



**ANALYSIS OF EMPLOYEES' OPINION ON COMPENSATION MANAGEMENT – A
STUDY WITH REFERENCE TO SINGARENI COLLIERIES COMPANY LIMITED
(SCCL)**

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Abstract:

Compensation management is the practice of the organization that involves giving monetary as well as non-monetary rewards to the employees, in order to compensate for the time they allocate to their job. The use of compensation management is increasing as organizations have started to realize the need for leveraging its human capital in order to gain a competitive edge in the industry. The fixation of wages/compensation to the employees working in coal industry in general and SCCL in particular, the National Coal Wage Agreement being done with the Joint Bipartite Committee for Coal Industry and fix the wages for all the employees working in the coal industry. The sample of respondents or employees at various functioning levels of the company is tentatively fixed 400. Out of 400 samples for the purpose of study, the employees were randomly selected in the cadre of both executive and non-executive.

Keywords: Administration, compensation, employees, organisations, wages

Introduction:

Compensation management is the practice of the organization that involves giving monetary as well as non-monetary rewards to the employees, in order to compensate for the time they allocate to their job. The use of compensation management is increasing as organizations have started to realize the need for leveraging its human capital in order to gain a competitive edge in the industry. A strategic compensation program, therefore, is essential so that pay can serve to motivate employee production sufficiently to keep labor costs at an acceptable level.

Compensation has been revolutionized by heightened domestic competition, globalization, increased employee skill requirements, and new technology. Therefore, an outcome of today's dynamic business environment is that management has needed to change their pay philosophies from paying for a specific position or job title to rewarding employees on the basis of their individual competencies or group contributions to organizational success.



Compensation Management in SCCL:

The fixation of wages/compensation to the employees working in coal industry in general and SCCL in particular, the National Coal Wage Agreement being done with the Joint Bipartite Committee for Coal Industry and fix the wages for all the employees working in the coal industry. During the research period, three fixations have been completed and the detailed fixation process is detailed hereunder as per the National Coal Wage Agreement - X.

The wage structure and other conditions of service including fringe benefits of the employees in the coal industry are covered under the recommendations of Central Wage Board for Coal Mining Industry as accepted by the Government of India and made applicable with effect from National Coal Wage Agreements were operative as under:

NCWA	PERIOD	SIGNED ON	TENURE
NCWA-I	01/01/1975 TO 31/12/1978	11/12/1974	4 YEARS
NCWA-II	01/01/1979 TO 31/12/1982	11/08/1979	4 YEARS
NCWA-III	01/01/1983 TO 31/12/1986	11/11/1983	4 YEARS
NCWA-VI	01/01/1987 TO 30/06/1991	27/07/1989	4 ½ YEARS
NCWA-V	01/07/1991 TO 30/06/1996	19/01/1996	5 YEARS
NCWA-VI	01/07/1996 TO 30/06/2001	23/12/2000	5 YEARS
NCWA-VII	01/07/2001 TO 30/06/2006	15/07/2006	5 YEARS
NCWA-VIII	01/07/2006 TO 30/06/2011	24/01/2009	5 YEARS
NCWA-IX	01/07/2011 TO 30/06/2016	31/01/2012	5 YEARS

As the operation of the National Coal Wage Agreement is for a fixed period, joint bipartite committee for the coal industry will reconstitute with the following members in it in general terms. Further, the deliberations will be made to facilitate an amicable settlement on wage structure, fringe benefits & allowance etc.



Representing Management		No. of Members
1	Coald India Limited and its Subsidiary Companies	12
2	Singareni Collieries Co. Ltd.	01
3	Tata Iron & Steel Co. Ltd.	01
4.	Integrated Coal mining Ltd. (ICML)	01
5	Bengal EMTA Coal Mining Pvt. Ltd. (BECML)	01
6	Jindal Steel & power Ltd. (JSPL)	01
7	Any other private Coal Companies (if any)	01
Representing workmen		No. of Members
1.	Indian National Mine Workers Federation (INTUC)	06
2	Indian Mine Workers Federation (AITUC)	03
3	Hind Khadan Mazdoor Federation (HMS)	03
4	Akhil Bharatiya Khadan Mazdoor Sangh (BMS)	03
5	All India Coal Workers Federation (CITU)	03

The charter of demands submitted by the aforementioned Trade Union representatives will integrate. Generally, while the matter was under discussion, the interim relief will be paid to the workers in different mines, as delay will happens in finalizing the agreement.

Review of Literature:

Jayakumar P.B. (2012)ⁱfocused on the power industry's ultra mega problems, presented the different views of the experts from the power ministry, power finance corporation, central electricity authority consultation and others and they opined that Indian coal is suitable for most thermal power plants being built in the country but due to problems with getting captive mind allocated are proper and regular supplies from Coal India. Many projects conceived in the past five years banked on Indonesian and occasionally Australian and South African Coal as fuel. These countries produce superior coal but power plants that plan to use this coal need to use vastly different equipment. Concluded the current Coal issue may resolved the changes are cyclical, to look at the big picture of energy security for the country and also suggested that by setting up power plants outside India to meet its internal growth and to acute country's power crisis.

Tejal Kanikar and Rangan Banerjee (2012)ⁱⁱstudied on Power Sector Planning in India they analyzed the historical trends in the installed capacity, generation and investments in the power Sector. They found that the electricity sector in India accounted for about 16 percent of budgetary outlet of fife year plan and suggested that the power sector has to focus of stock in



buildings, commercial installations and industry can result in significant reductions in the need for additional power plants. Investments in DSM and efficiency are essential for developing a sustainable power sector for India.

Shailaja G and Rajender K.Dr.(2011)ⁱⁱⁱ opined that Power Sector has been playing a predominant role like an engine of growth of the economic development of a country. To maintain Indian economy, average growth rate of 7 percent, the country is estimated to increase its energy consumption at least 4 per cent annually. Not only India is the world's eleventh largest energy producer with 24 per cent but also 6th largest energy consumer with 3.4 per cent where the growth does not commensurate with the increasing demand for power. Since APGENCO is one of the biggest power generation corporations of Andhra Pradesh, has also been facing some of the problems such as increasing cost of production, target achievements etc. in the process of fulfilling the needs of households, industry and agricultural sectors. An attempt is made in this paper is to evaluate the performance of the APGENCO focusing on the key areas of plant load factor, sector-wise consumption, installed capacity, cost of generation as well as target and achievements for the study period.

Kiran Kumar CMA Dr. M & Rajasekhar Prof. M (2011)^{iv} had examined that power sector is playing a crucial role in the economy and has undergone major reforms and restructuring for better financial viability and for better services. The demand and supply equation has been persistently distributed in India due to dissipation of power in its transmission which till now in the hands of government sector has elicited much attention not only on the part of public sector units but also on private sector counter parts., finally suggested that all the power distribution companies in Andhra Pradesh should take necessary steps for betterment of financial health.

Vijay Thakur (2010)^v opined that energy being an engine of growth is going to play an important role in the robust industrial and economic development of the country. The government has envisaged several measures to increase power generation capacity including modification of its mega power policy that would help power companies to induct super critical technology. He concluded that the government is putting extra effort in the under utilized new and renewable energy sector and intends to establish India as a global leader.

Umesh Kumar shukla setting UP of UMPPs (2009)^{vi} stated that electricity is a crucial infrastructure for socio economic development of the country. The level of percapita electricity supply is a good indicator of the level of economic development. UMPP provides for payment of performance guarantee and liquidated damages by the project company, if certain activities are not completed within the specified time. Thus setting up of UMPPs is a step in the right direction



to improve the power situation and help the power sector to tide over energy and peak shortages to achieve the mission of Affordable power to all’.

Objectives of the Study:

The present paper is aimed at analyzing the following objectives:

1. To analyse the perception of employees on wage/salary administration;
2. To study the satisfaction levels of employees on salary;
3. To examine the Employees Opinion towards Incentive Schemes offered by the SCCL; and
4. To review the Employees Opinion on their Salary Commensurate to the Work.

Research Methodology:

For the purpose of the data analyses, both primary data as well as secondary data are used. Primary data collected by administering a structured questionnaire from the respondents. Secondary data have been collected from various books, journals, magazines, files, records, manuals, annual reports of the SCCL and websites and relevant documents supplied by SCCL.

Sample Design:

The sample of respondents or employees at various functioning levels of the company is tentatively fixed 400. Out of 400 samples for the purpose of study, the employees were randomly selected in the cadre of both executive and non-executive. From among the sample size of 400, from the Bhupalpally of Warangal district had been selected 100 employees and remaining 300 employees are selected from Kothagudem of Khammam district.

Employees’ Perception on the Wage/Salary Administration:

To understand and analyze employees opinion on the wage/salary administration in Singareni Collieries Company Limited (SCCL), it is important to know about the different categories of employees, their roles and responsibilities and functions that they adhere to. In the below table we look at the different positions that employees hold and their examinations. The data relevant to the employees opinion is presented in table-1.



Table-1
Employees opinion on the wage/salary administration

Position	Excellent	Very good	Good	Average	Total
Administration Officer	6	11	34	2	53
	11.3	20.8	64.2	3.8	100.0
Executives	0	1	12	0	13
	.0	7.7	92.3	.0	100.0
Non Executives	3	9	69	4	85
	3.5	10.6	81.2	4.7	100.0
Technician	2	2	8	3	15
	13.3	13.3	53.3	20.0	100.0
Workers	23	48	156	7	234
	9.8	20.5	66.7	3.0	100.0
Total	34	71	279	16	400
	8.5	17.8	69.8	4.0	100.0

Source: Compiled based on the data collected through Questionnaire

It is observed based on the analyses of data in table-1 that though total 400 respondents participated in the survey majority of the employees from all sections have felt that the employees opinion on the wage/salary administration were good. Among the 53 Administrative officers participated in the survey 11.3 per cent (6 respondents) have opined that salary administration as excellent and 20.8 per cent (11 respondents) as very good, and majority of 64.2 per cent (34 respondents) told it was good. There were around 3.8 per cent (2 respondents) who said the salary administration is average. There were 13 executives in the survey sample and amongst them none of them suggested that the salary administration was excellent and just 7.7 per cent (1 respondent) stated it be very good. Majority of employees that is 92.3 per cent (12 respondents) suggested it to be good and none under average.

Among the 85 non executives in the survey sample 3.5 per cent (3 respondents) gave excellent remark and 10.6 per cent (9 respondents) said the salary administration was very good. The majority of employees around 81.2 per cent (69 respondents) said the salary administration to be good and 4.7 per cent (4 respondents) said it was average. There were only 15 technicians in the sample and 13.3 per cent (2 respondents) opined it as excellent and 13.3 per cent (2 respondents) said the salary administration was very good. Around 53.3 per cent (8 respondents) said it was good and 20.0 per cent (3 respondents) told the wage/salary administration was average. And also among the workers 9.8 per cent (23 respondents) told it was excellent and 20.5 per cent (48 respondents) stated the salary administration was very good. The majority of



workers 66.7 per cent (156 respondents) told the salary administration was good and around 3.0 per cent (7 respondents) said it was average.

Satisfaction Levels of Employees on Salary:

To understand and analyze if the employees are satisfied with the salary in Singareni Collieries Company Limited (SCCL), it is important to know about the different categories of employees, their roles and responsibilities and functions that they adhere to. In the below table we look at the different positions that employees hold and their examinations. The data has been presented in table-2.

Table – 2
Employees’ Satisfaction Levels on Salary in SCCL

Position	Very much satisfied	Satisfied	Satisfied to some extent	Dissatisfied	Very much dissatisfied	Total
Administration Officer	3	45	4	0	1	53
	5.7	84.9	7.5	.0	1.9	100.0
Executives	0	12	1	0	0	13
	.0	92.3	7.7	.0	.0	100.0
Non Executives	0	79	4	1	1	85
	.0	92.9	4.7	1.2	1.2	100.0
Technician	1	11	2	1	0	15
	6.7	73.3	13.3	6.7	.0	100.0
Workers	25	190	14	3	2	234
	10.7	81.2	6.0	1.3	.9	100.0
Total	29	337	25	5	4	400
	7.2	84.2	6.2	1.2	1.0	100.0

Source: Compiled based on the data collected through Questionnaire

Analyses of data in table-2 denotes that though total 400 respondents participated in the survey majority of the employees from all sections were satisfied with the salary provided by their company. Among the 53 Administrative officers participated in the survey 5.7 per cent (3 respondents) said that they are very much satisfied with the salary and majority 84.9 per cent (45 respondents) are satisfied, and 7.5 per cent (4 respondents) are satisfied to some extent. None of the employees are dissatisfied. There was around 1.9 per cent (1 respondent) who was very much dissatisfied with the salary.

There were 13 executives in the survey sample and amongst them none of them were very much satisfied with the salary and majority 92.3 per cent (12 respondents) were satisfied.



Around 7.7 per cent (1 respondent) was satisfied to some extent and none were dissatisfied or very much dissatisfied with the salary. Among the 85 non executives in the survey sample no employee was very much satisfied and 92.9 per cent (79 respondents) were satisfied with the salary. Around 4.7 per cent (4 respondents) were satisfied to some extent with the salary. Around 1.2 per cent (1 respondent) was dissatisfied and 1.2 per cent (1 respondent) were very much dissatisfied.

There were only 15 technicians in the sample and 6.7 per cent (1 respondent) was very much satisfied with the salary 73.3 per cent (11 respondents) were satisfied. Around 13.3 per cent (2 respondents) said they were satisfied to some extent and 6.7 per cent (1 respondent) was dissatisfied and none were very much dissatisfied with the salary. And also among the workers 10.7 per cent (25 respondents) were very much satisfied and 81.2 per cent (190 respondents) were satisfied with their salary and 6.0 per cent (14 respondents) were satisfied to some extent. Around 1.3 per cent (3 respondents) were dissatisfied and 0.9 per cent (2 respondents) were very much dissatisfied with the salary given to them by the company.

Employees’ Opinion towards Incentive Schemes:To understand and analyze the employees opinion towards incentive schemes of Singareni Collieries Company Limited (SCCL), it is important to know about the different categories of employees, their roles and responsibilities and functions that they adhere to. In the below table we look at the different positions that employees hold and their examinations. The data relevant to the opinion of employees is presented in table-3.

Table – 3
Employees Opinion towards Incentive Schemes offered by the SCCL

Position	Excellent	Very good	Good	Average	Poor	Total
Administration Officer	5	7	35	5	1	53
	9.4	13.2	66.0	9.4	1.9	100.0
Executives	1	1	9	2	0	13
	7.7	7.7	69.2	15.4	.0	100.0
Non Executives	1	6	75	3	0	85
	1.2	7.1	88.2	3.5	.0	100.0
Technician	1	2	11	1	0	15
	6.7	13.3	73.3	6.7	.0	100.0
Workers	18	22	173	18	3	234
	7.7	9.4	73.9	7.7	1.3	100.0
Total	26	38	303	29	4	400
	6.5	9.5	75.8	7.2	1.0	100.0

Source: Compiled based on the data collected through Questionnaire



On the examination of data in table-3, it is found that though total 400 respondents participated in the survey majority of the employees from all sections said that the incentive schemes of the company was good. Among the 53 Administrative officers participated in the survey 9.4 per cent (5 respondents) said that they are very much satisfied with the salary and majority 84.9 per cent (45 respondents) are satisfied, and 7.5 per cent (4 respondents) are satisfied to some extent. None of the employees are dissatisfied. There was around 1.9 per cent (1 respondent) who was very much dissatisfied with the salary.

There were 13 executives in the survey sample and amongst them none of them were very much satisfied with the salary and majority 92.3 per cent (12 respondents) were satisfied. Around 7.7 per cent (1 respondent) was satisfied to some extent and none were dissatisfied or very much dissatisfied with the salary. Among the 85 non executives in the survey sample no employee was very much satisfied and 92.9 per cent (79 respondents) were satisfied with the salary. Around 4.7 per cent (4 respondents) were satisfied to some extent with the salary. Around 1.2 per cent (1 respondent) was dissatisfied and 1.2 per cent (1 respondent) were very much dissatisfied. There were only 15 technicians in the sample and 6.7 per cent (1 respondent) was very much satisfied with the salary 73.3 per cent (11 respondents) were satisfied. Around 13.3 per cent (2 respondents) said they were satisfied to some extent and 6.7 per cent (1 respondent) was dissatisfied and none were very much dissatisfied with the salary.

And also among the workers 10.7 per cent (25 respondents) were very much satisfied and 81.2 per cent (190 respondents) were satisfied with their salary and 6.0 per cent (14 respondents) were satisfied to some extent. Around 1.3 per cent (3 respondents) were dissatisfied and 0.9 per cent (2 respondents) were very much dissatisfied with the salary given to them by the company.

Employees' Satisfaction levels on Salary Commensurate to the Work:

The data relating to the satisfaction levels of the employees on salary commensurate to their work is presented in table-4.

Table – 4
Employees Opinion on their Salary Commensurate to the Work

Position	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Administration Officer	6	13	8	23	3	53
	11.3	24.5	15.1	43.4	5.7	100.0
Executives	1	8	2	1	1	13
	7.7	61.5	15.4	7.7	7.7	100.0
Non Executives	2	14	17	51	1	85
	2.4	16.5	20.0	60.0	1.2	100.0
Technician	2	4	0	9	0	15
	13.3	26.7	.0	60.0	.0	100.0
Workers	20	64	27	118	5	234
	8.5	27.4	11.5	50.4	2.1	100.0
Total	31	103	54	202	10	400
	7.8	25.8	13.5	50.5	2.5	100.0

Source: Compiled based on the data collected through Questionnaire

On the analyses of data in table-4, it is observed that though total 400 respondents participated in the survey majority of the employees from all sections disagreed when asked if salary is commensurate with the work they do in the company. From the participated 53 administrative officers in the survey 11.3 per cent (6 respondents) strongly agreed and 24.5 per cent (13 respondents) agreed with regards to salary appropriate with the work. There were around 15.1 per cent (8 respondents) who were neutral on this evaluation and 43.4 per cent (23 respondents) were disagreed with the same. And 5.7 per cent (3 respondents) strongly disagreed and said that salary was not commensurate with the work they did.

There were 13 executives in the survey sample 7.7 per cent (1 respondent) strongly agreed and 61.5 per cent (8 respondents) agreed with regards to salary appropriate with the work. There were around 15.4 per cent (2 respondents) who were neutral on this evaluation and 7.7 per cent (1 respondent) who disagreed with the same. And 7.7 per cent (1 respondent) strongly disagreed and said that salary did not commensurate with the work they did. Among the 85 non executives in the survey sample 2.4 per cent (2 respondents) strongly agreed and 16.5 per cent (14 respondents) who agreed. Employees who took a neutral stand for the same were 20.0 per cent (17 respondents) and majority of 60.6 per cent (51 respondents) disagreed with the same. There were 1.2 per cent (1 respondent) who strongly disagreed that the salary did not commensurate with the work they did.



There were only 15 technicians in the sample 13.3 per cent (2 respondents) strongly agreed and 26.7 per cent (4 respondents) who agreed. Employees who took a neutral stand for the same were none and majority of 60.0 per cent (9 respondents) disagreed with the same, and none strongly disagreed that the salary did not commensurate with the work they did. Among the 234 workers who participated in the survey, 8.5 per cent (20 respondents) who strongly agreed and 27.4 per cent (64 respondents) agreed with the evaluation. And around 11.5 per cent (27 respondents) took a neutral stand and 50.4 per cent (118 respondents) disagreed and around 2.1 per cent (5 respondents) strongly disagreed that the salary did not commensurate with the work they did.

Conclusion:

The employees opinion on the wage/salary administration were good. Among the 53 Administrative officers participated in the survey 11.3 per cent (6 respondents) have opined that salary administration as excellent and 20.8 per cent (11 respondents) as very good, and majority of 64.2 per cent (34 respondents) told it was good. There were around 3.8 per cent (2 respondents) who said the salary administration is average. Among the 85 non executives in the survey sample no employee was very much satisfied and 92.9 per cent (79 respondents) were satisfied with the salary. Around 4.7 per cent (4 respondents) were satisfied to some extent with the salary. Around 1.2 per cent (1 respondent) was dissatisfied and 1.2 per cent (1 respondent) were very much dissatisfied.

There were only 15 technicians in the sample and 6.7 per cent (1 respondent) was very much satisfied with the salary 73.3 per cent (11 respondents) were satisfied. Around 13.3 per cent (2 respondents) said they were satisfied to some extent and 6.7 per cent (1 respondent) was dissatisfied and none were very much dissatisfied with the salary. 7.7 per cent (1 respondent) strongly disagreed and said that salary did not commensurate with the work they did. Among the 85 non executives in the survey sample 2.4 per cent (2 respondents) strongly agreed and 16.5 per cent (14 respondents) who agreed. Employees who took a neutral stand for the same were 20.0 per cent (17 respondents) and majority of 60.6 per cent (51 respondents) disagreed with the same. There were 1.2 per cent (1 respondent) who strongly disagreed that the salary did not commensurate with the work they did.



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