 PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON WELFARE FACILITIES IN THE RINL:

Employee welfare activities are undertaken by various groups within and outside an organization to improve the living conditions of the workers. The objective is to make the employees happy, healthy, committed and loyal to the organization. Not surprisingly, management with a progressive outlook has always invested heavy amounts in enriching the life of workers and has always gone beyond what has been stated in the legislations. The RINL has taken up both intra-mural and extra-mural welfare measures to retain, enhance and utilize the skills of workers.

It is observed **Table 5.2** that 'LTC to the employees and their family members' an important welfare measure provided by the RINL management ranked first place with 1965 points and it was ranked 1st by 22% workers and supervisors, ranked 2nd by 20.2% workers and supervisors, ranked 3rd by 19.2% workers and supervisors and ranked 4th by 16% workers and supervisors, ranked 5th by 12.6% workers and supervisors and ranked 6th by 10% workers and supervisors.

It is observed that it is one of the satisfactory welfare measures in the RINL ‘Medical facilities to the employees, their children and parents’ occupied second place with 1936 points and it was ranked 1st by 20.2% workers and supervisors, ranked 2nd by 24.2% workers and supervisors and ranked 3rd by 17% workers and supervisors and ranked 4th by 14.6% workers and supervisors, ranked 5th by 9.2% workers and supervisors and ranked 6th by 14.8% workers and supervisors.

TABLE: 5.2 PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON WELFARE FACILITIES IN THE RINL

Factor	1 st rank	Poi nts	2 nd rank	Poi nts	3 rd rank	Poi nts	4 th rank	Poi nts	5 th rank	Poi nts	6 th rank	Poi nts	Total Weigh- tage points	Rank
LTC to the employees and their family members	110 (22.0)	660	101 (20.2)	505	96 (19.2)	384	80 (16.0)	240	63 (12.6)	126	50 (10.0)	50	1965	1
Various food items in the canteen at concessional rates	102 (20.4)	612	104 (20.8)	520	85 (17.0)	340	72 (14.4)	216	69 (13.8)	138	68 (13.6)	68	1894	3
Reimbursement for employee to improve educational qualifications	75 (15.0)	450	86 (17.2)	430	90 (18.0)	360	99 (19.8)	297	85 (17.0)	170	65 (13.0)	65	1772	4
Reimbursement for educating the children of employees	73 (14.6)	438	64 (12.8)	320	82 (16.4)	328	99 (19.8)	297	98 (19.6)	198	84 (16.8)	84	1665	5
Medical facilities to the employees, their children and parents	101 (20.2)	606	121 (24.2)	605	85 (17.0)	340	73 (14.6)	219	46 (9.2)	92	74 (14.8)	74	1936	2
Provisions for Township and Amusing parks	39 (7.8)	234	24 (4.8)	120	62 (12.4)	248	77 (14.4)	231	139 (27.8)	278	159 (31.8)	159	1270	6
Total	500		500				500		500		500			

Note: A scale of six ranks is used. For the reason chosen as first, six points are given; for the reason chosen as second, five points are given and the same descending order is followed figures in parentheses are percentages to total...

It is observed that ‘Various food items in the canteen at concessional rates’ occupied third place with 1894 points and it was ranked 1st by 20.4% workers and supervisors, ranked 2nd by 20.8% workers and supervisors and ranked 3rd by 17% workers and supervisors and ranked 4th by 14.2% workers and supervisors, ranked 5th by 13.8% workers and supervisors and ranked 6th by 13.6% workers and supervisors. It is acknowledged by the workers and supervisors that ‘Reimbursement for employee to improve educational qualifications’ occupied fourth place with 1772 points and it was ranked 1st by 15% workers and supervisors, ranked 2nd by 17.2% workers and supervisors and ranked 3rd by 18% workers and supervisors and ranked 4th by 19.8% workers and supervisors, ranked 5th by 17% workers and supervisors and ranked 6th by 13% workers and supervisors.

It is observed that ‘Various food items in the canteen at concessional rates’ occupied third place with 1894 points and it was ranked 1st by 20.4% workers and supervisors, ranked 2nd by 20.8% workers and supervisors and ranked 3rd by 17% workers and supervisors and ranked 4th by 14.2% workers and supervisors, ranked 5th by 13.8% workers and supervisors and ranked 6th by 13.6% workers and supervisors. It is acknowledged by the workers and supervisors that ‘Reimbursement for employee to improve educational qualifications’ occupied fourth place with 1772 points and it was ranked 1st by 15% workers and supervisors, ranked 2nd by 17.2% workers and supervisors and ranked 3rd by 18% workers and supervisors and ranked 4th by 19.8% workers and supervisors, ranked 5th by 17% workers and supervisors and ranked 6th by 13% workers and supervisors.

It is found that ‘Reimbursement for educating the children of employees’ got fifth place with 1665 points and it was ranked 1st by 14.6% workers and supervisors, ranked 2nd by 12.8% workers and supervisors and ranked 3rd by 16.4% workers and supervisors and ranked 4th by 19.8% workers and supervisors ranked 5th by 19.6% workers and supervisors and ranked 6th by 16.8% workers and supervisors. At the end it is pragmatic ‘Provisions for Township and Amusing parks’ occupied sixth place with 1270 points and it was ranked 1st by 7.8% workers

and supervisors, ranked 2nd by 4.8% workers and supervisors and ranked 3rd by 12.4% workers and supervisors and ranked 4th by 15.4% workers and supervisors ranked 5th by 27.8% workers and supervisors and ranked 6th by 31.8% workers and supervisors.

It is observed from the above data that the RINL is one of the best pay masters in Public Sector Undertakings in steel industry for social welfare measures. It is noted that in addition to the above the RINL has been providing better drinking water facilities, toilets, washing and bathing facilities, rest shelters and recreation facilities. Further, it has been providing facilities like townships, free transportation from city, sports facilities, cooperative stores and social insurance. Workers and supervisors are highly satisfied with these benefits. All these factors make them work with the RINL. Workers are proud of their employment in the RINL.

5.3 PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON REASONS FOR SATISFACTION IN THE JOB:

Table 5.3 indicates job satisfaction and workers and supervisors performance in the RINL. The researcher notices that ‘Reasonably good incentive schemes’ occupied first place with 1908 points and it was ranked 1st by 24% workers and supervisors, ranked 2nd by 20.2% workers and supervisors, ranked 3rd by 18.4% workers and supervisors, ranked 4th by 15% workers and supervisors, ranked 5th by 8.4% workers and supervisors and ranked 6th by 14% workers and supervisors. It is pragmatic that one factor of job satisfaction is that ‘Excellent compensation structure’ got second place with 1858 points and it was ranked 1st by 19% workers and supervisors, ranked 2nd by 16.2% workers and supervisors, ranked 3rd by 20.4% workers and supervisors, ranked 4th by 15.6% workers and supervisors, ranked 5th by 17.8% workers and supervisors and ranked 6th ranked by 11% workers and supervisors.

It is observed ‘More promotional avenues’ is a critical element in job satisfaction which was given third place with 1825 points and it was ranked 1st by 24.2% workers and supervisors, ranked 2nd by 19.8% workers and supervisors, ranked 3rd by 13.8% workers and supervisors, ranked 4th by 3.6% workers and supervisors, ranked 5th by 16.2% workers and supervisors and ranked 6th by 22.4% workers and supervisors.’ ‘Good recognition’ secured fourth place with

1798 points and it was ranked 1st by 18.8% workers and supervisors, ranked 2nd by 18.4% workers and supervisors, ranked 3rd by 6613.2% workers and supervisors, ranked 4th by 17.2% workers and supervisors, ranked 5th by 18.8% workers and supervisors and ranked 6th by 13.6% workers and supervisors.

TABLE 5.3: PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON REASONS FOR SATISFACTION IN THE JOB

	1 st Rank	Poi nts	2 nd Rank	Poi nts	3 rd Rank	Poi nts	4 th Rank	Poi nts	5 th Rank	Poi nts	6 th Rank	Poi nts	Total weigh- tage points	Rank
More promotional avenues	121 (24.2)	726	99 (19.8)	495	69 (13.8)	276	18 (3.6)	54	81 (16.2)	162	112 (22.4)	112	1825	3
Reasonably good incentive schemes	120 (24.0)	720	101 (20.2)	505	92 (18.4)	368	75 (15.0)	225	42 (8.4)	84	70 (14.0)	70	1908	1
Encouragement for performance	44 (8.8)	264	63 (12.6)	315	92 (18.4)	368	122 (24.4)	366	91 (18.2)	182	88 (17.6)	88	1583	5
Excellent compensation structure	95 (19)	570	81 (16.2)	405	102 (20.4)	408	78 (15.6)	234	89 (17.8)	188	55 (11.0)	55	1858	2
Good recognition	94 (18.8)	564	92 (18.4)	460	66 (13.2)	264	86 (17.2)	258	94 (18.8)	184	68 (13.6)	68	1798	4
Good work environment	26 (5.2)	156	64 (12.8)	320	79 (15.8)	316	121 (24.2)	363	103 (20.6)	206	107 (21.4)	107	1468	6
Total	500		500		500		500		500		500			

Note: A scale of six ranks is used. For the reason chosen as first, six points are given, for the reason chosen as second, five points are given and the same descending order is followed and figures in parentheses are percentages to total.

It is another preference of the workers and supervisors who believe that job satisfaction comes from ‘Encouragement for performance’ got fifth place with 1583 points and it

was ranked 1st by 8.8% workers and supervisors, ranked 2nd by 12.6% workers and supervisors, ranked 3rd by 18.4% workers and supervisors, ranked 4th by 24.4% workers and supervisors, ranked 5th by 18.2% workers and supervisors and ranked 6th by 17.6% workers and supervisors. At the end it is observed in the case of option ‘Good work environment’ was given sixth place with 1468 points and it was ranked 1st by 5.2% workers and supervisors, ranked 2nd by 12.8% workers and supervisors, ranked 3rd by 15.8% workers and supervisors, ranked 4th by 24.4% workers and supervisors, ranked 5th by 20.6% workers and supervisors and ranked 6th by 21.4% workers and supervisors.

Many of the workers and supervisors are expressed that reasonably good incentive schemes and excellent compensation structure are the reasons for their satisfaction. They also viewed that the good recognition; transparency in RINL functioning and good management practices make them feel happy in their job. All these factors make them to work more and retain with the organisation for a longer time.

5.4 PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON IMPACT OF COMPENSATION ON THE RINL’S EXCELLENCE:

The researcher asked the workers and supervisors about the impact of compensation on the organisation excellence. Different probable outcomes are identified and the workers are asked to rank them. One such impact namely ‘Resulted in Employee Productivity is enhanced’ (**Table 5.4**) occupied first place with 1745 points and it was ranked 1st by 28.8% workers and supervisors, ranked 2nd by 32.4% workers and supervisors, ranked 3rd by 20.6% workers and supervisors and ranked 4th by 17% workers and supervisors, ranked 5th by 8.4% workers and supervisors and ranked 6th by 10.6% workers and supervisors. ‘Resulted in profitability is increased’ got second place with 1620 points and it was ranked 1st by 25.8% workers and supervisors, ranked 2nd by 21% workers and supervisors, ranked 3rd by 20.2% workers and supervisors, ranked 4th by 17.4% workers and supervisors and ranked 5th by 15.6% workers and supervisors and ranked 6th by 15.0% workers and supervisors.

TABLE 5.4: PERCEPTION OF SHOP FLOOR LEVEL WORKERS AND SUPERVISORS ON IMPACT OF COMPENSATION ON THE RINL'S EXCELLENCE

	1 st Rank	Poi nts	2 nd Rank	Poi nts	3 rd Rank	Poi nts	4 th Rank	Poi nts	5 th Rank	Poi nts	6 th Rank	Poi nts	Total weigh -tage points	Rank
Resulted in increasing work commitment in employees	56 (11.2)	336	79 (15.8)	395	91 (18.2)	364	94 (18.8)	282	98 (19.6)	196	82 (16.4)	82	1655	5
Resulted in motivating people to work more	108 (21.6)	648	101 (20.2)	505	85 (17.0)	340	66 (13.2)	198	75 (15.0)	150	65 (13.0)	65	1906	3
Resulted in reducing the cost of production	85 (17.0)	510	82 (16.4)	410	101 (20.2)	404	110 (22.0)	330	69 (13.8)	138	53 (10.6)	53	1845	4
Resulted in Productivity is enhanced	117 (23.4)	702	99 (19.8)	495	86 (17.2)	344	76 (15.2)	228	69 (13.8)	136	53 (10.6)	53	1958	1
Resulted in regularity in attendance is improved	22 (4.4)	132	38 (7.6)	190	48 (9.6)	192	66 (13.2)	198	154 (30.8)	308	172 (34.4)	172	1192	6
Resulted in profitability is increased	112 (22.4)	672	101 (20.2)	505	89 (17.8)	356	88 (17.6)	264	35 (7.0)	70	75 (15.0)	75	1942	2
Total	500		500		500		500		500					

Note: A scale of five ranks is used. For the reason chosen as first five points are given for the reason chosen as second four points are given and the same descending order is followed and figures in parentheses are percentages to total.

It may be stated that another outcome i.e., ‘Resulted in motivating people to work more’ occupied third place with 1574 points and it was ranked 1st by 23.4% workers and supervisors, ranked 2nd by 21.2% workers and supervisors, ranked 3rd by 19.6% workers and supervisors, ranked 4th by 18.4% workers and supervisors, ranked 5th by 17.4% workers and supervisors and ranked 6th by 13.0% workers and supervisors. Another probable outcome i.e., ‘Resulted in reducing the cost of production’ secured fourth place with 1321 points and it was ranked 1st by 13% workers and supervisors, ranked 2nd by 18.2% workers supervisors, ranked 3rd by 18.6%

workers and supervisors, ranked 4th by 20.4% workers and supervisors, ranked 5th by 29.8% workers and supervisors and ranked 6th by 10.6% workers and supervisors.

The researcher observed that the impact of compensation in RINL as ‘Resulted in increasing work commitment in employees’ stood at fifth place with 1140 points and it was ranked 1st by 9% workers and supervisors, ranked 2nd by 14.4% workers and supervisors, ranked 3rd by 21% workers and supervisors, ranked 4th by 26.8% workers and supervisors, ranked 5th by 28.8% workers and supervisors and ranked 6th by 16.4% workers and supervisors. Finally the researcher observed that the propel of compensation in RINL as ‘Resulted in regularity in attendance is improved’ secured sixth place with 1192 points and it was ranked 1st by 4.4% workers and supervisors, ranked 2nd by 7.6% workers and supervisors, ranked 3rd by 9.6% workers and supervisors, ranked 4th by 13.2.8% workers and supervisors, ranked 5th by 30.8% workers and supervisors and ranked 6th by 34.4% workers and supervisors.

It is closely examined that there is a positive impact of compensation policies and strategies on RINL excellence. As a result Productivity is enhanced and cost of production reduced upto a certain level, the profitability is also increased abnormally. And also it is observed that the commitment in employees increased a lot. As a result employee turnover and absenteeism are declined drastically in the recent past.

6. CONCLUSION:

It is clear that the considerable portion of the shop floor workers and supervisors are opined that they are highly motivated and influenced by the RINL benefits and incentives offered to them. The salary plans and incentives could influence them to work more than normal work. Similarly, the incentive plans for shop floor employees and supervisors induced them to produce more and earn more.

It is observed that the RINL is one of the best pay masters in Public Sector Undertakings in steel industry for social welfare measures. It has been providing better drinking water facilities, rest shelters and recreation facilities. Further, it has been providing facilities like free transportation from city, sports facilities, cooperative stores and social insurance. Workers and supervisors are highly satisfied with these benefits. Workers are proud of their employment

in the RINL. As a result employee productivity is enhanced in the recent past and cost of production is also declined. It is also observed that the commitment level among the employee and motivational levels are also abnormally increased due to the compensation packages. With the introduction of attendance bonus, the regularity in employees is increased. With all these efforts the RINL increases the profit level in the recent past. It can be understood that the RINL in recent times has taken up effective compensation strategies for its employees. The RINL wants every individual to think of performance in the same way as the organization. As a result the employees are ready to compete, go ahead, deliver results and fight for the winning niche.

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