Introduction

Employee satisfaction and retention are the important issues to business organization and keys to progress. Employee satisfaction means an individual’s general attitude towards his/her job and employing organization. An employee with high level of job satisfaction holds positive attitudes and tends to be more productive, creative and committed his/her job and to the organization where he/she is appointed. On the other side, a dissatisfied person with his/her job and employer’s organization holds negative attitudes.

It is also the main responsibility of the employer to create a work environment that can attract, motivate and retain the hard working individuals with a contented state of mental satisfaction to continue their services. An employer can increase the employees’ job satisfaction by creating a positive work place for them.

Job satisfaction and organizational commitment are the main points of employees’ satisfaction. Job involvement measures the degree to which employees can indentify psychologically with their job and consider their perceived performance and importance to self worth. High level of job involvement promotes ‘fewer resignation and lower the absenteeism’. There exists a situation in which the employees could strongly identify themselves with their job.”1

Organizational commitment is a state where an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization. High job involvement means identifying with one’s specific job, becoming a part & parcel of the job & making himself important & inevitable. While high organizational commitment means
identifying with one’s employing organization. Quality of Life improves with job satisfaction. The employee will be content and happy with the kind of job done. It results in overall wellbeing of the employees along with their family members. When satisfied, spouse members psychologically and indirectly act as a motivator of the concerned employees for the better job involvement and organizational commitment.

As satisfaction is purely a mental & psychological thing, it varies from man to man place to place, time to time, organization to organization etc. which can be discussed as follows:

1. Man & Ethnic group: All human beings consist of a single species (Homosapiens), they manifest differences in certain physical traits and being from one species, all members are mutually fertile. It is because of these basic characteristics that intermingling of blood has taken place to the extent that is hardly any pure race, even in the remotest and isolated areas of the world. This impurity of race has been mentioned in a statement issued by the UNESCO in 1952. No two human beings are exactly alike, nor two families, nor two local populations, to say nothing of two races. In spite of that, an ethnic group, a distinct category of the population in a larger society whose culture is usually different from that of the society. The members of such a group are or feel themselves or are thought to be, bound together by common ties of race or nationality or culture. Culture is the man made part of the environment. It is a way of life. It binds the people and helps in their socio-economic and political development. Of which the most important is the ‘language’. 2

Religion is an important factor that forms a basis of ethnic groups’ identification. Religious beliefs exercise a powerful influence on human communities.
This division of mankind based on ethnic group, religion and culture differentiate way of living, level of thinking and mental state of human beings, which have a greater social relevance over the globe, especially in India where multi-religious, multi-language etc. are the ever companions. As such job satisfaction varies from one religious group to another, one ethnic group to another.

2. Service Place: Place of appointment, distance from home, geographical condition of the place, cost of living index of the place, local & country’s political stability, social & cultural compound or condition etc. play vital role to the workforce appointed. A general contention is that, one can work comparatively at a lower rate of salary in a place nearest to his or her home place. Again one can work at a remote place even in a hill area or at a quite undeveloped or backward place, if he/she is provided higher incentive or pay packages. So variation of Employee satisfaction comes in relates to the place of appointment.

3. Working Condition: Sometimes workers are to work under some risky, dangerous, in healthy and polluted circumstances. Which deserves arrangement of safeguards: as provision for compensation, free treatment, insurance, compensation, highest possible safety measures & precautions of all protections including more benefits and amenities etc. In spite of that, having all the facilities some workers show negative attitude to work. Whereas, another group is ready to accept all the constraints thereby in lieu of pay check & fat incentives. So, optimum arrangement of safety & security measures are to be adapted to satisfy a group of workers or higher incentives is to be provided to satisfy an another group of workforce. So, either the optimum arrangement of safe guards, safety measures or precautions is to be maintained or higher incentives & benefits are to be provided to avail Employee satisfaction. Somewhere it
is found that managers are trying to maintain a positive environment for work but, the group division breaks it.

4. **Goodwill & status of the employer:** Appointment in famous & economically strong organizations begets more satisfaction to the Employee even when pay cheque is less than a weak company. Whereas, appointment in a weak company with higher pay packages may cause dissatisfaction.

Employees’ get satisfaction, when they learn that, they have been working in a firm of potential future and accomplished prolonged records of achievements. So as to mean that, their service is safe and secured along with an ambitious future.

A superior complexity arises in the minds of the workforce, who are appointed in a big and stable organization and enjoy a greater satisfaction that those are appointed comparatively in a smaller firm, though all are getting the same benefits & incentives.

5. **Education, family background:** Persons getting education from a renowned institution along with a strong social & economical family background but appointed in a lower category of post & get low packages will not get satisfaction.

As his mentality & family status does not match with that of his appointment. But due to non-availability of work or appointment they are bound to accept the low earning for the time being, forgetting their family status or qualification. The idea behind is to solve the present crisis with a continuous effort and quest for better chance. Anytime such type of workforce will leave their present job. Thus, question of bonding with the firm & satisfaction does not arise.*3
Besides the above, training, relationship with the employer & employee, bonding among the staffs, safety, security, size of the firm, gravity of one’s mental & psychological balancing & personal characteristics etc. are the factors of employee satisfaction.

**Employee Satisfaction**

Employees’ satisfaction means the employee’s all round well being, a status of harmonious, recognizable, benevolent & problem less mutual understanding among the employer & employee with high morale, values, fraternity & productivity.

However, employee satisfaction refers to the common concept of employees’ well being and a mental satisfaction to economical, social & psychological balancing. It is a state & status to the employees, where they work, their working condition & congenial surroundings with benefits and amenities conducive to good spirits, high morale, motivation & higher productivity.\(^4\)

So, to have such an environment of work, it is the elementary duties of the employer also to look after, measure and understand the employees’ attitude, opinions, motivation, to create an atmosphere of building relationship of honesty, integrity, trust and team bonding in the organisation which becomes an effective communication and smooth work operations at all levels? It results to bring out the “Best work practices” which lead to carry out better professional standards of work ethics & to take up new initiatives.
**Elements of Employee Satisfaction**

Elements are the ingredients of achieving employee’s satisfaction. Considering all the vibrations on the way of searching employee satisfaction up to this day, we can proceed as per following

![Satisfaction Wheel](image)

**Fig: 1**

On the basis of the above satisfaction wheel we can discuss one by one in order of merit.

1. **Selection of Staff:** A most critical area of management is the staff selection. Which identifies the quality of staff, its ability, skill and competencies as well as personality & temperament? It is the high cost element in an organization & should be planned at the time of selection. So it is necessary to pay careful attention at the time of selection, persons must be honest, curious and be speak up. He may be a night guard, sweeper, foreman, operator or
office manager. Selection & recruiting is naturally connected to human resources planning. The goal of selection is to sort out or eliminate the inappropriate and under qualified persons to meet perfectly the organizational requirement. So the goal is to appoint or recruit a number out of a large pool of persons willing to work. Then profile matching. Organizational, social environment, successive hurdles, multiple correlations etc. are a number of factors that effect the selection of an employee. So, on the basis of the need of the organization a most scientific selection process is to be adopted which includes –

i. Job analysis
ii. Recruitment
iii. Application form evaluation
iv. Written examination
v. Preliminary interview
vi. Business games
vii. Tests
viii. Final interview
ix. Medical Examination
x. Reference checks
xi. Line Manager’s decision
xii. Employment.

Thus, every steps should carefully be organized that one’s background, knowledge, physical & mental ability, intelligence, ambition etc. can easily be adjudged. It is the fore most need to procure employee satisfaction.
2. Attractive pay structure, incentives and amenities: The most important area of employee satisfaction is the ‘carrot’, the financial and non-financial benefits and amenities they are enjoying schemes for financial incentives are the payments for improved productivity, attendance and general improvement, employees’ performance etc. It may be direct or indirect forms. Such as: attendance, bonus, profit sharing bonus, leave encashment, gratuity etc. play vital role on employee satisfaction. Even when a employee is to work before a dangerous & risky situation having no proper safeguard or safety arrangement only attractive incentives becomes the safeguard to the employee concerned. Thus, in healthy & polluted atmosphere becomes normal to the circumstances. Taylor’s scientific management recommends higher wages for higher productive workers and low wages for lower productive workers, though a variety of concepts are interplaying now.

There are a lot of financial incentives also. But before using the schemes the management is to decide the appropriate schemes and appropriate time for application.

In respect of non-financial incentive schemes, a good management practice is to elicit the employer sense of participation and belonging and their importance being not to be under estimated. The non-financial incentives touch the core of the employees’ heart & feelings and bring out a response which was impossible through financial incentives. Non-financial incentives are the outcomes of smart Management. There is no doubt that introduction of non-financial incentives acted tremendous with a radical change in industrial relations. Management is often face with a challenge when introduces non-financial incentives. The incentive schemes should be effective. *5 Management must ensure that they will be able to
benefit management and the worker alike. One of the studies was carried out in a public undertaking which focused result, after 4/5 months of introduction result comes as :-

1) Reduction in rate of accidents – 60%
2) Reduction in overtime – 40%
3) Increase in production – 20%
4) Increase in productivity – 15%

However, it should be considered that, incentive schemes must cover all the employees.

There are methods of sharing profits with employees’, based on some formulae. Which are particularly effective in situations in which workers can affect the major economic factors such as labour hours, material, wastage, damage etc? It is true that, employees’ sharing in profit shows outstanding achievement in employee satisfaction. It becomes problem solving, conflict less, better relationship with the employer & employees including self-government administrative or managerial atmosphere.

Of course, providing attractive financial & non-financial benefits or amenities are not the only instrument to avail employee satisfaction. Because, employees used to forget their enhancement of financial benefit and after a certain period of achievement it becomes normal. On the contrary, they would revolve again to gain more. so, it is completely psychological. However, inspite of the above argument the higher financial & non-financial incentives play a vital role in achieving employee satisfaction. 

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3. **Service Security & social security:** Employees’ wellness, feeling of satisfaction can be assured through their service warranty. Employees of all organizations will serve better when they feel their service is secured i.e. permanent. They have no tension for release or suspension of work or ‘golden handshake’. So that, they can serve the organization till to his retirement as their own. A tension free life work with a permanent source of monthly income is no doubt an important point of employee satisfaction because, warranty of service develops team spirit, loyalty, compassionate feeling to the organization and the urge for excellence in day to day work.

Insecurities come from economic & social causes. An employer is concerned for both the economic & social securities of his employees. Economic security comes out of employees’ service warranty, pay packages. But social security is the combination of both financial and non-financial incentives. Because, there are certain risk to which a workman is exposed. Such as sickness, maternity, invalidity, incapability, unsound, old age, death etc. So as good as service security, social security is needed to the employees. But too many social security schemes lead to confusion & harassment rather than benefiting the employees. But it is a bare necessity to the employee’s satisfaction. An employer should provide the financial & non-financial social security’s to the employees as:-

1. Medical care during ailment.
2. Maternity leave cum facilities to the female employees.
3. Pension after retirement.
5. Minimum allowances during seize work or lock out, caused by the employer.
The concept of security is based on social justice & to celebrate humanity. The main object is to ensure the work man who are dependent on income receiving from their employer, must collect their livelihood during the period of contingencies in life. On the contrary, the universal declaration of human Rights proclaims: Everyone as a member of society has the right to social security and it entitles to realization, through national efforts and international co-operation and in accordance with the organization and resources of each state of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

4. Career growth & future prospect: Among the trained, educated, aspirants, the urge for promotion or career upliftment is very great. There is the aspiration for higher status & aristocracy, higher salary & perquisites etc. of some employees. Employees feel satisfaction when they find their opportunity to exercise their option in their own organization. Ambitions work force requires potential future, promotional benefits, foreign tour etc. as their achievement of life. They also want to have higher responsibilities achievement, promotion helps to satisfy the work force as their self encouragement, self respect & psychologically mental development. This inspires an employee to serve more & more for his betterment. As ‘success begets success’, the promoted employee becomes aspirant for his next climbing. Virtually it helps the organizational growth.

Career growth & future prospect come out of proper training and development programmes. Such as:-
i. Planned reading programmes: Planned reading programmes enhance the managerial knowledge of the trainee executives enriching their intellectual levels and aspirations. There must be an arrangement of good reading room and attached resourceful library stocked with informative periodicals & journals.

ii. Special assignments: Special assignments are different from routine works, the challenge to change & the capacity to accommodate him in handling the new situation gainfully. It is also a reliable test of one’s leadership traits and executive qualities that, how quick one can effectively surpass.

iii. Study materials: Study materials can be provided to the trainee executives.

iv. General coaching system: The coaching process is a given and take relationship. A good teacher is a good learner first – learning new technique in instruction. The superior executives will be the resourceful teacher & the subordinate executives are the learners. Which foster a spirit of good relationship, dependence & mutual confidence?

v. Refresher courses: Refresher courses are recommended for executives to gather updated information & knowledge.

vi. Orientation: Orientation programmes are very useful to get managerial knowledge & current information with close contact with the experienced superior executive colleagues.

Besides the above it needs integrated management training in theory & practice, Human relation training, professionalization are the important instruments for career growth & potential development of managerial efficiency & effectiveness.
5. Security, Safety & Welfare: An efficient & stable workforce cannot be built up without
the improvement of their life & conditions of the place of work. Security, safety & welfare
activities are the human related affairs. Thus it is totally humanistic. It is the facilities and
amenities to the workers to lead them a fuller and comfortable life. These benefit and
amenities are essential for good health, spirit, high moral, higher productivity & profitability.
It is true that, the development of our country without the development of workforce is
impossible. So, employers have to provide the workforce at least the means & access to
healthy & comfortable living status.

It may hopefully be quoted that, coal mines labour funds, mica mines labour funds &
such other labour welfare funds are initiated. Again, like adult education centres, Educational
Scholarship grant to the deserving children, movie hall, indoor & outdoor game, fair price
shop etc. are undertaken by some firms.

Though legislation concerning labour welfare already exists, such as, the employees’
state insurance scheme, provident fund, gratuity, compensation and so on, these facilities are
being felt inadequate. In addition to statutory requirements, additional employees benefit
programme will be planned. Particularly, education, training, family welfare, housing, death
and retirement benefits etc. are to be sincerely and properly considered to obtain employees’
satisfaction though it is too much difficult to budget activities than salary.

On the basis of Maslow’s need hierarchy, we can say, when physiological needs are
fulfilled, safety needs begin to manifest. Safety needs are the needs for the protection of life
from danger, at present and also in future course of action unforeseen. Any severe disease,
accident etc. come within. On the job, fringe benefits, such as accident, health & life insurance programs help to fulfill this need. Another safety need to the workers as: orderly, predictable & hopeful working environment also.

Thus employee satisfaction also relates to the perfect protection, where they are to work with a harmful chemical & biological hazards for a long time, sufficient measures are to be provided to clean the garbage’s from time to time. Prevention is better than cure. Cleaning should be maintained. Thus, to have pollution free, clean, safeguard & protection, regular maintenance has to be done for the greater cause of employee satisfaction.

6. **Good working condition:** The workplace should be well-ventilated, airy, having sufficient lighting, a pollution free condition for the workforce to work without hesitation. Sufficient arrangement should be there to clean & colour the factory shed properly in time and at regular interval as per the Factory Act. A good working condition includes the adoption of safety & precautionary measures to save the work force from accidents should be maintained.

Finally employee satisfaction comes in using a joyful working condition. The numerous items are to instrumentals as a good & joyful working condition in a firm can be listed as follows in two categories.
Primary Category

- adequate light
- heat
- ventilation
- toilet facilities
- accident & occupational disease prevention
- lunch room
- recreation room

Secondary Category

- club room
- playground
- gardens
- disability and unemployment funds
- pensions
- serving banks
- provision for conciliation
- shop & retail stores
- housing
- removal of hindrance
- removal of physical or mental panic
- good industrial relation
7. **Recognition:** Recognition here means applause to the employees for their performance outstanding. Employees enjoy satisfaction when they are recognized for their good deeds, the outstanding performances. Everybody expects recognition for his/her grand success, achievement, sacrifice or alike. Management should be cautious and careful in making arrangement of tendering recognition in the form of awarding prizes or any incentive in front of a gathering. The award presentation programme should be organized annually in a colourful manner & outstanding performers should be awarded along with a certificate as a mark of his/her remembrance of tremendous achievement, record. That certificate would be counted in his/her service record as an added feather to his/her crown of achievement. Recognition has invaluable worth. It is two folded. The person receives recognition feels himself important & it inspired his/her inner qualities to develop more & more. It results in better service & better performance. Recognition is an education and a point of inspiration also to the non-receivers.*

Employee satisfaction becomes high with self-respect, feeling of personal worth, motivation and inspiration for better performances. Research says that the status seekers portray this kind of urge. Recognition valued invaluable, having a long range effect. A single recognition can bind an employee with the firm for his life long service. Status seekers like recognition very much, to satisfy their inner instincts. Employees are reinforced with that of recognition. Recognition is one sorts of achievement to the employees. Recognition does not contain cost but it contains worth. Recognition has many types. Such as :-

a) Simple clapping or applaud.

b) Honouring with a bouquet.
c) Honouring with a present.
d) In the form of gift check.
e) Allowing a tour package.
f) Increment/salary benefits / promotion etc.

So, to recognize one’s outstanding performance there is many ways to adopt, which becomes a fantastic opportunity to avail employee satisfaction.

8. High Productivity: Economic resources are constantly being put to use. If the process is productive, nation prospers. It is generally assumed that a satisfied worker is a productive worker. Productivity generally measures the output of goods & services in relates to its input of capital, labour, raw materials, energy etc. An industry is called more productive, when the better is its competitive position and lower unit cost of production.

In a study in 1965 Rajgopal showed the relationship between satisfaction and productivity of textile mill, Workers, belong to high & low productive mills. There were six mills, three high productive and three low productive, were administered questionnaires. Thirty items representing seven aspects of work i.e. salary, job, working conditions, management, welfare facilities, co-workers and union management relations were provided to them & they were asked to indicate their degree of satisfaction or dissatisfaction ranging from extreme satisfaction & extreme dissatisfaction on a 5 point scale. It showed a result those higher productive mill workers in comparison with their counter parts of low productive mills to be significantly more satisfied with five of the seven aspects. Job and co-workers the other two have no significant difference between workers of high & low producing mills.
Increasing productivity simply means getting more output than what is used as input. Improving productivity does not mean the addition of resource, it is the higher productivity i.e. production with the resource we have. Higher productivity is not working harder. But, it is working smarter. It is the universal demand of the day, to work or to perform more with less factors of production. Which can be shown as with a given amount of labour, equipment & capital two different firms are producing the different amount of production. One organization is producing more and another organization is producing less with the same amount of input.

![Diagram showing productivity comparison between two organizations](image)

**Organization – 01**
- Labour Capital equipments
- More producing

**Organization – 02**
- Labour Capital equipments
- Less producing

**Fig: 2**
Theoretically productivity relates to total productivity index. Which includes all the inputs, such as – capital, labour, material, energy etc. relates to final outputs. The accurate measurement of productivity, where production is the function of capital, labour, and raw materials i.e inputs thus to develop a meaningful to measure the relationship of all the inputs with that of the output separately one by one. As such, productivity of capital, productivity of labour etc. require for measurement.

Mathematically it is shown as a ratio of output and input. As –

Productivity = \( \frac{Output}{Input} \times 100 \) 

(Index)

Same as the measurement of factor wise productivity.

Labour productivity = \( \frac{Output}{Input \text{ of labour hours}} \times 100 \)

When both outputs & inputs are expressed in the same unit usual literature defines productivity conceptually as an attitude of mind & prevention of all kinds of waste.

Employees’ productivity measured as output per employee or per worker hour, unit sales per pay roll and units of output per working hour.

In connection with productivity two terms as ‘efficiency’ and ‘effectiveness’ need to be properly understood. Both are not same. While efficiency signifies doing the things right, effectiveness denotes the right thing. Effectiveness is usually denoted as a ratio of output to objective. Effectiveness is more concerned about the objective of the firm, while efficiency
takes into account only the performance without considering the reason of production. Thus, efficiency without effectiveness is something like saying that the operation is successful but patient is dead. So, in spite of higher productivity a company may earn loss. However, among the independent variables of productivity index labour plays the vital role to productivity. Because, labour is the only input which can a produce more than input. So, two variables, employee satisfaction and productivity are perfectly correlated. The variable labour becomes more effective in relates to productivity through the apprehension of the value of time in connection with the Employee satisfaction. Thus, the relation between two variables productivity & employee satisfaction are vice versa. As higher is the employee satisfaction higher is the productivity. Again higher productivity increases employee satisfaction.

9. **High morale:** Moral is a system of belief, values and underlying judgments about the rightness or wrongness of human acts. Morale has two components, Attitude & Behaviour. Attitude is one’s feeling about something or someone. Attitude is related to the value but is different from value. Attitude has three components: cognitive, affective & behaviour. Belief or opinion is based on value system. In the context of organizational behaviour (OB) following are the three major attitudes which are relevant: Such as

a) Job satisfaction

b) Job involvement

c) Organization – commitment

In 1954, seashore concluded that, there is no definition of morale. It is a condition which appears in the following context where workforces are:

a) Motivated towards high productivity.
b) Want to remain with organization.

c) Act effectively in crisis.

d) Accept necessary changes without argue.

e) Promote the interest of the organization.

f) Satisfied with their jobs.

Thus, morale is a general attitude of the workers and relates to group. Job satisfaction is an individual feeling which may be caused by group or many other factors.

In 1974, Sinha suggested that, industrial morale is a collective phenomenon and job satisfaction is a distributive one. On the other hand job satisfaction is related to an individual worker. Whereas morale is a group phenomenon based on group goals and confidence on the desirability of these goals.

An individual may be satisfied with a variety of factors, like salary, co-workers, his own contribution, safety & welfare arrangement, recreational facilities, non-financial benefits or amenities etc. But morale itself could also be a source of satisfaction.

Attitude and behaviour are related. High morale implies perseverance at work so important and essential in the fulfillment of management objectives. A high morale is to stimulate the employees with a feeling of togetherness and a high sense of identification and intelligent interest while depicting their best abilities. According to Harrell ‘High morale’ is defined as a ‘confident spirit of wholehearted’ co-operation in a common effort. An individual’s feeling that “he is a part of the whole group” which is engaged in a given activity,
stimulates to perform a task energetically with well, in spite of great hardship on his way of accomplishment.

Low morale relates to frustration, discouragement and lack of initiative. Whereas high morale begets employee satisfaction and leads to have the following:

1) Willing to co-operate on the part of workforce.

2) Loyalty to organization.

3) In respect of benefits & amenities a fair and common sight to the employees with an equitable treatment.

4) Prompt spotting & resolving conflict.

5) Effective communication.

6) Safe working environment.

The above points flow two ways:

i) From management to employee &

ii) From employee to management & finally create a wellness and hopeful situation, the employee satisfaction.

10. Firm’s Goodwill: Goodwill is an intangible but fixed asset of a firm. By which a firm can earn super profit. It is very difficult to earn goodwill & keep it up. Acquiring goodwill is a long-run process. But goodwill pays surprisingly a firm’s potentialities and future prospect, as well as the employees’ stratification. It also binds the employees’ with the firm more closely, effectively and lightly.
However, a firm’s goodwill depends on a lot of factors. Such as: amount of capital employed, quantity & quality of human resource employed, scale of production, quality of production, quantity of production, cost per unit, profitability, productivity, market captured, volume of output etc. are the factors help to earn goodwill. It is difficult to earn but easy of attrition. Goodwill is the fame and popularity of a firm in business sector. Goodwill helps a firm to hold captaincy in the corporate sector. It is the goodwill for which buyers enquire a thing or product but not its price. But the concerned firm comes under the knowledge & purview of similar other firm & competition exists. As a result of which employees of that firm feel proud enjoying the situation. The employees also smell the fragrance of the goodwill of the firm by manifesting their complex feeling before the public that, they work in a firm which has great reputation in the industry. At the same time employees also proclaim their share of creditability. As if, firm’s goodwill is caused by their honest, Performing, contribution & working abilities of them.

Goodwill not only earns super profit but it shows the firm’s prosperous future also. It enhances the both tape rooted & deep rooted stability & eternity of a firm. Which ensure the service warranty to the workforce, Employees can continue to work with a better hope of service security along with an expectation of greater facilities, in the form of bonus, ex-gratia or likewise. Working in an organization of national or international repute employees can show their status symbol to their near relatives, friends etc. that ‘I am working in such firm ….

Etc. The effect of goodwill can be wheeled as:
It is obvious that, cultivation of goodwill depends on so many factors but the contribution of the workforce cannot be overruled. As the employees belong to a reputed firm in one hand & on the other hand, they have their fare share in the development of firm so achieved, motivate the workforce to work satisfactorily & hopefully.

11. **Job Satisfaction:** Job satisfaction is a state of the combination of psychological, physiological and environmental circumstances that cause a person to say, “I am satisfied with my job.” Such a statement indicates the variety of variables that influence the satisfaction of the individual but tells us nothing about the nature of job satisfaction. But the motivation and attitude imply that, the person is willing to work or produce.

It is obvious that a young man would not spend his ambitious & dreamt life in a job having no satisfaction. A person may be talented and equipped with all kinds of abilities and skills, but may have no will to work. Thus satisfaction on the other hand, implies a positive
emotional state which may be totally related to productivity. However, job satisfaction refers to a general attitude towards work by an individual worker.*9

The father of scientific management, F.W. Taylor’s (1911) approach to job satisfaction was based on a most pragmatic and essentially pessimistic philosophy that, man is motivated by money alone. According to him the workers are “stupid and phlegmatic” and that they would be satisfied with work if they get higher economic return from it. Actually, over the years, we have moved away from the Taylor’s view of monetary approach. New dimensions and avenues are opened with increase understanding of new variables and their interplay. Therefore, it is very difficult to understand the field of job satisfaction.

Job satisfaction has some relation with various aspects of work behaviour like Unionism, productivity, accidents etc. But several studies show the variation of relationship between them & job satisfaction. It is not crystal clear that the relationship whether casual or correlative. But it is clear that, job satisfaction or dissatisfaction a course of these aspects of work behaviour.

Research on the relationship of job satisfaction with accident shows that higher the satisfaction the lower is the accident. It appears difficult to define such relationship. But it is true that a satisfied employee would not be negligent.

When an employee faces the problems of adjustment, it affects his/her work life. For its difficult explanation, most psychologists & organizational behaviourists able to put it as neuroticism and anxiety, whereas anxiety is a mental state of indistinct fear with an assumption of influencing mode of thinking. On the basis of literature on this area, suggests a
positive relationship in between adjustment & job satisfaction. In India, Labour unions are strong and persuasive. Here job satisfaction without unionism is quite impossible, though a large number of workforces are not till unionized. When organizational climate, personnel policies and practices of management are sum as dissatisfying, most workers trend to look up at the union official to conclude their grievances. Even the state of dissatisfaction of the employees with the work & work environment is often exploited by the union to gain membership & support.

12. Harmony at all levels: A quest for industrial harmony is indispensable when a country plans to make economic growth. Harmony is a tune of consisted bonding, mutual understanding, less conflict and less dispute among the staff and in between staff and employer of an organization from top to the bottom. All the members of the staff are entwisted with a single thread of brotherhood. It is a pleasant, peaceful & comfortable relation at all levels. This begets a golden pursuit, bonding & controlling. As a result of which Management by Objectives (MBO) can purposefully be utilised.

Peter Drucker introduced the concept of MBO. It is a proposal of setting goals to individual employee, Manager. Following are the four steps:

1. Setting objectives on mutual consultation.
2. Preparing action plans.
3. Self control, self direction & dispute.
4. Periodic Reviews.
Objectives are laid down for the entire organization which can truly be achieved through harmony at all levels with a sense of ‘togetherness’. *10

The function of harmony at all levels is one of the most intangible but vital instrument and most difficult part of personnel programme. In this area we are to deal with feelings and attitudes. A strong harmony strengthens the employee satisfaction to a greater height with fraternity love & fellowship.

13. An all round mental pleasure & contented state: This is a complete psychological, sociological & physiological state of affairs. Though the mental pleasure, health condition & social aspects vary man to man, place to place & organization to organization but the concept relates to the wellness of the circumstances a good mental feeling.

The common ingredients of all round mental pleasure & contented state are:

i) Staff selection process and appointment procedure.
ii) Pay packages, financial & non-financial incentives.
iii) Standing or any rules for bonus, overtime facilities, Ex-gratia etc.
iv) Benefits of loan, advances etc.
v) Gratuity, death-cum-retirement benefit, compensation facilities etc.
vi) Working hour.
vii) Worker’s safety, security & welfare procedure or schemes.
viii) Service warranty & social warranty.
ix) Recreational and Refreshment facilities like games & sports (both indoor & outdoor), Annual function witnessed by celebrity & performed by artists celebrity. Arrangement of lunch or tea, Annual tour programme etc.
x) Work place & working environment.
xi) Management – motivation, co-ordination control & relation.
xii) Arrangement of reward & punishment.
xiii) Promotional opportunity, demotion & future potentialities.
xiv) Integration, harmony & feeling of brotherhood, staff relation & bonding.
 xv) Professional training, communication system, staff enrichment system, management information system (MIS), scheme for professionalization.
 xvi) Role of personal department.
 xvii) Managing human resources & the function of HRD section.
 xviii) Environmental diagnosis.
 xix) Professional aim & approach.
 xx) Line & staff relationship.
 xxi) Employer-Employee relationship.
 xxii) Planning & programme for personnel.
 xxiii) Decision making process.
 xxiv) Application of computer and personnel.
 xxv) Standard, strategic control & procurement.
 xxvi) Morale & values.

These are not least. There are several other points in connection with the all round mental pleasure & contented condition. Moreover a favourable, comfortable, positive & peaceful state coherent to a workforce enhances the degree of their mental satisfaction.

14. Employer-Employee relationship: P.F. Drucker once said “Business is a human organization made or broken by its people.” Thus statement suggests how the personnel function is so complex & crucial. We know that among the factors of production man is the most critical factor to deal because; it has feelings, emotions & ambition. Man is guided by some sentiments also. So the chance of difficult or stationary state has to be occurred. In spite of this supreme importance, some organization tries to ignore this. Because:-
1) Inadequate role and deficiencies on the part of the personnel manager along with a traditional approach.

2) In many organizations, the personnel manager or department has overplayed the conscience role. Stereotyped personnel relations provide passive components to develop interrelations.

So, anticipating the problem area, diagnosing the environment professional approach should be initiated to develop personnel policies to line up a better relationship among the Employer & employee.

In order to develop a fine employer-Employee relationship the following steps may be inculcated. Such as:

1. Regular staff meeting following a definite interval.
2. Formation of a strong HRD department.
3. Maintenance of record card of all the employees (Which includes bio-data & biometrical information of the employees including career & achievement record).
4. Adoption of the rules for discipline, punctuality, sanctity and justice overall.
5. Fixation of organization goal setting targets, individual’s point of destination.
6. Formulae for reward and punishment.
7. Promotion in order of merit & devotion.
8. Set personal (managerial) examples to others.
9. Benevolent leadership style from the top.
10. Empowering sub-ordinates with a proper feedback analysis.
11. Provide opportunity to show competencies of the workforce.

12. Arrangement of guidance & counselling to eliminate stress and frustration of the employees.

13. Freedom & trust collaboration with a team spirit should be ensured.

Employer-employee relationship is a phenomenon of organized human activity directed towards the promotion of co-operative & happy work relationship. It motivates the workforce to work at the best of their ability. The sensitive affect of Employer & employee relationship can be shown as:

Moreover, a network of satisfaction perspective including work satisfaction develops relationship & promotes employee satisfaction.
15. All round atmospheres: All round atmosphere pursuit’s natural, economical, social, political & organizational phenomena of the context. So, it stands as:-

a) Natural: In fact human beings have been an ecological dominant since their emergence on the earth. With the advancement of science, frontiers of knowledge and development of technology civilization have expanded beyond the cosmic space and the environment of the earth. But the degree & depth of knowledge, working ability, morale, and values, thought provocation, sense, energy, discipline, punctuality etc. differ tremendously. Again, man’s control on the cosmic forces is too limited. As such in hot & cold climates man cannot serve their economic activities properly in the same way. Where as in a temperate zone man can work not only comfortably but for a long time tireless also climate condition helps the employee to discharge their duties satisfactorily & properly.

b) Politics: Nasty politics destroy hastily. Political violence, instability, disturbance etc. are the severe causes of business attrition. Negative politics critically hampers the environment of trade and commerce. Even, different political parties have their different manifesto thoughts & egos. Thus political instability creates problem severe. As the trade & commerce are influenced by politics, it may be harmful or conducive. Employee satisfaction is there on a better balanced political atmosphere without any constraints thereby on the development of business.

c) Social & cultural climate: Human desire is to stay, work and enjoy life with the people of their ethnic, social and religious group where they feel safe, secure & comfortable. Non availability of congenial social atmosphere, employees feels dissatisfaction to work. Not only the working environment but the availability of health service, educational institution, style of
leisure time occupation and other social amenities etc. are the point of satisfaction and dissatisfaction of the employees also. Again, robbery riot etc. other social disturbances have also same effect on satisfaction and dissatisfaction of employees.

d) **Government**: Government’s policy, framework, introduction of new industrial act, laws, regulations, license system, etc. provide a positive or negative atmosphere of business, even the security and safety of the citizens. Existence of stable government plays a vital role for business promotion. Non-violence, calm atmosphere civic peace and stable government are the parameters of business promotion as well as look satisfaction of the employees.

e) **Infrastructure**: Infrastructural development in respect of communication, transport facilities, power, market (both labour & capital) etc. are the yardsticks of business progress and foster employee satisfaction.

f) **Self-development**: Atmosphere for self-development means arrangement or opportunity to play, exercise, research; adult education, religious facility etc. are the root causes of satisfaction.

16. **Motivation**: Motivation means to provide an employee an energy to burn with its own flame, to generate power by his own generator for the accomplishment a goal directed behaviour. Motivation becomes the prime mover. Motivation is that instrument which helps an employee to discover his inner wonders. A motivated employee does not need outside stimulation again & again. His battery does not need not to be recharged. He is guided by the forces within, results he wants to do his job.

Prof. Scott suggested that, workforce are guided by three types of motivation. Which can be outlined as:
<table>
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<tr>
<th>Primary Motivation</th>
<th>Basic Motivation</th>
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<td>[Psychological &amp; Social Needs)</td>
<td>[Means of satisfaction]</td>
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<td>[Food, water</td>
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<td>5. Economic</td>
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<td>6. Accomplishment</td>
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<td>6. Feeling important Rank &amp; Status</td>
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<td>7. Communication</td>
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<td>7. Being consulted, seeking opinion</td>
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<tr>
<td>10. Independence</td>
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<td>Right to order</td>
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<td></td>
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<td>10. Member of team and committees</td>
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According to the psychologists all behaviour is motivated. All human behaviour resolves around a desire for satisfying certain needs. Motivation, therefore includes, need, drive & goal. It has four sets of assumptions:

Fig:-5

Individual differs from motivation. But motivation plays a vital role for employee satisfaction. A well illustrated story can be cited in this respect i.e. the goal to which an individual aspires.*

There three men were cutting stone near a cathedral and about ¾ completed. A stranger came along and said to the first man “My friend, what are you doing?” I am working for 10 Shillings a day.” Stranger went to the second man & asked the same question. “What are you doing?” The second man answered “I am squaring the stone. See, I have to make its edge absolutely straight.” The stranger then walked to the third man and asked, “Friend, what are you doing? The third man answered “Me, what am I doing? Yes, see that cathedral up there, I am helping to build that, is not it great.” So, to say the first man’s satisfaction was the wages
he earns, the satisfaction of the second man relates to his work & to the third man was the building of cathedral, satisfaction through creation.

17. Evaluation, Promotion / demotion & transfer: It is the general norm of the programme for wages and salary administration to compensate equitably to the workforce of firm for the services rendered by them to the concern. It depends on the nature of the job, type of the job and effectiveness of the job. Which are closely related to job evaluation? Job evaluation, job description, surveys of wages & salaries, minimum wages Act, job analysis, payment etc. are considered within the firm at the time of wage payment. Evaluation deals with money & work. It is the process of determining the relative worth of jobs, ranking, grading, knowledge, skill, responsibilities, and accomplishment with a view to measure the value of compensation payable to the incumbents.

   It is necessary –

   i) To gather data & information relating to one’s job.

   ii) To compare with that of others.

   iii) To determine the hierarchy & place.

   iv) To determine grade.

   v) To ensure fair & equitable wages.

   vi) To minimize discrimination based on caste, sex, religion etc.

Existence of a sound promotional scheme based on rational & scientific procedure or method is a need. A sound promotional system tills the employee’s well advance about the avenues for advancement. However promotion should be occurred in respect of merit &
talents but not on the basis of seniority. However promotion always creates joy & merriment. On the contrary demotion creates unhappiness & unpleasant environment & mental state of affairs of an employee. But the scheme for providing reward for good deeds & punishment for bad performance are necessary.

A transfer implies a lateral movement of an employee in his hierarchy of positions with pay & status. Transfer may be from company side or self-initiated. There is also a problem. Someone wants to stay at their native place (Home) someone says to stay far from home. But everybody have their level of satisfaction.

18. Personal record: Maintenance of personal data of all the personnel. Annual report even confidential if necessary etc. are to be maintained properly in order. So that, any time the same can be used for reference or recommendation both for the Employees & organisaonal interest. Personal record card is a summarized form of individual records of an employee’s achievement, success or failure, tenure of service, seniority, promotion, fixation of scale etc. Personal record card and evident need for personification. Thus it inspires to the workforce to work more & more to frame new records breaking the old. It increases the hunger of workforce to perform better, to do “Beyond Excellence”, an unending development desire. It increases possibility of growth & the employees cultivate their own capability. A joyful & pleasant atmosphere begets the employee satisfaction.

Besides the above a properly planned & institutionalized system of personal record keeping helps to find out the promotion or demotion, reward or punishment right man on the right post
at the right time. Even providing compensation, benefits at the time of accident etc. become easily possible. Above all the interest of the employees is given importance.

19. Personnel Management: Human resource is a factor of production which has paramount importance of all the factors. This resource is animate, active & living. Emotion, satisfaction dissatisfaction, anger, pleasure etc. all problems emanate from human factor only. Human resource is the most unpredictable & complex resource. A manager has no cook book formula to motivate his workers. A firm can purchase his employee’s time & physical presence, but not his courage, enthusiasm or endeavour because they have their own distinct background. It is the only resource which has skill & experience.  

Thus it is a tough exercise to manage manpower effectively. A most praiseworthy and functional personal management should be viewed with the help of following major functions to obtain employee satisfaction.

![Diagram of Personnel Management Functions]

Fig: 6
However, procurement of Employee satisfaction or dissatisfaction depend on the role and quality of a good personnel manager.

20. Team work: Team work is the ability of a group of people to work together cooperatively & effectively where everybody of the group generally think for the group interest rather than personal interest. The success of Japanese is only because of their inspired team work. In Japan the motivated effort of the workforce produces result. The team work is the motivating instrument there in Japan to get the workforce totally involved in their respective assignments in a well disciplined manner which comes from within. They are motivated with a high morale to contribute to their organization in their condemn environment and atmosphere also. Hawthorne Experiment concluded regarding the precedence’s of higher productivity as per following figure.

![Diagram of Team Work](image)

Thus higher productivity is the result of the degree of teamwork and co-operation. Considering the value of teamwork at all levels, many scientific methods are employed to imbibe a team
spirit amongst the employees. In fact individual ability & motivation are important but efficiency as a group is treated as multiplier factor for the productivity. The beginning of the teamwork is the communication of management policies & philosophy down the line. Teamwork is nothing but a human relation movement. Thus it has great wonders to build relationship of a prompt teamwork through the group meetings for task clarification & the system of pledge meetings to obtain Employee satisfaction.

21. **Training, orientation and development:** Training has many methods to apply. But application of a method refers to necessity, cost, time availability, number of persons to be trained, depth of knowledge required, background and many other factors. Training to the employees is not only a policy of a concern but a compulsory programme also for primary knowledge, need, security, safety and also motivation. Thus programme for training of the workforce is a must. A training programme can be grouped under the following essential heads:

![Training Diagram](image_url)

**Fig:8**
Orientation of the workforce is a process carried out over a period of time. The new appointees have attend the classes for orientation programme to gather knowledge of the company’s history, products, plants or factory policies and procedures, organization charts employees’ handbook. They should attend staff meeting. Orientation on the other hand is the induction for the guidance and proper involvement of the workforce with that of his responsibilities to shoulder.

Development is not concerned with the newcomers only but for the existing personnel also, who constantly require further development of certain skills and abilities, so essential development programme should be launched to enrich the personnel for abreast of knowledge & quality. By organizing the development programme, personnel’s strength & weakness can be adjudged. On the contrary, it will be the weapon to achieve the excellence which is a must for all, especially to the ambitious people.

**22. Grievance:** Grievance caused by dissatisfaction, sufferings, wanting, demands, security, safety, wage policy, welfare scheme etc. may arise. It has much normal & valid ground to arise. But for carelessness it becomes complex & dangerous to an organizational peace & goal. Grievance may arise for the want of communication, knowledge, ignorance etc. which can be grouped by the following figure:
Generally in a personnel management system it is a grievance or a representation made in writing related to the interest of the workforce work in the company. Prompt treatment of grievance renders the solution quickly. For delayed action treatment of grievances the condition may create a sense of frustration, as a result of which impasse and annoyance earn paramount. As a result absenteeism, gherao, strike, lock-out, bandh etc. may cause to arise. A proper way to dispose of the grievances needs a serious consideration for harmonious counteract of good industrial relation & peace.

Adequate time & patience must be spent for handling grievances to develop a hopeful & prosperous employer – employee relationship. Which enhances employee satisfaction?
23. **Role of trade union**: Trade union is an association carried out mainly for the protection & advancement of the interest of its members. Trade unions are the association of either employers or employees or independent workers.

A structure of a union in connection with the industrial relation can be focused as:

![Diagram showing the role of a trade union](image-url)

Fig: 10
Though in India trade unions act mostly negative. But trade unions have composite role in business. A perfect unionism saves the industry from destruction and establishes the claims of the employees’ before the employer. It results industrial peace & satisfaction of the employees.

24. Leadership & management or management leadership: Another most important item which satisfies workforce and lead them for higher level of achievement is the management leadership. A management leader is true sense has some traits which attract others & inspire. Leadership as the process of influencing people to direct their efforts towards the attainment of some particular goal or goals. It is the leader who is followed by the workforce to work properly. Who shapes the working environment, influences their attitude, behaviour, perception to a clear direction with regular feedback? Out of which employee get satisfaction.

The magnitudes of a management leadership can be drawn with the help of the following figure:-

![Diagram of Management Leadership](image-url)
Effective leadership inspires for Employees’ –

a) Involvement, motivation & delivery

b) Supervisory skills & confers

c) Confidence in management shows the way

d) Perfect direction, gives the advice

e) Coaching.

Ultimately it tenders employee satisfaction to a large extent.

25. Recreation & Enjoyment: Organization of various recreational and enjoyment programme to rejoice or to celebrate different occasions like Independence day, Netaji Subhas Chandra Bose’s birthday, Republic Day etc. are necessary to get-together. Annual cultural programme & Award presentation Ceremony compulsorily to be organized in each & every year. Annual workmen’s athletic meet, tournament, other indoor or outdoor games, etc. may also be organized in compliance with the perspectives and situational needs.

Formations of recreation club, community hall, park, and swimming pools are also the valid & attractive points of recreation, all of which bring together, enjoy together, bind together, & work together. Togetherness is the ‘Red road’ of profitability & satisfaction. Thus it is called recreation is the refreshment of mind. All these programmes, arrangements or provisions bring a bonding of the employees’ with the firm, even with their family members also. Which strengthen the employer – employee relationship also? It minimizes the gaps and distance but enlarges the spirit of teamwork & brings satisfaction.
26. **Worker’s participation in Management**: Worker’s participation in management has been practicing on importance particularly of modern business policy. Government of India petrified the same also. The industrial policy resolution (1956) declared that:

“….. In a socialist democracy labour is a partner in the common task of development and should participate in it with enthusiasm. There should be joint consultation and workers and technicians should, wherever possible, be associated progressively in management.”⁹

Worker’s participation makes a direct relation between employer & employee. The relation becomes closer. Workers come to know the economical viability of the firm, profit margin, business policy, stability, future prospect, wage policy, ex-gratia & bonus etc. Moreover, worker may get a clear concept about their organization. For which the evacuation problems & conflicts can be avoided. So, the question of bandh, absenteeism, strike etc. will not be held. A quite, calm & peaceful firm’s atmosphere can be had.

Workers participation in management in all aspect of their job performances is an unique feature of Japanese style of Management. Wherein every worker gets an opportunity to identity & solve problems & achieve great standards in quality, productivity & team work.

**Objectives of Employee Satisfaction**

It is an important point to note that, the root cause of people leaving a company because of how they are treated every day. Surveys consistently show that more than 40% of people who leave they are not recognized for their contribution irrespective of their position. The highest rated reason of low job satisfaction due to the want of appreciation, absence of team work and the perception that company is careless for the workforce.
So many managers are there in management and they are beautiful. But their management is full of negativity. The most important matter is what they do not rather than they do. Again, awarding common reward to everybody without any discrimination or without considering the recognition of the highest contributors for whom productivity is high rather punishment to that productive force who contributed their best. The perception of mistreatment grows. Treatment should be on the basis of merit not on seniority. There are some managers who favour some bodies, reason best known to them. Due to favouritism the problem performers are not treated efficiently and effectively. After all a voice comes out weak manger which hampers environment of the workplace & also the personnel relationship. Definitely, it is harmful to the organization.

Finally whether the employees have been working satisfactorily, stimulating with love and a challenge to accept or not. It is true that employees should know the intrinsic values of work, the work place & pleasure doing good work for his own interest. That professional pride about the quality of one’s works the most powerful incentive ever before or after.

Employee satisfaction is the best key for progress. Due to its perceived instrumentality it appears that high level of employee satisfaction lower is the production cost & attrition. There exists a correlation between employee satisfaction and objectives of employee satisfaction as:
To obtain higher productivity & growth
To decrease the operating cost of the industry & to increase profitability.

To maintain a well motivated workforce with high morale & values
To achieve good industrial relations

To maintain a peaceful work culture & job satisfaction
To increase the value of market share of the company

Fig.12

Thus, the objectives of the employee satisfaction can be discussed as –

1) **To maintain a peaceful work culture and job satisfaction:** F.W. Taylor showed a pessimistic view regarding job satisfaction that man is motivated by money alone. That the personnel is essentially stupid & phlegmatic & they would be satisfied with job by providing monetary benefit only. But a lot of new approaches have interplayed with new diversions. In 1935, the term job satisfaction was brought in by Happock and viewed that job satisfaction is a combination of psychological, physiological & environmental circumstances that cause a person to say, “I am satisfied with my job” such satisfaction is influenced by a variety of variables.
Hoppock in 1935, identified six factors that contribute job satisfaction. Such as –

1) Way individual reacts to unpleasant situations.
2) The facility with which he adjust himself to others.
3) His relative status which he identifies himself with others.
4) The nature of the work in relation to the abilities, interest and preparation of the worker.
5) Security
6) Loyalty.

Job satisfaction comes through the proper carrier management; training and development programme appraisal of employees’ performance, ranking etc. Thus, through employee satisfaction objective to employee satisfaction can be tied up.

So, work culture, sanctity of the working environment, peaceful & healthy atmosphere & job satisfaction etc. are prevalence to the circumstances & the objective of the employee satisfaction is achieved.

2. To maintain a well motivated workforce with high morale & values with almost zero problems : According to psychologists behaviour is motivated. All human behaviour resolves around a desire for satisfying certain needs. The behaviour which is rewarded tends to be repeated, behaviour that is not rewarded tends not to be repeated. If management rewards behaviour, such a high quality work, high productivity, creative suggestions, these behaviours are likely to increase. Motivation consists of three terms : NEED, DRIVE and GOAL. On which human beings behave or act in a particular manner. Managers must keep in mind that
most people especially in a developed society, have needs, that encompasses the entire range of Maslow’s need hierarchy which can be shown as:

Morale & values have significant role on one’s behaviour. A high morale means ‘a confident spirit of whole-hearted efforts and co-operation for a particular goal’ which shows perseverance at work. An individual’s feeling that he is the part and parcel of the whole group, which is engaged in a given activity. High morale generally increases productivity.

Value refers to a psychological state. But, here it refers to the ‘work value.’ It is influenced by heritage, social, cultural, political, and economic, technology; environment etc. Satisfaction leads to develop work value upon the influencing factors of its own.

Reinforcement & reward are the motivating forces. Which provide giant drive with high moral & values for fulfilling objective of satisfaction? Thus objective of employee satisfaction can be maintained through motivation, high morale & values to the circumstances where problem is zero.
3. To obtain higher productivity & growth rate: In connection with this objective of employee satisfaction it is taken into consideration that, a satisfied employee will be potential employee. So to have a potential employee his/her satisfaction is vital. Among the factors of production labour is the unique factor and very difficult to manage. It is the most sensitive factor of production. But it is also true that, labour is the only factor which can produce more than its input. Though this is not universally accepted there are several studies in relates to satisfaction and productivity and some studies shows there is no relationship between these two variables. In a study Singh and Srivastava (1983) shows that, the relationship between satisfaction and productivity is the result of need achievement. Employees having high need for achievement show better relationship between satisfaction & productivity than the employees having low need for achievement. In case of higher productive firms there is the greater opportunity for satisfaction of higher order needs. Thus –

![Diagram showing the relationship between satisfaction, productivity, and higher growth rate.]

So, it is true that, a satisfied employee is a productive employee, where growth rate is high, the objective of employee satisfaction so achieved.
4. To decrease the operating cost of the industry and to increase the profitability: A high level of employee satisfaction increases productivity at a lower per unit cost of production & increases profitability. Other than labour cost, all costs are remain constant. They have a particular & definite input output relationship. But only the human beings have no such definite output – input relationship. In this case output depends on the input no doubt. But input is influenced by so many psychological factors. Such as, motivation, behaviour, morale, value etc. According to psychologist Thonrndike’s ‘LAW OF EFFECT’, when a modifiable connection between a situation and a response is made by satisfying state of affairs the connection strength is increases, but when it is followed by annoying state of affairs the strength is decreases.

Productivity & profitability are increased by achieving the employees’ collective behaviour, because of reinforcement & reward are the motivating factors to satisfy the labour.

According to Mill that profit arises, not from the incident of Exchange but from the productive power of the labour.

Satisfied workforce would serve quality of work, which minimizes labour cost. Results Low operating cost & increases profitability at large.

5. To achieve good industrial relations: Industrial relations eventually human relations. The relations are in between employer and employee. It is the prime responsibility of the management to create & foster a spirit of understanding and such a condition in which relations may be improved and harmonized. It is the prime responsibility of the employer for developing a good relationship. But it is a two way process. More or less both employee
employers are responsible to keep up the industrial relations. Industrial relation fall under two heads – 1) Personnel Relations & 2) Labour Relations.

‘Personnel’ the very term relates to individual workers while ‘labour Relation’ refers to the connectivity of workers. The first phase of industrial relations is the personnel relation, which are indispensable for individual and the second stage of industrial relations are the labour relations. Development of these two stages relations as a whole are called industrial relations *13

As Industrial Relations are human related then the field work of psychology is there in connection with the industrial relations. That’s why; good industrial relations are the index of employee satisfaction. Employee satisfaction is the conglomerated form of staff selection process, training & career development programme pay packages & incentives (both financial & non-financial), safety, security & welfare, reinforcement, promotion & prospect, compensation procedure, death & retirement benefit etc. On the basis of employee satisfaction, it’s one of the objectives can be achieved, the achievement of good industrial relations.

On the basis of the above discussion a model in the connection can be drawn as under:
However, on the basis of employee satisfaction its objectivity as good industrial relations can be achieved. Where there is no violence, no conflict, no strike, no lock-out or go-slow tactics but higher productivity & profitability.

6. To increase the market share of the industry: Employee satisfaction is an ideal benchmark for progress. The higher is the level of employee satisfaction lower is the level of attrition. Employee satisfaction thus increases productivity with low turnover rate, higher profitability. Higher profitability is the index of progress of the firm. It shows the potential future of the firm. As such, the objective of employee satisfaction becomes fulfilled. Increase in the market share of a firm indicates the growth of capital, enhancement of net worth. This is one of the goal of a firm also.
According to Van Horne – “Value is represented by the market price of the company’s common stock.”

‘Employee Satisfaction’ & ‘market value of share’, these two variables show a good objectivity wealth maximization as :-

a) High earning per share.

b) High capitalization rate.

Increased earning per share increases interest of the potential share buyers and that increases market price of the shares.

**A Brief profile of Tata Steel Company**

Tata Steel is the dream of J. N. Tata. It is the part of Tata group, the India’s largest industrial conglomerate. Tata steel has in its lineage some of the world’s most pioneering and respected entities, the Tata group itself, British Steel, Koninklijke Hoogovens & Nat Steel etc. What binds together every member of the global Tata Steel Family is a Shared Corporate Culture, shaped value-based guiding principles that under in every business decision.

Both Tata group and Tata Steel have long history of charitable, donations & social responsibility, with Tata Spending approximately 4% of the company’s profit after tax on corporate social responsibility initiatives.

Tata Steel endeavours to improve the quality of life in the communities in which the company operates. Tata Steel’s charitable project have touched the lives of over 8, 00,000 people in India.
**Tata Steel’s Vision:**

Diversity develops any large organization and enhances its collective capabilities a clear and share vision in a requisite to successful diversity management.

Tata Steel vision is to be the global steel industry, setting standard for value creation and corporate citizenship. It will achieve its vision through –

i) The workforce, by encouraging teamwork, nurturing talent, enhancing leadership capability and acting with pace, pride and passion.

ii) By becoming the supplier of choice, delivering superior products and services and creating value for our customers.

iii) Tata Steel’s unconventional approach, by developing leading edge solutions in technology, process & products.

iv) Its conduct, by providing a safe workplace, respecting the environment for our communities and showing high ethical standards.

**About Tata Steel**

**A. Corporate:**

Tata Steel over the last century has always tried to align its strategy and actions that are focused on building sustainable and long term business by placing equal emphasis on Stakeholder, value creation and corporate citizenship.
B. Global Networking:

The Tata steel group has a global presence in over 50 developed European and fast growing Asian countries, with manufacturing operation in 26 countries and various ongoing projects in different parts of the world. It is setup in 1907 as the first integrated private sector steel plant in Asia and World’s second most geographically diversified steel producer.*1

C. Products & Processes:

Products:

1. Flat products – Hot Rolled, Cold Rolled, Metallic coated, Direct Rolled, Tubes, Pre-finished steels, Packaging Steels, Electro-plated steel, Electrical steels, Narrow strips.

2. Long products – Section, Special profiles, Rail, Wires, Wire Rods, Specialty steels and Bar plates, Rebars.

3. Construction products structural steel, Floors, Walls, Roots, Modular, Building components.

4. Agricultural implements-power tiller, tractor, and sprayer.

5. Bearings – Different variety of bearings and auto assemblies are manufactured by Tata Steel at its bearing division in India which has a production capacity of 30 million bearing per annum. Over the years, a highly performance – driven approach has helped Tata Bearings to achieve an influential and key position in its target industry segment. Tata Bearing division of Tata Steel is one of India’s target qualities bearing manufacturer, with a production capacity of 37 million bearing numbers. It is the only bearing manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.
The company is a leader in the manufacturing of a wide variety of bearings and auto assemblies. The product range includes also Ball bearings, Magreto bearings, Clutch Release assemblies, Fan support assemblies and cylindrical Roller Bearings.

Processes:-

* Design & Automation

* Research & Development

* Consulting Services

D. Key market Sectors:

Construction

Construction is a highly localised industry with remarkable variances between countries and regions. In all markets, Tata Steel works closely with their customers to deliver solutions aimed at improving cost-effectiveness and speed of construction, increasing the functionality and performance of buildings and infrastructure. Its objective is to reduce the consumption of resources, including energy, both in the original construction process and in ongoing usage. From helping to build the world’s most magnificent buildings to providing the metal and expertise for infrastructure projects, Tata Steel has the products and services to fulfil the needs and standards of the global construction sector.
Tata Steel combines market leading product performance and quality with unparalleled technical support. By collaborating with customers, it focuses on providing more sustainable products, systems and design solutions.

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Automotive

One of the thrust areas of Tata Steel's Research & Development Automotive applications are aimed at giving the Group a competitive advantage in the automotive market.
- **Main Brands**

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<td>HyperForm</td>
<td>Tyre bead Wire (Tata wiron)</td>
<td>Tata Astrum</td>
</tr>
<tr>
<td>MagiZine</td>
<td>Tata Bearings</td>
<td>Vanard Ultra</td>
</tr>
<tr>
<td>Auto</td>
<td>Tenform</td>
<td>XPF</td>
</tr>
</tbody>
</table>

**Chart: 02**

**Consumer goods**

Tata Steel produces specialised steel for a wide variety of products in the consumer goods industry.

- **Main Brands**

<table>
<thead>
<tr>
<th>Advantica</th>
<th>Motiva®</th>
<th>Ymvit®</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galvano™</td>
<td>NICOR®</td>
<td>Tata Bearings</td>
</tr>
<tr>
<td>HIBRITE</td>
<td>Tata Steelium®</td>
<td>Tata Shaktee</td>
</tr>
<tr>
<td>HILAN</td>
<td>Tata Tiscon</td>
<td>Durashine</td>
</tr>
<tr>
<td>HILUMIN</td>
<td>Tata Wiron</td>
<td>Tata Agrico</td>
</tr>
<tr>
<td>MagiZinc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tata Pipes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Energy & power

High performance steels manufactured by Tata Steel, backed by support and advice of expert consultants, fulfils a whole range of applications in the energy market.

Main Brand-- Tata wiron

Agriculture

Tata Steel produces a wide range of high quality agricultural implements making it the first choice in India’s rural markets.

*Main Brands- Tata Agrico and Tata Pipes*
Lifting & Excavating

Tata Steel is a leading solution provider to original equipment producers in the construction and agricultural equipment, cranes and material handling machinery sectors, with a multi-product portfolio to cater to the complexity of multiple supply chains.

Main Brands

<table>
<thead>
<tr>
<th>Abrazo®</th>
<th>Tata Bearings</th>
<th>Ympress® Laser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celsius® 355</td>
<td>Tenform®</td>
<td>Tata Astrum</td>
</tr>
<tr>
<td>RQT®</td>
<td>Ympress®</td>
<td></td>
</tr>
</tbody>
</table>

Chart: 04

Engineering

Tata Steel manufactures a wide range of steel products, encompassing hot rolled and cold rolled sheets, wire rods and wires, sections, plates, bearings and tubes, which serve a multitude of small engineering company.

Main Products

<table>
<thead>
<tr>
<th>Tata Astrum</th>
<th>Tata Wiron®</th>
<th>Strongbox®</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celsius® 355</td>
<td>Tata Bearings</td>
<td>Tata Structura</td>
</tr>
</tbody>
</table>
Packaging

Tata Steel is Europe’s leading suppliers of high quality packaging steels, offering innovative new materials, applications and processing technologies.

Main Brand- Protact®

Aerospace

For more than 60 years Tata Steel has been a leading producer of Aerospace steels with its high integrity specialist steels being used in major commercial and military aerospace projects around the world.

Shipbuilding

Tata Steel is a leading supplier of products to the shipbuilding industry worldwide, with one of the widest product ranges available.

Main Brands- Infire and Install plus
Rail

Tata Steel provides a range of high performance rail products and railway infrastructure services to the international rail industry.

Main Brands

<table>
<thead>
<tr>
<th>HPRail®</th>
<th>SilentTrack®</th>
<th>Tata Astrum</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAILCOTE®</td>
<td>Sogenox®</td>
<td>Tata Tiscon®</td>
</tr>
</tbody>
</table>

Defence & Security Sectors

Tata Steel provides a wide range of specialised solutions for the defence and security segments, ranging from products providing explosive blast protection and blast containment to radiation, detection systems and processing of armoured plate. Tata Steel has received the renowned Defence Partner Award at the Total Defence Awards 2013 from the Singapore Government.

Main Brand - Bi-steel

Bearings

Different variety of bearings and auto assemblies are manufactured by Tata Steel at its Bearings Division in India, which has a production capacity of 30 million bearing numbers per
annum. Over the years, a highly performance-driven approach has helped Tata Bearings to achieve an influential and crucial position in its target industry segment. Tata Bearings Division of Tata Steel Limited is one of India's largest quality bearing manufacturers, with a production capacity of 37 million bearing numbers. It is the only bearing manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

The company is a leader in the manufacturing of a wide variety of bearings and auto assemblies and the product range includes Bearings & Auto Assemblies Components, Ball Bearings, Tapered Roller Bearings, Magneto Bearings, Clutch Release Assemblies, Fan Support Assemblies and Cylindrical Roller Bearings.

**STEEL PRODUCTS**

**FLAT PRODUCTS**

Tata Steel Europe’s hot-rolled steel products adhere to all the relevant European standards. The line includes Ympress Laser, developed specifically for fast and efficient laser-cutting, and Durbar® - a product that has become the byword for structural steel floor plate.

**Cold Rolled**

<table>
<thead>
<tr>
<th>Metallic Coated</th>
<th>Direct Rolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tubes</td>
<td>Pre-finished Steels</td>
</tr>
<tr>
<td>Packaging Steels</td>
<td>Electro Plated Steels</td>
</tr>
<tr>
<td>Electrical Steels</td>
<td>Narrow Strip</td>
</tr>
</tbody>
</table>

Chart: 07
The Tata Steel Group recognizes automation as a strategic choice in gearing for the future in the fastest possible way.

The Automation Division of Tata Steel in India is the main agency for design, development, integration and implementation of Process. Automation for the Company’s Indian operations and is also an international supplier of high level automation for the metal industry. It is situated in the premises of the steel plant at Jamshedpur in its highly advanced Automation Development Centre and also in different plant sites developing and implementing process automation systems.

**Research & Development**

Innovation and product development is at the core of Tata Steel’s business, the Group is regularly pushing the boundaries on innovations that drive business results.
* Jamshedpur R&D Centre (India)
* Ijmuiden Technology Centre (the Netherlands)
* Sweden Technology Centre (United Kingdom)
* Teesside Technology Centre (United Kingdom)
* Automotive Engineering Group (United Kingdom)

**Consulting Services**

From sorting out specific problems to providing an integrated approach from business planning through to practical implementation, Tata Steel Consulting provides a host knowledge and experience to assist customers.

**E. Sustainability:**

Tata Steel has adapted an integrated business model to support its vision of being a world leader in creation of value, while being a steel industry benchmark organization in corporate citizenship in its efforts towards social responsibility and Environmental Performance. Such as:-

1. Tata Steel approach – Tata Steel’s vision strikes an Economic balancing.
2. Tata Steel’s motion of special stewardship.
3. Tata Steel group products uphold the heritage.
4. Workplace volunteerism is a part of the culture.
5. Sustainable livelihood in true Tata Spirit, Tata Steel’s operations around the world.
6. Health care for the community is one of the trust areas.

7. Tata Steel productively supports learning and education.

8. Sports and adventures are always the integral part of Tata Steel.

9. Transition to a green Economy is expected to deliver by Tata Steel.

F. Investors:

The company’s share holding shows the picture as (annual report 2013-2014):

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Holding (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata group</td>
<td>31.25</td>
</tr>
<tr>
<td>Individual</td>
<td>22.03</td>
</tr>
<tr>
<td>Foreign investors</td>
<td>15.35</td>
</tr>
<tr>
<td>GDRs</td>
<td>2.41</td>
</tr>
<tr>
<td>Others</td>
<td>7.05</td>
</tr>
<tr>
<td><strong>Totally -</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

G. Media:

Since its inception Tata Steel has made headlines for a variety of reasons. Be it awards won by the company, press releases issued on the supporting materials of the media kit, the media section has it all and more. The media section includes all the leading newspapers as – The times of India, Hindustan times, Business line, The economic Times, Business standard, Prabhat Khabar, The telegraph etc.
Besides the above, the Tata Steel has repository of Audio & Video, Repository of various Publications, a selection of images are available.

**H. Human Resource:**

Tata Steel is an equal opportunity employer and seeks to attract the best available talent and ensure diversity in its workforce.

Long before the Human Resource Policy was formally written down in 2001, Tata Steel’s employment philosophy and practices were based on the recognition that its people are essential for its success. The main principles in Human Resources policy that are now used across the Tata Steel group worldwide are equally of opportunity continuing personal development, fairness, mutual trust and teamwork.

The Tata Steel group assumes that being the best possible employer helps to recruit and retain the best employees. An equal opportunity merit oriented, gender-neutral employer, remuneration and career profession is based entirely on responsibility and performance at Tata Steel. The company has leveraged its growth projects to diversity its workforce through positive discrimination in favour of local marginalized communities and women.  

Clear, honest, two-way communication between management and employee at all levels is intrinsic to the culture of the Tata steel group. Any issues relating to the progress, plans, and prospects of the business are discussed openly and with a sense of shared purpose among senior management and employee representatives working for Tata steel. An innovative and Technology driven environment is never dull initiative. Innovation, teamwork and leadership are some of the key qualities the company looks for. To know more about
existing opportunities at the various operations of the company, training, Opportunities, career, profession, and everything else that is fundamental to life of Tata Steel.

**Ethics:**

**Business Ethics:**

“We do not claim to be more unselfish, more generous or more philanthropic than others, but we think we started on sound and straightforward business principles considering the interest of the shareholders, our own health and welfare of our employees, the sure foundation of our prosperity”

- J. N. Tata.

**The Tata code of conduct:**

The principles and values, which have Governed Tata Steel company for a century, have been deployed through the implementation of the Tata code of conduct (TCOC, often referred to as the ‘code’), which was first formally articulated in 1998. This was considered to serve as a guide for each employee on the values, ethics and business principles expected of him or her in personal or professional conduct. *14

The TCOC is a testimony to Tata steel’s determination to help its employees in every way to understand their duties and commitments towards shared values and principles. The comprehensive document serves as the ethical roadmap for Tata employees & group companies.

In the context of Tata Steel’s increasing global presence the Tata code of conduct has been reviewed to accommodate required and appropriate changes. This has ensured that
diverse cultural and business related issues are addressed universally across the group. The Tata code of conduct was implemented in Tata Steel (Thailand), Tata Steel Singapore in July 2007 and in Tata Steel Europe in January 2009.

**Tata Steel Values:**

The values of Tata Steel inserted integrity into the group’s century old tradition and continue to be a pointer to the way the company conducts all its business activities.

The Tata group has always been driven by five core values.

- **Integrity:** It must conduct its business fairly, with honesty and transparency. Everything it does must stand the test of public scrutiny.
- **Understanding:** It must be caring, show respect, compassion and humanity for its colleagues and customers around the world, and always work for the benefit of the communities it serve.
- **Excellence:** It must constantly strive to achieve the highest possible standards in its day-to-day work and in the quality of the goods and services we provide.
- **Unity:** It must work cohesively with its colleagues across the group and with its customers and partners around the world, building strong relationships based on tolerance, understanding and mutual co-operation.
- **Responsibility:** It must be responsible & responsive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over.
Ethic Policies

Tata Steel upholds the importance of a fair and transparent approach in everything it does by adopting the highest standards of professionalism, honesty, integrity and ethical behavior in all its business processes and transactions.

Committed principles of fair practice & business ethics to the core, Tata Steel has adopted the ‘Tata Code of Conduct’ (TCOC), which lays down the principles & standards that should govern the actions of the company and employees. A number of relevant policies have also been formulated and implemented towards the practical application of TCOC.

More about Tata Steel

Tata Steel is one of the blessings of the corporate magnet Jamsetji Nusserwanji Tata which was established in the year 1907 as Asia’s First integrated Private sector steel company. Tata Steel limited was formerly named as Tata Iron and Steel Company Limited (TISCO). It is an Indian multinational company. Tata steel headquarter is situated in Mumbai, Maharashtra, India. It is among the top-ten global steel companies. In 2015, It was the 10th largest steel producing company in the world, with an annual crude steel production of 25.3 million tones, and the second largest private-sector steel company in India (measured by domestic production) with an annual capacity of 9.7 million tones after SAIL. It is a subsidiary of Tata group of companies. It is the world’s second most geographically diversified steel producer with operations in 26 countries and a commercial group with a turnover of Rs. 1,48614 crores in Financial year 2014. It has more than 80,000 employees over the continents and is a fortune 500 company.
In the year 2014 it was ranked 486th in the Fortune Global 500 ranking of the World’s biggest corporations. It was the 7th most valuable Indian brand of 2013 as per Brand Finance.

Tata Steel’s larger production facilities comprise those in India, The U.K., The Netherlands, Thailand, Singapore, China and Australia.

Operating Companies within the group include Tata Steel Limited (India), Tata Steel Europe Limited (Formerly Corus), Tata Steel Singapore and Tata Steel Thailand.

Tata Steel India became the first integrated Steel plant in the world outside Japan to be awarded the Deming Application Prize 2008 for excellence in Total Quality Management. Tata Steel became the first integrated steel company in the world, outside Japan to win the Deming Grand prize 2012 instituted by the Japanese Union of Scientists and Engineers.

The Tata Steel Groups aim is to be the world’s steel industry benchmark in ‘Value Creation’ and ‘corporate citizenship’ through the excellence of its people, its innovative approach and overall conduct, under pinning the vision is a performance culture committed to aspiration targets Safety & social responsibility, continuous improvement, openness and transparency.

On February 12, 2012 Tata Steel Completed 100 years of Steel manufacturer in India.

Consistent with the vision and values of founder Jamsetji Tata, Tata Steel strives to strengthen India’s industrial base through the effective utilization of staff and materials. The means envisaged to achieve this eve high technology & productivity, consistent with modern management practices. Tata Steel recognizes that while honesty and integrity are the essential
ingredients of a strong and stable enterprise, profitability is the resulting effort of the economic activities rendered & its perfection.

**Tata Steel Limited at a glance**

<table>
<thead>
<tr>
<th><strong>Company Name</strong></th>
<th>Tata Steel Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Private</td>
</tr>
<tr>
<td><strong>Traded as</strong></td>
<td>NSE : TATA STEEL</td>
</tr>
<tr>
<td></td>
<td>BSE SENSEX Constituent</td>
</tr>
<tr>
<td></td>
<td>CNX Nifty Constituent</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>Steel</td>
</tr>
<tr>
<td><strong>Founded</strong></td>
<td>August 25, 1907</td>
</tr>
<tr>
<td><strong>Founders</strong></td>
<td>Dorabji Tata</td>
</tr>
<tr>
<td><strong>Headquarters</strong></td>
<td>Mumbai, Maharashtra (India)</td>
</tr>
<tr>
<td><strong>Area coverage</strong></td>
<td>Worldwide</td>
</tr>
<tr>
<td><strong>Key personalities</strong></td>
<td>CYRUS PALLONJI MISTRY</td>
</tr>
<tr>
<td></td>
<td>Chairman</td>
</tr>
<tr>
<td></td>
<td>T.V. NARENDRAN</td>
</tr>
</tbody>
</table>
Managing Director

Products: Steel, Flat steel products, long steel products, wire products, plates.

Revenue: US $ 24.59 billion (2013-14)

Operating Income: US $ 2.71 billion (2013-14)

Profit: US $ 606.3 million (2013-14)

Total assets: US $ 24.93 billion (2013-14)

Total Equity: US $ 8.45 billion (2013-14)

Employees: 80,391 (March 2014)

Subsidiaries:

Principal Subsidiaries: Tata Steel Europe Limited

Tata Steel Singapore

Tata Steel Thailand

Principal competitors: Arcelor Mittal, Essar Steel, JSW Steel, SAIL & VISA Steel

Key Dates:

1907: Tata Steel is established by J. N. Tata

1912: Introduction of 8 hour working day.
1920: Unrest among the Employees for wages & other conditions.

1924: On the brink of disaster Sir Dorabji Pledges his personal fortune to secure bank loans to keep the company afloat.

1934: Profit sharing scheme introduced.

1939: By now, TISCO operates as the largest steel plant in the British Empire.

1951: A Modernization & Expansion Program (MEP) is launched.

1955: The MEP is upgraded to the Two Million Ton Project (TMP)

1970: TISCO Employs 40000 people at Jamshedpur and 20000 workers in neighbouring coal mines.

1978: India government forces TISCO into modernization effort.

1989: Tata Group doubles its stake in TISCO to thwart takeover attempts.

1989: In late 1989s Tata began to benefit from India government
as the relaxation of control, as a more pragmatic attitude to the importance of private sectors.

1990: TISCO begins expanding and established subsidiary Tata Inc. in New York.

1996: Tata bearings division was awarded the “Best of all” Rajiv Gandhi National quality award.

1996: The company begins a joint venture with inland international to build a steel works facility in India.

1998: TISCO records a 61 percent decline in net income due to a downturn in the steel industry.

2000: TISCO completes a ten-year, $1.5 billion modernization program.


2004: Won TPM Award from Japan Institute of plant maintenance Tokyo.

2004: Acquisition of Nat Steel, Singapore.

2005: Acquisition of Millennium Steel, Thailand.
2006 : Acquisition of Corus, the Anglo – Dutch company.

2006 : The joint venture was formed for the development of a green field underground coal project, Australia.

2007 : Acquisition of two Rolling mill companies in Vietnam, through its wholly owned Singapore subsidiary.

2008 : Awarded Deming Application Prize.

2009 : Tata Steel owned the “Golden Peacock” Award for its corporate social responsibility.

2012 : Tata Steel is the first integrated steel company in the world awarded the “Deming Grand Prize”.

2012 : Tata Steel conferred ‘MAKE’ Award.

2013 : Tata Steel ranked India’s 7th most admired company.

(Source: Annual report Tata steel 2014.)
Background & History of Tata Steel

Background:

Jamsetji Nusserwanji Tata was born into a well-to-do family of Mumbai Parsees in 1839. The Parsees, a religious minority group had carved a niche for themselves in business, in this case in the economy of Victorian India, which was dominated by British interests & was being developed as a client imperial economy. Tata’s father was a successful merchant with interests in the cotton trade to Britain. Tata joined the family business after an education at Elphinstone College in Mumbai & he was sent to Lancashire (U.K.) in 1864 to represent the firm there. This was his first travel to U.K. (Europe). North America the Far and the Middle East during which he formulated his own ideas, forwarded his strategic decisions to focus his ambitious future potentialities in trade and business to contribute towards the economic development of India.

Tata’s own background was in cotton production. He believed that mills could function successfully in India if the mills come close to the cotton producing area in western India when it can get a strong position to undercut their Lancashire Competitors. To avail the optimum climate condition for spinning he imported air conditioning equipments from USA. All his then spirits endeavors exhibit a message of potential future. And as a result of which in 1874, he founded his first company. Cotton industry was the starting point of Tata’s industrial motive. He critically observed for driving to other industries, the three key and basic factors are needed most such as steel production, hydroelectric power and technical education.
However, the foundation stone is laid down by him and then afterwards his perfect successors have been successfully actualizing the dreams of Jamsetji. *14

**History:**

In the middle of 1880, Tata undertook a lot of surveys in the eastern India (Bihar & Orissa specially) to locate the iron ore nearest to the availability of coal & water, as the use of coal & water in a steel plant is maximum. Jamsetji went to USA to imbibe & acquire the idea & knowledge of still production. He visited the United States to seek the opinion & suggestion & advice of the world’s pioneer metallurgical consultant, Julian Kennedy & went to Barningham, Alabame, to learn the active coking process. In 1890, he discussed his plans with the secretary of State for India, Lord George Hamilton. In India the way was cleared and opened for private enterprise. In India, a more liberal mineral concession policy was introduced in 1899, with the help of Julian Kennedy. In 1903 American specialists were brought in to begin survey & survey was started accordingly. After a series of attempts becoming negatives the survey team was disappointed. But finally rich iron ore deposits were identified in the dense forest of Sakchi, Bihar at the junction of two rivers, in 1904. This successful attempt was done after three years of Tata’s death. Tata’s nephew Shapurji Saklatvala was also engaged in the survey process & health was suffered to recover. He joined there at his uncle’s London office. That office was established to represent the interest of his family cotton business. The office was launched some year earlier. His spirits were soda channeled from business to politics. He became the communist member of parliament for Battersea north in 1922.
Jamsetji’s two sons – Dorabji & Ratanji began tremendous development of Bihar just after four years of Tata’s death. In the name of the place Jamshedpur, a factory & a township were build-up in the dense forest of Bihar. A decision was made to keep control of the new enterprise Tata Iron & Steel Company within India by getting investors outside India. A severe problem comes as India could not afford a flotation of this size. But the Tata brothers set out to raise Rs. 23.2 million in Shares. About 8000 Indian investors came forward within two months; the whole share issue was taken up. Tata retained only 11% shares themselves. Lot of problems arose to clean the site (Sakchi). But solving all those problems, Production was started in ensuring the uniform quality of coal. By 1916, production was according to expectation. During world war – I, the company exported 1500 miles of steel rails to Mesopotamia, Rapid expansion to support the Allied war effort was followed by depression during the 1920s with escalating prices, transport and labour difficulties. Even a major earthquake was there in Japan, the biggest customer of Tata. The company had to suspend its dividend for 12 out of 13 years in this period & was on the brink of closing in 1924 when Sir Dorabji Tata had to pledge his personal fortune to avail necessary loan from Bank to remain the business afloat. But, TISCO became the biggest steel plant in the British empire from 1930s. In World War – II a high demand arise for Tata product, the armored cars known as Tatanagars. The company got specialization in the manufacture of armored cars, which were used extensively by British Army in the north African desert. Following six years of almost continuous production to serve the war effort, it became imperative in the late, 1940s to begin replacement of the plant. In association with Kaiser Engineering of the United States, capacity was expanded and a Modernization and Expansion programme (MEP) was launched in 1951,
upgrade four years later to the Two Million Ton Project (TMP) to give TISCO the capacity to produce two million tons of crude steel. This was achieved in 1958 but further expansion was put on hold during the 1960s while the country passed through a period of devaluation and recession. To comply with the increased demand of workforce Tata steel employed around 40,000 people at Jamshedpur with a further 20,000 in the neighbouring coal mines, by 1970.

In 1971 & 1979 Government of India attempted two times to nationalize TISCO but failed. In part a contention played to retain that efficient private sector as an Yardstick against the public sector organizations. By which performance can be adjudged. But, the Tata’s freedom to develop was disturbed in the post war period for the ever increasing tendency of government legislation to bring private sectors into a line with national economic planning as per Soviet model. To plough into modernizations government restricted TISCO’s dividend to 12% to force it, as India’s only private Sector steel producer. A government committee also restrict its expansion to help nationalized industries. Difficulties appeared further in the late 1970s by chronic shortage of coal, power and rail transport. About Rs. 45 crores of saleable steel was lost for this during 1979-80, what Tata shouldered. But, in the year 1989 Tata began to benefit from a relaxation of government control as a more pragmatic attitude to the importance of private sector industry. The Tata group increased its stake in the steel firm to ward off any attempts by outside shareholders to gain control of the company. It is praiseworthy to quote that, by 1990 TISCO remained India’s largest private sector industry & declared 30% increase in profits against general depression as a whole in Indian economy.

The development & growth of Tata steel in connection with its Empiric Empire:
The development of Jamshedpur & the establishment of the firm in each & every corner of its industrial & municipal life was the result of several studies done by Jamsetji. He was both a nationalist and a philanthropist. Jamsetji inculcated & showed a fatherly concern for the wellness of his employees. It established the tune of company’s future policy. The British counsellors and Pioneers of social reform Sydney and Beatrice Webb were invited to India from England to advise the TATA on the best form of social, medical and co-operative series for the newly established Firm at Jamshedpur. As a result of which schools, recreational benefits, crèches, and other amenities were introduced on the site at an early stage. In 1912, Tata introduced ‘Eight hour working day Tata workers’ union with the president Gandhi associate. C.F. Andrews was officially introduced. In 1934, the profit sharing schemes were also introduced. Against this, it was argued that the worker’ union operated in fact as a management tool to impose its will on the employees so heterogeneous by nature that rival unions made little headway. In spite of the reputation of the Tata family for concern over worker’s rights, during the year 1920, there exists unrest among the employees for wages & conditions. It has been also claimed that this, as much as anything, contributed to advances. After independence, the commitment of the Indian Trade Union congress to the same goals as central government – economic self sufficiency and prosperity – allowed the Tatas almost freehand in dictating, their policy of own industrial relations. By commissioning an audit by a team of eminent public figures to judgment creates an illustration for the commitment to the welfare of its employees. It is also very much remarkable to note that, in 1989 TISCO could claim that, it had not lost a day’s work through industrial action in 50 years.
TISCO’s achievement off stringed a lot in making use of Tata products, some of them are the parts of the Tata group which included the Tata Engineering & Locomotive Company (TELCO). This offs hooted many other Indian industry to become suppliers of spare parts for new products. TELCO lineage more than 500 Indian ancillary suppliers by 1970.

However it is an established phenomenon that India needs firms such as TISCO and TELCO for the viable development & prosperity of our country. Therefore even when there was the government control through legislation for the restriction of monopolistic practices and the growth of private sectors, Tata was given green light during 1970s. TISCO developed as one of the independent but interrelated company within the Tata group. The Tata was often accused of paternalism toward its workers and of an over concentration on traditional high-cost but low-profit industries. TISCO, however, cut its workforce from 78669 Employees in 1993 to 48821 in March 2001(Sustainability report 2001-2002). After the abolition of the managing agency system in 1970, TISCO and the various companies of Tata operated independently. Though, they retained many personal, family and business lives. TISCO and most of the largest firms in the family shared the same head office in Bombay.*14

**TISCO, during 1990s**

TISCO was faced with trying economic times as it forged ahead with modernization cum expansion, during 1990s. In this decade the steel plant began its fourth stage of up gradation and improvements. As part of the modernization, TISCO planned to increase its
steel making capacity from 2.7 million metric tons (1996) to 3.2 million metric tons (1999), in Jamshedpur.

In 1990, opening a U.S. subsidiary, the Tata Steel also broadened its geographic reach. Tata inc. was established and in the following year the firm opened offices in Singapore and Dubai. It was during 1991 that restrictions on licensing, price and distribution were lifted in India, allowing TISCO to expand its capacity. India also began allowing foreign manufacturers involvement in such steel dependent industries as electronics and automobiles to operate in the country. As demand increased, TISCO set plans in motion in 1995 to construct India’s largest blast furnace mill with an eventual annual capacity of ten million metric tons. Fortunately, in India Steel Consumption had grown by 10% in each of the last four years by 1996. In 1996, TISCO teamed up with Inland International Inc. and expanded further to correlate Tata-Ryerson, a joint venture that would provide industrial material management services in India. Eventually India’s steel industry and economic climate weakened during mid to late 1990s because of holding up many construction projects. As highly declined it is reported by the company in the year 1998 that, the company’s net income fell 61 percent. As a result of which TISCO aggressively began cost cutting measures including tough exercise in cutting its workforce. When the most companies involved in steel production reported losses. TISCO was able to keep its bottom line slightly up. To control & to manage the company’s economic status with that of the changing economy of the country was challenging to the management.

However, despite of the balancing of the economic conditions in April 2000 TISCO was able to complete its $1.5 billion modernization program. TISCO became one of the lowest
—cost producers of hot-rolled coils & it began operation of a 1.2 million metric ton cold rolling mill. During fiscal 2000, TISCO reported earnings of $90.1 million, an increase over $60.2 million earned in the last year.

TISCO’s managing director Jamshed Irani got retirement in the year 2001, after successful completion 30 years of service. New director B.D. Mathuraman came at the helm. Under B.D. Mathuraman the company pledged to continue cutting costs and focus on new growth areas. For example making investment in telecom industry, where the economic condition of India is unstable & the condition of the steel industry remained risky & uncertain. TISCO appeared to be well acquainted with the problematic environment and to handle it carefully.

Tata Blue scope Steel, creating new world in steel. It is an equal joint venture between Tata Steel and Blue Scope Steel in the field of coated steel, steel building solutions and, related building products. The company operates in the South Asian Association for Regional Co-operation (SAARC) region.

Tata Blue scope Steel core value are safety. Trust Human Dignity and excellence and its goal is focused on achieving ‘Zero Harm’ by creating a safe working environment for its workforce. The company consistently works towards creating new world in steel.

**Heritage**

**A Century of Trust:**
The origins and ascent of Tata Steel, which has culminated into the century long history of an industrial empire, emerge from the illustrious efforts of India’s original iron man and the remarkable people who thereafter, have kept the fire burning.

The story of Tata Steel is a century, old, and so is the story of steel in India. Etched with the visions and hardships of a single man, the story has flowed through ages to re-define steel in every way. The saga, which started in 1907, completed a century of trust in 2007 and carries on over the years this one company has discovered different avenues of effective steel utilization and its story defines and redefines Conventional wisdom in more ways than one.

As India was left slightly dazzled and overwhelmed in the wake of the industrial revolutions in England the leading Indian intellectuals of the 19th Century believed that if India were to keep pace with the world, it would have to master the modern scientific method of the west. It was this vision of construction change that led J.N. Tata to embark on a journey of growth that paved the path for industrialization in India. Within his lifetime, Jamsetji was to witness the birth of a revolutionary Indian nationalism that would assist in the emergence of independent India, the spirit of which could already be felt when he died in 1904.

The long journey towards self-sufficiency picking up pace

Landmarks:

Stepped in tradition for over a hundred years, Tata Steel has created significant landmark events in the history of corporate India. From the discovery of iron ore mines to commissioning of the planned city of Tatanagar, from being a pioneering and enlightened
employer in the country to becoming one of the world's most geographically diversified steel producers – the company has numerous milestone events to boast of since 1892.

**Acquisition**

**Nat Steel, Singapore:**

In August, 2004 Tata Steel agreed to take over the steel making operation of the Singapore based Nat Steel in cash consideration for $486.4 million when Nat Steel ended its Turnover of $1.4 billion at the end of 2003, with a profit before tax of $47 million. The steel business of Nat Steel was run by the company through a wholly owned subsidiary called Nat Steel Asia Pvt. Ltd. At the time of takeover, Nat Steel had a capacity of about 2 million tonnes per annum of finished steel. The acquisition was completed in February 2005.

**Millennium Steel, Thailand:**

In 2005, the investment of acquire Millennium Steel, Thailand was a significant progression in Tata Steel’s globalization initiatives and together with the earlier acquisition of Nat-Steel. Standard chartered Bank was the exclusive financial advisor to Tata steel on the transaction. White and case Bangkok and AZB and partners, Mumbai were the legal advisors to the transaction while Deloitte & Tonche Bangkok was the accountants to the transaction.

Millennium steel was formed through a merger of three operating companies –

2) The Siam Construction Steel Company &
3) NTS Steel Group (2002)
The company is listed in the stock exchange of Thailand and is owned by the cementhai Holding company. Tata Steel Limited signed agreements with Cementhai Holding Company – a 100 percent subsidiary of the Siam Cement company, Thailand to acquire its shares and invest additional equity in Millennium Steel Company subject to certain conditions. Under the terms of the agreement, Cementhai Holding Company, the largest shareholder of Millennium Steel with a 40% of equity stake (prior to the new shares subscribed to by Tata Steel) have committed to sell their shares into a voluntary tender offer that Tata Steel will make for all of the equity and preference shares of Millennium Steel subject to certain conditions precedent. The conditions precedent to the transaction include shareholder & creditor approvals for the issuance of new shares equivalent to 24.99 percent stake in the expanded capital of Millennium Steel, amendment of the Articles of Associations to enable 100 percent foreign ownership in Millennium Steel, and regulatory approvals including the Board of investment in Thailand.

The tender offer and subscription to the new shares by Tata Steel will be at Baht 1.15 per shares. At the time of takeover, Millennium Steel was the largest steel company in Thailand. For the year 2004, Millennium Steel had revenues of US$406 million and a profit after tax of US$29 million.

The company has been producing 1.7 million metric tones per annum, producing long products for construction and engineering steel for auto industries. Millennium Steel has now been renamed to Tata Steel Thailand & is head quartered at Bangkok. Tata steel held about 68% shares of the company on March 31, 2013.
**CORUS**

Tata Steel signed a deal with Anglo Dutch Company, Corus on 20th October, 2006, to buy 100% stake at £4.3 bn ($8.1 billion) at 455 pence per share. Companhia Siderurgica National (CSN), a steel company of Brazil, on 19th November 2006, launched a Counter offer for Corus at 475 pence per share valuing it at £4.5 billion. On 11th December 2006, Tata preemptively upped its offer to 500 pence per share, which was within hours trumped by CSN’s offer of 515 pence per share, valuing the deal at £4.9 billion. The Corus board recommended to its shareholders both the revised offers promptly. On 31st January, 2007, Tata Steel won their bid, offering 608 pence per share, valuing Corus at £6.7 billion ($12 billion).

At the time of acquisition date, Corus was four times larger than Tata Steel, in respect of annual steel production. Corus was the world’s 9th largest steel producing company(www.scribd.com). And, in 2005 it employed around 47300 workforces worldwide, including 24000 in U.K.

**Two Rolling mill companies in Vietnam**

Tata Steel acquired controlling stake in two rolling mill companies in Vietnam in 2007, through its wholly owned Singapore Subsidiary. The two companies are :

1. Structure Steel Engineering Pte. Ltd. (100% stake) and
2. Vinau Steel Ltd. (70% stake)

The value of acquisition of the enterprises was $41 million. Acquisition results the Tata steel of holding two rolling mills, a 250K tones per year bar/wire rod mill operated by SSE Steel and a 180K tones per year reinforcing bar mill operated by Vinau Steel Ltd.
**Australia:**

In Australia, at Central Queensland of Bowen Basin Project, Tata Steel has a strategic interest of 5% in the coalmining project in Australia in partnership with vale, Nippon Steel, JEE & POSCO with up to 20% off-take rights. The joint venture was formed for the development of a green field underground coal project in Bowen Basin, Queensland. The first raw coal production started in August 2006 and the mine in currently producing around 1.8 mtpa.

**Operations:**

The modern private sector steel industry in India owes its origin to the foresight, prudence and perseverance of J. N. Tata. TISCO limited (Tata Steel) got registration in Mumbai on 26th August 1907. The construction of steel plant was taken up then with great vigour and interest the first stake being driven in Feb. 1908. R.G. Wills, and American experienced with steel plant construction was charged as the General Manager in 1990. Achievements came then when the first blast furnace was blown in on December 02, 1911 & on the 16th February 1912 the first ingot rolled.

TISCO was constructed for the capacity of 1,60,000 tones of pig iron, 1,00,000 tones of ingot steel, 70,000 tones or rails, beams and shapes, and 20,000 tones of bars, hoops and rods. This plant consists of a battery of 180 non-recovery coke ovens, 30 by-product ovens with a sulphuric acid plant, two blast furnaces (each of 350 tones per day capacity) one 300 tone hot metal mixer, four open hearth furnaces of 50 tones capacity each, one steam engine driven 40-inch reversing blooming mill, one 28-inch reversing combination rail and structural
mill with re-heating furnaces, and one 16-inches and two 10-inches rolling mills. Besides the above, the steel works had a power house, auxiliary facilities and a well equipped laboratory. The erected cost of the plant came about Rs. 23 million.

**Indian operation perspectives:**

Two new green field steel projects are planned in the states of Jharkahnd & Chhattisgarh. Kalinganagar project is under way. It is set to augment production capacity by 3 Mn TPA in the First Phase.

Mines & collieries in India give the company a distinct advantage in raw material sourcing. Iron ores mines are located at Noamundi (Jharkhand), Joda (Odisha), both located within a distance of 175 km from Jamshedpur. The company’s captive coal mines are located at Jharia & West Bokaro (Jharkhand).

**European Operation:**

Tata Steel Europe (erstwhile Corus) has a crude steel production capacity of 18 mtpa. Tata steel Europe has manufacturing operations in Western Europe, plants in UK, Netherlands, Germany, France & Belgium, backed by a sophisticated global network of sales offices and service centres.

**South East Asian Operation:**

Tata steel started its operations in SEA in 2004 with investments in Nat Steel Singapore (Tata Steel, Singapore) and Millennium Steel (Tata Steel Thailand).
With over 40 years steel making experience Tata Steel, Singapore is one of the most prominent steel producers in the Asia Pacific Region. It caters to the growing construction industry through its manufacturing presence in Singapore, Thailand, China, Malaysia, the Philippines and Australia. Tata Steel Thailand is the largest producer of long steel products in Thailand.

**Head Office & Global Introduction**

Tata Steel is headquartered in Mumbai, Maharashtra, India. But its marketing headquarters at the Tata Centre in Kolkata, West Bengal.

Tata steel has its global existence in around 50 countries with manufacturing operations in 26 countries. Such as –


**RESPONDING TO CHALLENGES,**

**CREATING LONG-TERM VALUE**

**A Comprehensive Growth Strategy**

**GLOBAL ECONOMIC OUTLOOK**
The global economy is expected to see moderate growth in Financial Year 2015-16, largely due to easy liquidity conditions.

Economics expansion in the USA is likely to continue, with higher consumer spending and home building. Modest growth is also expected in Europe, as consumer spending improves, helped by low oil prices and a weaker Euro. However Chinese economic deceleration may continue in financial year 2015-2016. Lower economic growth in China may adversely affect the commodity markets.

Hard landing of the Chinese economy, split in Euro zone and sharp rise in energy prices likely key risk to the global economic outlook for financial year 2015-16.

INDIA

After a period of relatively lower economic growth in the past few years, in Financial Year 2014-15 economic growth in India has started showing signs of recovery.

This is due to:

- Higher consumption demand.
- Low inflation.
- Reducing interest rates.
- Higher investment demand.
- Central Government’s infrastructure creation focus.
KEY DRIVERS FOR HIGHER INVESTMENT DEMAND

- Policy initiatives.
- Focus on attracting FDI.
- Falling interest rates.

Increased transparency in governance is likely to significantly increase the business confidence in the country.

Indian steel consumption is likely to grow at 6-7% during FY’1

However, availability in excess of demand, due to steel capacity growth and increased imports, continue to put pressure on steel prices.

SOUTH-EAST ASIA

Political uncertainty in South-East Asia (SEA) may affect the region’s economy. China, having established its dominance in steel trade in the region, also impacts the economy. However, with the stability slowly being brought about by the incumbent government, Financial Year 2015-16 looks better.

Tata Steel Thailand is the biggest longs steel product producer in Thailand. It is also the only steel producer to manufacture seismic bar in the country. The Company continues to focus on high-end and value added products like SD50 and Cut & Bend Rebars.

Growth in the US, Japan and Eurozone regions will aid GDP growth in Singapore with
the slowdown in China posing as a risk. A moderate growth of 2-4 % is expected in 2015. In Financial Year 2015-16, steel demand is expected to be healthy, aided by construction and infrastructure spending in the region.

**Commodity price outlook for next year**

Key raw material prices saw a sharp fall in Financial Year 2014-15 due to slow down in Chinese steel demand and over supply in the seaborne supply market from low cost miners. The situation is unlikely to see major improvement in Financial Year 2015-16. The demand supply gap in iron ore is expected to widen further with seaborne supply remaining in excess of 150 million tones. In Hard Coking Coal the demand supply gap is not as wide and thus the prices are expected to see a marginal rise in Financial Year 2015-16.

**EUROPE**

European steel demand is expected to return to modest growth in 2015. At 150 million tones, it would still be 25% down on the pre-crisis peak and 10% below the pre-crisis norm of around 165 million tones.

The key reasons for this:

- In China, increased production along sides lowing demand is expected to result in continued high export levels to Europe with knock-on margin pressure for European producers.
- UK manufacturers' sales affected by the weaker Euro. Stronger dollar also
affecting raw material prices. Negative currency effects to continue this year.

**Future focus**

- A market differentiation strategy, innovation in products, service and process.
- Improve market position through greater precision and reliability.
- Develop better products and services and stronger relationship with customers.
- Strategic acquisitions to improve the products and services Tata Steel offer Nordic customers, where it has a strong presence.
- A plan to develop a sustainable European strip products business to maximize production and technological synergies.
- A Plan to transfer its UK long products operations into a separate, wholly-owned subsidiary of Tata Steel.
- At the time of preparing this Annual Report, due diligence into the products Europe to Klesch Group was continuing.

**Markets/Customer**

- Renault Nissan has recognized Tata Steel’s contribution during 2014 and named it their number one preferred steel supplier for 2015.
- Tata Steel GOLD caterpillar (CAT) Supplier Quality Excellence Process Award for its global supply of track shoe profiles, originally awarded in 2013, has been renewed.

**Workplace Safety & Health**

- Nat Steel holding receives the Workplace Safety & Health Innovation and Performance Awards (Silver) 2014 by the Singapore WSHC Council.

**Quality Management**
• NTS, one of the subsidiaries of TSTH, receive the Prime Minister’s Industry Awards from the Department of Industrial Works, Ministry of Industry for Quality Management.

**Tata Steel’s Major Competitors**

Tata Steel is India’s largest Private Steel production company. The company’s steel producing & finishing facilities have the capacity to produce more than 26.5 million tones of crude steel a year. Tata Steel’s products include hot & cold rolled coils & sheets, galvanized sheets, tubes, wire rods, rings & bearings. Its domestic facilities locate in Jamshedpur, in the eastern part of India and Tata Steel’s international operations include UK-based subsidiary, Tata Steel, Europe. The company also owns interests in coal and iron projects that supply the steel maker with raw materials.

The top competitor’s landscape for Tata Steel Limited shows as :-

- Arcelor Mittal
- Essar Steel
- JSW Steel
- SAIL
- VISA

**Awards and Recognition**

In 1996, the Tata bearings division was awarded the “Best of all” Rajib Gandhi National Quality Award.
The company is the part of the composite Dow Jones Sustainability World Index (DJSI World) since 2008. DJSI World comprises leaders in sustainability (the top 10% in terms of performance), selected on the basis of long-term economic, environmental and social criteria, from the largest 2500 companies in the world.

In 2008, Tata Steel was awarded Deming Application Prize for Excellence in Total Quality Management.

In 2009, Tata Steel won the ‘Golden Peacock’ award for its corporate social responsibility (CSR) initiatives.

In 2012, Tata Steel became the first integrated steel company in the world to be awarded the Deming Grand prize.

In 2012, Tata Steel conferred with the prestigious Indian ‘MAKE’ Award, at a ceremony, organized in Mumbai. It is the Indian ‘Most Admired Knowledge Enterprises (MAKE) award aims to recognize organizations (founded & Headquartered in India) for their ability to create shareholder value by transforming new as well as exiting enterprise knowledge into superior product / services / solutions. Mr. Anand Sen VP (TQM & KPQ) Tata Steel received the award on behalf of the company from Mr. Adi Godrej.

In 2013, Tata Steel was ranked India’s 7th most admired company by fortune magazine. It was India’s most admired company in 2012.

- **Golden Peacock National Training Award 2014** for excellence in training practices in the organization.
**Expansion Plans**

From 1990 TISCO begins Expanding and establishes subsidiary Tata Inc in New York. Tata steel has set a target of achieving an annual production capacity of 100 million tones by 2015. It is planning for capacity expansion balancing roughly 50 : 50 between green field developments and acquisitions. The overseas acquisitions added an additional 21.4 million tonnes of capacity which includes Nat Steel (2 million tones) Corus (18.2 million tones) and Millennium Steel (1.2 million tones). Tata plans to add another 29 million tones of capacity through acquisitions. Major green field steel plant expansion projects planned by Tata steel include –

1) A 6 million tone per annum capacity plant in Kalinganagar, Odisha, India.

2) An Expansion of the capacity of its plant in Jharkhand, India from 6.8 to 10 million tones per annum.

3) A 5 million tone per annum capacity plant in Chhattisgarh, India (Tata Steel signed a memorandum of understanding with the Chhattisgarh Government in 2005, the plant is facing strong protest from tribal people.

4) A 3 million tone per annum capacity plant in Iran.

5) A 2.4 million tone per annum capacity plant in Bangladesh.

6) A 10.5 million tone per annum capacity plant in Vietnam (feasibility) studies are under way

7) A 6 million tone per annum capacity plant in Haveri, Karnataka, India.
8) There is a hungry for more, fresh from Corus acquisition, Tata Steel said it would take the inorganic route for meeting half of the capacity expansion target in the next eight years.

**Employee benefit, welfare, satisfaction**

Employee benefit, welfare as well as satisfaction is extremely important in an organization because it is what productivity depends on satisfied Employees are more likely to be creative and innovative and come up with breakthrough that allow a company to grow and change positively with time and changing market conditions.

Tata steel offers a benefit package to its employee in regards to their stage work life balance and of accomplishing duties & shouldering responsibilities. The benefits to the Employees what they could enjoy are:

- 25 days holiday to enjoy in a year
- Additional anniversary holiday entitlement.
- Private medical insurance
- Membership of Tata Steel’s social facilities.

**Other advantages are:-**

**Tata Steel advantage scheme** – Tata steel advantage has been designed to give a fantastic range of discounted goods & services. Just in purchasing for gifts, fashions, electrical goods, car, even weekly groceries, the workforce can save money.
Family Friendly – Only adapting a child or having a baby an employee get support from the company. New fathers can take paternity leave & avail special arrangement as a career.

Childcare Voucher – This scheme supports an employee if he / she is responsible for childcare costs, enabling him/her to take part of his/her salary in paper or electronic childcare vouchers.

Employee Assistance, program – This program supports the workforce when they are in crisis. It offers practical & expert advice & assistance. It is a service that is available 24 hours a day, 7 days a week, free & confidential.

Employees Welfare

Tata Steel recognizes that its people are the primary source of its competitiveness. It is committed to equal employment opportunities for attracting the best available talent and ensuring a cosmopolitan workforce. It will pursue management practices to design and enrich the quality of lives of its employees. Which develop their potentiality and maximize their productivity? It will aim at ensuring transparency, fairness and quality in all its dealings with its employees. Tata Steel will strive continuously to foster of openness, mutual trust and teamwork.

The company introduced different welfare schemes of its employees from the very day of its inception. The Human Resource Management of the company is compassionate to do with the employee’s wellbeing and their satisfaction. As such, a continuous study could depict the Tata Steel’s employees’ which includes both statutory and non-statutory facility welfare packages as:
- Attractive salary, pay packages & financial benefits.
- Joint consultation.
- Grievance Handling Mechanism.
- Housing
- Medical Care
- Education
- Culture & Counseling
- Specific benefits for female employees.
- Providing a safe, hygienic and human workplace.
- Proper safety management.
- Training and supervision.
- Installation of Academy for the development of quality, standard of HR.
- Discrimination free workplace.
- Guidance for a harassment free work place is taken from the Tata.

The Main Welfare activities are in addition to health, safety and social responsibility:

1) Building for housing blocks for its employees.

2) Offering civic amenities and infrastructure, as early. In 1912 company introduced eight hours working day.
In 1915 Free medical aid was introduced. In 1920, initiatives like leave with pay, worker’s provident fund scheme, worker accident compensation scheme etc. were in produced. In fact some welfare schemes were introduced not only first in India but in many western countries also.

In 1928 maternity benefits were introduced. Profit sharing ratio was allowed 1st time in India by this company in 1934.

In 1937 Scheme for retirement benefit (gratuity) was also introduced.

In 2002, the company launched Shabash – a weekly scheme of instant rewards & recognition to the deserving employees.

Women Empowerment program ‘Tejaswini’ was launched in 2003. The First time of this kind in the country which train the women to take up unconventional job and on the same near the company 75 years of industrial harmony and mutual co-operation & co-ordination between the management & employee.

Besides the above, the company endeavoured as –

1. Right to freedom of association and collective bargaining.

2. Equal opportunity Employer.

3. Promoting a just & fair work place

4. Encouraging work-life balance of Employees.

5. Caring for the well-being of its employees, including those with special needs.
6. Providing a safe, hygienic and humane workplace.

7. Safety Governance Structure.

8. Skill development and creating world class employees.

9. Offering a harassment free work place to all.

Tata Steel’s employees’ satisfaction results the quality of work life as surveyed by Snehil Jadav. According to his study Employees of Tata Steel are mostly satisfied in respect of their pay packages, Administration, Security department civil department accommodation facilities provided by the company.

Towards an Educational Communities: Sports as a way of life Tata Football Academy, Tata Archery Academy, Tata Athletics Academy, Steel Adventure Foundation, Talent hunt for sporting at Keonjhar, special Olympics for different abler.

Preservation of heritage, Encouraging Art & Cultural contribution to setting up National Centre for Performing Arts, Mumbai Preserving & promoting indigenous heritage, Tribal culture centre, showcases legacy of 9 tribes of all cultures, Revival of traditional sports, dance forms & herbal medicine, Enabling rural artisans & crafts persons.

Disaster Relief: Tata relief committee has sent immediate relief in times of natural calamities, providing both shorter & long-term assistance to one Million families.

Millennium development Goals of Tata Steel are:

i) To eradicate extreme poverty & hunger
ii) To achieve universal primary education

iii) To promote gender equality & women empowerment

iv) To reduce child mortality & improve maternal health

v) To combat HIV/AIDS, Malaria and other diseases.

vi) To ensure environmental sustainability

vii) To develop a global partnership for development of its CSR – Approach.

Besides the above, Tata Steel provides a lot of its corporate responsibilities. Such as:

**Green field projects**: The expansion plan of Tata Steel is underway, with Memorandum of understanding signed for three green field steel plant projects in the states of Jharkhand, Orissa and Chhattisgarh. The issues are related mainly to land acquisition from villagers and allotment of mines by the state government. The company has been facing more opposition from villagers & also from local government bodies, political leaders & influencers.

Tata’s approach –

1) Communicating the CSR initiatives of Tata Steel to involved Stake holders.

2) Creating awareness about the advantages of industrialization and employment opportunities to the beneficiaries.

3) Regular meeting and interactions with the local bodies and the political leaders to tell them about the importance of industrialization and the impact on the standards of living and levels of income.
4) Initiating and conducting coaching and training sessions in various trades to improve employability at the project sites and for the project affected families for all age groups including women.

5) Publishing the concept of Tata Steel parivar which is the Tata Steel’s Resettlement and Rehabilitation program that includes livelihood options along with land, housing & employment opportunities for the beneficiaries.

**Kalinganagar Project**

Tata Steel Resettlement and Rehabilitation (R & R) officials motivated women to start a self help group (SHG) and created a structured training program on day-to-day management of SHG. The motivation culminated in the formation of the 12 member Dibyajyoti SHG. The group member should exceptional entrepreneurial skills by opening a small business venture independently. Tata Steel’s R & R Officials train them to produce quality of pickle & finally the ‘Ma Pickle’ becomes popular. This is a case of women empowerment developed by Tata Steel.

Tata Steel’s core sustainability Reporting team comprised Heads and experts from departments of safety, environment, corporate sustainability services etc.

The key indicators covered in the report were shortlisted on the basis of the following factors by the core team –

- Tata’s vision, mission, values and policies.
- Future challenges, risks opportunities
- Inputs from stake holders engagements
 Relevant laws and regulations and strategic partnerships.

 Key initiatives significant for organizational success.

**Dharma Port:**

Interested Stakeholders have expressed concern that the construction of the port would affect the nesting of Olive Ridley Turtles.

Tata Steel’s approach –

1) The company has re-iterated that all precautions are being taken to ensure that there’s no damage done to the nesting and breeding ground of the Olive Ridley Turtle.

2) Tata Steel has tied up with the international union for conservations of Nature (IUCN) to ensure that the port operations do not get impacted. IUCN is the world’s oldest and largest global international network – a democratic membership union with more than 1000 government and NGO member organizations & almost 11000 volunteer scientists in more than 160 countries.

3) Social awareness campaigns are being undertaken to protect the Turtles.

4) Turtles extruding devices have been installed in the dredges as well as popularized in their use the fishing trawlers.

5) Special port lighting is being installed which will not impact or disorient the turtles.
Controversies

Job cuts in U.K. (Teesside): In 2009, the subsidiary company Corus announced mothballing of the blast furnace at Teesside. This would result in 1700 jobs cut (approx). In 2003, Corus had informed that the production of Teesside Cast Products (TCP) was a surplus to its needs. In Dec. 2009, it informed about partial mothballing of the plant. To help the workers, a Corus response group was formed which developed a comprehensive package of support. This plan was in place over the past ten months of announcement. This plan included employment experts on site in January 2010 to put in place support for affected workers such as individual sessions with workers to update Cvs, highlight job opportunities and look at retraining options. The response group will also be working closely with the Teesside Cast Products supply chain to offer similar support. In February 2011, the TCP plant was bought by Thialand’s Sahaviriya Steel Industries from Corus for $469 million. The acquisition was expected to create more than 800 jobs on top of the existing workforce of 700 at the steel plant, which will be brought back into full operation.*3

Environment protection at Dhamra port: The Dhamra port, a joint venture between Larsen & Toubro and Tata Steel near Dhamra River in Bahdrak district of Odissa, has come in for criticism from groups such as Green Peace, Wildlife protection Society of India and the Orissa Traditional Fish workers union for environment protection. The port is being built within five kilometers of the Bhitarkanika National park, a Ramsar Wetland of international importance, home to an impressive diversity of mangrove species, salt water crocodiles and an array of avian species. The port will also be approximately 15 K.M. from the turtle nesting of Gahirmatha beach and turtles are also found immediately adjoining the port side. Aside from
potential impacts on nesting and feeding grounds of the turtles, the mud flats of the port site itself are breeding grounds for horseshoe crabs as well as rare species of reptiles and amphibians. The port began commercial production in May 2011. In response, the company website informs that it has been working with International Union for Conservation of Nature (IUCN) for guidance and assistance in the implantation of environmental standards and designing mitigation measures for potential hazards during construction and operation of the port.*14

Tata Steel group has always considered that mutual benefit of countries, corporations and communities is the most effective route to growth. Tata Steel has not limited its operations and businesses within India but has built an imposing presence around the globe as well. With the acquisition of Corus (now Tata Steel Europe) in 2007 leading to commencement of Tata Steel’s European operations, the company today is one of the largest steel producers in the World with Employee Strength of above 81000 across five continents. During the financial year 2012-2013, the Group recorded deliveries of 24.13 million tones and a turnover of Rs. 1, 34,712 Cr. The company has always had significant impact on the economic development in India and now seeks to strengthen its position of pre-eminence in international domain by continuing to lead by example of responsibility and trust. *14

A BRIEF PROFILE OF CENTRAL COALFIELD LIMITED

History

National Coal Development Corporation Limited was formed on November 01, 1975 as Central Coalfields Limited, a government of India undertaking – The Historical March.
Central Coalfields Limited is a Category-I Mini-Ratna Company since October 2007. During 2009-10, coal production of the company reached its highest-ever figure of 47.08 million tones, with net worth amounting to Rs. 2644 cr against a paid-up capital of Rs. 940 cr (Annual report 2009-10).

Formed on 1st November 1975, CCL (formerly National Coal Development Corporation Ltd) was one of the five subsidiaries of Coal India Ltd. which was the first holding company for coal in the country.

**Early History – Formation of NCDC (Pre-nationalisation)**

CCL had a proud past. As NCDC, it heralded the beginning of nationalization of coal mines in India. National Coal Development Corporation Ltd. (NCDC) was set up in October, 1956 as Government-owned Company in pursuance of the Industrial Policy Resolutions of 1948 and 1956 of the Government of India. It was started with a nucleus of 11 old state collieries (owned by the Railways) having a total annual production of 2.9 million tonnes of coal.

Until the formation of NCDC, coal mining in India was largely confined to the Raniganj coal belt in West Bengal and the Jharia coalfields in Bihar (now in Jharkhand), besides a few other areas in Bihar (now in Jharkhand) and a part of Madhya Pradesh (now Chattishgarh also) and Orissa. From its very beginning, NCDC addressed itself to the task of increasing coal production and developing new coal resources in the outlying areas, besides introducing modern and scientific techniques of coal mining. In the Second Five Year Plan (1956-1961) NCDC was called upon to increase its production from new collieries, to be opened mainly in areas away from the already developed Raniganj and Jharia coalfields. Eight new collieries
were opened during this period and the production increased to 8.05 million tonnes by the end of Second Plan.

During Third Five Year Plan (1961-1966), though the Corporation had built up a much larger production capacity, it could not be utilized due to a sluggish domestic coal market. Production had, therefore, to be pegged down and the development of several collieries undertaken from the early part of the Plan period, had to be suspended. By this time, the contribution of NCDC to the nation’s coal production (67.72 million tones) increased to around 9.6 million tonnes.

With gradual rise in the demand of coal due to commissioning of new power plants and development of other coal-based industries during Fourth Five Year Plan (1969-1974), NCDC’s production increased to 15.55 million tonnes by the terminal year of Fourth Five Year Plan, i.e, 1973-74.

NCDC played an important role in India’s coal industry by introducing large-scale mechanization and modern and scientific methods of coal mining for promoting conservation of high grades of coal and exploiting deep coking coal seams necessitating heavy capital investment and sophisticated technical skill. NCDC does foreign collaboration with countries such as Poland and the USSR besides limited collaboration with Japan, West Germany and France.

NCDC’s role can be truly evaluated by its contribution towards growth of new coal resources in, what are known as, the outlying areas. The opening of new mines in Madhya Pradesh, Orissa and Maharashtra brought about a significant change in these regions by creating new
opportunities of industrialization and employment. Development of the Singrauli coalfields has brought coal almost to the doorsteps of northern India.

With the development and use of improved mining techniques, emphasis on planning, design and research; introduction of modern mine management systems and an enlightened industrial relations policy, NCDC was able to provide the infrastructure for the total nationalization of coal industry in the country.*15

**Nationalisation of Coal Mines:**

A major event in the history of coal industry in India during the Fourth Plan Period (1969-74) was the nationalisation of the erstwhile privately owned coal mines in two phases. In the first phase, the management and control of coking coal mines was taken over by the Government of India on 17th Oct. 1971 and nationalization was effective from 5th January 1972. A state owned company, Bharat Coking Coal Ltd. was formed for managing coking coal mines. For convenience of management, BCCL collieries in the East Bokaro coalfields in Bihar (now Jharkhand) were transferred to NCDC, and its projects in Central Jharia region viz., Sudamdih and Moonidih deep shaft mines were transferred, in stages to BCCL.

In the second phase of nationalisation, the management of non-coking coal mines in the country, excepting the captive coal mines of the two steel plants, viz, TISCO and IISCO, was taken over by the Government on 31st January 1973. These mines were subsequently nationalized with effect from 1st May 1973 and another state-owned company, Coal Mines Authority Ltd. (CMAL) came into being with headquarters at Calcutta (now Kolkata) to manage and develop NCDC collieries and other newly nationalized units. NCDC itself, in this
process, became a division of CMAL which owned 36 collieries under commercial production in Bihar, Orissa, Madhya Pradesh and Maharashtra, besides four coal washeries, one by-product coke oven plant, two large central workshops and manpower of about 71,000.

The formation of CMAL witnessed reorganising of the coal mines into three divisions, namely, Western, Central and Eastern. The reorganising had to be done for the convenience of management, keeping in view the geographical location of the collieries.

- As a result, NCDC units situated in the States of Maharashtra and Madhya Pradesh, with the exception of Singrauli coalfields, became a part of the Western Division.

- The Central Division consisted of all the old collieries of NCDC in Orissa and Bihar (except Sudamdh and Moonidih which had been handed over to BCCL) and those acquired by CMAL after take-over in Giridih, East Bokaro, West Bokaro, South Karanpura, North Karanpura, Hutar & Daltongunj Coalfields in Bihar. The Central Division consisted of 64 collieries, four coal washeries, one by-product coke oven plant, one bee-hive coke plant and one central workshop having a manpower of 1,11,500.16

**Formation of CCL**

The CMAL, with its three divisions continued up to 1st November 1975 when it was renamed as Coal India Limited (CIL) following the decision of Govt. of India to restructure the coal industry. The Central Division of CMAL came to be known as Central
Coalfields Limited and became a separate company with the status of a subsidiary of CIL, which became the holding company.

**Vision & Mission of Central Coalfields Ltd.**

"**Committed to create eco-friendly mining**"

- The Mission of CCL is to produce and market the planned quantity of coal and coal products efficiently and economically with due regard to safety, conservation and quality.
- The main thrust of CCL in the present context is to orient its operations towards market requirements maintaining at the same time financial viability to meet the resource needs.

Company’s Mission:

"**To become a World class, Innovative, Competitive & Profitable Coal Mining Operation to achieve Customer Satisfaction as top priority.**"

Company’s Objectives:

- Coal mining through efficiently operated mines.
- Besides fulfilling coal needs of the customer in terms of quantity, focus on quality, value addition and beneficiation to the satisfaction of the customers.
- Marketing of coal as main product.
ADMINISTRATIVE SETUP:
MINISTRY OF COAL
New Delhi

COAL INDIA LTD.
Kolkata

NCL, MCL,
BCCL, ECL,
WCL,
SECL, CMPDIL

CCWD AREAS
(WASHERIES)

11 COAL
PRODUCTION
AREAS

CCL, RANCHI
CORPORATE H.Q.
UNIT

I. I. C. M.
RANCHI

MINES RESCUE
STATION

CENTRAL
STORES

HOSPITAL

NEC

CENTRAL
WORKSHOP

Fig-16
Mega Projects:

The greatest strength of CCL in coal production is its large opencast mines with mechanised coal production, mostly through shovel-dumper combination. Some of the large opencast mines (producing more than 2 MTY) are,

1. Piparwar OCP
2. Ashok OCP
3. KDH OCP
4. Amlo OCP
5. Kalyani OCP
6. Tarmi OCP

Piparwar OCP was commissioned with Australian collaboration in early 90s and is equipped with a unique ‘in-pit coal crushing and conveying system’ – the only unit of its kind engaged in the coal production in India. Ashok OCP produces coal by adopting ‘surface miner’ technology. The technological growth has been phenomenal considering the fact that a number of OC mines used to be worked with manual labour in the past.

Future Projects:

CCL has a definite plan of growth. It has envisaged commissioning of a number of greenfield and expansion projects, both opencast and underground, during XII Plan with state-of-the-art technologies. The process of land acquisition and obtaining various approvals/clearances has started in mines, e.g.:
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Project</th>
<th>Peak Capacity (MTY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Magadh OCP</td>
<td>20.0</td>
</tr>
<tr>
<td>2.</td>
<td>Amrapali OCP</td>
<td>12.0</td>
</tr>
<tr>
<td>3.</td>
<td>Karo OCP</td>
<td>3.50</td>
</tr>
<tr>
<td>4.</td>
<td>Konar OCP</td>
<td>3.50</td>
</tr>
<tr>
<td>5.</td>
<td>North Urimari OCP</td>
<td>3.00</td>
</tr>
<tr>
<td>6.</td>
<td>Churi Benti UGP</td>
<td>0.81</td>
</tr>
<tr>
<td>7.</td>
<td>Parej East UGP</td>
<td>0.51</td>
</tr>
</tbody>
</table>

Chart: 09

1) Mines:

Company has 58 Operative mines comprising 21 underground mines and 37 opencast mines.

2) Washeries:

*We have 5 Coking Coal Washeries and 2 Non Coking Coal Washeries.*

- **Coking Coal Washeries:** Kathara, Sawang, Rajrappa, Kedla, Kargali
- **Non Coking Coal Washeries:** Gidi, Piparwar
3) Workshop:

3-tier workshop infrastructure is in place for the OC Coal Mining Projects as briefed below:

1. Project / Unit workshop at every project for daily, periodic, scheduled maintenance requirements, running breakdown maintenance and replacement of spares and sub-assemblies.
2. 3 Regional Repair Shops at Jarangdih, Tapin North and Dakra for a group of Mines which cater for overhauling of sub-assemblies of HEMM, System repairs of equipment and other major repairs beyond the scope of project / unit workshops.
3. A Central Workshop located at Barkakana with full infrastructural facilities to refurbish equipments of various mines under planned capital repair, repair and maintenance of major float assemblies like Engines, Transmissions, DC / AC Motors and Generators of Shovels and Drills, manufacturing of shaft, bushes, gear cutting, fabrication of steel structures, castings and tyre re-treading etc. In its endeavour to upgrade quality of maintenance and repairs, we have acquired ISO 9000 certification for Central Workshop and 3 Regional Repair Shops and are in the process of acquiring the same for 8 selected unit workshops of major OC Projects.

4) Railway Sidings:

It has 26 Railway Sidings from which coal is despatched to various customers located all over India.

5) Power Supply:

- DVC is main source of power supply for CCL
• There are 10 nos. 33kv/11Kv, 6.6 Kv Sub-stations in CCL (40MVA, 25 MVA, 20 MVA and 10 MVA capacities).

• Total connected demand is 119 MVA from DVC and CCL is also taking power from BSEB where demand is 11MVA.

• Rajrappa, Piparwar, N.K., Kathara, Kargali, Dhori, Hazaribagh and Kuju (through BSEB) are getting power from DVC.

• Average energy consumption is 575 million KWH.

• Power cost under control through energy conservation measures (Capacitors, Rationalisation of distribution systems etc.)

• Adequate power supply availability is ensured for uninterrupted production.

EMPLOYEES SAFETY, WELFARE & SATISFACTION:

Safety arrangement of the employees:

CCL has under taken several safety policies to give priority into the task such as-

I) Mines safety week:

CCL organizes annual mine safety week very extensively.

II) Mines act 1952:

It is enacted by parliament to amend and consolidate the law relating to the regulations of labour and safety in mines. The act gives details of its ground and application in the field of security and safety of the labours employed in mines.

III) Indian Electricity Rules 1956:
The main objective is to ensure the highest priority to safety of the Mining labour, another Act as Indian Electricity Rules 1956 was come into force in addition to the Mines Act 1952.

**IV) MINE SAFETY**

Central Coalfields Limited has always given the highest priority towards “Safety”. In CCL, safety is considered as a part of its core production process and is embodied in the mission statement. CCL has also framed a distinct and definite Safety Policy and formed multidisciplinary Internal Safety Organization (ISO).

Over the years the safety performance in CCL has been significantly improved. This improvement documented statistically in several independent sources and attributed to the following reasons:

- Commitment by the management, workers and regulators
- Well thought out and conscientious safety awareness drives
- Advanced and continuous training of the workforce
- Technological advances in the field of mining methods and better equipment design;
- Strong oversight and required assistance from the Ministry of Coal. *17

**SAFETY POLICY OF CCL**

Safety is given prime importance in the operations of CIL as embodied in the mission of Coal India Ltd. CCL has formulated a Safety Policy for ensuring safety in mines and implementation of which is closely monitored at several levels.

- Operations and systems will be planned and designed to eliminate or materially reduce mining hazards
• Implement Statutory Rules and Regulations and strenuous efforts made for achieving superior standards of safety;
• To bring about improvement in working conditions by suitable changes in technology;
• Provide material and monetary resources needed for the smooth and efficient execution of Safety Plans;
• Deploy safety personnel wholly for accidents for accident prevention work;
• Organize appropriate forums with employees’ representatives for Joint consultations on safety matters and secure their motivation and commitment in Safety Management;
• Prepare annual Safety Plan and long term Safety Plan at beginning of every calendar year, unit-wise and for the company, to effect improved safety in operations as per respective geo-mining needs to prepare the units for onset of monsoon, to fulfil implementation of decisions by Committee on Safety in Mines and Safety Conferences and to take measures for overcoming accident proneness as may be reflected through study of accident analysis, keeping priority in sensitive areas of roof-falls, haulage, explosives, machinery etc.
• Set up a frame work for execution of the Safety Policy and Plans through the General Managers of Areas, Agents, Managers and other safety personnel of the units;
• Multi-level monitoring of the implementation of the Safety Plans through Internal Safety Organization at the company headquarters and Area Safety Officers at area level;
• All senior executives at all levels of management, will continue to inculcate a safety consciousness and develop involvement in practicing safety towards accident prevention in their functioning;

• Institute continuous education, training and retraining all employees with the accent placed on development of safety oriented skills;

• Continue efforts to better the living conditions and help of all the employees both in and outside the mines.

FUNCTIONS OF INTERNAL SAFETY ORGANIZATION (ISO)

The head of the internal safety organization (ISO) of the subsidiary companies will report to CMD or one of the Technical Directors. ISO will function in two-tier viz. Company and Area levels.

• The Internal Safety Organization at Subsidiary company level will be multi-disciplinary in nature.

• The ISO will be responsible for scrutinizing plans and schemes of every mine at least once a year with due emphasis to identify potentially dangerous situations which may lead to dangerous occurrences like inundation, fires etc.

• Remedial action as suggested by the ISO will be implemented by the field executives according to their charge expeditiously and diligently. The ISO will maintain the necessary records.

• (a) Each mine shall be subjected to at least one inspection every three months independently by an officer of ISO and the Workman’s Inspector shall accompany him
during such inspections. Such mine inspections shall cover each working district/
district under preparation/ reopening and selected old workings as well as likely
sources of danger from surface; inundation, subsidence, fires etc. During such
inspections if immediate danger is apprehended, the officer of ISO shall forthwith
bring such situation to the notice of Project Officer and the concerned General
Manager for deciding the remedial action to be taken.

(b) In case the officer of ISO finds the action taken by the Colliery Management in
advance or assesses the situation to be grave he must report to the Area General
Manager and General Manager (Safety) for taking necessary steps. Area General
Manager and executives working under him will arrange for the removal of the
dangerous condition and report the same to the Director (Tech) failing which the latter
may stop the district.

- Safety performance consisting of fatal and serious accidents shall be included as an
  item in the confidential report for performance appraisal. The mine conditions,
circumstances and cause of accidents shall be given due consideration while making
the appraisal.
- The ISO at the company and area levels shall be provided separate vehicles for
  performing their duty efficiently.
- The ISO at the subsidiary company level and area levels shall maintain a list of mining
districts or parts of mine together with the concerned details, which are prone to major
accidents or disasters to ensure adequate coverage and follow up/monitoring of the
implementation of the counter measures.
• (a) The CMD of the subsidiary company will review the performance of the ISO once every quarter.

(b) The Director (Tech) should hold at least one meeting a month with the ISO and the GM of areas to assess the Safety Performance.

(c) The Area Safety Officer will hold meeting with the Managers of the collieries at least once a month reviewing the safety performance of individual collieries.

• All applications for permission for opening/reopening of a district should be independently checked by the ISO.

• The functions of the ISO shall be both audit and advisory. For this, the ISO will have to be provided with adequate staff and infra-structural facility with a view to fulfil its role and functions. The ISO at the Area level should actively associate with formulation of Annual Action Plan with a view to ensure adequate provision of materials having bearing on the safety aspects of the operations.

SAFETY MONITORING MECHANISM AT DIFFERENT LEVELS IN CCL

Under the Constitution of India, safety, welfare, and health of workers employed in mines are the concern of the Central Government (Entry 55-Union List-Article 246). The objective is governed by the Mines Act, 1952 and the Rules and Regulations framed there under. These are administered by the Directorate-General of Mines Safety (DGMS), under the Union Ministry of Labour & Employment. Apart from administering the Mines Act and the subordinate legislation there under, DGMS also administers a few other allied legislation, including the Indian Electricity Act.
Apart from the above mentioned statutory monitoring by DGMS, there are several others for monitoring safety; these are as follows (www.ccl.gov.in):

| At Mine level | 1. Workman inspectors: as per Mines Rule-1955  
2. Pit Safety Committee: constituted as per Mines Rule-1955 |
|---------------|-------------------------------------------------------------------------------------------------|
| At Area level | 1. Bipartite/Tripartite Committee Meeting  
2. Safety Officers’ Coordination Meeting |
| At Subsidiary HQ level | 1. Bipartite/Tripartite Committee Meeting  
2. Area Safety Officers’ Coordination Meeting |
| Inspections by ISO Officials | 1. CIL Safety Board  
2. Director (Tech)’s Coordination Meeting  
3. National Dust Prevention Committee Meeting  
4. Inspections. |
| At CIL HQ Level | 1. Standing Committee on Safety in Coal Mines  
2. National Conference on Safety in mines  
3. Various Parliamentary Standing Committees |
| At Ministerial Level | 1. Standing Committee on Safety in Coal Mines  
2. National Conference on Safety in mines  
3. Various Parliamentary Standing Committees |

Chart: 10

SAFETY MEASURES / INITIATIVES UNDERTAKEN IN CCL

Apart from in compliance the statutory provisions as laid down in the Mines Act, 1952 and the regulations, rule and byelaws framed there under, CCL has been taking several measures to improve standard of safety in its mines.

Given below are a snapshot / overview of CIL efforts in this regard
CCL has established a structured multi-disciplinary Internal Safety Organization (ISO) to assist the line management at various levels in matters related to Safety.

Risk Assessment & Safety Management Plan: Risk Assessment has been completed in 60 mines and potential dangers associated in mining activities due to existing geo-mining conditions of the mine, method of mining being adopted for extraction of coal and from machineries being engaged for operations have been identified. Time-bound action programmes to eliminate or to reduce or to avoid the identified risks for each mine has been chalked out along with review mechanism. It is an on-going cyclical process.

Safety Audit of the mines is being conducted in more meaningful way in two phases

1. 1st Phase: Deficiencies (i.e. unsafe conditions and unsafe acts) are being identified and remedial measures suggested or recommended.

2. 2nd Phase: Review of the status of implementation of the recommendations / suggestions of 1st phase are being done in 2nd phase and thereafter and final report is submitted.

Steps for Disaster Prevention

1. Inundation: Thrust on Safety Audit, Check Survey, Trials of Geo-physical Methods for detection of water bodies / proving parting etc.

2. Fire in mines: Panel system working (so that in case of fire that can be isolated immediately), strengthening of isolation stopping and use of fire retardant sealant etc.

3. Explosion: Early Gas detection through various modern gadgets (both sensors &
catalytic base), Continuous type computer based on-line Gas monitoring for highly
gassy and fiery mines and erection of explosion proof stopping.

4. Emergency Action plan has been prepared and mock rehearsals are being carried out regularly.

5. Special five days course are exercised as per schedule in each U/G mines with mock-drill.

- For reduction of Roof/Side falls accident: Roof / Side fall accident is one of the major
causes of fatal accident in underground mines. CIL has given priority for ensuring roof support management through:-
  a. Stress on face mechanization to reduce exposure of workmen in active working zone.
  b. Support Plan based on Rock-mass-rating (RMR) of over-lying roof strata.
  c. Greater use of Roof Bolting/ Stitching methods of roof support.
  d. Introduction of mechanized drilling by advanced roof bolting machines.
  e. Introduction mechanized.
  f. Emphasis on development of indicators for detecting impending load on roof through R&D.

- For reduction of accident at Opencast as well as on Surface of Mines: The following measures are being taken for reduction of fatalities in Opencast Mines & on Surface

c. Standard of Procedure related to safe operation of various mining operation.

d. Risk Assessment & Management

e. Training of Contractor’s Workers involved in transporting

FURTHER AREA IDENTIFIED FOR IMPROVING SAFETY IN THE MINES OF CCL IN XIIth 5 - YEARS PLAN PERIOD

- Stress on providing more numbers of Mechanized Roof drilling machines
- Stress on providing Man Riding System in UG mines with arduous travelling road.
- GPS based Truck Dispatch System
- Computerized Tele-monitoring of Mine Environment & Float Alarm for surface Water Danger
- Digitization of Mine Plans
- Development of testing facilities of international standards.
- On-line roof-behaviour monitoring systems
- Incorporation of Safety into the integrated network Application & LAN with Internet/Intranet facilities.
- UG Communication & Tracking system.
- Simulation Training

Coal India Limited is the biggest coal producing company of the country. The coalfields are situated in remote forest areas or near river basins. These places not only lack medical facilities but there have very little civic amenities and other infrastructure. This situation
forces the Coal India management to establish its own Medical services consisting of Dispensaries, Colliery hospitals and Regional hospitals in the coal belt to provide a standard and effective medical facility at the door steps of the employees. As committed to health care for the employee and their eligible dependents, Central Coalfields Limited (CCL), a subsidiary of Coal India Limited had established three-tier system of healthcare. Dispensaries for each project as primary healthcare; colliery and regional hospital as secondary health care and for tertiary care there are well equipped modern Central Hospitals to provide better and specialized medical facilities to its employees as part of its welfare activities.

- Medical Infrastructure at CCL
- Quality Policy for CCL hospital
- Employee's Charter
- Central Hospital, Gandhinagar, Ranchi
- Central Hospital, Nai Sarai

**Medical Infrastructure at CCL**

<table>
<thead>
<tr>
<th>Medical Infrastructure</th>
<th>Number</th>
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<tbody>
<tr>
<td>Dispensaries</td>
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<td>Colliery Hospital</td>
<td>07</td>
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<tr>
<td>Regional Hospital</td>
<td>02</td>
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<tr>
<td>Central Hospitals</td>
<td>10</td>
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<tr>
<td>Total beds</td>
<td>892</td>
</tr>
<tr>
<td>Total doctor</td>
<td>279</td>
</tr>
<tr>
<td>Service</td>
<td>Count</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Specialist GDMO</td>
<td>45</td>
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<tr>
<td>Total Nurses</td>
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</tr>
<tr>
<td>Total Paramedical</td>
<td></td>
</tr>
<tr>
<td>Ambulances</td>
<td></td>
</tr>
<tr>
<td>Family Welfare Camps</td>
<td>32</td>
</tr>
<tr>
<td>Eye Camp</td>
<td>7</td>
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<tr>
<td>Blood Donation Camps</td>
<td>3</td>
</tr>
<tr>
<td>Leprosy &amp; Skin Camp</td>
<td>6</td>
</tr>
<tr>
<td>Diabetic Camps</td>
<td>7</td>
</tr>
<tr>
<td>E N T Camp</td>
<td>4</td>
</tr>
<tr>
<td>Dental Camp</td>
<td>5</td>
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<td>Hypertension Camp</td>
<td>4</td>
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<tr>
<td>HIV/AIDS Awareness Program</td>
<td>27</td>
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<td>Children Health Care</td>
<td>5</td>
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<td>Village Health Camp</td>
<td>53</td>
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<tr>
<td>Cancer Detection</td>
<td>Nil</td>
</tr>
<tr>
<td>Handicapped</td>
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</tr>
<tr>
<td>Health Mela</td>
<td>1</td>
</tr>
</tbody>
</table>

Different Camps on Monthly Basis.

May to October: Indoor Camps.

Preferably on Celebrity dates.
WELFARE:

Mission

“To provide quality life to the employees and their family members and the village population living nearby the work place”.

Objectives

- To provide better life and health.
- To make the employees happy and satisfied.
- To improve intellectual, cultural and material conditions of living of the employees.

Central Coalfields Limited adopts a multi-disciplinary approach for welfare incorporating health, family welfare, education, drinking water and sanitation, while utilizing the Welfare Funds, more emphasis is laid on the projects for providing Clean Drinking Water, Health & Medical Care and Education. *4

Main thrust area

- **Health Care and Family Welfare**: CCL has 19 nos. of Hospital and 63 nos. of Dispensary having strength of 892 nos. of bed with the availability of 285 numbers of doctors. Company owns 111 nos. of ambulances. Medical cards are issued not only to
the existing employees but also retiring employees. Medical/Health Camps on Family Planning, Immunization, and AIDS awareness, Pulse Polio, Eye, Blood Donation, Pre and Post-natal Care, Homeopathic Medicine etc. are being organized at regular interval for health awareness and benefits of employees and villages of Coal field vicinity.

- **Education:** Specific emphasis is being given by CCL for providing quality educational facilities to the wards of its employees. There are number of schools running on 10+2 CBSE pattern in the vicinity of CCL.

  - Schools: One no. of Kendriya Vidyalaya, 14 nos. of DAV Public Schools and 43 nos. of Privately Managed Schools are getting financial assistance as well as infrastructural support to schools. CCL is sponsoring/organizing rural sports/games, sports meets/events and supporting education and research activities etc.

  - Scholarship: The CCL awards scholarships for the meritorious students under the following schemes.
    - CIL Scholarship
    - Scholarship under the CCEBF Scheme

  - Tuition fee reimbursement: CCL awards scholarships to meritorious students pursuing full-time courses in Engineering/Medical to nurture and support talent among the deserving students belonging to families of non executive under
NCWA IX.

- **Promotion of Sports and Culture:** Company is paying special attention to develop sports/games & cultural activities amongst the employees and their wards. CCL has 30 nos. of play ground and 10 nos. of Stadium.

- **Achievements**
  
  o CCL Football team was the joint winner of 25th CIL Inter Company Football tournament 2012.
  
  o CCL won the bronze medal in high jump in all India Public Sector Athletic Meet held at Ranchi in 2012.
  
  o CCL won the bronze medal in shot-put throw in All India Public Sector Athletic Meet held at Ranchi in 2012.
  
  o CCL won 2 gold medals in 3rd Jharkhand State Karate Championship held at Jamshedpur in 2012.

- **Other Welfare Activities:**
  
  o Co-operative stores are functioning in the Coalfield areas to supply essential commodities & consumables at cheaper rate.
  
  o To provide financial assistance, co-operative credit societies are functioning.
  
  o 55 numbers of canteens are functioning at different location.
Infrastructural facilities are being provided to Nationalized Banks to facilitate the works to draw their salaries.

- **CCEBFS (Central Coalfields Employees Benevolent Fund Society):**

  Employees are getting Scholarship benefits, Sickness Benefit, Death Payment, Silver Coins as departure gift, Daughter’s Marriage Advance.

“**SAMMAN SAMAROH**”: Every month “SAMMAN SAMAROH” is organized at HQ and different areas to felicitate employees who are getting retirement every month.

**SCOPE**

**Education**

- Support to Technical/Vocational Institutions like ITI, Polytechnic etc.
- Support to rural educational institutions by providing study materials, sports material and bench and desk to the students & Academic education by way of financial assistance to Primary, Middle and High Schools.
- Promotion of Professional Education by setting up educational institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects etc. CCL will ask for reservation of seats for CCL’s nominated students and children of BPL families.
- Provide free education up to +2 level and free coaching for getting admission in reputed technical institution of the country like IITs, NITs & others to meritorious students belonging to weaker sections of the society, PAPs/land ousted and children of
the employees residing in and around the command areas. Also to provide free boarding lodging facilities to such students.

- For uninterrupted education, provision of fees and scholarship for poor, needy, children of BPL families & land ousted/ displaced persons, meritorious students studying in the schools in the command areas of the company, especially for girl students. Awareness programs on girl education &adult literacy amongst the belonging to BPL.

- Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.

- Provide cycle to needy girl students who are attending

Drinking Water Facilities

- Installation/Repair of Hand Pumps/Tube Wells/ Deep bore wells with submersible pumps with storage arrangements.

- Digging/Renovation of Wells.

- Supply of water through pipelines and water tankers.

- Gainful utilization of waste water from Under-ground.

- Mines for cultivation or any other purpose.

- Development/construction of Water Tank/Ponds.

- Rain water-harvesting scheme.

- Empowerment to the villagers for maintenance of the above facilities for availability of water.
Health Care

- Treatment through CSR clinics and ambulance of critical diseases for poor and BPL families residing in & around the command areas through Jan Arogya Kendra.
- Operation Jyoti – for eradication of reversible blindness for the people of the peripheral areas.
- Organizing health/ health awareness Camps on AIDS, TB and Leprosy, Child and Mother care, Pre and Post natal care, family welfare, Diabetics detection & Hypertension Camps, diet and nutrition camps and blood donation camps.
- Healthcare for senior citizens.
- To supplement the different programs local/ state authorities.

Environment

- Maintaining ecological balance & pollution control.
- Afforestation, Social forestry development, Green belt Development
- Reclamation of mined out lands.
- Plantation of herbal and fruit bearable plants Silk rearing & lac production

Self Employment Programs

- Self /Gainful Employment Opportunities may be offered by organizing different training programs on farming & other agricultural practices, animal husbandry, fishery.
• Organizing training programs on enhancing technical skills, imparting motor driving skills to the rural youth.
• Organizing training programs for women on tailoring, embroidery designs, home foods/fast foods, pickles, painting and interior decoration and other Vocational Courses.
• Development of Cooperative societies for generating self employment.

Village Electricity/Solar Light

To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.

Sports and Culture

• Development of sports & cultural activities in the nearby villages of the command area by providing sports material to the children & youth & also by conducting tournaments of games & sports events.
• Identification of rural talents for participating in sports & cultural activities of state & national level.
• Promotion & development of sports for physically handicapped persons.
• Sponsorship of national sports field events in the coal field areas.
• Financial assistance/ donations/ sponsorship may be given to clubs / institutions recommended by National/ State/ District forums/ authorities for development of
sports. Proper check measures to be kept for ensuring the utilization of the fund & publicity is also to be ensured for corporate image building.

**Infrastructure Support**

- Construction, repair, extension etc. of Auditorium, Educational Institutions, bridges, culverts, roads, drains, check dam, shopping complex to facilitate business/self employment for local people, Community Centre, Sulabh Souchalaya/ Community toilets, Yatri Shed in Bus Stand, Burning Ghat/Crematorium, Development of Park, Play ground/Sports complex/Good Coaches, Old Age Home for senior citizens, adoption/ construction of hostels especially those for SC/ ST and girls.
- Protection of Heritage sites in the CSR purview.
- Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.
- Disaster Management Activities including those related to amelioration/mitigation.
- Collection of old cloths from the employees and distribution in the nearby village by utilizing the platform of Mahila Sabha of the Company, Club (Executives & Non-executives) and Women in Public Sector.
- Distribution of blanket to needy and poor section of the society and destitute.
- Development of smokeless fuel out of coal and also arrangement for distribution of efficient Chulha/solar chulha to the villagers.
- Adoption of village for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center and other sustainable developmental works.
The above list is illustrative and not exhaustive. CMD shall be authorized to consider CSR activities not falling in this list. The activities will be specific to the village depending on the need assessed for the people. As far as possible efforts will be made to co-ordinate with similar CSR activities that are taken up by the Central or State Govt. in the areas of CCL. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

INSTITUTIONAL ARRANGEMENT

A Corporate Social Responsibility Committee (CSRC) would be constituted at the HQ level and Area level for identification and implementation of activities which involve the following:-

1) The Committee will interact with the concerned MPs, MLAs, and Local Authorities/Local Bodies, members of the area consultative committee, representatives of recognized Trade Unions to identify and finalize the activities which are to be taken under CSR.

2) The Committee will also interact with the concerned State Officials/Govt officials to confirm the areas for undertaking activities under CSR activities to avoid duplicity of the job. The Committee will decide the priority of the activities to be undertaken under CSR.

3) The Committee will interact with the CSR Implementing agencies for determining the activities to be undertaken.

4) The Committee will examine the proposal/requests submitted by CSR implementing agencies for Grant of donation/Financial Assistance/ Sponsorship etc. And also submit its recommendation before the Head of the CSR Committee.
5) The Committee will prepare comprehensive action plan for every fiscal year with special reference to the parameters of the CSR activities as fixed in MOU.

6) The committee at CCL Hq. level would be headed by Director (P&IR), CCL and would include:

1. GM,(L&R)/CSR
2. CMS/CMO,HQ
3. GM(F)
4. GM(Env.& FOREST)
5. GM(Civil)/DY.GM/Town Administration
6. Representatives of recognized Unions operating at HQ

CSR Department of CCL would act as “NODAL” Dept. Under the guidance of Director (P), CCL, GM (CSR), CCL would put up all cases to the committee for consideration and recommendation to the competent authority which shall be Director (P). This “NODAL” Dept. will function as the CSR Cell of the Company.

At Area level, a CSR committee should be constituted headed by CGM/GM of the areas. The committee will consist of –

Staff Officer (Pers.), SO©, AFM, AMO and all the project officers of the concerned area.

The finalized CSR action plan of the areas should be sent to HQ by the last week of April every year. The consolidated CSR plans of area & HQ should be placed before the competent
authority for approval. The approved CSR plans should be sent back to areas along with the sanctioned budget by June last week of every fiscal year. The implementation of approved CSR activities should be commenced by 1st week of July of every fiscal year.

IMPLEMENTATION

a) Investment in CSR should be project based and for every project time framed. Periodic milestones should be finalized at the outset.

b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by staff of the organization. Specialized agencies could be made to work singly or in tandem with other agencies.

c) Such specialized agencies would include:

   i) Community based organization whether formal or informal.

   ii) Elected local bodies such as Panchayats.

   iii) Voluntary Agencies (NGOs)

   iv) Institutes/Academic organization

   iv) Trusts, Mission etc.

   v) Self-help groups


   viii) Standing Conference of Public Enterprises (SCOPE)

   ix) Mahila Mandals/Samitis

   x) Contracted agencies for civil works

   xi) Professional Consultancy Organization etc.
(d) Activities related to Sustainable Development will form a significant element of the total initiatives of CSR. Such activities should come under the 3 UN Global Compact Principles pertaining to the Environment Business are asked to:

1) Support a precautionary approach to environmental challenges.

2) Undertake initiatives to promote greater environmental responsibility and

3) Encourage the development and diffusion of environmentally friendly technologies.

e) Utilization Certificate with statement of expenditure will be submitted by the Areas at the end of every fiscal year.

f) The Committee will monitor and review the progress of activities undertaken/completed.

**MONITORING**

a) The CSR Committee of the areas will prepare the Monthly Report on CSR Activities undertaken & send it to the HQ by the last week of every month.

b) In every six months Board of Directors of CCL as well as at Area level CGM/GM should review the implementation of CSR.

c) Annual Report on CSR should be sent by each Areas to CCL HQ highlighting the cumulative outlays and outcomes of the program in specific details for its onward transmission to CIL Kolkata.

d) CSR Project should also be evaluated by an independent external agency. This evaluation should be both concurrent and final.
SOURCE OF FUND

The finance for the Corporate Social Responsibility should be allocated based on 5% of the retained earnings of previous year subject to minimum of Rs.5/- per tonne of coal production of previous year. Out of above, 4% would be allocated for CSR activities to be carried out within the radius of 15 Kms of the project site and balance 1% would be allocated for carrying out CSR activities by CCL in the State of Jharkhand. Approving Authority for the CSR amount to be spent would be the CMD, CCL in consultation with concerned Functional Directors of the company.*18

From total CSR Budget, 15% and 8% would be issued separately and exclusively in the Annual Plan for undertaking Welfare Activities under CSR for the development of Scheduled Caste and Scheduled Tribes populations respectively and balance 77% Fund would be utilized for implementation of CSR Activities for the entire population including SCs and STs. The CSR Project should be fixed for each financial year. This funding will not lapse. It will be transferred to CSR Fund which will accumulate-as in the case of Non lapsable pool for the North East.

BASE LINE SURVEY & DOCUMENTATION

(a) The impact made by CSR activities should be quantified to the best possible extent with reference to base line data, which need to be created before the start of any project. Hence Base-line Surveys are mandatory.

(b) Meticulous documentation relating to CSR approaches, policies, programmes, expenditures, procurement etc. should be prepared and put in the Public Domain, (particularly through the internet) and made available to the National CSR Hub.
UPKEEP AND MAINTENANCE OF ASSETS CREATED:

Maintenance of Assets created under CSR would be the Responsibility of the concerned State Government and local representatives of the Society. Before any Capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for maintenance of the Assets.

REFLECTION OF CSR ACTIVITIES

The audited CSR activities will be reflected in the Annual Report and Accounts of CCL under Social Overhead (CSR). The CSR activities are to be uploaded in the CCL/CIL website. The CSR activities are to be projected by display boards, hoardings, publishing in local & national dailies & other such media documentations. The Committee constituted in the area will inspect all sites and reflect the same to CSR Cell for their information, record and further action.

HUMAN RESOURCE DEVELOPMENT

The training/workshop/seminars attended by different segments in different institute in 2013-14 are as under:
<table>
<thead>
<tr>
<th></th>
<th>Training</th>
<th></th>
<th>Workshop/Seminar/Conference</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Executives</td>
<td>Non Executives</td>
<td>Executives</td>
<td>Non Executives</td>
</tr>
<tr>
<td>In Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTC</td>
<td>493</td>
<td>307</td>
<td>231</td>
<td>215</td>
</tr>
<tr>
<td>BTTI</td>
<td>—</td>
<td>555</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>CETI</td>
<td>—</td>
<td>334</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>STI</td>
<td>—</td>
<td>137</td>
<td>—</td>
<td>—</td>
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<tr>
<td>IOMH</td>
<td>—</td>
<td>00</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Group VTCs</td>
<td>—</td>
<td>6571</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sub Total</td>
<td>493</td>
<td>7904</td>
<td>231</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Out of Company</td>
<td>364</td>
<td>38</td>
<td>41</td>
<td>0</td>
</tr>
<tr>
<td>CCL/CIL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IICM (Ranchi)</td>
<td>465</td>
<td>—</td>
<td>07</td>
<td>—</td>
</tr>
<tr>
<td>Overseas</td>
<td>14</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Grand Total</td>
<td>895</td>
<td>8115</td>
<td>602</td>
<td>120</td>
</tr>
</tbody>
</table>

Table: 1.1

[ Source :- Annual Report 2014-15, page 38 ]
Achievements during 2014-15

1. Befitting with the aim to connect to society at large as well as to cater for the future need of the industry, 557 students were trained (preparatory course for Sirdar Exam 453+ PDBT104).

2. 722 students from different institutions/colleges doing Engineering/MBA/BBA/MCA/BCA were provided on the job practical training.

3. With a view to create a pool of specialist group of project managers: 51 Nos. executives attended Certificate Course of Project Management training and 23 executives attended the Contract Management Training.

4. While taking another drive by CCL to create an elite pool of risk managers, HRD, CCL has trained 12 executives on Certification Course of Enterprise Risk Management this year.

5. To create a supply chain of talents for the betterment of the organization as well as to facilitate employability of its extended stakeholders of project affected people and others in its command area, CCL started the first academic session of ITI in engineering stream at BTTI, Bhurkunda by the month of November, 2014.

6. With the advent of modern tool of Risk Analysis, company took initiatives to train the executives in the field on Risk Management and assist in creating Safety Management Plans of all the mines. HRD in coordination of safety department almost completed the second phase of reviewing as well as fine tuning the safety management plan by 234 executives in the respective area/unit.

7. In an effort to give a proper orientation about the process, people and places of work in CCL to ensure smooth transition of new recruits from campus life to corporate and coalfields, HRD, has started full fledged orientation course from the last year. Complemented by
two/three field visits, HRD, CCL has given orientation to 66 nos. of management / technical entrants of different disciplines by exposing them to multifarious processes we follow in coal excavation as well as sales, logistics, benefaction etc.

8. Following the same cue of giving orientation 24 no. executives to new recruits a three days consolidated CCL appraisal cum induction has been organized by HRD, CCL for one group of chief managers who have come to CCL with promotion from different subsidiaries. Two field visits of underground and opencast have been organized to let these executives have a feel of the people, process and the place of working in CCL.

9. In an effort to give specialized training in land acquisition, environment and forest management, this year HRD, CCL has trained 29 executives on the line of MOU mandated coursework of the same.

10. In another role of facilitator of upcoming implementation of wide area network, an integrated framework of data and information sharing across the industry, RFID enabled transport cum logistic of coal, as well as laying out the path for new BSC (Balance Score Card) based PMS for executive evaluation in the organization HRD, CCL organised a big numbers of training for different layers of user, process owners etc or the new technology (WAN/ OITDS/RFID) and management framework (PRIDE). One exclusive programme dedicated to new LC (Letter of Credit) module developed by SBI has been organized to create the awareness and pretext of introduction of this new tool of import financing in the organization.

11. In an effort to disseminate the knowledge over the rank and file of the organization earned through different external training resources, HRD initiate from this year a mandatory
presentation and dissertation either in HRD Dept. or Area Training Offices on the subject covered and lesson learned after participation in any resourceful external training. It creates a true platform in the organization to explore and exploit every bit of knowledge for further lay out of acknowledge management framework in near.

**FINANCIAL PERFORMANCE**

The financial results of the Company during 2014-15 as compared to 2013-14, are as under:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>2013-14 (Rs in Crores)</th>
<th>2014-15 (Rs. In Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Gross profit before Depreciation and Interest</td>
<td>2775.28</td>
<td>3087.08</td>
</tr>
<tr>
<td>(ii)</td>
<td>Depreciation</td>
<td>254.1</td>
<td>312.55</td>
</tr>
<tr>
<td>(iii)</td>
<td>Interest</td>
<td>6.58</td>
<td>1.08</td>
</tr>
<tr>
<td>(iv)</td>
<td>Net profit before prior period adjustment</td>
<td>2514.6</td>
<td>2773.45</td>
</tr>
<tr>
<td>(v)</td>
<td>Adjustment pertaining to Prior period (Cr.)</td>
<td>-11.27</td>
<td>33.11</td>
</tr>
<tr>
<td>(vi)</td>
<td>Net profit after prior period adjustment</td>
<td>2525.87</td>
<td>2740.34</td>
</tr>
<tr>
<td>(vii)</td>
<td>Extraordinary Items</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>(viii)</td>
<td>Profit before Tax</td>
<td>2525.87</td>
<td>2740.34</td>
</tr>
<tr>
<td>(ix)</td>
<td>Provision for Income Tax</td>
<td>841.05</td>
<td>1023.89</td>
</tr>
<tr>
<td>(x)</td>
<td>Income tax for earlier year</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>(xi)</td>
<td>Provision for Deferred Tax (Cr)</td>
<td>13.06</td>
<td>54.16</td>
</tr>
<tr>
<td>(xii)</td>
<td>Net Profit after tax</td>
<td><strong>1671.76</strong></td>
<td><strong>1770.61</strong></td>
</tr>
</tbody>
</table>

Table: 1.2

STRENGTH AND WEAKNESSES, OPPORTUNITIES AND THREATS

Strength:

1. High production and huge production potential: CCL produced 50.652 MT of coal in 2014-15, which is over 11% of Coal India’s Production. The coal reserves in CCL command area is of 42.712 billion tones (Annual report 2014-15). CCL has about 14.29% of the coal reserves of India. The coal reserves include non- coking coal (used in power plants) as well as coking coal (used in steel plants). These reserves are good enough for the next 200 years.

2. Infrastructure available in almost all Coal Blocks: For development and operation of coal mines we need a good rail and road network. All coalfields of CCL have a reasonably Good Rail and Road Networks. This Network enables swift movement of Coal to the Consumers.

3. Skilled Manpower available in sufficient number: CCL has been in the business of Coal Mining for over forty years. Its manpower strength is 45,011 (2014-2015) and which is well conversant in their jobs.

4. Very low employee attrition rate: The salary and wages offered to the employees in CCL are the best in the Coal Mining Industry. This has resulted in a very low attrition of employees. The performance related pay introduced recently for executives has further boosted the moral of employees.

5. CCL is a Mini-Ratna Category I Company, with a High Financial Autonomy: On the basis of performance of CCL, the department of Public Enterprises has granted Mini-Ratna
Category I status to the Company. This means that the company can approve projects up to Rs. 500 Cr. without going to the Government and it can also form joint ventures/subsidiaries/overseas offices.

6. **High cash reserves of Rs. 3947.62 Cr.:** The high cash reserves available with the company can be used for opening of New Mines, acquisition of coal mines abroad, and for diversification.

7. **Debt free company:** As the company is debt free, it can be used for raising debt from the market for acquisition of energy assets abroad.

**Weaknesses:**

1. **Old mines with Obsolete Technology:** Most of the mines in CCL are old with antiquated equipment. The company has opened a few mines in recent past. State of the art technology is being used in only few mines.

2. **Trade Unionism:** Trade Unionism is rampant in the mines. Every mine has over six Recognized Trade Unions.

3. **Application of information technology is very low:** The application of IT in the mines is very low. This makes the system prone to corruption and inefficiency.

4. **Poor work culture:** On an average employees work for only 4 hours in a eight hour shift.

**Opportunities**
1. There is huge and almost insatiable demand for coal: The demand – supply gap of coal is 20 MT today which is likely to increase in future.

2. Outsourcing of production processes: CCL can go for outsourcing in case of projects, beyond the available capacity of the projects. The company also goes for outsourcing in case of Marginal Deposits (there are many such Coal Deposits) where deployment of Departmental Equipment is uneconomical. Outsourcing now has the support of Trade Unions.

3. Opportunities for value addition for its products through sizing, washing or conversion to Liquid and Gas: The price of washed coking coal is double the price of mined Coking Coal. Washeries may be established to take advantage of the price differential.

4. CCL’s coal is priced below the international level: Our coal price is 30% cheaper than the International Price. When the Government deregulates the pricing of coal, we can raise the coal price for higher profitability.

Threats

1. Captive mining in coal is now permitted in India, ending the complete monopoly of the company: CCL has now to compete with private players, who have been allotted coal blocks.

2. There is demand for allowing private coal mining companies to sell all their produce in the open market: Private players produce coal at 60% of the CCL’s cost. If they are allowed to sell coal in the open market then CCL will be loosing valuable customers.

3. Upcoming Private Players may poach on the highly skilled employees of the company through better Pay, Perks and Other Facilities: Since the company is a PSU, it can’t easily
increase the pay and perks etc of the employees as per demand of the market and competition as it has to follow length procedures for the same.

4. Law and order problems in coal mining areas: The law and order situation in mining areas is bad. There are frequent bandhs and extremist groups prevent/interfere with mine development activities. On an average the mines are closed for about 30 days due to poor law and order condition prevailing in Mining areas.

5. Inordinate delay in release of Forest land: There is inordinate delay in the processing of Forest land proposals. The State Govt. takes considerable time in recommending forest land proposals to the MOEF for stage I clearance. There is delay in site inspection by MoEF Regional Office, Bhubaneswar. It takes about 4-6 years for release of forest land.

6. Physical possession of acquired land: Great difficulty is being encountered in the physical possession of acquired land. Forest land which is released by the Govt. often has encroachments, which is not easy to get rid off.

7. Rehabilitation of project affected persons: The rehabilitation of project affected persons has become a big bottle neck in the development of new projects, as the demand of PAFs are often, beyond the norms of R&R policy of CIL.

WELFARE & COMMUNITY DEVELOPMENT:

Central Coalfields Limited adopts a multidisciplinary approach for welfare incorporating health, family welfare, education, drinking water and sanitation, while utilizing the Welfare
Funds, more emphasis is laid on the projects for providing Clean Drinking Water, Health & Medical Care and Education.

**Main thrust area**

The activities undertaken under thrust areas are as under:

**Development of Infrastructural Facilities (Annual report 2014-15)**

Central Coal Fields has been endeavouring to improve the quality of life of their employees by providing better welfare amenities.

- **Water Supply** : 93 nos. of bore holes along with pumps have been provided for our workers in CCL command area so as to facilitate potable water supply.

**Health Care and Family Welfare** CCL has 19 Nos. of Hospitals and 63 nos. of Dispensary having strength of 892 nos. of bed with the availability of 225 nos. of doctors. Company owns 111 nos. of ambulances. Medical cards are issued not only to the existing employees but also retiring employees. Medical/Health Camps on Family Planning, Immunization, and AIDS awareness, Pulse Polio, Eye, Blood Donation, Pre and Post-natal Care, Homeopathic Medicine etc. are being organized at regular interval for health awareness and benefits of employees and villages of Coal field vicinity.

Medical treatment is also being provided to the Contractual workers free of cost at par with our own employees. Super Specialty Clinic in Cardiology is being regularly conducted on monthly basis at Gandhi.
Nagar Hospital. Visiting Cardiologist from Max Hospital, New Delhi and Yashoda Hospital, Hyderabad are conducting above clinic on rotation basis. Hridaya Suraksha Abhiyan Project for treating Cardiac Muscle damage in Heart Attack by thrombolytic therapy has been started at Central Hospital Naisarai, Dhori & Dakra. CSR Hospital at Ranchi (Jan Arogya Kendra) for Below Poverty Line and Project Affected People has been started in January 2013. Upgradation of Dhori and Dakra Regional Hospital to Central Hospital is in final stage.

**Education**

Specific emphasis is being given by CCL for providing quality educational facilities to the wards of its employees. There are number of schools running on 10+2 CBSE pattern in the vicinity of CCL.

- **Schools:** One no. of Kendriya Vidyalaya, 14 nos. of DAV Public Schools and 43 nos. of Privately Managed Schools are getting financial assistance as well as infrastructural support to schools.

<table>
<thead>
<tr>
<th>Schools</th>
<th>2014-15(Rs. In crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAV</td>
<td>17,39,84170.00</td>
</tr>
<tr>
<td>Kendriya Vidyalaya</td>
<td>2,00,31,060.00</td>
</tr>
<tr>
<td>Privately managed</td>
<td>1,57,62,000.00</td>
</tr>
</tbody>
</table>

Table: 1.3

[Source: - Annual report 2014-15 Page 40]
Scholarship: The CCL awards scholarships for the meritorious students under the following schemes.

CIL Scholarship

Scholarship under the Central Coalfield Employees Benevolent Fund Society (CCEBFS) Scheme

<table>
<thead>
<tr>
<th>Scholarship</th>
<th>2014-15 in lakhs</th>
<th>No. Of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIL Scholarship</td>
<td>17.16</td>
<td>1006</td>
</tr>
<tr>
<td>CCEBF</td>
<td>18.25</td>
<td>642</td>
</tr>
</tbody>
</table>

Table : 1.4

[Source: - Annual report 2014-15 Page 41]

Tuition Fee reimbursement:

CCL awards scholarships to meritorious students pursuing full-time courses in Engineering/Medical to nurture and support talent among the deserving students belonging to families of non executive under NCWA IX.

<table>
<thead>
<tr>
<th>No. of Beneficiaries</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>632000</td>
</tr>
</tbody>
</table>

Table: 1.5

[Source: - Annual report 2014-15 Page 41]
Promotion of Sports and Culture

(a) To promote the sports in rural areas and to encourage the talented youths, CCL is organizing Rural Football in all the command areas of CCL.

(b) Coaching Camps/ Tournaments for different games are organized on regular basis for young and budding talents of Jharkhand.

(c) CCL conducts different sports activities for its employees and the selected sportspersons are encouraged to participate at higher level.

(d) To develop sports in Jharkhand, CCL is providing continuous financial and technical aid to different Sports Organization such as Jharkhand Olympic Association, Jharkhand Volleyball Association, Hockey Jharkhand etc.

(e) CCL is supporting Differently Abled Sports Organization to conduct its sports activities.

(f) CCL successfully organized 2014-15 CIL Intercompany Cricket Tournament at Barka Sayal Area, CCL and Ranchi.

Canteen

At present, there are 55 nos. of canteen are functioning in different command areas of CCL. One no. of Canteen at Kathara, One no. of Canteen at Dhori and One no. of Canteen at HQ are air-conditioned for convenience of the employees.

Field Visits

A Welfare Inspection Team consisting of the members of CCL welfare board was constituted who visited all areas of CCL and inspected the ongoing welfare activities in the areas. It gives impetus to ongoing welfare activities in different areas.
Kaya Kalp Yojna

Different schemes like Aapka Darbar, CCL Apke Dwar, Chalo Gaon ki aur etc. are being run in different areas under Kaya Kalp Yojna for inclusive growth of internal and external stakeholders.

OPERATIONAL STATISTICS

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (a) Production of Raw Coal:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underground</td>
<td>0.84</td>
<td>0.96</td>
<td>1.02</td>
<td>1.09</td>
<td>1.27</td>
<td>1.47</td>
<td>1.56</td>
<td>1.83</td>
<td>1.96</td>
<td>2.31</td>
</tr>
<tr>
<td>Opencast</td>
<td>54.81</td>
<td>49.06</td>
<td>47.04</td>
<td>46.91</td>
<td>46.25</td>
<td>45.61</td>
<td>41.68</td>
<td>42.32</td>
<td>39.36</td>
<td>38.20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>55.65</td>
<td>50.02</td>
<td>48.06</td>
<td>48.00</td>
<td>47.52</td>
<td>47.08</td>
<td>43.24</td>
<td>44.15</td>
<td>41.32</td>
<td>40.51</td>
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<tr>
<td>(b) Over burden Removal:</td>
<td>97.38</td>
<td>59.02</td>
<td>63.31</td>
<td>65.68</td>
<td>62.52</td>
<td>56.05</td>
<td>55.63</td>
<td>55.22</td>
<td>45.90</td>
<td>49.97</td>
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</tbody>
</table>

2. Off-take (Raw Coal)  

<table>
<thead>
<tr>
<th></th>
<th>Steel</th>
<th>Power</th>
<th>Cement</th>
<th>Fertilizer</th>
<th>Others</th>
<th>Coal Feed to</th>
<th>Colliery</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>2015</td>
<td>0.6</td>
<td>33.4</td>
<td>0.0</td>
<td>0.2</td>
<td>10.2</td>
<td>10.8</td>
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<td>2014</td>
<td>0.3</td>
<td>32.1</td>
<td>0.0</td>
<td>0.2</td>
<td>9.0</td>
<td>10.4</td>
<td>0.0</td>
<td>52.1</td>
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<tr>
<td>2013</td>
<td>1.0</td>
<td>31.5</td>
<td>0.0</td>
<td>0.6</td>
<td>8.9</td>
<td>10.6</td>
<td>0.0</td>
<td>52.89</td>
</tr>
<tr>
<td>2012</td>
<td>4.0</td>
<td>33.6</td>
<td>0.1</td>
<td>0.9</td>
<td>9.2</td>
<td>0.0</td>
<td>0.0</td>
<td>48.0</td>
</tr>
<tr>
<td>2011</td>
<td>4.9</td>
<td>30.7</td>
<td>0.2</td>
<td>0.9</td>
<td>9.5</td>
<td>0.0</td>
<td>0.0</td>
<td>46.3</td>
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<tr>
<td>2010</td>
<td>4.31</td>
<td>28.8</td>
<td>0.08</td>
<td>0.83</td>
<td>9.79</td>
<td>0.0</td>
<td>0.0</td>
<td>43.9</td>
</tr>
<tr>
<td>2009</td>
<td>4.3</td>
<td>29.8</td>
<td>0.0</td>
<td>0.8</td>
<td>8.5</td>
<td>0.0</td>
<td>0.0</td>
<td>43.6</td>
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<tr>
<td>2008</td>
<td>4.1</td>
<td>29.2</td>
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<td>0.5</td>
<td>7.5</td>
<td>0.0</td>
<td>0.0</td>
<td>41.6</td>
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<tr>
<td>2007</td>
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<td>25.2</td>
<td>0.0</td>
<td>0.7</td>
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<td>0.0</td>
<td>0.0</td>
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<td>2006</td>
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<td>5.3</td>
<td>0.0</td>
<td>0.0</td>
<td>38.8</td>
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3. Average Manpower  

45849 47406 49076 51156 53171 55305 57681 60209 62905 65536
4. Productivity:

<table>
<thead>
<tr>
<th></th>
<th>1055</th>
<th>979</th>
<th>938</th>
<th>893.7</th>
<th>851</th>
<th>749.6</th>
<th>733</th>
<th>656</th>
<th>618</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Average per Man per Year (Tonnes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B) Output per man shift (OMS):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Underground (Tonnes)</td>
<td>0.29</td>
<td>0.33</td>
<td>0.32</td>
<td>0.34</td>
<td>0.35</td>
<td>0.36</td>
<td>0.39</td>
<td>0.40</td>
<td>0.43</td>
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<tr>
<td>(ii) Opencast (Tonnes)</td>
<td>7.56</td>
<td>6.26</td>
<td>6.09</td>
<td>5.79</td>
<td>5.45</td>
<td>4.65</td>
<td>4.66</td>
<td>4.02</td>
<td>4.12</td>
</tr>
<tr>
<td>(iii) Overall (Tonnes)</td>
<td>5.46</td>
<td>4.64</td>
<td>4.42</td>
<td>4.19</td>
<td>3.88</td>
<td>3.66</td>
<td>3.27</td>
<td>2.81</td>
<td>2.75</td>
</tr>
</tbody>
</table>

5. Information—Asper Cost Report

<p>| | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Earning per Man</td>
<td>2507</td>
<td>2377</td>
<td>2174</td>
<td>1862</td>
<td>1615</td>
<td>1445</td>
<td>1616</td>
<td>1099</td>
<td>868</td>
</tr>
<tr>
<td>(ii) Avg. Cost of Production of Net Saleable coal (PT)</td>
<td>1099</td>
<td>1079</td>
<td>1020</td>
<td>1038</td>
<td>844</td>
<td>802</td>
<td>914</td>
<td>696</td>
<td>630</td>
</tr>
<tr>
<td>(iii) Avg. Sale Value of Production of Net saleable coal</td>
<td>1435</td>
<td>1414</td>
<td>1423</td>
<td>1258</td>
<td>1072</td>
<td>1021</td>
<td>977</td>
<td>868</td>
<td>807</td>
</tr>
</tbody>
</table>

Table: 1.6

Analysis of Employee satisfaction in CCL

The Human Resource of an Organization constitutes its entire workforce. Human resource management is responsible for selecting and inducting competent people, training them, facilitating and motivating them to perform at high levels of efficiency and providing mechanisms to ensure that they maintain their affiliation with organization.

Employee satisfaction completely is a psychological state. By which an employee feels good and wellness working with an organization and increases productivity as well as growth of the organization. It is no doubt human resource is a difficult agent of production over the globe. In Indian context it envisages more, especially in public sector undertaking. As man has individual differences, thus the degree of satisfaction varies individually under different circumstances.

However according to annual report 2014-15 Central Coalfields Limited is a Miniratna public sector company. The man power strength was 45011 as on 31st March, 2015. It is one of the subsidiaries of Coal India limited, HQ Ranchi.

Employee satisfaction does not depend on the financial incentives only. Employee satisfaction i.e. the mental state of wellness includes recruitment, financial and non-financial incentives, future prospect, training, motivation, welfare packages including death cum retirement benefits also. In this context special care & look after should be there for employee security, safety and welfare.
So, before going to analyze the employee satisfaction it is necessary a vivid countdown of the recruitment process of CCL, safety measurement, industrial relation, pay, allowances, welfare packages, benefits and amenities etc. the CCL has been providing to its employees.


A. Recruitment department of CCL has introduced advanced result evaluation technique using OMR machine and image scanner. This makes CCL the only subsidiary in CIL to have its own OMR machine and image scanner, making use of this latest technology has significantly reduced human intervention and hence made the entire result evaluation process practically error free. Some of the other benefits of using OMR machine are as follows:

(i) **Time saving:** Result tabulation and evaluation is a time consuming as well as exhaustive process which requires days and sometimes weeks to complete. To overcome this challenge, Recruitment department has made use of technology in the form of OMR machine to evaluate the results of the candidates. Now, it has become a matter of only a few hours to execute the entire result evaluation process.

(ii) **Accuracy:** Accuracy is one of the most important factors in any Recruitment process. To ensure that accurate results are generated. The company has made use of technologically advanced OMR machine.

(iii) **Creation of archives:** It is also possible to save images of the OMR sheet of each candidate. The database so created can be accessed any time in
future. *This feature is essentially helpful for quick disposal of queries asked under RTI and parliamentary questions.*

(iv) **Transparency:** The result evaluation through OMR machine is entirely mechanized and hence, reflects transparency.


Safety has always been one of the priority areas of CCL to provide safe and healthy environment to its workers. A meticulously planned and structured approach towards safety in mines as well as in allied operations like workshops has gone a long way to ensure the safety of men, material and machines.

Every incident ranging from “Near misses” to Fatal are thoroughly enquired into detail and its recommendations are religiously discussed at all safety forums i.e. at Unit, Area and Corporate level. Training on Risk assessment and Management of all UG and OC mines of CCL has been completed by SIMTARS trained faculties from CIL. Till 31st March 2015 Safety Management Plan of 18 UG & 41 OC mines have been prepared. Safety Management Plan has been prepared for 35 Mines against 05 Mines of MoU Target 2014-15 and the company has achieved Excellent rating for this activity for MoU 2014-15. *19


One of the major causes of Fatal/ Serious accidents is underground coal mines had been fall of roof and side. Proper thrust is continuously has given to the support of “Green Roof”
with steel supports i.e. Steel cogs, Pit props, roof bolts, W-straps etc. The culture of “No work other than support work after blasting” has been introduced and is being monitored. The inspection of the face, equipments and their required maintenance are carried out with a well equipped team of skilled work force.

Again in furtherance of the compliance of the recommendations of the safety conference, special drive is being made to make all underground mines loader less with a view to increase safety and productivity. A total of 23 nos. of SDLs and 5 nos. LHDs are deployed in U/G mines of CCL. At present as on 1.04.15 out of 24 working districts 15 are loader less districts and 11 districts are being worked with manual loading. It has been planned that within 2016-17 another seven districts will be made loader less. Loaders are being engaged gainfully in some other activities. Out of four balance manual districts two will be converted to open cast mines and only two underground districts having high gradient and extensive workings at Argada & Sirka underground mines will be left to loader.

SCSR have been provided to all the UG mines to ensure the safe escape of persons in case of any emergency. Mechanized Roof Bolting Machines has been provided to all U/G mines to ensure timely and safe bolting of roof beds to avoid bed separation. Emergency organization plan for every underground mine with marking of escape route were formulated and displayed at the mine entrances to make all the workers aware of the same. Sectionalization work of U/G Mines is in progress. Lighting of U/G mines has been improved.

*Opencast Mines*[Source: - Annual report 2014-15 Page 31]
As Opencast mines contribute majority of share in the total output of the company, special thrust is being given to ensure safety and health of the employees. Training has been given with special impetus on the growing mechanization in terms of higher capacity and technology. Regular training to HEMM operators /maintenance crews for the operation and maintenance of HEMM is being imparted. A simulator is under procurement to impart better training to operators of HEMM. Different drives are conducted throughout the year related to various activities of opencast mining e.g. haul roads, bench stability, safe operating procedures (SOPs), Traffic Rule etc. to increase awareness among the working persons employed in the mines. As contractor’s participation in production is gradually increasing, proper attention is being given on their training and health. Lighting in OC mines with the introduction of high mast cluster tower has improved. Automatic Fire Detection & Suppression System (AFDSS) are being installed in HEMM to deal with any exigency arising out of eruption of fire.

Risk Based Systematic Management [Source: Annual report 2014-15 Page 31]

Risk based systematic management plan of all the mines have been prepared and is being used as a modern tool for improving safety standards. Safe operating procedure has been prepared and distributed to all concerned including the contractor workers engaged through outsourcing.

Scientific Study [Source: Annual report 2014-15 Page 32]

Scientific Study conducted by CMPDIL in the year 2014-15

1. Scientific study for obtaining hole blasting permission from DGMS at Hesagarha OC
patch.

2. Scientific study for obtaining Deep hole blasting permission from DGMS at Sector III of Rajrappa OCP.

3. Conducting scientific trail blasting using LHD/ SME/SMS at Balkudra Quarry outsourcing patch for obtaining permission from DGMS.

4. Scientific trial/controlled blasting at outsourcing patch of Kuju OCP for working within 300m distance from hutments/ dwellings at Kuju OCP for obtaining deep hole permission from DGMS.

5. Determining bench mark powder factor in Coal & OB at outsourcing patch (phase-I) of Jharkhand OCP, Hazaribagh Area.

6. Scientific study for obtaining deep hole controlled blasting at Karma OCP using SME for within 300m beyond 100m distance from hutments / dwellings or any other structure of Mahua Tungri section and Khiaberatola / village under CMR 170 and 170(1B).

7. Determination of degree of gassiness of seam I lying down throw fault F-38 at 3-C incline of Sarubera East underground.

8. Determining bench mark powder factor of coal & OB at outsourcing patch in West Quarry of North Urimari OCP, Barka-Sayal Area.

9. Conducting scientific /trial/ controlled blasting at Ashoka OCP for working falling within 300 m but beyond 100m distance from structure/hutments of Barwatola, Tamrastand, Thena and Bijain village.

10. Conducting scientific / trial / controlled blasting at West Quarry Amrapali
OCP for working falling within 300m but beyond 100m distance from hutments / dwellings or any other structure of ManwaTongri Tola of village Binglat under CMR 170 (1A) and CMR 170(1B).

Annual Safety Week [Source: - Annual report 2014-15 Page 32]

Annual Safety Week 2014 was observed from 05.01.2015 to10.01.2015 in all UG & OC mines of CCL under the guidance of DGMS (SEZ Zone & Central Zone). During the week, special emphasis was laid on wide publicity of safety rules, regulation and practices. Final day function is to be held at B&K Area on 25th of April 2015.

Special Safety Drives [Source: - Annual report 2014-15 Page 32,33]

Following Safety Drives were conducted in the mines of CCL to enhance safety standard in the particular areas and awareness among the work persons.

1. Safety Drive on Monsoon preparation has been conducted from 12.05.2014 to 24.05.2014 in Open Cast Mines and 02.06.2014 to 22.06.2014 in Under Ground Mines.

2. Special Safety Drive for the Safety of Contractor workers has been conducted from 22.07.2013 to 02.08.2013.

3. Safety drive on VTC was conducted from 11.08.2014 to 20.08.2014.

4. Safety Drive for PME centers in area was conducted from11.08.2014 to 18.08.2014.

5. Safety Drive for HEMM workshop with special attention to house-keeping, provision of separate entry for light vehicle and washing facilities was observed.
from 08.09.2014 to 18.09.2014.

6. Annual Mines Safety Week was observed in every UG and OC mines of CCL from 05.01.2015 to 10.01.2015.

7. Annual Safety Inspection of all the Washery of CCL was observed from 19.01.2015 to 24.01.2015.

**G.V.T. CENTRES [Source: - Annual report 2014-15 Page 33]**

Workers are made aware towards safety through various training programs at 10 Group Vocational Training Centre (GVT) and 03 VTC spreading across the company. In order to improve and refresh the skills of our manpower through Basic, Refresher & Special Training, modern training aid such as LCD projector, models, training gallery etc have been provided in all the Group Vocational Training Centers.

**Special Emphasis on safety**

To enhance Safety following special jobs have been undertaken in 2014-15 [Source: - Annual report 2014-15]:

The following safety instruments have been procured to enhance safety in mines of CCL.

1. 34 (Thirty four) nos of Digital Methanometer were provided to areas to enhance the safety.

2. 03 (Three) nos of Local Methane Detector were procured and distributed amongst the areas.

3. 03 (Three) nos of Vibrometer were procured and distributed amongst the areas.
4. 06 (Six) nos Fire Tender were procured and distributed amongst the areas.

5. 15 (Fifteen) nos PDS used under CIL-CIMFR projects.

Apart from above procurement, extensive procurement plan for different safety items e.g. Vibrometer, Local Methane Detector, Multi-gas detector, Toximeter, LED cap lamps and Safety Lamps etc. during 2015-16 has been framed and is under operation.

CCL have achieved Excellent Rating for these CSR Activities against MoU Target 2014-15.

Sector-wise Expenditure in 2014-15 (in lakh) up to March’2015

<table>
<thead>
<tr>
<th>Sector</th>
<th>Expenditure (in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>1051.13</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>572.37</td>
</tr>
<tr>
<td>Education</td>
<td>289.47</td>
</tr>
<tr>
<td>Health</td>
<td>52.45</td>
</tr>
<tr>
<td>Sanitation</td>
<td>118.15</td>
</tr>
<tr>
<td>Swacch Vidyalaya Abhiyaan</td>
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</tr>
<tr>
<td>Environment</td>
<td>295.37</td>
</tr>
<tr>
<td>SkillDevelopment/</td>
<td>36.79</td>
</tr>
<tr>
<td>SocialEmpowerment</td>
<td></td>
</tr>
<tr>
<td>Sports and Culture</td>
<td>57.36</td>
</tr>
<tr>
<td>Other Developmental Works</td>
<td>6.49</td>
</tr>
</tbody>
</table>

Table: 1.7

[Source: - Annual report 2014-15 Page 42]

* The expenditure of CSR as per the audited accounts of 2014-15 is of ₹ 48.87 cr., whereas the CSR works undertaken by the areas concerned and total expenditure as reported by the respective areas comes to ₹ 51.15 cr.
Important CSR Works during the year 2014-15

● **Education** [Source: - Annual report 2014-15 Page 42,43]

CCL has spent an amount of ₹ 289.47 lakhs for the following activities:

**(a) CCL – Ke – Lal**

Twenty six (26) meritorious students selected for getting the following facilities:

(i) Admission in Class-XI at DAV, Gandhinagar School, Ranchi

(ii) Free coaching for getting admission in reputed technical institutions of the country with special coaching programs by experts in FITJEE.

(iii) Free Boarding & Lodging facility at Ranchi.

(b) 58 Nos. of activities have been undertaken for the Infrastructural development of rural schools and colleges including construction/ renovation of class rooms, boundary walls, auditoriums, library etc.

(c) Educational Support to 70 dropout students of St. Joseph School Mander, Piparwar.

● **Drinking water** [Source: - Annual report 2014-15 Page 43]

Providing potable drinking water to the villagers is one of the major CSR activities. During the fiscal the following works have been done and an expenditure of 572.37 Lakhs has been incurred.

(a) Installation of Hand pumps – 398 Nos.

(b) Construction – 77 Nos. of wells

(c) Deep borings & Submersible pumps – 88 Nos.

● **Infrastructure** [Source: - Annual report 2014-15 Page 44]
An expenditure of 1051.13 Lakhs has been incurred in the infrastructural developmental activities in and around our command areas during the year 2014-15.

(a) **Roads** – Construction/Repair of 14.92 Kms of rural roads have been done during the year 2014-15.

(b) **Culverts** – Construction of 8 nos. works have been done in the fiscal year 2014-15.

(c) **Community Halls** – 79 nos. Community Halls/ Mandaps have been constructed in peripheral villages of the command areas during the year 2014-15.

- Skill Development/Social Empowerment

(a) Training to the villagers of Rajrappa Area at ICAR Centres: 100 villagers have been trained at ICAR centre, Palandu on agricultural skills to maximize agricultural output in available resources by Rajrappa Area.

**PERSONNEL MANAGEMENT AND INDUSTRIAL RELATIONS**

The manpower strength of the company as on 31.03.2015 was 45011 as against 46686 on 31.03.2014. The category wise break up of manpower strength as on 31.03.2015 vis-à-vis 31.03.2014 is given below:

<table>
<thead>
<tr>
<th>Category</th>
<th>31.3.2015</th>
<th>31.3.2014</th>
</tr>
</thead>
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<td>Executive</td>
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<td>2765</td>
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<tr>
<td>Supervisory</td>
<td>3398</td>
<td>3173</td>
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<tr>
<td>Highly Skilled/Unskilled</td>
<td>14574</td>
<td>15279</td>
</tr>
<tr>
<td>Semi Skilled/Unskilled (TR)</td>
<td>16822</td>
<td>17151</td>
</tr>
<tr>
<td>Semi Skilled/Unskilled (PR)</td>
<td>3028</td>
<td>3613</td>
</tr>
<tr>
<td>Ministerial Staff</td>
<td>3878</td>
<td>4120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45011</strong></td>
<td><strong>46686</strong></td>
</tr>
</tbody>
</table>

Table: 1.8

[Source: - Annual report 2014-15 Page 35]
Hence during the year 2014-15, the overall reduction in manpower was to the tune of 1675, while the number of employees in the Company came down by 2894 during the year under reference, 1219 employees were added to the existing manpower.

B. **Financial Benefits:** Which includes Salary, Commission, Bonus, Death-cum-Retirement benefits etc, as per memorandum of agreement of the joint bipartite committee for the Coal Industry, signed on 31.01.2012.

**For Executives**

1. **Pay Scale:**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Existing</th>
<th>Revised</th>
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</thead>
<tbody>
<tr>
<td>Dir. (Schedule B comp.)</td>
<td>22500-600-27300</td>
<td>65,000-75,000</td>
</tr>
<tr>
<td>CMD (Schedule B comp.)</td>
<td>25750-650-30950</td>
<td>75,000-90,000</td>
</tr>
<tr>
<td>Dir (Schedule A comp.)</td>
<td>25750-650-30950</td>
<td>75,000-1,00,000</td>
</tr>
<tr>
<td>CMD (Schedule A comp.)</td>
<td>27750-750-31500</td>
<td>80,000-1,25,000</td>
</tr>
</tbody>
</table>

Table: 1.9

<table>
<thead>
<tr>
<th>Scale</th>
<th>Grade</th>
<th>Revised Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>8600-14600</td>
<td>E-1</td>
<td>16400-40500</td>
</tr>
<tr>
<td>10750-16750</td>
<td>E-2</td>
<td>20600-46500</td>
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<tr>
<td>13750-18700</td>
<td>E-3</td>
<td>24900-50500</td>
</tr>
</tbody>
</table>

Table: 1.10
All executives appointed/recruited on or after 01.01.2007 would deem to have been appointed/recruited in the revised scale of pay.

All executives who were on the rolls as on 01.01.2007 but subsequently ceased to be in service on account of superannuation, resignation, VRS & death would be eligible for the benefits of revised scale up to the period they were in employment.

1. **Fitment Benefit**
   
i) Uniform fitment benefit @ 30% on basic pay, and V.DA @ 78.2% of Basic Pay as on 01.01.2007, the aggregate of which to be rounded off to next ten rupees.
   
ii) Extra ordinary increment(s) or retrospective increases of pay affecting revision of pay are to be ignored for the fitment/pay revision.
   
iii) Benefit of one increment for every two stages in existing scale where executive drawing pay at different stages get bunched while fitment in the revised pay scales. However, grant of such increments will require the approval of Director (P&IR), CIL.

2. **Increment**

   The annual increment shall be at uniform rate of 3% of basic pay and the anniversary date will be 1st April.

3. **Stagnation Increment**

   Stagnation Increment will be 3% of basic pay admissible up-to maximum of 03 stagnation increments one after every two years.

4. **Pay Fixation on promotion**
Pay on promotion will be fixed by grant of one notional increment in the existing grade and pay will be fixed in the promoted pay scales & rounded up-to the next multiple of Rs. 10.

5. **Dearness Allowance**

The existing pattern of 100% neutralization of Dearness Allowance shall continue, Thus DA as on 01.01.2007 will become Zero with link point of AICPI base year 2001=100, which is 126.33 as on 01.01.2007. The periodicity of adjustment will be once in three months, as per the existing practice. The quarterly DA payable from 01.01.2007.

6. **House Rent Allowance**

HRA will be paid based on the population of the places/cities of posting of individual executive w.e.f. 26.11.2008 which is as follows:

<table>
<thead>
<tr>
<th>Cities with population</th>
<th>Rates of HRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 lakhs and above (Classified as “X”)</td>
<td>30% of Basic Pay</td>
</tr>
<tr>
<td>5 to 50 lakh (Classified as “Y”)</td>
<td>20% of Basic Pay</td>
</tr>
<tr>
<td>Less than 5 lakh (Classified as “Z”)</td>
<td>10% of Basic Pay</td>
</tr>
</tbody>
</table>

In cases where actual amount of HRA as per the prescribed rate is less than the actual amount of HRA drawn earlier by an officer, the difference would be allowed to be drawn by the officer as personal allowance until the difference is eliminated in course of time subject to the condition that the difference would be subsumed within the overall limit prescribed for the perks and allowances. The classification of cities is placed at Annexure B.
7. Leased accommodation will be provided to officers posted at Kolkata, Mumbai, Delhi, Ahmedabad, Bangaluru, Bhubneshwar, Chandigarh, Chennai, Guahati, Hyderabad, Jaipur, Lucknow and Patna on need base. For the purpose of CTC 30% of basic pay will be considered as expenditure on Housing.

The Executives in E-5 and above grades will be eligible for the facility of leased accommodation. The ceiling of leased accommodation will be 30% of basic pay for cities up to 50-lakh population & 40% of basic pay for cities above 50-lakh populations. Any amount of house rent of leased accommodation in excess of the admissible percentage (%) shall be paid by the officers concerned.

The Board of Directors of CIL shall consider & approve the cases of leased accommodation in respect of Board level executives on case-to-case basis beyond above norms.

Applicable license fee based on plinth area shall be recovered from the salary for the leased accommodation.

8. **Perks & Allowances**

   Out of the maximum ceiling of 50% of basic pay payable, the following percentage of perks & allowances shall be treated as compulsorily adjustable perks & allowances in the revised pay scales:

   (a) Facilities of hospitals, colleges, schools, clubs etc. -1%

   (b) LTC/LLTC – 3.5%
(c) **Subsidized Electricity – 2% (for those provided with company accommodation)**

After every two years the actual expenditure on (a) above will be reviewed to effect changes if need be.

Based on the actual expenditure on LTC/LLTC in a block of 4 years, the matter will be reviewed for revision, required if any.

Therefore, the perks and allowances payable in the revised pay scales shall be subject to a maximum ceiling not exceeding 45.5% or 43.5% of basic pay (in case of those executives provided with company accommodation) as the case may be of basic pay following ‘Cafeteria Approach’ payable w.e.f 26.11.2008. The individual officers may choose as per their requirement, perks & allowances from the perks list and submit their option in the prescribed proforma which will remain applicable for a financial year. Change of options once exercised normally will not be permitted. However Officers who are promoted or transferred from one station to another may be permitted to change & resubmit their option afresh.

The cafeteria approach of perks & allowances however will be regulated on the following presumptions:

i) Normally the Perks Allowances as per option given by concerned executive to the extent permissible shall be paid along with monthly salary without production of any further documentary evidence.

ii) Reimbursement wherever is claimed shall be permitted on production of voucher/cash receipts or actual proof of expenditure incurred by an officer for the purpose the allowances were drawn.
iii) The re-imbursement of perks & allowances shall only be permitted to the extent vouchers / cash receipts are submitted.

iv) Wherever vouchers are produced and reimbursement taken, applicable fringe benefit taxes will be borne by the Company.*8

9. Special Allowances payable w.e.f. 26.11.2008 :

(i)

a) North East Allowance for the Executive posted in Assam Coalfields or any of the North East States of the Country shall be paid @12.5% of their basic pay per month.

b) Underground Allowance – Executives required to work in a underground Mine shall be paid underground allowance as per the rates prescribed in OM No. : CIL : C-A (iii) 52010:1507 dated 07.02.1991 read with amendments thereto.

c) Non Practicing Allowance shall be paid to Executives of Medical Discipline @ 17.5% of basic pay.

(ii)

a) Coalfields Allowance: Executives posted in Coalfield Areas will be entitled to Coalfields Allowance @ 7% of Basic pay per month.

b) Charge Allowance: Area General Managers, Project officers/Agents/sub Area Managers, Managers Area Engineer-in-charge, Head of Safety Deptt. of producing companies, Area Safety Officers, Colliery Safety Officer, E&M...
Engineers holding statutory posts called as authorized Colliery Engineer will be entitled to charge Allowance @3% of basic pay per month.

c) Exploration Camp Allowances: Those posted in Exploration Camps of CMPDIL will be entitled to an allowance equivalent to 3% of basic pay per month.

d) Rescue Station Allowance: Rescue trained Executive Up to level of M2 grade posted in Rescue Station will be entitled to an allowance @ 7% of basic pay per month.

e) Expert Allowance: Executive of engineering disciplines including mining, environment, Geology, Coal Technology, coal preparation posted in CMPDIL & engaged in assignments demanding expertise skill to be decided as per specified guidelines will be entitled to Expert allowance @ 3% of basic pay per month.

(Note: without prejudice of entitlement of an executive of more than one or all the above Allowances i.e. Sl. (ii) (a) to (e), admissibility will be limited to 10% of basic pay per month.)

10. Performance Related pay (PRP)

It includes performance related pay scheme to make a difference & to achieve personal efficiency

11. Superannuation Benefit
Superannuation Benefit limited to 30% of basic pay plus Dearness Allowance will be provided for the purpose of Contributory Provident Fund (CPF), Gratuity, Pension, and Post superannuation medical benefits and superannuation benefit. The allocated percentage is apportioned as under:

i) Contributory Provident Fund (CPF) - 12% of basic pay & DA
ii) Gratuity - 04.16% of basic pay & DA
iii) Pension - 03% of basic pay & DA
iv) Post Superannuation Medical Benefit - 04% of basic pay & DA
v) Superannuation Benefit - 6.84% of basic pay & DA

A separate Fund/Trust will be created wherein the amount equivalent to 4% and 6.84% of basic pay & DA will be diverted towards Post Superannuation Medical Benefit and Superannuation Benefit respectively. The revised schemes for extending the benefits under these heads to the retired or retiring officers will be formulated and circulated in due course.

12. Gratuity

The existing ceiling of gratuity of Rs. 3.5 lakhs stands revised to Rs. 10 (Ten) lakhs w.e.f. 01.01.2007. The gratuity of executives payable will be calculated at the rate of 15 days wages (Basic pay + DA) for every completed year of service rendered up to 30 years and one month pay (Basic + DA) for every completed year of service rendered beyond 30 years.

13. Company Car : As admissible
14. Miscellaneous

(a) Revision of pay in terms of this order will be applicable only for executives who were on the roll of the Company as on 31.12.2006 and continued thereafter. Executives who joined the company after 01.01.2007 would be deemed to have been appointed in the revised scale of pay and benefits as applicable.

(b) Recoverable advance paid to the executives will be adjusted against arrears payable.

(c) Salary of May, 2009 payable in June, 2009 will be made as per revised scales of pay.

(d) The arrear payable on account of revision of pay may be worked out. Separate instructions will be issued for payment of arrears after reviewing the resource position of the companies.

(e) The pay of the executives separated on account of superannuation, resignation, VRS & death after 01.01.2007 shall also be fixed in the revised pay and arrears will be payable.

(f) The existing provisions relating to conveyance allowance, coalfield allowance, charge allowance, mines rescue related allowances and expert allowance stand withdrawn or modified to the extent incorporated w.e.f. 26.11.2008 unless otherwise specified.

PERKS UNDER CAFETERIA APPROACH

DOMESTIC & RESIDENTIAL ALLOWANCES:
1. **House Furnishing Allowance** :-
   An amount equivalent to 7% of basic pay per month for purchase, repair or replacement of household furniture and other durables.

2. **House up keep Allowance** :
   An amount equivalent to 5% of basic pay per month for purchase of curtains, wall paintings/hangings, carpets, decorative materials, cutlery and other household appliances etc.

3. **Domestic Assistance Allowance** :-
   An amount equivalent to 5% of basic pay per month as Domestic Assistance Allowance. However, if the officers are provided with domestic servant by the company, 5% basic pay will be treated as perks.

4. **Electricity Allowance** :-
   Officers residing in Houses owned by them or their family members or rented houses will be allowed Electricity Allowance limited to 3% of Basic Pay per month.
   While officers residing in accommodation provided by the company will not be permitted to draw Electricity Allowance, they will continue to pay 1% of basic pay as Electricity charges apart from foregoing 2% of perks for such subsidized electricity consumption.

5. **Cook Allowance** :-
   An amount equivalent to 5% of basic pay per month as Cook Allowance.
TRANSPORTATION ALLOWANCES:-

6. **Conveyance Allowance** :-
   
   An Officer owning a motor vehicle & not availing facility of company’s car/vehicle will be entitled to Conveyance allowance @ 5% of basic pay p.m. for a four wheeler and @2% of basic pay p.m. for a two wheeler.

7. **Vehicle Maintenance Allowance** :-
   
   An Officer owning a motor vehicle & not availing facility of company’s car/vehicle, will be allowed an amount equivalent to 10% of basic pay for a four wheeler and 4% of basic pay for a two wheeler per month for repair and maintenance (including payment of statutory Taxes and Insurance premium etc.) of a motor vehicle registered in his name.

8. **Driver Allowance** :-
   
   Officers owning a four wheeler, will be allowed @ 5% of basic pay per month as Driver Allowance.

9. **Transport Assistance** :-
   
   Officers not availing Conveyance allowance, Vehicle Maintenance Allowance or the facility of Company’s Car as also not possessing a motor vehicle will be paid Transport Assistance @ 5% of basic pay per month. The Amount received will be treated as income for the purpose of income Tax.
EDUCATIONAL ALLOWANCE

**Children Education Allowance** :-

On the basis of a certificate issued from the educational institution / College / School, executives will be permitted to draw Children Education Allowance for Maximum of two children at the following rates per child per month:

<table>
<thead>
<tr>
<th>For Study in Schools</th>
<th>@ 2% of Basic Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>For post school / Study in College</td>
<td>@ 3% of Basic Pay</td>
</tr>
<tr>
<td>For UG or PG Study in Professional Institutions / University.</td>
<td>@ 10% of Basic Pay</td>
</tr>
</tbody>
</table>

10. **Hostel Allowance** :-

Officers whose children are studying at an out station & residing in Hostels/Own arranged accommodation for their education may be allowed for maximum of two children @5% of basic pay per child per month.

11. **Professional Development Allowance** :-

Executives will be allowed an amount equivalent to 2% of their basic pay per month for purchase or any number of professional books, encyclopedia, Manuals, Journals, Audio/Visual aid for enrichment of their professional knowledge.

12. **Internet Allowance** :-

An amount equivalent to 1% of basic pay per month will be payable for the use of Internet by the officers.

13. **Re-imbursement of Professional membership Fees** :-

An amount equivalent to 2% of basic pay per month for expenditures on membership subscription attending conference, Seminars, workshops etc. organized by professional Institutions. The existing scheme notified vide circular No. CIL/C5A (vi)/Pay Perks/978 dated 21/25.11.2008 stands withdrawn.

PERSONAL ALLOWANCES

14. **Entertainment Allowance** :-

An amount equivalent to 10% of the basic pay per month will be allowed to officers for expenditures on entertainment of guests and visitors at his residence.

15. **Lunch Allowance through Sodexo Meal Vouchers** :-

Officers will be provided Sodexo meal vouchers/Gift Vouchers/Meal Cards equivalent to an amount up to 05% of basic pay per month. The Vouchers shall be in multiple of Rs. 15 and above. Any amount in fraction of less than Rs. 15 for the purpose will be ignored. Officer may opt any percentage of their basic pay up to 5%. Actual percentage so opted will be counted for the purpose of the ceiling of 50%.

16. **Kit/Dress Allowance** :-

The officers will be allowed an amount equivalent to 5% of the basic pay per month as Kit/Dress Allowance.

17. **Laundry/Washing Allowance** :-

For washing and maintenance of the Dresses & other usable clothing an amount equivalent to 3% of basic pay per month will be allowed.
18. **Mobile/Telephone Allowance** :-

For expenditure on telephone/mobile, fax etc. an amount equivalent to 5% of basic pay per month will be allowed to officers of all grades.

19. **Interest Subsidy** :-

The officers will be allowed interest subsidy to the extent of 15% of their basic pay per month for repayment of the interest of the HB Loans Motor car loans; Personal loans, education loans for children, Computer/Laptop Loans taken from a bank or a financial Institution. However, depending on situation the percentage may be less than 15%. In that case the actual percentage utilized only will be counted against the ceiling of 50%.

20. **Gardener Allowance** :-

Officers residing in their own houses or rented houses will be permitted an allowance limited to 3% of the basic pay per month.

21. **Coal Industry Allowance** :-

All executives irrespective of their places of posting can claim Coal Industry Allowance at the rate of 20% of basic pay.

**ANALYSIS**

To analyze the methods are used or collecting data and the mode of collecting evidences are

1) Interview
2) Questionnaire

Dimensions contributing to employees’ satisfaction were identified as follows:

1. Financial and non-financial benefits.
2. Working ambience.
3. Quality of work life.
4. Industrial relation.
5. Scope of carrier development and future prospect.
6. Motivation, cooperation and coordination.
7. Recruitment and training.

Sample Size: 100 Employees.

Sampling: Random

Source of Information: Primary (Questionnaire)

Secondary: (Books, journals and internet)

On the basis of responses to the questionnaire by 100 employees of CCL from different posts and conversation is done about employee satisfaction casually, at the time of interview with the staff of CCL & questionnaire distributed. In receiving the questionnaire back from the employees of CCL Mean, Median, Mode & Standard deviation are calculated under different parameters as per following Table.
<table>
<thead>
<tr>
<th>Sl No</th>
<th>Dimension</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Financial &amp; Non-financial benefit</td>
<td>3.85</td>
<td>4.00</td>
<td>5.00</td>
<td>1.2678</td>
</tr>
<tr>
<td>2.</td>
<td>Working Ambience</td>
<td>3.01</td>
<td>4.00</td>
<td>5.00</td>
<td>1.8138</td>
</tr>
<tr>
<td>3.</td>
<td>Quality of work life</td>
<td>2.91</td>
<td>4.00</td>
<td>5.00</td>
<td>2.1358</td>
</tr>
<tr>
<td>4.</td>
<td>Industrial Relation</td>
<td>2.75</td>
<td>3.00</td>
<td>5.00</td>
<td>2.1971</td>
</tr>
<tr>
<td>5.</td>
<td>Scope of career devt. &amp; future prospect</td>
<td>3.77</td>
<td>4.00</td>
<td>5.00</td>
<td>1.7020</td>
</tr>
<tr>
<td>6.</td>
<td>Motivation, Co-operation &amp; Co-ordination</td>
<td>3.41</td>
<td>4.00</td>
<td>5.00</td>
<td>1.834</td>
</tr>
<tr>
<td>7.</td>
<td>Recruitment &amp; training</td>
<td>2.88</td>
<td>4.00</td>
<td>4.00</td>
<td>2.1226</td>
</tr>
<tr>
<td>Total average</td>
<td></td>
<td><strong>22.58</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>3.23</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The degree of satisfaction of the employees of CCL under different dimensions can be shown through the following Pie Chart.

![Pie Chart: 01](image)

The financial & non-financial benefit shows the highest average. This is highly significant as in most cases it is found more susceptible to the circumstance where as Industrial Relation shows the lowest average. But that is also below satisfactory and also higher than normal average of 2.5. The Second best parameter is scope of career development & future prospect. Average in the parameters of quality of work life and Recruitment & training show moderate but better. However, on the basis of overall findings & responses received from the employees I can conclude that the employees of CCL are highly satisfied. But high standard deviation that is the standard deviations of all the parameters are high which indicates employees have varied views regarding their statement.
References:

1. Angelia Herrin; (2004); whose job is Employee Satisfaction? Harvard Management Communication Letter Vol. 1 issue 1, P 3-4.
2. Bhatia, K & Qureshi T;(2007), impact of employee Participation on job Satisfaction, employee’s commitment and employee productivity, international review of Business Research paper 3 (258-268), 3(2), 54-58.
6. Financial statement analysis cases from corporate India by Sanjeeb Goel in 1987 at Page 86.
