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# REWARD MANAGEMENT SYSTEM IN TEA PLANTATIONS

By

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## **THESIS**

*Submitted in partial fulfilment of the  
requirement for the degree of*

**Doctor of Philosophy in Agriculture**

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Kerala Agricultural University*


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COLLEGE OF HORTICULTURE  
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**2003**

## DECLARATION

I hereby declare that the thesis entitled "**Reward Management System in Tea Plantations**" is a bonafide record of research work done by me during the course of research and the thesis has not previously formed the basis for the award to me of any degree, diploma, associateship, fellowship or other similar title, of any other university or society.

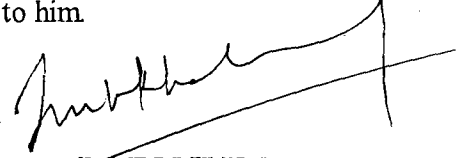
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Certified that the thesis entitled "**Reward Management System in Tea Plantations** " is a record of research work done independently by Mr. K.J.Sherin under my guidance and supervision and that it has not previously formed the basis for the award of any degree, diploma, associateship or fellowship to him.

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*Affectionately Dedicated to  
My  
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## **ABBREVIATIONS**

UPASI – United Planters Association of Southern India

APK – Association of Planters of Kerala

ESUSI – Estate Staff Union of South India

EFP – European Factor Plan

# *Introduction*



## 1. INTRODUCTION

Tea is indigenous to India and a sector where the country can take a lot of pride. This is mainly because of its pre-eminence as a foreign exchange earner and its contribution to the country's GNP.

In all aspects of tea production, consumption and export, India has emerged to be the world leader, mainly because it accounts for 31 per cent of global production. It is perhaps the only industry where India has retained its leadership over the last 150 years.

The range of tea offered by India vary from the original Orthodox and Green Tea, to the aroma and flavored Darjeeling Tea Assam Tea, Nilgiri Tea and Kannan Devan Tea, remains unparalleled in the world. Since independence tea production has grown over 250 per cent while area has just grown by 40 per cent. Total net foreign exchange earned per annum is around Rs.18000 million.

The labour intensive industry directly employs over 1.11 million workers and generates income for another 10 million people approximately. Women contribute 50 per cent of the workforce. Tea trading in the domestic market is done in two ways, Auction and Private Selling from Kochi, Kolkatta, Coimbatore and Guwahati.

As per the last compiled figures of 1988, there were 13,578 tea plantations registered under the Tea Board, of which 6802 plantations were in, Tamil Nadu, 4087 plantations in Kerala, and 1385 plantations in Himachal Pradesh and the rest distributed in the Northeastern States. Kerala accounts for 9.5 per cent of India's tea, and 40.6 per cent of the Southern India Tea (Tea Board, 2000).

The tea sector has contributed for the economic and social progress of the country. For higher growth in the next five years the tea sector will require Rs. 3495 million for welfare schemes, Rs. 409.3 million for research and development and Rs. 283

million for human resource development.

Reward management is probably the most rapidly developing area of human resource in tea plantations, due to absence of productivity-reward linkage, absence of mechanization, liberalization and globalization.

The design and management of reward system constitute one of the most difficult human resource management tasks for the organisation. Of all the policy areas in human resource management, this is where the greatest contradiction between the promise of theory and reality of practice is noted. (Beer *et al.*, 1984)

Reward management processes are agricultural in nature as McGregor (1960) describes “that they can help to create an environment conducive to motivation, commitment and high levels of performance”.

The Minimum Wages Act (1948) and the Plantation Labour Act (1951) are the forerunners in the evaluation of a formal reward management system for supervisors and labourers, while the imports of western management concepts have organized the management cadre reward system.

The tea village is the ‘**Indian Kibbutz**’ and a model example of a society living in contentment and harmony. If the whole nation were to follow the tea village example, there would perhaps be no more social tension in the country. Do we still believe that tea is just a beverage, which deserves no special attention?

Towards these ends, the present study was designed to obtain a more comprehensive and empirically based knowledge of the reward management system in tea plantations. The specific objectives of the study were:

1. To analyse the rational process involved in arriving at the existing reward system



in tea plantations.

2. To identify the important factors which contribute to the reward system.
3. To analyse the influence of reward system on motivation and job satisfaction of the employees of the tea plantations.
4. To suggest a model for managing reward system in tea plantations to meet individual and organizational goals.

### 1.1 SCOPE OF THE STUDY

Tea plantations in Kerala have been in existence for more than 100 years. The tea plantations have been the key employment-providing enterprise in the districts of Idukki and Wayanad. Several studies have been conducted in the sector regarding labour issues, productivity, and tea quality improvement. But there has so far been no attempt to undertake a comprehensive study of the reward system. The tea industry in India has of late been affected by technology advancement; changing employment patterns, increase in cost of production, lower productivity of human labour. The scope of the study can be summarized in the following points.

1. Tea is a commercial crop, which is an important foreign exchange earner for the state and the country as a whole.
2. It is a source of employment to a large number of skilled and unskilled labour forces, being a labour intensive industry.
3. Due to technological, commercial and global influences in the agricultural sector, previously sweeping changes are taking place in the tea plantations.
4. No comprehensive study has been conducted on reward system in tea plantations.
5. The British established tea plantations and there has been a transition from a colonial based reward system to a management-oriented system.
6. The tea plantation staff and labour force are unique in nature, not seen in other agricultural based systems.
7. There is scope for implementing this model of reward system for other

agricultural crops when the agricultural sector gets industrialized.

8. The pros and cons of the system as a whole can be analysed.
9. Development of a model for reward management system for tea plantation providing them with research validated methodologies to follow when implementing rewards. This would preserve them from the mistakes of earlier attempts of pioneering tea plantations, which backfired resulting in financial loss, loss of credibility and lack of confidence of the employees working in the plantations.

## 1.2 LIMITATIONS OF THE STUDY

The concept of reward system in tea plantations differs from all other crops (except for rubber, coffee). Though the reward system is fully developed there is a scarcity of literature as how the system had evolved and how it has been sustaining for the past 100 years. This has definitely limited the present study, especially in terms of providing answers to how this system will survive. National companies were reluctant to disclose information, which has been a serious limitation to the study, as they own the majority of the tea plantations in the state.

The ongoing recession in the tea industry and closure of several tea companies have limited the researcher from making a comparative study of the tea plantations. The level of ignorance of tea plantation labourers, particularly the women was another limiting factor in this study.

An in-depth analysis of the history of the reward management system could not be taken up due to the absence of records in the tea companies or tea organisations on the reward management system.

The present study was undertaken as a part of the requirements for the doctoral degree programme of the student researcher. There were constraints of time, delay in

receiving permission to conduct research in the tea plantation from the owners due to several internal factors and therefore some issues could not be explored in greater depth and in a more comprehensive way as desired and expected.

### 1.3 PRESENTATION OF THE STUDY

The report of the study has been spread out in six chapters. The first chapter deals with the introduction, where in the statement of the problem, objectives, the scope of the study and the limitations of the study are discussed. The second chapter covers the theoretical orientation in relation to the present study. The third chapter relates to the methodology used for the investigation. The fourth chapter is on results and the fifth on discussions based on the results empirical model and proposed model for reward management system to meet individual and organizational goals. The sixth chapter includes summary, implications and conclusion of the study. The bibliography, appendices and abstract are furnished at the end.

# *Review of Literature*

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## 2. REVIEW OF LITERATURE

A review of previous works either theoretical or empirical, may assist in throwing light on the various dimensions of the study area, historical background, philosophies and ideas based on which the problem area originated, new problem or research areas that may evolve in future, which in turn may assist in developing theoretical frame work for the study. It may also help in operationalising the important factors enabling the investigation. Based on the objectives of the study the literature collected has been reviewed under the following broad sub headings.

- 2.1. Tea Chronology
- 2.2. Concept of Reward Management System
- 2.3. Evolution of Reward Management System
- 2.4. Factors contributing to Reward Management System
- 2.5. Motivation through Reward Management System
- 2.6. Job Satisfaction through Reward Management System
- 2.7. Conceptual framework of the study

### 2.1. Tea Chronology

The historical importance of tea its evolution and prominence in the modern society is explained through the following events.

2737. BC -- Accidental discovery of Tea by Emperor Shen Nong, China

6 .AD -- Tea enters Japan

780. AD – Tea taxed and the first book on Tea written by Lu Yo

1368-1644 -- Traditional styles of Black, Green and Oolong Teas made their first appearance under the Ming Dynasty

Early 17<sup>th</sup> century – Tea arrives in the western world

Mid 17<sup>th</sup> century – Tea arrives in the new world (New Amsterdam)

1699 – East India Company brings the first shipment of Tea to England

1773 – The Boston Tea Party

1810 – First planting of Taiwan Tea

1823 – Birth of Indian Tea, The Assam tea was found growing wild in either side of the Brahmaputra River in Northeast India

1834 – The Tea Committee was formed by Lord William Bentick

1838 – The first consignment of 12 boxes of Assam Tea was shipped to England

1839 – The first consignment of 8 chests of Assam Tea was put for auction in Calcutta

1856 – Tea cultivation expanded in The Nilgris and Kerala

1869 – First export of Formosa Oolong Tea

1887 – The Indian Association was born

1888 – Import of Indian Tea into Britain exceeded China and continued to be so still today

1894 – United Planters Association of Southern India (UPASI) was formed

1907 – US Tea Act was passed to ensure quality of imported tea to the United States

1908 – The Tea Bag invented in America

## **2.2. Concept of Reward Management System**

Tichy *et al* (1982) suggested that the reward management system is one of the most underutilized and mishandled managerial tools for driving organizational performance. Reward strategies should be in line with corporate values and beliefs, emanate from business strategies and goals, linked to business performance, drive and support desired behaviour and fit in the essential management style.

Studies of Dwivedi (1984) revealed that the personnel in the lowest salary ranges should be given financial increases at regular intervals in substantial quantities. On the other hand, the comparatively better paid personnel and those in the upper salary bracket

should be given increases in a decreasing quantity and frequently, for they attach importance to other factors such as autonomy, esteem, etc.

A comprehensive conceptualization of the reward system would include a full complement of tangible rewards (namely salary, bonus, promotions, and awards) measurement mechanisms and administrative practices Kerr. (1985).

The wage-effort relationship is crucial in explaining cross-section wage differentials and unemployment patterns (Akerlof and Yellen, 1990)

Reward has been seen as the means for attracting, retaining and motivation of employees primarily because of its near universal appeal, directness and certainty with which it can be delivered. Employees are encouraged to think that there reward system as a means of implementing strategy and supporting organizational culture as reported by Balkin and Meija, 1990; Lawler, 1990; Rock and Berger, 1991)

Reward management is not just about money. It is concerned with the intrinsic as well as extrinsic motivation, with non-financial as well as financial rewards. Reward management is the process of developing and implementing strategies, policies and systems that help the organization to achieve its objectives by obtaining and keeping the people it needs and by increasing their motivation and commitment as proposed by Armstrong and Muralis (1991).

Armstrong and Muralis (1991) describes that the effective Reward management system must fulfill the following objectives:

- i) Achievement of the organizations strategic and short-term objectives
- ii) Help in communicating the organizations values and expectations
- iii) Support culture management and change
- iv) Drive and support desired behaviour
- v) Encourage value added performance

- vi) Promote continuous development
- vii) Compete in the employment market
- viii) Motivate all employees
- ix) Promote teamwork
- x) Promote flexibility
- xi) Provide value for money
- xii) Achieve fairness and equity

The reward management includes assessment of job values, the design and management of pay structures, performance management, pay for performance, contingency pay, provision of employee benefits and pensions and the management of reward procedures. Reward management is also concerned with development of appropriate organizational cultures, underpinning core values and increasing motivation and commitment of employees. The process of reward management is always led by business needs of corporate companies.

Armstrong and Muralis coined the term “Reward Management” in 1988. The essentially static techniques of salary administration have developed into the dynamic approach of reward management. The emphasis is first on performance, recognizing that the motivation to improve and the rewards for achievement must extend not only to the staff at all levels that help to achieve the success of the organization. Secondly, the emphasis is on flexibility, wherein the reward management processes need no longer be confined to the strait-jacket of rigid salary structures and elaborate evaluation schemes.

Income Data Services (1992 a) describes that a good reward management system should bring about the following

- i) Clarify what constitutes good performance
- ii) Ensure that performance targets are achieved
- iii) Be clear about the link between reward and performance
- iv) Check that alternative expectations are not being fostered in other parts of the



organization

- v) Ensure bonuses and rewards are largely to attract interest
- vi) Ensure the system is fair

The reward system is composed of all organizational components involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization. (Moorhead and Griffin, 1994)

Reward management is relatively a modern term describing the process of managing rewards within the organization for the supporting the purpose of the organization in the most effective manner possible. Reward take into account extrinsic and intrinsic rewards. Reward Management recognizes that the objectives are high levels of productivity and good quality work. These require well-designed jobs, team working, high levels of job satisfaction, good human relations as well as pay packet, which is perceived as fair and competitive as propounded by Cowling and James (1997).

Armstrong (1998) describes a reward system consisting of financial (fixed and variable pay) and employee benefits, which together comprise total remuneration. The system also incorporates non-financial rewards (recognition, praise, achievement, responsibility and growth) and in many cases, performance management processes.

A relevant reward management system will consists of nominal rewards for individual efforts and ideas, to gain sharing and profit related pay. The most effective schemes provide large sums to be meaningful are seen to be fair and are tied to work in such a way those employees can see the connections between their own efforts, company profits, and their personnel pay packets. (Clutterbuck, 1999).

The wage-effort dependence is also noted by human resource management experts, who agree that salary and benefits are crucial in hiring and retaining employees and keeping morale high (Messmer and Taylor, 2001).

### 2.3. Evolution of Reward Management System

Marshall (1936) noted that workers effort was not fixed and depended on pay. This was also confirmed by Baldamus (1957) , Lytle (1942) and Ryan (1947).

The Government of India (1954) which set up a committee on fair wages in 1949 showed that the productivity of labour and prevailing rates of wages were on par with the level of national income with a comfortable position for the industrial sector for the economy of the country.

A right beginning in the process of evolving a rational and effective system is the structuring of strong and representative bodies of employees and workmen in the Centre and State levels, so that the process of consultation on labour policies legislation as well as law and order could be clearly defined for the plantation as reported by Unni (1989).

A research carried out by Top Pay Unit (1990) revealed that

1. Reward policy is increasingly seen as tool for bringing cultural change within organizations
2. Much greater flexibility in reward systems is now required to enable employees to recruit and retain high quality staff.
3. For managers and staff a link between pay and performance is increasingly taken for granted.
4. Relating pay to performance increases the responsibility of managers who have to live with the consequences of the recommendations on rewards for these staffs.

Armstrong and Muralis (1991) explained that reward management system undergoes various changes based on the reward philosophy, which consists of a set of

beliefs, which underpin the reward strategy of the organization and govern the reward policies that determine how reward processes operate. Every reward management system is rationally developed through four important phases.

- i) Start off/Take off
- ii) Maturity
- iii) Old age/Stagnation
- iv) Regeneration

Gerhart and Milkovich (1992) deduce that individual pay programs have definite effect on the nature and composition of the work force.

Mahajan (1992) reported that periodical hike in wages in time with rise in cost of living, security of job, overtime wages, incentive payments, bonus, accident benefits, medical facilities and so many such privileges are enjoyed by the organized sector.

The most significant changes that drive change in pay and benefits policy are the need to strengthen the link between business performance, cost control, support for organizational change, recruitment and retention pressures. The need to provide more flexibility in pay and benefits systems is expected to become more important (CBI/HAY Management Consultants, 1996).

Flannery *et al.*, (1996) points out those organizations are beginning to understand that pay should no longer be considered only in terms of specific jobs and current financial results. Rewards must be inextricably tied to people, their performance and organizational vision and values that their performance supports. It is an important tool to communicate and reinforce new values and behaviours, supporting accountability for results and rewarding the achievement of new performance goals.

In 1893 in Central Travancore the wage of four annas a day was customary for men; the advance of ten rupees was equivalent of forty days of work, which was

considered as an honour then (Baak, 1998).

Ferris *et al.*, (1998) observed that the reward management systems in the 1970s saw the emergence of Human resource management function, strategic management.

The reward management system as a part of the Human resource development package has undergone the major era's of development and formation.

- a. Romantic Era: The colonial style of management
- b. Scientific Era: Industrial relations style of management
- c. Liberalization and Globalization Era: Human resource management style of management. The focus is the development of the lines of confidence.

(Tea Board, 2000)

#### **2.4. Factors contributing to Reward Management System**

Ceylon Planters Society (1988) found that accuracy, date with returns, replies to circulars, correspondence, account keeping, stock control and maintenance of social harmony are the factors defining payment to employees. Other crucial factor defining reward systems is loyalty, dedication, favouritism, interference, undermining authority, cynical indifference to the fate of the estate and organization, leadership, fairness criteria for rewards, existing remuneration package, other benefits and concrete assurance that existing benefits will not be removed.

Rao (1990) proposed that remuneration in comparative organizations, firm's ability to pay, consumer prize index; union pressures and government legislation are the common factors affecting pay of employees.

Khantzode (1992) explained living wage, productivity, and job requirements as some of the essential factors for reward administration.

Moorhead and Griffin (1994) explains pay secrecy, employee participation, flexible system, ability to pay, economic and labour market forces and performance are the criteria on which rewards are decided.

Braham (1996) describes principles of merit pay are fairness perceived by all, central control by human resource function, performance target defined in advance, acceptable targets, understood performance system, reasonable pay base level and clear definable and understood performance target.

Two of the most important factors influencing performance and results are an organizations climate, its values and culture, its management practices, which include reward. (Flannery *et al.*, 1996)

Dressler (1997) described pay rates, rewards and compensation must be through trade unions, broad banding, comparable worth, education, effort, responsibility, working conditions job skills, commitment, locality, external equity, internal equity and on laws defining work.

The criteria for reward and recognition as observed by Witt (1997) must be based on quality of work, customer service, creativity and innovation, teamwork, continuous improvement, public stewardship and diversity.

#### **2.4.1 Management cadre Personal- socio- psychological factors**

Katz and Kahn (1952) suggest that organizations can employ legal compliance, instrumental satisfaction, self-expression and internalized values for managers.

Discipline means working, cooperating and behaving in a normal and orderly way, as any responsible person would expect and employee to do. (Bremblett, 1961).

Communicating aims and objectives of the company to all the employees was very important in the plantation by the manager as observed by Suri and Joshi (1984).

An effective leader has to be technically or professionally competent in some discipline particularly when leading a group of specialists, it is difficult to establish rapport with group members when you do not understand what they are doing and they do not respect your technical skills. At a minimum, the manager has to be snow proof (Horton, 1986).

Wickens (1987) noted that the ability of team work should help in promotion of mutual trust as cooperation between the company, its employees and the union, recognized that all the employees at what ever level have a valued part to play in the success of the company and seeking actually the contributions of all employees on furthering their roles.

Bhatia (1988) found that the personal and psychological factors such as age, sex, maturity, matrimonial status, number of children affecting attitude towards benefits given by the organization.

Ceylon Planters Society (1988) observed that the factors which are assessed for rewarding managers and supervisors are cost control, efficiency of estate office, labour management, agricultural maintenance, manufacture and sales average, stock control and specific targets set. Enthusiastic managers who were promoted to larger estates were ready to take additional responsibilities is it was tied up with rewards and recognition. Managers require average intelligence, patience, resourcefulness, firmness and when required ruthlessness brought about by pressures from unions and to solve the problems with integrity.

Studies of Eisenhardt (1988) found that employees are risk evasive.

Loyalty to the organization was found to be an important personal factor for managers as observed by Unni (1989).

Discipline and work ethos are the two corner stones of any success as you have seen from the remarkable performance of many countries. We neither have a national sense of discipline nor created a work ethos for ourselves. We have many examples as to how lack of discipline as well as absence of work ethics affect us. (Unni, 1989).

Income Data Services (1992 b) describes that rewards need to be linked not only to the acquisition of the skills but to their application and the performance they're after achieved.

Jacobs and Bolton (1994) observed that individuals who would become managers who express strong motivation for high level responsibilities and were characterized by analytical competence, interpersonal competence and emotional competence which is usually lacking in most cases.

Sardana (1994) explains an open door policy, setting an example as a model for the organization, consistency, tolerance and magnanimity. A good manager who treats every one as a contributor to the company's growth. A major role by exhibiting complete fair play and reposing trust in his people. He should not be carried by back biting by vested interests and should extend cooperation and support to the people so that they continue to excel in their performance.

The growth and competition of multinational companies requires a new approach to human resource for managers where changes in reward system are major challenges for traditional companies. (Prahalad, 1995)

Communication of goals on a regular basis will help in achieving specific

objectives and higher success rate as observed by Halloran and Campbell (1996).

Managers develop flexibility with experience and are able to approach problems of the plantation as per requirements as reported by Sharma (1996).

Job commitment was an important personal factor for defining reward as observed Dressler (1997).

Transparency and communication are essential qualities for a good manager and managers dealing plantations with fairness, empathy with higher goals in mind will speed up trust as observed by Venugopal (1997). Venugopal insists on providing facilities to develop oneself for higher and multiple responsibilities for managers in order to enhance performance and motivation.

Cowling (1998) described technical competency as a combination of skills, knowledge, behaviour and personal attributes which together are necessary to perform a job effectively which provides the basis for an objective and consistent review of performance and development need.

Sharma (1998) found that periodical up gradation of managerial skills was essential to keep the managers in good working condition.

Sweet (2000) describes compliance as a must in order to keep management personal from making bad decisions and ignorance of law.

#### **2.4.2. Supervisor Personal-socio-psychological factors**

Effective supervisors are able to provide a climate in which people have a sense of working for themselves (Myers, 1968).



For supervisors the pay grades are usually set so that their median salaries are ten per cent to twenty five per cent above those of the highest paid workers supervised. Supervisors should be paid for overtime even though a rule does not prescribe tem. (Miller, 1978).

Competence, caring, committed to work and quality of people characterize good supervisors. They provide clear direction and motivate labourers. They take responsibility for actions and outcomes of their units and know how to initiate problem solving (Klein and Posey, 1986).

Conflict between the role of supervisors and labour union leader, inadequate performance by the supervisor on promotion, failure to take on higher responsibility, factors like familiarity and dependability between supervisors and labourers due to living proximity, relationships and obligation are important personal factors affecting supervisors (Balkin and Meija, 1987).

Ceylon Planters Society (1988) found that supervisors with higher self-confidence achieved better targets than those lacking self-confidence.

Supervisor's deal with the performance monitoring and communication of the labour force, while their communication level with the superiors is limited (Mescon *et al.*, 1988).

The impact of information technology, changing patterns of work organization, the general movement towards flatter organizations structures, and few levels of management has highlighted the important role of supervisors (Betts, 1993).

Venugopal (1997) observed the necessity of good leadership for supervisors because of there direct contact with hundreds of labourers who have to be mobilized to have quality and quantity of tealeaf. Introduction of the incentive scheme created greater

pressure on the supervisor or kangani to ensure quality of work and here the supervisor's individual ability greatly accounts. The importance of listening by the supervisors to the labours was greatly necessary as they formed an important link between the labour and the manager.

The *kangani* or overseer recruited cheap labour in the tea plantations for work and offered the labourers an advance. On the plantations labourers were often herded like animals in lines by the kangani. (Baak, 1998)

Truckenbrodht (2000) observed that for a supervisor to be effective in his given job he should have the following traits namely mutual trust, positive support from the organization, informal interdependence, greater job latitude, high degree of autonomy, satisfaction, shared loyalty, task assignment, attention, influence in decision making, vision of the goals of the organization and compliance.

#### **2.4.3. Labour Personal-socio-psychological factors**

A survey conducted by the Labour Bureau (1980) in the late 70's showed that women constituted 52 per cent of the total union membership and this once again confirmed in another study in 1992. The main reason women joined labour unions was that their husbands or fathers did so, while only 17 per cent were actively involved in labour union activities, about 65 per cent were occasional participants as a study reports in Assam.

Ceylon Planters Society (1988) describes the amount of cooperation obtained from the labour; standard of leaf and standard work should be on the basis for providing rewards to labourers.

Pay satisfaction was found to be significantly important for pay. Vijayaraghavan and Singh, 1992).

Fatimabi (1993) reported labourers of Kerala Agricultural Workers Pension Scheme and the Kerala Agricultural Workers Fund scheme had moderate to higher awareness about the welfare and benefit schemes.

The World Competitiveness Report (1994) rates the skill of the labourer in India as one of the best.

The average daily output for a worker can be attainable only if the objectives are fair and to ask workers to increase productivity by hundred percent would be reasonable (Halloran and Campbell, 1996).

Skill development should focus on specific industrial skills, general skills and attitudes for positive work culture and work ethos (Venkataratnam, 1996 a).

Venugopal (1997) said that practical incentives for punctuality at muster parade and for doing full days work would enhance morale of the labourer.

Lack of awareness among labourers in the tea industry as observed by Dhanakumar (1999).

#### **2.4.4. Organizational factors**

The economic and financial theories assume that there existed correlation between compensation level and company performance (Lewellen and Huntsman, 1970).

The manager's bonus was based solely on the performance of the company (Pitts, 1974).

Salter (1974) observed that reward system variables must remain congruent with the firm's structural configuration if the system is to effectively constitute to strategic

objectives.

Agarwal (1981) reported that profitability of the company is an important predictor of managerial compensation.

Canadian employers paid their employees with wages and salaries, pensions, life insurance, disability insurance, severance pay, supplementary health insurance, sick leave, paid holidays, paid rest periods and overtime pay as reported by Martel (1981).

Organizational communication was significantly related to reward systems as reported by Chattopadhyay, (1982)

By providing speedy redressal of grievances, promoting social and welfare amenities, encouraging consultation and matters of special interest, negotiating with representative labour unions, provision of adequate wage, good working conditions, job security, suitable opportunities for promotion and self development should be the organizational policies for labourers as proposed by Suri and Joshi (1984). Worker participation, well defined grievance procedure, extensive learning programs for all employees, bipartite settlement with the unions, communicating meeting, social welfare and cultural activities, wage linked productivity, career plans and appraisal of objectives should be included in the policies of the organization.

Brooks (1987) examined that managers reward package should contain salary, benefits, short-term incentives, long-term incentives and prerequisites.

Kerr and Bettis (1987) explained that organization and strategy theories on executive compensation focused on business strategy, executive motivation, internal power patterns and size of the firms.

Bhatia (1988) observed that rewards and benefits depended on the size of the

budget and the finances available. In western countries executives and managers are given the choice to choose the components of pay and benefits to increase performance.

Ceylon Planters Society (1988) described that too much emphasis on the profit for bonus could have devastating effects on the long-term development of the estate and would lead to closure.

Saxsena (1988) Aim of the organization is the first step in building up an organization and it consists of deciding as to why the proposed organizations to be set up and therefore, what will be the work to accomplished by the organization.

Performance management can help managers in Handy's (1989) words to

- i) Be teachers, counselors and friends
- ii) Trust people to use their own methods to achieve the managers own ends
- iii) Delegate on the basis of a positive will to trust and to enable every problem to be solved in such a way as to develop other people's capacity to handle it.

Sivaraman (1989 a) explains that the government has introduced the Plantation Labour Amendment Bill to bring sweeping changes to the Parent Act of 1951. The important changes to be brought through this amendment are definition of worker to distinguish with that of a plantation worker, medical facilities and the safety provisions.

For labourers and supervisors Unni (1989) concluded rights dispute, moral building, institutional loyalty, emotional adjustment, job satisfaction, job enrichment, career advancement, work culture are necessary human relation factors affecting all industrial activities. Unni also describes the importance of labour legislations that provide machinery for collective bargaining, conciliation, arbitration, adjudication and constructive co-determination for employee relations and employment issues.

Abowd (1990) found that ten percent bonus was less effective than a ten per cent

salary increase in eliciting performance in the following years.

Firms pursuing growth strategy placed more emphasis on incentive pay as observed by Balkin and Meija (1990).

Organizational strategies, organizational aim and values define reward systems as described by Milkovich and Bourdeau (1990).

Armstrong and Muralis (1991) described performance of the company and financial circumstances define reward systems. Employment and labour laws were clear indicators of reward systems.

Balkin and Meija (1992) found that the effectiveness of pay systems was contingent upon firms, strategic characteristics such as aim of the organization, policies, strategies, size and technology emphasis.

Khanzode (1992) reported that ability by the organization to pay is an important factor affecting the rewards of the employees.

The evidence available on what impact unions does have on pay levels and organization efficiency is subjected to considerable debate as the reasons are far more complex as studied by Nolan (1992).

Rajagopalan and Finkelstein (1992) reported that strategic orientation has significant effect on compensation practices. Firms with discretionary strategic orientation made greater use of outcome based reward mechanisms and tied greater proportions of pay to performance, offered higher overall compensation levels than did firms with more conservative strategic orientations.

Rousseau and Greller (1994) described reward systems, philosophies and

practices act together with other elements of the organization and its environment influencing employee attitudes, behavior and how they define their relationship with the organization.

Krishnakumar (1996) proposes that the road to take will be to implement an aggressive and exciting policy of modernizing the industry in order to enhance productivity. Productivity should also absorb rapidly rising production cost but also should sustain the plantation and the organization in returns.

Organizational relations with unions as illustrated by Venkataratnam (1996 b) are

- i) The employers have been taking initiatives to promote bipartite dialogues.
- ii) Employment security based on a policy which treats work force redundancy as the last resort.
- iii) Investment in skill formation and encouragement of multi skills and retraining.
- iv) Employee involvement is necessary in decisions pertaining to jobs.
- v) Voluntary measures aim at employee share-ownership and developing shared perspectives and understanding of the problems of the industry.

Sharma (1998) concluded that plough back of profits was essential for sustaining the tea industry. Creating an organizational climate for harmonization of the state activities was important for higher productivity and quality of tea produce, particularly when economy recession and consumer awareness has become challenges for the tea plantations to survive.

The concept of need-based minimum wage was put forward by the 50<sup>th</sup> Labour Conference 1957 which helped in the formation of the Central Wage Board for tea plantations. The Equal Remuneration Act was passed in 1975 to pay equal wages to men and women alike as observed by Sarkar and Bhowmik (1998).

Poels (1999) reported that the management cadre are rewarded based on HAY Job Description which requires technical know-how, ability to solve problems and freedom to act.

It may be indicated that two way traffic demands considerable amount of time and effort on the part of the management and the workers for creating an atmosphere of trust ship as observed by Sharma (2000).

Performance is the ongoing process of communication between the executive and the employer, which defines work standards and expectations, assumes performance leading to formal annual performance evaluation (Sweet, 2000).

#### **4.2.5. Situational Factors**

Bose (1954) studied the scarcity of labour; results in the increase of wages to attract labour in Bombay while in Assam tea plantations shortage of labour did not affect wages.

Competition from other companies affects the level of compensations offered (Fama, 1980).

International Labour Organization (1984) Labour unions have not adjusted adequately to fundamental changes that have been occurring in the structure and the nature of employment, and the lag in adapting to this has to be redressed if the full economic and social benefits of technological progress are to be reaped.

Bhatia (1988) observed that benefits being offered depended on the competition from other companies and supply and demand of labour. He also explains that the changing patterns of weather a major cause of concern as reported.



Ceylon Planters Society (1988). Market projections, world market trends, world crop statistics, and political and economic decisions also affect reward systems.

United Planters Association of Southern India (1988) described that ample budgetary resources and medical infrastructure are United Planters Association of Southern India unique strengths. UPASI has also pioneered the health care, training for labourers.

Sivaraman (1989 b) observed the presence of a number of labour unions and multiplicity of activities without purpose has become a major cause of concern for the tea companies, as it affected productivity to a great extent.

Government policy should provide right motivation for increasing productivity, enforcing discipline and inculcating work ethos while ensuring fair and equitable rewards as reported Unni (1989).

Krishnakumar (1990) explains the interest corpus to render financial assistance in cases of serious illness to economically distressed, grant fellowship for higher education and provide immediate distress relief following natural calamities. The United Planters Association of Southern India has set up a task to look into production, technology, competition, cost efficiency and human resource management in tea, coffee, rubber and spices.

Economy, government policies and regulations, union influences the terms and conditions of rewards (Milkovich and Bourdeau, 1990).

Armstrong and Muralis (1991) described the economic trends in the country, market rates, government policies, competition from other companies, changing demography, employment patterns, skill shortages, trade unions and market share decided the performance of the company and thereby affecting the reward systems.

Khanzode (1992) defined market price of tea, trade union bargaining power, supply and demand of labour and cost of living important factors in deciding the pay of employees.

For the sustenance of Indian Coffee the following suggestions were put forward by Sharma (1994) Research and Development, Extension Services, Market Intelligence, and Market watch, market assistance through market promotion- domestic export, new product development, market stabilization, quality control, /standards certification, market development, information sharing, growers training, assistance in developing growers organizations, consumer interests.

The main reason is the government dictated minimum wage, revision and settlements in the State of Kerala without any productivity linkage or any thought to the economic viability of the tea plantations.(Krishnakumar,1996). He also observed increase in drought months over the past few years has reduced yields and there is little support through government rigid policy to use water of the hills to irrigate the tea crop. The latest economic trends show of variations of ten to fifteen rupees between and North Indian and South Indian Tea, which is cause of concern for tea plantations of South India as profits are being marginalized.

Prakash (1996) reported that there is already a shortage and a new generation of workers are less interested in manual job. Introduction of new tools, implements and machines could attract jobs as workers with a level of technical or ordinary education will definitely be attracted because of better work facilities sand higher emoluments offered.

Venkataratnam (1996 a) observed that the presence of outsiders in the unions, several unions and competitions among unions are major concerns of the tea industry.

Venkataratnam (1996 b) Workers right to strike should be respected, though it is

advisable that they use it only as a last resort. Lock out would be a corresponding right for employers. There should be a provision for a strike ballot before a decision to go on strike is taken. The requirement of notice for strikes/lockouts should be insisted upon not only in public utilities also in all others. The principle of no pay for no work has been a source of constant bickering in practice. There should be an explicit provision prohibiting payment of wages when there has been no work due to industrial action.

Vithal (1997) Tea and Coffee are being subject to uncertain agro-climatic conditions particularly drought.

Cowling (1998) explained the importance of market forces, trade unions bargaining power in reward systems as being significant.

Ramadurai (1999) reported that the Central Travancore Planters Association has standardized labour, housing wage, medical facilities, working hours, and supply of food grains in collaboration with United Planters Association of Southern India.

Sharma (1999) observes that vagaries of the market create the high and low tide in prices. The auction system provides a value for the tea, which is not of a expectation of the tea producer. So the future strategy for better market price is a marketing action, employing a better response to the changing consumer preferences. The ninth plan target for the Indian tea industry has been projected at 1000 million kilograms so as to recapture its leadership in the International market. Liberalization and globalization is the new policy framework for the Indian industry and Tea industry in particular. Government policies on import of tea from other countries and policies to promote soft drinks are major hurdles to the lowering of tea prices.

## **2.5 Motivation through reward management system**

Expectations of success and the values placed on the outcomes of goal

attainment were found to be the principal determinants of level aspiration (Frank, 1941; Hilgard, 1942).

Maslow (1943) stated that every human being to motivate his need, has a hierarchy of needs mainly physiological, safety, love, esteem and self actualization

Two Factor Motivation theory of Herzberg (1959) puts forward that the main factors of motivation are achievement, recognition, advancement, work itself, possibility of growth and responsibility.

Equity theory of motivation by Adams (1963) points out that people are motivated to maintain fair relationships between their performance and reward in comparison to others. There two assumptions on which the theory was works.

1. Individuals make contributions (inputs) for which they expect certain rewards (outcomes).
2. Individuals decide whether or not a particular exchange is satisfactory, by comparing their inputs and outcomes with those of others and try to rectify any inequality.

Haire (1966) Motivation was obtained by making available the following responsibilities and opportunities:

- i. Decision making authority
- ii. Opportunity for personal growth and development
- iii. Job Security
- iv. Prestige of the organization outside the company
- v. Feeling of worth while accomplishment
- vi. Pay, allowances and benefits
- vii. Opportunity for promotion
- viii. Recognition for good work done

The prospect of money that motivate is when the prospective payment is large relative to a person's income. They keep the individual dissatisfied and looking for another job (Gellerman, 1968)

Expectancy model propounded by Porter and Lawler (1968) incorporates perception, effort, reward, and satisfaction and can be applied as for the employees of the plantation sector.

Influence is a transaction by which a person or group is induced by another person or group to act in conformance with influencing agent (Scott and Mitchell, 1972).

Motivation is a function of interaction between the needs in the individual and pays incentive, opportunities in the environment, as he perceives them. This could be through wage incentive scheme or status, recognition, job content, peer group approval that can vary qualitatively and quantitatively. Diversity of incentive stimulation may be intrinsically motivating (Roy, 1973).

Human motivations are based on needs, conscious or sub conscious (Koontz and Donnell, 1976).

Most employers award their managers and executives a bonus or incentives because the role the manager played in determining divisional and corporate probability (Reum and Reum, 1976).

Lawler (1981) observed the role of motivation techniques, such as monetary incentives and goal setting in work motivation and performance is one of the most under researched poorly understood areas in organizational behaviour.

Balgir (1985) reported opportunity for growth, financial rewards, responsibility, recognition as and important factors of motivation.

Consultant Niehouse (1986) contends in the good old days, money was the prime motivator. What has replaced it, what has become the new prime motivator; job satisfaction. This shift in the value of importance of rewards means that the workers are motivated by such factors as the opportunity to have more time for leisure, a sense of involvement in work, a desire to be included in important company information. This emphasis on job satisfaction makes many workers appear not strongly work motivated. An employee who says to the boss, 'I 'd rather have a job with flextime than a supervisory position' may appear to have low motivation.

Psychologists tell us that people have a basic need to feel competent so the challenge is not to induce people to do a fixed serious of tasks, but to re examine the tasks themselves. If you people motivated to do a good job, give them a good job to do (Herzberg, 1987).

Monetary incentives are more likely to increase goal acceptances and a commitment than to induce a person to set a harder goal (Steers and Porter, 1987).

The managers to influence the labour force as utilized supervisors; the former has considerable control over the labourers based on the All Indian Organization of Employees Report (1988).

The incentive productive scheme among the automotive manufacturing labourers was positively correlated to motivation as reported by Wagner *et al* (1988).

Graham and Unruh (1990) in a study on effective incentives concluded that

- i) A verbal congratulation by the manager following a job well done.
- ii) A personal congratulatory note from the manager following a job well done.
- iii) A public recognition following a job well done.
- iv) A morale-building meeting between manager and workers following a job well done.

Thomas and Velthouse (1990) described the aim at integrating the socio-psychological needs of people in the organizations for a particular technology greatly enhances work motivation.

A survey among the workers of America sixty three per cent indicated a pat on the back to be an effective incentive than monetary rewards (Lovio-George, 1992).

Kohn (1993) observed in a study that money mattered the most for employees and worked based on the money received.

Employees have a realistic understanding of the link between effort and performance. Performance systems are expressed in terms of hard but attainable, specific goals, employees participation in setting a goal, employees are praised for good performance, rewards are seen as equitable, employees psychological and physical well being is recognized as important, productivity is recognized as important, organizational and job chains are brought through negotiations and consultation, (Robertson and Cooper, 1993).

Nelson (1994) studied that people want certain things more than sex and money..... recognition and praise. Informal rewards are low cost or no cost, often verbal, rewards that have virtually no monetary market value. They can be congratulations, praise or symbolic items

Challa (1995) Credit sharing and incentives have greater role to enhance the motivation development. Citations, awards, recognition and even public appreciation are some of the timely gestures in an organization have to build in the system. Through experience he found that these processes are very slow and bureaucratized. It has to be timely and with fairness without having the scientists to work of the rewards.

Motivation of General Managers in hotel industry are through bonuses rewarded for work and being respected and valued as managers as reported by Dingham(1995).

Job characteristics, variety in job, feedback from job, identity of the job, significance of the job, autonomy in the job, work climate, communication pattern, management style and morale was concluded by George (1996) in study on work motivation among the employees of Kerala Agricultural University.

Halloran and Campbell (1996) observed the factors contributing to motivation as set of fair objectives, measure results accurately, communication of goals clearly and on a regular basis, recognition, choice of rewards to suit employees and celebration of achievements.

Training, practical incentives, skill sharing, communication facility, skill check up, creative solution to problems, quality circles, manager's rapport with subordinates and workers, interpersonal relations, innovativeness, better facilities for workers and creating faculties for development of employees are the important motivation factors reported by Venugopal (1997).

Cowling (1998) observed that responsibility, achievement recognition, growth, advancement and motivating environment as the factors of motivation.

Heller (1998) observed among agri-plantation organization employees that once a need has been satisfied it is no longer a stimulus to motivation and usually as the basic need is satisfied they are on the look out for higher needs.

The productivity incentive scheme implemented in the estates of Tamilnadu as observed by Sivaram (1998) was seen as fair, transparent and gain credibility in the eyes of the labour unions. The scheme has had a thirty six per cent improvement in the plucking average in the past five years. The incentive earnings had also gone up by



twenty five per cent. The labourers have got about sixty per cent of gain over the incentive scheme and this is a fair limit.

Dhanakumar (1999) explains the important factors contributing to motivation are respect and recognition, empowerment for motivating their indigenous functional knowledge, socialization and opportunity, technical) functional literacy, training, skill development), accountability for work.

Dhanakumar (2000) explains motivation as the willing to do something and is conditioned by the actions, ability to satisfy some need for the individual. The barriers to motivation as described by Dhanakumar are

- i) Lack of self motivation for extension officers
- ii) Retention of position (in the same place)
- iii) Lack of co-ordination among different cadre of staff
- iv) Limited exposure
- v) Peer group and organizational de motivation
- vi) Lack of administrative norms
- vii) Physical facilities
- viii) Gender bias
- ix) Accountability

Firms with specific products (Berta, 2001; Lazar, 2001) in the western countries have found themselves unable to avoid raising salaries and bonuses to keep employees motivated and retain them in the firm.

## **2.5 Job Satisfaction through Reward Management System**

Job satisfaction refers to the affective orientations on the part of the individuals towards work roles, which they presently occupy (Hoppock, 1935)

Effect of Job environment on people's motive and their job performance in the job can be influenced buy the structure of organization, leadership style and goal (Coch and French, 1948).

Gilner (1961) defined Job satisfaction as the result of various attitudes the person holds towards his job, towards related factors and towards life in general.

Vroom (1964) asserted that supervision, the work group content, promotional opportunities and hours of work were the probable determinants of job satisfaction.

Herzberg (1969) explained the factors contributing to dissatisfaction are job security, status. Relationship with subordinates, personal life, salary, relationship with supervisors and peers, company policy and administration, while major causes of satisfaction are achievement, recognition, work life itself, responsibility, advancement and growth.

The Job Descriptive Index (JDI) measures work itself, pay, promotional opportunities, supervision and people and widely used in American companies (Smith *et al.*, 1969).

Job satisfaction has been defined as the positive emotional state resulting from the perception of one's job as fulfilling or allowing the fulfillment of one's important job values, provided these values are compatible with one's needs (Locke, 1976).

Laharia (1978) identified the factors contributing to job satisfaction are present salary, promotional opportunities, physical facilities, locality, freedom and flexibility at work ,status, prestige, present work environment, praise and recognition for good work by other and freedom to pursue ideas.

The theoretical concept of equity can be applied to solve the problem of detecting the salary inequalities as studied by Rose and Doherty, (1978).

Flippo (1981) proposed that the employee benefit programmes should take into consideration the following.

1. Benefits should be confined to activities in which the group is more efficient than the individual
2. The benefits should be extended as a broad base as possible
3. If the firm is to receive values from providing employees services, it must undertake an extensive and well-planned communication programmes
4. The costs of the benefits should be calculable and provision should be made for sound financing.

Job satisfaction was predicted by to be mainly contributed by job rewards (Farrell and Rusbult, 1981).

According to Birnbaum (1983), Aristotle fairness is achieved when the ratio of rewards equals the ratio of merits.

Beer (1984) writes that intrinsic rewards and extrinsic rewards are both important and those they are not directly substitutable for each other. Employees who are well paid for repetitious, boring work will be dissatisfied with the lack of intrinsic rewards, just as employees paid poorly for interesting, challenging work may be dissatisfied with extrinsic rewards. Beers also suggest that communication; participation and trust can have important effect on people's perception of pay the meaning they attach to a new pay system and their response to that system.

Balgir (1985) described the factors contributing to the management cadre job satisfaction as job security, working job environment and promotion.

Solomon (1986) observed that rewards were major cause of dissatisfaction among the public sector managers than the private sector managers.

The labourers have great emphasis for financial incentives than other benefits as it helps in satisfying his basic needs (Ceylon Planters Society, 1988).

The plantation sector is an organized sector in the agricultural area, were there various agricultural operations like paddy, wheat, sugarcane cultivation etc. in which the method of operation followed is not dissimilar to that of the plantations. The enactment of stringent safety law for plantation labour would amount to discrimination. Most of the safety measures as required by the Plantation Act are provided to the labour. (Labour Laws, 1989).

Intrinsic value is based on the belief, which determines the rate of a job by analyzing the degree of skill or level of competence required to perform it. The responsibility, obligation also effect the rate of job (Armstrong and Muralis, 1991)

Armstrong and Muralis (1991) elicited the factors of job satisfaction as

- i) Satisfaction with rewards is a function of what is expected as well as what is received.
- ii) Satisfaction is affected by companies with other people in similar jobs and organisations
- iii) Overall satisfaction is the result of a mix of rewards rather than any single reward.

Job satisfaction is an affective reaction to a job that results from the incumbent's comparisons of actual outcomes with those desired (Craney *et al.*, 1992).

Infrastructural facilities and monetary benefits had positive and significant relationship with job satisfaction among the Tamil nadu Veterinary Officers as studied by

Venkatasubramaniam and Chand (1992).

The degree to which the respondent pays is equitable in comparison the pay of comparable people in other relative organization had significant relation to job satisfaction. Vijayaraghavan and Singh, (1992) also describers' personal equity as having significant relation with job satisfaction.

The Pay Satisfaction Questionnaire (PSQ) primarily measures the job satisfaction facets such as pay level, pay raises, fringe benefits and the structure and administration of pay system. (Judge, 1993)

There has been criticism from trade unions in Chickmangalur district about wholesome drinking water not being supplied by some management's, poor maintenance of quarters, latrines and drains and falling standards of medical facilities as observed in a study by Krishnakumar (1996).

Job satisfaction of managers were due to inadequate facilities of light, cooking fuel, water for the living quarters, inadequate facilities for children's quality education and conveyance to nearby school, inadequate facilities for development, vocational, sports and cultural facilities for employees and their families as reported by Venugopal (1997).

There is evidence as reported by Hayes (1999) that employees who receive cash bonuses for good performance tend to come to expect them, whether they deserve them or not.

Job satisfaction can be created through satisfactory future, equal wages for equal pay, increase in wages, promotion according to ability, occupational level, job contents, considerate leadership, pay and promotional opportunities intrinsic value, human relations, praise for good performance, fair analysis of work performance, proper

quantum of work as suggest by Arunkumar and Sharma, (2000). He defined job environment, as the conditions of work that enhance job motivation are incentives, satisfaction of needs, security and behaviour of authorities.

## **2.7. Conceptual framework of the study**

Based on the theoretical orientation, a conceptual model is developed for the study presented in Fig.1. The model provides an abstract view of the different factors contributing to the reward system and extent of motivation and job satisfaction derived through the reward system. The model shows the personal-socio-psychological factors, organizational factors and situational factors, which are the independent factors, which contribute to the reward system for management cadre, supervisors and labourers. From the existing reward system, what is the extent of motivation and job satisfaction are the secondary independent factors analyzed in the study. The British administration and the management concepts and the western countries have been responsible in molding the various factors contributing to the reward system. All these together form the reward management system in tea plantations.

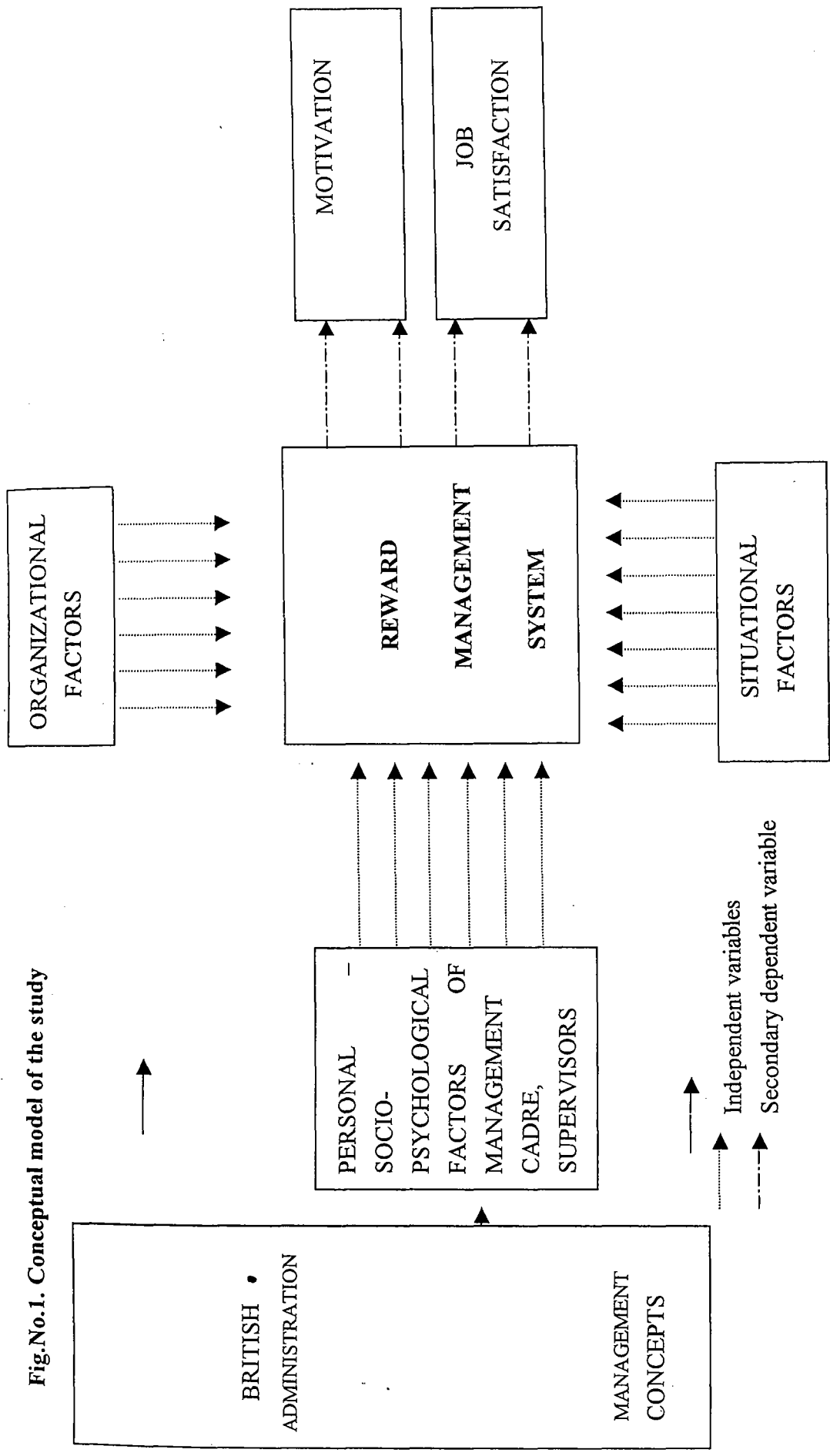


Fig.No.1. Conceptual model of the study

# *Materials and Methods*

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### 3. MATERIALS AND METHODS

The present investigation was undertaken with the main objectives of analysing, reward management system in tea plantations in Kerala. A general description of the methods and procedures followed in conducting the research is furnished in this chapter under the following sub headings.

#### 3.1 Research Design

#### 3.2 Locale of the study

#### 3.3 Selection of sample of the study

#### 3.4 Analysis of the existing reward management system

#### 3.5 Measurement of the dependent variable reward management system

#### 3.6 Measurement of independent variables

#### 3.7 Operationalisation and measurement of motivation

#### 3.8 Operationalisation and measurement of job satisfaction

#### 3.9 Data collection procedure

#### 3.10 Statistical tools used

#### 3.11 Hypothesis of the study

#### 3.1 RESEARCH DESIGN

The variables in the study are *expost facto* in nature and offer little scope to be controlled by the researcher. *Ex post facto* research design was used for the present study. According to Kerlinger (1973), *ex post facto* research is “systematic empirical inquiry in which the scientist does not have control of independent variable because they are inherently not manipulable. Inference about relations among variables are made without direct intervention from concomitant variations of independent variables”.

#### 3.2 LOCALE OF THE STUDY

Tea plantations in Kerala are located in the high ranges of Wayanad, Idukki,

Palakkad, Thrissur, Pathanamthitta, Kollam and Thiruvananthapuram districts. Idukki and Wayanad districts constitute ninety percent of the area under tea cultivation, and hence these districts were purposively selected for the study.

### 3.3 SELECTION OF SAMPLE

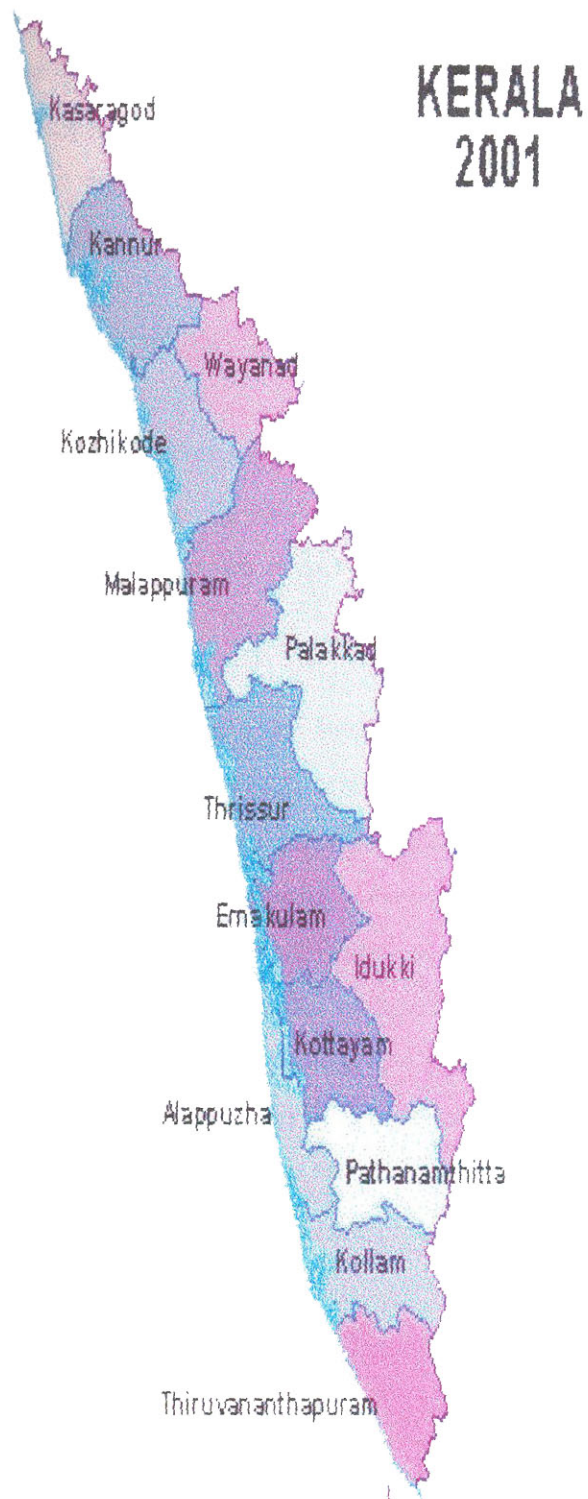
#### 3.3.1 Selection of Tea Plantation

A list of all possible tea plantations was obtained from the offices of Association of Planters of Kerala (APK) and United Planters Association of Southern India (UPASI) given in the appendix I. The tea industry at the time of the study was under crisis due to rapid fall of tea prices in the market, rise in labour cost and so a large number of tea plantations were abandoned or closed down temporarily. The larger plantations owned by national companies were very restrictive and secretive about the plantation activities. The worsening crisis situation and the lack of time for the researcher necessitated the purposive selection of tea plantation, which was willing to give permission for the study. Ten major plantations, which were in existence for more than twenty-five years, were purposively selected as the final sample of the study. Ten major plantations, which were in existence for more than twenty-five years, were purposively selected as the final sample of the study. The plantations are Vallardie, Moongalaar, Pattumalai, Suryanelli Sentinel rock, Panniar, Lockhart Achoor, Arrapetta and Chundale.

#### 3.3.2 Selection of Respondents

Tea plantations are characterised by a rigid hierarchy. The organisational structure is divided into five strata: the owner, the management, the staff, the sub staff and the labourers. The management consisted of one manager and an assistant manager for the plantations and for the factory. The staff consists of field managers, assistant field manager and the clerical staff. The sub staff includes supervisor, watchman and electrician. The remarkable feature of the tea plantations is that women constitute fifty per cent of the total work force and make up 75 per cent of the labour force while men

Fig. 2 Map showing the area of study (Wayanad and Idukki)



dominate the management staff and sub staff. Considering the large work force and several categories of employees, the respondents for the present study were classified as management cadre (managers and assistant managers), supervisors and labourers. Among them 30 managers, 60 supervisors and 150 labourers were selected randomly from the available population who constituted the major respondents of the study. Thirty respondents from among plantations owners, human resource personnel, labour officers, management personnel and UPASI/ APK officers were also selected for the study to understand the organisational and situational factors of supervisors and labourers due to the lack of literacy/awareness and knowledge on the subject. Thus 270 respondents constituted the sample for the study.

#### 3.4 ANALYSIS OF THE EXISTING REWARD MANAGEMENT SYSTEM

The British East India Company established tea plantation 150 years ago. The British are pioneers for laying out framework of the personnel administration. In order to study the rational process as how the existing reward system was arrived the following methods were employed.

1. Data on the reward management system for the labourers and the supervisors were collected from the APK office for the last 60 years. This data was subjected to time series analysis and percentage analysis.
2. Detailed discussions were held with scientists and officers of APK and UPASI. To understand the reward management system of management cadre, human resource personnel of tea companies were interviewed.
3. Delving into the available literature on the reward management system was done and compilation of the results was based on the above three methods.

### 3.5 SELECTION OF VARIABLES TO MEASURE THE DEPENDANT VARIABLE REWARD MANAGEMENT SYSTEM.

#### 3.5.1 Operationalization of Reward Management System

Reward management system was operationally defined as the financial and non-financial rewards developed, implemented and managed by the plantations for the employees.

#### 3.5.2 Selection of Variables

The very objective of the study necessitated the selection of the dependant variable - reward management system, which was analysed using the factors contributing to the reward management system. The list of variables selected in the study was grouped into three sub headings as,

1. Personal-socio-psychological factors
2. Organisational factors
3. Situational factors

With regard to the variables, which were related to the reward management system, a list was prepared based on the review of literature. The list of variables was initially discussed with scientists and officers of APK and UPASI, human resource personnel of tea companies, which resulted in the final preparation by shifting and sieving of the variables. Based on these variables the interview schedule was prepared, which was subjected to a pilot study to the non-sample area viz. one plantation in the Nilgiris district and one in Idukki district. Based on the responses obtained in the pilot study, suitable changes were made and the final interview schedule was prepared as given in the appendix II. The responses elicited were subjected to Kendall's coefficient of consistency test and those variables showing significant agreement were selected as the factors contributing to the reward management system, as given in the appendix III.

## 3.6 MEASUREMENT OF INDEPENDENT VARIABLES

### 3.6.1 Management Cadre

#### 3.6.1.1 *Management Cadre --Personal -Socio-Psychological Factors*

##### 3.6.1.1.1 Technical competency

Technical competency was operationally defined as the knowledge level possessed by the respondent on the cultivation and package of practices of the tea crop. The variable was measured using the scale developed by Mathew (1981) and suitably modified for the study. The scale consisted of 10 statements and the responses were scored on a five-point continuum with scores five, four, three, two and one for their responses very important, important, less important, least important and not important. The scores obtained on each statement were cumulated to obtain the total score of the respondent on the variable so that the maximum potential score for any individual would be 50 and the minimum 10.

##### 3.6.1.1.2 Skill of the manager

Skill of the manager was operationalised as the knowledge, expertise and skills possessed by the manager to deal with problems of the plantations. The variable was measured using a scale arbitrarily developed for the study. The scale consisted of four statements and the responses were recorded on a five-point continuum as very important, important, less important, least important and not important with scores five, four, three, two and one and for the negative statement the scores were reversed. The maximum scores varied from four to 20.

##### 3.6.1.1.3 Leadership ability

Leadership ability was operationally defined as the ability of the respondent to

create a conducive working environment in the plantation. In this study, this was measured using the scale developed by Nandapurkar (1982) and suitably modified for the study. The respondents were rated on a five-point continuum of five, four, three, two and one for the responses very important, important, less important, least important and not important. By summing up the scores, the leadership ability score for a respondent was obtained.

#### **3.6.1.1.4 Discipline**

Discipline was operationally defined as the degree to which the respondent adheres to the rules and regulations given by the organization. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of five statements rated on a five-point continuum as very important, important, less important, least important and not important. The scoring pattern being five, four, three, two and one with the maximum score of 25 and minimum of five for any respondent.

#### **3.6.1.1.5 Self-confidence**

Self-confidence was operationalised as the respondent's ability, initiative and enthusiasm to fulfil the goals assigned to him in the plantation. This variable was measured by the scale originally developed by Basavanna (1971) and as modified by Prasad (1983). The scale consisted of ten statements. The statements four, seven, ten were positive while the remaining were negative. The responses on these statements were obtained on a five-point continuum with scores five, four, three, two and one for very important, important, less important, least important and not important.

#### **3.6.1.1.6 Labour management ability**

Labour Management ability was operationalised as the respondent's ability to efficiently utilize the available labour force, satisfying the needs, allocating work as required by the labour laws and maintaining healthy relations among the employees of

the plantation. The variable was measured using an arbitrarily constructed scale. The scale consist of seven statements and the responses were recorded on a five-point continuum as five, four, three, two and one for very important, important, less important, least important and not important. The sum of total scores varied between seven and 35.

#### **3.6.1.1.7 Loyalty to the organization**

Loyalty to the organization was operationalised as the degree of faithfulness of the employee towards the organization in his job. The variable was measured using the scale constructed for the study. The sale consisted of five statements and the respondents were scored on a five-point continuum five, four, three, two and one for their responses very important, important, less important, least important and not important. The scores obtained for each statement was cumulated to obtain the total score for any respondent on this variable so that the maximum potential score of a respondent will be 25 and the minimum five.

#### **3.6.1.1.8 Level of job commitment**

Level of job commitment was operationalised as the extent of commitment of the respondent in the activities assigned in the job. The variable was measured using the scale developed by Joseph (1983). The scale consisted of five statements and responses were scored on a five-point continuum with scores five, four, three, two and one for the responses, very important, important, less important, least important and not important. The scores obtained on each statement were cumulated to obtain the total score of a respondent on this variable so that the maximum potential score for any respondent would be 25 and the minimum five.

#### **3.6.1.1.9 Risk orientation**

Risk orientation was operationalised as the degree to which the respondent is oriented towards risk and uncertainty and portrays the coverage to face the problems



arising from the job assigned in the plantation. The scale developed by Supe (1969) and followed by Susamma (1994) was modified to suit the present study. The scale consisted of five statements. The responses were scored on a five-point continuum with scores five, four, three, two and one for very important, important, less important, least important and not important. The scores obtained for each statement was cumulated to obtain the total score of a respondent on this variable so that the maximum potential score of an individual would be 25 and a minimum five.

#### **3.6.1.1.10 Team working ability**

Team working ability was operationalised as the ability of the respondent to work in groups in achieving organizational goals with psychological, economic and social motivation. The variable was measured using the scale developed by Chattopadhyay (1982) and modified for the present study. The scale consisted of 10 statements. The responses were scored on a five-point continuum with scores five, four, three, two and one for their responses very important, important, less important, least important and not important. The scores obtained on each statement were cumulated to obtain the total score of a respondent on this variable so that the maximum potential score for any respondent would be 50 and the minimum ten.

#### **3.6.1.1.11 Regularity in communicating goals**

Regularity in communicating goals was operationally defined as the respondent's frequency and timeliness in exchange of information on the goals of the organization to the employers and employees of the plantation. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of four statements and responses were recorded on a five-point continuum as very important, important, less important, least important and not important with scores of five, four, three, two and one. The total score for any respondent varied between four and 20.

#### **3.6.1.1.12 Fair play**

Fair play was operationally defined as the respondent being open and fair in his dealings with the employees of the plantation. The variable was measured using a scale arbitrarily developed for the study. The scale consisted of five statements with responses to be recorded on a five-point continuum as very important, important, less important, and least important and not important and corresponding scores of five, four, three, two and one. The total score for any respondent varied between five and 25.

#### **3.6.1.1.13 Possibility of added responsibility**

Possibility of added responsibility was operationally defined as the respondent seeking for new opportunities and responsibilities in order to enhance his power, abilities and worth. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of five statements rated on a five-point continuum as very important, important, less important, least important and not important and scored as five, four, three, two and one respectively, the total score for any respondent varied between five and 25.

#### **3.6.1.1.14 Value added to the job by the manager**

Value added to the job by the manager was operationally defined as the value added by the respondent to the job by virtue of his personal qualities. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of seven statements rated on a five-point continuum as very important, important, less important, least important and not important. The scores assigned were five, four, three, two and one respectively, the total score for any respondent varied between seven and 35.

### **3.6.1.1.15 Compliance**

Compliance was operationally defined as the respondent working in accordance with rules of the organization and to the wishes and interests of the owner of the organization. The variable was measured by developing a scale for the study. The scale consisted four statements rated on five-point continuum as very important, important, less important, least important and not important and scoring as five, four, three, two and one and the scoring was reversed for the negative statement. The total score for any respondent varied between four and 20.

### **3.6.1.2 Management Cadre --Organisational Factors**

#### **3.6.1.2.1 Aim of the organization**

Aim of the organization was operationally defined as the purpose for which the organization was established. The variable was measured by developing a scale arbitrarily for the study using the concepts of Armstrong and Muralis (1999). The scale consisted of five statements rated on a five-point continuum as very important, important, less important, least important and not important, with scoring as five, four, three, two and one. The total score for any respondent varied between five and 25.

#### **3.6.1.2.2 Reward policies**

Reward policies were operationalised as those policies, which provide guidelines for the implementation of reward strategies and for the operation of the reward management practices. The variable was measured using a scale constructed arbitrarily developed by using the concepts of Armstrong and Muralis (1999). The scale consisted of seven statements to be rated on a five-point continues as very important, important, less important, least important and not important with scores of five, four, three, two and one. The total score obtained for any respondent varied from seven to 35.

### **3.6.1.2.3 Organizational reward strategy**

Organizational reward strategy was operationalised as the intention of the organization on the reward policies and practices required and to ensure that it has the skill, competence and well-motivated people to achieve its business goal. The variable was measured by developing a scale arbitrarily for the study using the concepts of Armstrong and Muralis (1999). The scale consisted of six statements to be rated on a five-point continuum as very important, important, less important, least important and not important with scores five, four, three, two and one. The total score for any respondent varied from six to 30.

### **3.6.1.2. 4 Organizational climate**

Organizational climate was operationalised as the degree to which the organization encourages a climate of mutual trust and respect among the employees of the plantation. To measure this variable the scaled developed by Christopher (1976) was used with suitable modification. The scale consisted of four positive statements and two negative statements. The scoring pattern for the negative statements is reversed. The scores are five, four, three, two and one for the responses very important, important, less important, least important and not important. The range scores varied from six to 30.

### **3.6.1.2.5 Performance management**

Performance management was operationally defined as appraisal of results and assessment of knowledge, skill and competence levels which generates excellent performance by the respondent. The variable was measured by the scale developed arbitrarily from the concepts of Armstrong and Baron (1998). The scale consisted of 17 items and the respondents were asked to rank the items in the order of importance from one to 17.

### **3.6.1.2.6 Reward management practices**

Reward management practices were operationalised as the financial, non-financial rewards and benefits provided by the organization for the employees of the plantation. The variable was measuring by developing a scale arbitrarily. The scale consisted of nine items and the respondent was asked to tick the appropriate item. The sum of scores for a respondent ranges from one to nine.

### **3.6.1.2.7 Organizational resources**

An organisational resource was operationally defined as the resources available in the organization to carry out the smooth functioning of the plantation. The variable was measured using a scale constructed for the study. The scale consisted of six statements and the respondent recorded the response by ticking an 'x' mark for the appropriate statement. The total score for any respondent varied from one to six.

### **3.6.1.2.8 Communication pattern**

Communication pattern was operationalised as the degree to which the organization permits and promotes free and open exchange of ideas and information among its employees.

The variable was measured by the scale developed by George (1996), which was modified for the study. The scale consisted of four statements and the respondents were asked tick the appropriate statements applicable to them. Each applicable statement was given a score of one. The scores obtained for all statements was cumulated to obtain the total score of a respondent on this variable so that the maximum potential score for any respondent will be four and the minimum zero.

### **3.6.1.2.9 Flexibility of the reward system**

Flexibility of the reward system was operationalised as the degree of flexibility of the

reward system designed for the respondent. The variable was measured using a scale arbitrarily developed for the study. The scale consisted of three statements and responses were recorded as 'Yes' or 'No' with scores of 'two' and 'one' respectively, the total score for any respondent ranging from two to four.

### **3.6.1.3 Management Cadre -- Situational Factors**

#### **3.6.1.3.1 Market price**

Market price was operationalised as the value of processed tea in the market. Market price was measured by developing a scale containing three statements and rated on a five-point continuum with scores five, four, three, two and one for very important, important, less important, least important and not important. The total score was obtained by summation of the scores obtained for each statement. The range of scores varied from five and 25.

#### **3.6.1.3.2 Climate influence**

Climate influence was operationally defined as the extent of positive or negative impact of climate on tea crop. Climate influence was measured using scale developed arbitrarily for the study. The scale consisted of four statements with a scoring pattern of five, four, three, two and one for very important, important, less important, least important and not important. The scoring pattern was reversed for the negative statement. The range of scores varied from four to 20.

#### **3.6.1.2.3 Economic trends in the country**

An economic trend in the country was operationally defined as the extent of influence of economic prosperity of the country on the tea industry. This variable was measured using a scale constructed arbitrarily for the study. The scale consisted of two statements, which was rated on a five-point continuum, and responses were recorded as

five, four, three, two and one for very important, important, less important, least important and not important. The range of scores varied between two to ten.

#### **3.6.1.2.4 Government policies**

Government policies were operationally defined as the positive or negative impact of the government policies on the tea industry. This variable was measured using a scale developed arbitrarily. The scale consisted of six statements, and responses were recorded as five, four, three, two and one for very important, important, less important, least important and not important the scoring for the negative statement was reversed. The range of scores varied from six to 30.

#### **3.6.1.2.5 Consumer price index**

Consumer price index was operationalised as the impact of consumer price index on the rewards of the respondent. This variable was measured by a developing a scale for the study. The scale consisted of four statements rated on a five-point continuum, with response as recorded very important, important, less important, least important and not important with a scoring pattern of five, four, three, two and one. The scoring was reversed for the negative statement. The total range of scores obtained varied between four and 20.

#### **3.6.1.2.6 Competition from other companies**

Competition from other companies was operationally defined as the extent of competition from other tea companies for managerial cadre. The variable was measured using a scale arbitrarily developed for the study. The scale consisted of five statements rated on a five-point continuum. The scoring pattern was very important, important, less important, least important and not important scores as five, four, three, two and one, the total range of scores varied from five to 25.

### **3.6.2.1 Supervisor -- Personal -Socio-Psychological Factors**

#### **3.6.2.1.1 Leadership ability**

Leadership ability was operationally defined as the ability of the respondent to initiate and motivate the labourers to work efficiently in the plantation. In this study, the variable was measured using the scale developed by Nandapurkar (1982) and suitably modified as per the research requirement. The respondents were rated on a five-point continuum of five, four, three, two and one for the responses very important, important, less important, least important and not important. By summing up the scores, the leadership ability score for a respondent was obtained.

#### **3.6.2.1.2 Self-confidence**

Self-confidence was operationally defined as the respondent's ability, initiative and his feeling of self worth and enthusiasm to fulfil the duties assigned to him in the plantation. This variable was measured by the scale originally developed by Basavanna (1971) and as modified by Prasad (1983). The scale consisted of ten statements. The statements four, seven, ten were positive while the remaining statements were negative. The responses on these statements were obtained on a five-point continuous with scores five, four, three, two and one for very important, important, least important and not important. The sum of total scores varied between ten and 50.

#### **3.6.2.1.3 Labour management ability**

Labour management ability was operationally defined as the skill, initiative, energy, mobilizing capacity of the respondent to get work done effectively through the labourers in the plantation. The variable was measured using an arbitrarily constructed scale. The scale consisted of seven statements and the responses were recorded on a five-point continuum as five, four, three, two and one for very important, important, less important, least important and not important. The sum of total scores varied between



seven and 35 for each respondent.

#### **3.6.2.1.4 Personal efficacy**

Personal efficacy was operationalised as the extent to which the respondent expands personal effort to achieve the desired outcome in a particular situation in the job. The variable was measured using the scale developed by Sethy (1982) with appropriate modifications to suit the study. The scale consisted of five statements rated on a five-point continuum with scores five, four, three, two and one for very important, important, less important, least important and not important their response. The scores obtained for each statement was cumulated to obtain the total score of a respondent on this variable so that the maximum potential score for any respondent will be 25 and the minimum five.

#### **3.6.2.1.5 Target achieving ability**

Target achieving ability was operationally defined as the ability of the respondent to fulfil the job assigned successfully. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of four statements rated on a five-point continuum with scores five, four, three, two and one for the responses, very important, important, less important, least important and not important. The total scores for any respondent varied between 4 and 20.

#### **3.6.2.1.6 Listening skills**

Listening skills was operationally defined as the respondent's ability to listen attentively, patiently to the labourers of the plantations. The variable was measured by developing a scale for the study. The scale consisted of eight statements rated on a five-point continuum with scores five, four, three, two and one for the response, very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statement. The total scores for any respondent varied between eight and 40.

### **3.6.2.1.7 Attitude towards manager**

Attitude towards manager was operationally defined, as the mental is position of the respondent towards the managers and his willing to read in way or other in relation to the job. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of five statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statement. The total score for any respondent varied from five to 25.

### **3.6.2.1.8 Risk orientation**

Risk orientation was operationally defined as the respondent's orientation towards risk and uncertainty and exhibits courage to face the problems arising in the plantation. The scale developed by Supe (1969) and followed by Susamma (1994) was modified to suit the present study. The scale consisted of five statements. The responses were scored on a five-point continues with scores five, four, three, two and one for very important, important, less important, least important and not important. The scores obtained for each state was cumulated to obtain the total score of a respondent on this variable so that the maximum potential score of an industrial will be 25 and a minimum five.

## **3.6.2.2 Supervisor - Organisational Factors**

### **3.6.2.2.1 Aim of the organization**

Aim of the organization was operationally was defined as the purpose for which the organization was established. The variable was measured by developing a scale arbitrarily for the study using the concepts of Armstrong and Muralis (1999). The scale consisted of five statements rated on a five-point continuum as very important, important, less important, least important and not important, with scoring as five, four, three, two

and one. The total score for any respondent varied between five and 25.

#### **3.6.2.2.2 Reward policies**

Reward policies was operationalised as those policies, which provide guidelines for the implementation of reward strategies and for the operation of the reward management practices. The variable was measured using a scale constructed arbitrarily developed by using the concepts of Armstrong and Muralis (1999). The scale consisted of seven statements to be rated on a five-point continuum as very important, important, less important, least important and not important with scores of five, four, three, two and one. The total score obtained for any respondent varied from seven to 35.

#### **3.6.2.2.3 Organizational reward strategy**

Organizational reward strategy was operationalised as the intention of the organization on the reward policies, processes and practices required to ensure that it has skill, competence and well-motivated people to achieve its business goal. The variable was measured by developing a scale for study using the concepts of Armstrong and Muralis (1999). The scale consist of six statements to be rate on a five-point continuum as very important, important, less important, least important and not important with scores five, four, three, two, and one. The total score for any respondent varied from six to 30.

#### **3.6.2.2.4 Organizational climate**

Organizational climate was operationalised as the degree to which the organization encourages a climate of mutual trust and respect among the employees of the plantation. To measure this variable the scaled developed by Christopher (1976) was used with suitable modification. The scale consisted of four positive statements and two negative statements. The scoring pattern for the negative statements is reversed. The scores are five, four, three, two and one for the responses recorded as very important, important,

less important, least important and not important. The range scores varied from six to 30.

#### **3.6.2.2.5 Organizational resources**

An organisational resource was operationally defined as the resources available in the organization to carry out the smooth functioning of the plantation. The variable was measured using a scale constructed for the study. The scale consisted of six statements and the respondent recorded the response by ticking the appropriate statement. The total score for any respondent varied from one to six.

#### **3.6.2.3 Supervisor – Situational Factors**

##### **3.6.2.3.1 Market price**

Market price was operationalised as the value of processed tea in the market. Market price was measured by a scale developed arbitrarily containing three statements and rated on a five-point continuum with scores five, four, three, two and one for very important, important, less important, least important and not important. The total score was obtained by summation of the scores obtained for each statement. The range of scores varied from five and 25.

##### **3.6.2.3.2 Climate influence**

Climate influence was operationally defined as the extent of positive or negative impact of climate on tea crop. Climate influence was measured using scale developed arbitrarily for the study. The scale consisted of four statements with a scoring pattern of five, four, three, two and one for very important, important, less important, least important and not important. The scoring pattern was reversed for the negative statement. The range of scores varied from four to 20.

### **3.6.2.3.3 Economic trends in the country**

An economic trend in the country was operationally defined as the extent of influence of economic prosperity of the country on tea industry. This variable was measured using a scale constructed arbitrarily for the study. The scale consisted of two statements, which was rated on a five-point continuum, and responses were recorded as five, four, three, two and one for very important, important, less important, least important and not important. The range of scores varied between two to ten.

### **3.6.2.3.4 Government policies**

Government policies were operationally defined as the positive/negative impact of the government policies on tea industry. This variable was measured using a scale developed arbitrarily. The scale consisted of six statements, and responses were recorded as five, four, three, two and one for very important, important, less important, least important and not important the scoring for the negative statement was reversed. The range of scores varied from six to 30.

### **3.6.2.3.5 Consumer price index**

Consumer price index was operationalised as the impact of consumer price index on the rewards of the respondent. This variable was measured by a developing a scale arbitrarily for the study. The scale consisted of four statements rated on a five-point continuum, with response as recorded very important, important, less important, least important and not important with a scoring pattern of five, four, three, two and one. The scoring was reversed for the negative statement. The total range of scores obtained varied between four and 20.

### **3.6.3.1 Labourers -- Personal -Socio-Psychological Factors**

#### **3.6.3.1.1 Skill of the labour**

Skill of the labour was operationally defined as the knowledge, expertise and learnable skills possessed by the respondent to do the job assigned. The variable was measured using the scale developed for the study. The scale consisted of nine statements rated on a five-point continuum, with responses recorded as very important, important, less important, least important and not important with a scoring pattern of five, four, three, two and one. The scoring was reversed for the negative statement. The total range of scores obtained varied between nine and 40.

#### **3.6.3.1.2 Discipline**

Discipline was operationally defined as the degree to which the respondent adheres to the rules and regulations given by the organization. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of five statements rated on a five-point continuum recorded as very important, important, less important and not important. The scoring pattern being five, four, three, two and one with the maximum score of 25 and minimum of five for any respondent.

#### **3.6.3.1.3 Morale**

Morale was operationally defined as a mixture of feelings, attitudes and sentiments that contribute to the satisfactory working of the respondent. The variable was measured using the scale developed by George (1996) suitably modified for the present study. The scale consisted of seven statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores for any respondent varied between seven and 35.

#### **3.6.3.1.4 Participation in political activities**

Participation in political activities was operationalised as the extent and nature of participations of the respondent in various activities of the political labour union. The variable was measured by developing a scale for the study. The scale consisted of eight statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between eight and 40.

#### **3.6.3.1.5 Pay satisfaction**

Pay satisfaction was operationalised as the degree to which the respondent is satisfied with the amount of his pay for the job in the plantation. The variable was measured by developing a scale for the study. The scale consisted of seven statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reversed for the negative statement. The total score for any respondent varied between seven and 35.

#### **3.6.3.1.6 Attitude towards manager**

Attitude towards manager was operationally defined as the mental disposition or liking or dislike of the respondent towards the manager of the plantation. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of five statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statement. The total score for any respondent varied from five to 25.

### **3.6.3.1.7 Average daily output**

Average daily output was operationalised as the amount of work done by the respondent in the plantation. The variable was measured by developing a scale for the study. The scale consisted of three positive statements and one negative statement rated on five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern for the negative statement was reversed. The total scores for any respondent varied between four and 20.

### **3.6.3.1.8 Significance of the job**

Significance of the job was operationalised as the degree to which the job has a substantial impact on the life or work of the employee. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of six statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between six and 30.

### **3.6.3.1.9 Self-awareness**

Self-awareness was operationalised as the respondent's awareness consciousness of himself, his job, labour rewards and schemes offered by the government. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of nine statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern for the negative statement was renewed. The total score for any respondent varied between nine and 45.



### **3.6.3.2 Labourers -- Organisational Factors**

#### **3.6.3.2.1 Aim of the organization**

Aim of the organization was operationally defined as the purpose for which the organization was established. The variable was measured by developing a scale for the study using the concepts of Armstrong and Muralis (1999). The scale consisted of five statements rated on a five-point continuum as very important, important, less important, least important and not important, with scoring as five, four, three, two and one. The total score for any respondent varied between five and 25.

#### **3.6.3.2.2 Reward policies**

Reward policies was operationalised as those policies which provide guidelines for the implementation of reward strategies and for the operation of the reward management practices. The variable was measured using a scale constructed arbitrarily developed by using the concepts of Armstrong and Muralis (1999). The scale consisted of seven statements to be rated on a five-point continuum as very important, important, less important, least important and not important with scores of five, four, three, two and one. The total score obtained for any respondent varied from seven and 35.

#### **3.6.3.2.3 Organizational reward strategy**

Organizational reward strategy was operationalised as the intention of the organization on the reward policies, processes and practices required to ensure that it has skill, competence and well-motivated people to achieve its business goal. The variable was measured by developing a scale arbitrarily for study using the concepts of Armstrong and Muralis (1999). The scale consist of six statements to be rate on a five-point continuum as very important, important, less important, least important and not important with scores five, four, three, two and one. The total score for any respondent varied from

six to 30.

#### **3.6.3.2.4 Organizational climate**

Organizational climate was operationalised as the degree to which the organization encourages a climate of mutual trust and respect among the employees of the plantation. To measure this variable the scaled developed by Christopher (1976) was used with suitable modification. The scale consisted of four positive statements and two negative statements. The scoring pattern for the negative statements is reversed. The scores are five, four, three, two and one for the responses recorded very important, important, less important, least important and not important. The range scores varied from six to 30.

#### **3.6.3.2.5 Organizational resources**

An organisational resource was operationally defined as the resources available in the organization to carry out the smooth functioning of the plantation. The variable was measured using a scale constructed arbitrarily. The scale consisted of six statements and the respondent recorded the response by ticking the appropriate statement. The total score for any respondent varied from one to six.

#### **3.6.3.2.6 Attitude towards labour**

Attitude towards labour was operationalised as the degree of liking/dislike of the organisation towards the labour community. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of 6 statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between 6 and 30.

### **3.6.3.2.7 Plantation Act**

Plantation Act was operationalised as the important contributions of the Plantation Act in rewarding the labourers of the plantation. The variable was measured by developing a scale arbitrarily. The scale consisted of five statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between five and 25.

### **3.6.3.2.8. Labour legislation and administration.**

Labour legislation and administration was operationalised as the extent of importance and influence of labour laws in rewarding the labourers of the plantation. The variable was measured by developing a scale arbitrarily to sit the study. The scale consisted of seven statements rated on five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between seven and 35.

### **3.6.3.2.9 Organisational relations with the union**

Organisational relations with the union was operationalised as the degree of positive or negative trust and respect the organisation has with the labour unions. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of six statements rated on a five-point continuum with scores five, four, three, two and one for the responses. The total score for any respondent varied between six and 30.

### **3.6.3.3 Labourers – Situational Factors**

#### **3.6.3.3.1 Market price**

Market price was operationalised as the value of processed tea in the market. Market price was measured by a scale developed arbitrarily containing three statements and rated on a five-point continuum with scores five, four, three, two and one for very important, important, less important, least important and not important. The total score were obtained by summation of the scores obtained for each statement. The range of scores varied from five and 25.

#### **3.6.3.3.2 Climate influence**

Climate influence was operationally defined as the extent of positive or negative impact of climate on tea crop. Climate influence was measured using scale developed arbitrarily for the study. The scale consisted of four statements with a scoring pattern of five, four, three, two and one for very important, important, less important, least important and not important. The scoring pattern was reversed for the negative statement. The range of scores varied from four to 20.

#### **3.6.3.3.3 Economic trends in the country**

An economic trend in the country was operationally defined as the extent of influence of economic prosperity of the country on the tea industry. This variable was measured using a scale constructed arbitrarily for the study. The scale consisted of two statements, which was rated on a five-point continuum, and responses were recorded as five, four, three, two and one for very important, important, less important, least important and not important. The range of scores varied between 2 to 10.

#### **3.6.3.3.4 Government policies**

Government policies was operationally defined as the positive/negative impact of the government policies on tea industry. This variable was measured using a scale developed arbitrarily. The scale consists of six statements, and responses were recorded as five, four, three, two and one for very important, important, less important, least important and not important the scoring for the negative statement was reversed. The range of scores varied from six and 30.

#### **3.6.3.3.5 Consumer price index**

Consumer price index was operationalised as the impact of consumer price index on the rewards of the respondent. This variable was measured by a developing a scale arbitrarily for the study. The scale consisted of four statements rated on a five-point continuum, with response as recorded very important, important, less important, least important and not important with a scoring pattern of five, four, three, two and one. The scoring was reversed for the negative statement. The total range of scores obtained varied between four and 20.

#### **3.6.3.3.6 Labour union activities**

Labour union activities were operationalised as different activities carried out by the union through strikes, political movements for increasing rewards and benefits. This variable was measured by developing a scale arbitrarily for the study. The scale consist of six statements rated on a five-point continuum, with response as recorded very important, important, less important, least important and not important with a scoring pattern of five, four, three, two and one. The scoring was reversed for the negative statement. The total range of scores obtained varied between six and 36.

### **3.6.3.3.7 Changes in demography, skill shortages and employment patterns**

Changes in demography, skill shortages and employment patterns was operationalised as the influence of the changes in demography, skill shortages and employment patterns on the tea industry. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of six statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score for any respondent varied between six and 30.

### **3.6.3.3.8 Role of UPASI**

Role of UPASI was operationalised as the extent of influence and activities carried out by UPASI for the betterment of the tea industry. The above variable was measured by developing a scale arbitrarily for the study. The scale consisted of four statements were rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score for any respondent varied between four and 20.

### **3.6.3.3.9 Strikes and lockouts**

Strikes and lockouts was operationalised as the occurrence of strikes and lockouts in the plantation by labour unrest. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of five statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important and the total score for any respondent varied between five and 25.

### 3.7 OPERATIONALISATION AND MEASUREMENT OF MOTIVATION

#### 3.7.1 Operationalisation of Motivation

Motivation was operationally defined as the positive arousal to work in the plantation by the management cadre, supervisors and the labourers as result of the financial and non-financial rewards.

#### 3.7.2 Measurement of Motivation

Delving into the available literature on motivation through the rewards and after extensive discussions with resource personnel in the plantation sector, the rewards were identified. Based on these rewards, the interview schedule was prepared and a pilot study was conducted in a non-sample area in the Nilgris district and Idukki district. Based on the data obtained suitable modifications were made and the final interview schedule was prepared. The interview schedule was administered to the management cadre, supervisors and labourers. The list of reward variables is given below.

1. **Management cadre** – Influence, personal growth, intrinsic value, attribution and expectancy, financial rewards, responsibility and recognition.
2. **Supervisors** – Influence, financial rewards, responsibility and recognition
3. **Labourers** – Financial rewards, labour dignity and productivity incentive scheme.

#### 3.7.3 Measurement of Reward Variables

##### 3.7.3.2 *Management Cadre – Reward Variables*

###### 3.7.3.2.1 **Influence**

Influence was operationalised as the drive to exercise power over employees. The variable was measured by developing a scale arbitrarily for the study. The scale consisted

five statements, which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scores obtained on each statement was cumulated to obtain the total score of the respondent on this variable so that the maximum potential score for any individual will be 25 and the minimum five.

#### **3.7.3.1.2 Personal growth**

Personal growth was operationally defined, as the respondents need to develop potentialities and skills, to become what the respondent believes he is capable of becoming. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of four statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score for any respondent varied between four and 20.

#### **3.7.3.1.3 Intrinsic value**

Intrinsic value was operationally defined as the respondent's belief that the rate for a job should be determined by the reference to the amount of responsibility involved, degree of skill and competence level to perform it. The variable was measured by developing a scale arbitrarily to suit the study. The scale consisted of two statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between two and ten.

#### **3.7.3.1.4 Personal importance**

Personal importance was operationally defined as the degree to which the respondent is individually oriented and independent in the job assigned. The degree to which the respondent feels that he has made significant and appreciable contribution to



the attainment of organizational goals through his job. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of three statements rated on a five-point continuum, with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between three and 15.

#### **3.7.3.1.5 Attribution and expectancy**

Attribution and expectancy was operationally defined as how the respondent interprets and explains his success or failure and expects financial and non-financial opportunities available for the job. The variable was measured by developing a scale arbitrarily to suit the study. The scale consisted of three statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between three and 15.

#### **3.7.3.1.6 Financial rewards**

Financial rewards was operationally defined as the availability of profit sharing, overtime rewards, increments, prizes, team rewards, bonus, competitive rewards and special awards in the job of the respondent. The variable was measured by developing a scale arbitrarily to suit the study. The scale consisted of eight items and responses were ranked from one to eight, the total cumulative score for any respondent varied from one and eight.

#### **3.7.3.1.7 Responsibility**

Responsibility was operationally defined as the respondent's discretion in making decision pertaining to the activities of the plantation by using the organizational authority and resources. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of six statements, which was rated on a five-point continuum with

scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between six and 30.

#### **3.7.3.1.8 Recognition**

Recognition was operationally defined as the degree to which the achievement of the respondent was appreciated by the organization financially and non-financially. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of nine statements which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statement. The total score for any respondent varied between nine and 45.

#### **3.7.3.2 Supervisors – Reward Variables**

##### **3.7.3.2.1 Influence**

Influence was operationalised as the drive to exercise power over the labour force. The variable was measured by developing a scale arbitrarily for the study. The scale consisted five statements which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important.. The scores obtained on each statement was cumulated to obtain the total score of the respondent on this variable so that the maximum potential score for any individual will be 25 and the minimum five.

##### **3.7.3.2.2 Financial rewards**

Financial rewards was operationally defined as the availability of profit sharing, overtime rewards, increments, prizes, team rewards, bonus, competitive rewards and special awards in the job of the respondent. The variable was measured by developing a scale arbitrarily to suit the study. The scale consisted of eight items and responses were

ranked from one to eight, the total cumulative score for any respondent varied from one and eight.

#### **3.7.3.2.3 Responsibility**

Responsibility was operationally defined as the respondent's discretion in making decision pertaining to the activities of the plantation by using the organizational authority delegated. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of six statements, which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between six and 30.

#### **3.7.3.2.4 Recognition**

Recognition was operationally defined as the degree to which the achievement of the respondent was appreciated by the organization financially and non-financially. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of nine statements which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statement. The total score for any respondent varied between nine and 45.

#### **3.7.3.3 Labourers – Reward Variables**

##### **3.7.3.3.1 Financial rewards**

Financial rewards was operationally defined as the availability of profit sharing, overtime rewards, increments, prizes, team rewards, bonus, competitive rewards and special awards in the job of the respondent. The variable was measured by developing scale arbitrarily to suit the study. The scale consisted of eight items and responses were ranked from one to eight, the total cumulative score for any respondent varied from one

and eight.

### **3.7.3.3.2 Labour dignity**

Labour dignity was operationally defined as the degree to which the respondent realizes his worth as a wanted human being for the output in the plantation. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of 4 statements, which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between four and 20.

### **3.7.3.3.3 Productivity incentive scheme**

Productivity incentive scheme was operationally defined as the price paid per unit of work done above the existing work. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of three statements rated on five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores for any respondent varied between three and 15.

## **3.8 OPERATIONALIZATION AND MEASUREMENT OF JOB SATISFACTION**

### **3.8.1 Operationalisation of Job Satisfaction**

Job satisfaction was operationally defined as the positive emotional happiness of the management cadre, supervisors and labourer's derived out of the financial and non-financial rewards offered by the plantation.

### **3.8.2 Measurement of Job Satisfaction**

The studies related to job satisfaction are very limited in the plantation sector. In

order to study the extent of job satisfaction through the existing reward system, a list of rewards was prepared after detailed deliberations with scientists, officers of APK and UPASI, human resource personnel in tea companies. Based on these rewards, the interview schedule was prepared and a pilot study was conducted in a non-sample area in the Nilgris district and Idukki district. Based on the data obtained suitable modifications were made and the final interview schedule was prepared. The interview schedule was administered to the management cadre, supervisors and labourers. The list of reward variables is given below.

1. **Management cadre** – Job security, job esteem, job environment, promotion, equity and fairness and benefits.
2. **Supervisors** – Job security, job esteem, job environment, promotion, equity and fairness and benefits.
3. **Labourers** – Timely financial rewards, higher bonus, quality of life, safety provisions and benefits.

### **3.8.3 Measurement of Reward Variables**

#### **3.8.3.1 Management Cadre – Reward Variables**

##### **3.8.3.1.1 Job security**

Job security was operationally defined as the degree to which the respondent has made subjective evaluation of his success, satisfaction and surety with respect to rewards attainable from his job. The variable was measured by developing a scale arbitrarily. The scale consist of eight statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between eight and 40.

### **3.8.3.1.2 Job esteem**

Job esteem was operationally defined as the degree to which the respondent regards the job to be favourable for his growth and development. The variable was measured by developing a scale arbitrarily for the study. The scale consisted eight statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statements. The total scores for any respondent varied between eight and 40.

### **3.8.3.1.3 Job environment**

Job environment was operationally defined as the satisfactory availability of infrastructural facilities, transport services, and healthy human relations in the job at the plantation. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of six statements rated on five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statements. The total scores varied between six and 30.

### **3.8.3.1.4 Promotion**

Promotion was operationally defined as the opportunity for promotion for the respondent through the existing job. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of three statements rated on a five-point continuum with scores five, four, three, two and one the responses very important, important, less important, least important and not important. The total scores varied between three and 15.

### **3.8.3.1.5 Equity and fairness**

Equity and fairness was operationally defined, as the degree to which the respondent's pay is equitable with his inputs in the job compared to other related organizations. The variable was measured by developing a scale arbitrarily for the study. The scale consists of three statements. Two statements were rated on a five continuum with scores five, four, three, two and one for the responses very happy, happy, feel worthy, not adequate and very poor. While the third statement was rated on a five-point continuum with scores five, four, three, two and one for the responses always happy, almost happy, reasonable, can be better and not proper. The scores obtained on each statement was cumulated to obtain the total score of the respondent on the variable so that the maximum potential score for any individual will be 15 and the minimum three.

### **3.8.3.1.6 Benefits**

Benefits were operationally defined as the non-financial rewards given to the respondent. The variable was measured by preparing a list of 25 benefits availed by the respondent and the responses were recorded with a score of one for each availing benefit. The scores obtained on each benefit were cumulated to obtain the total score of the respondent on this variable so that the maximum potential score for any respondent will be 25 and the minimum one.

### **3.8.3.2 Supervisors – Reward Variables**

#### **3.8.3.2.1 Job security**

Job security was operationally defined as the degree to which the respondent has made subjective evaluation of his success, satisfaction and surety with respect to rewards attainable from his job. The variable was measured by developing a scale arbitrarily. The scale consisted of eight statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least

important and not important. The total score varied between eight and 40.

#### **3.8.3.2.2 Job esteem**

Job esteem was operationally defined as the degree to which the respondent regards the job to be favourable for his growth and development. The variable was measured by developing a scale arbitrarily for the study. The scale consists of eight statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statements. The total scores for any respondent varied between eight and 40.

#### **3.8.3.2.3 Job environment**

Job environment was operationally defined as the satisfactory availability of infrastructural facilities, transport services, and healthy human relations in the job at the plantation. The variable was measured using a scale developed arbitrarily for the study. The scale consisted of six statements rated on five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The scoring pattern was reverse for the negative statements. The total scores varied between six and 30.

#### **3.8.3.2.4 Equity and fairness**

Equity and fairness was operationally defined, as the degree to which the respondents pay is equitable with his inputs in comparison to other related organizations. The variable was measured by developing a scale arbitrarily for the study. The scale consists of three statements. Two statements were rated on a five continuum with scores five, four, three, two and one for the responses very happy, happy, feel worthy, not adequate and very poor. While the third statement was rated on a five-point continuum with scores five, four, three, two and one for the responses always happy, almost happy,



reasonable, can be better and not proper. The scores obtained on each statement was cumulated to obtain the total score of the respondent on the variable so that the maximum potential score for any individual will be 15 and the minimum three.

#### **3.8.3.2.5 Benefits**

Benefits was operationally defined as the non-financial rewards given to the respondent. The variable was measured by preparing a list of 25 benefits availed by the respondent and the responses were recorded with a score of one for each availing benefit. The scores obtained on each benefit were cumulated to obtain the total score of the respondent on this variable so that the maximum potential score for any respondent will be 25 and the minimum one.

#### **3.8.3.3 Labourers – Reward Variables**

##### **3.8.3.3.1 Timely financial rewards**

Timely financial rewards was operationally defined as the receipt of wages and overtime wages on time by the respondent. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of four statements rated on five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score varied between four and 20.

##### **3.8.3.3.2 Satisfaction of basic needs**

Satisfaction of basic needs was operationally defined as the extent to which the financial and non-financial rewards have helped in satisfying the basic needs of the respondents. The variable was measured by asking a single statement rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score

for the respondent's being one to five.

#### **3.8.3.3.3 Higher bonus**

Higher bonus was operationally defined as the expectancy of the respondent of receiving higher bonus. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of four statements, which was rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total score for any respondent varied between four and 20, the scoring pattern was reversed for the negative statement.

#### **3.8.3.3.4 Quality of life**

Quality of life was operationally defined as the degree to which the respondent is happy, because of a rise in standard of living through the financial and non-financial rewards. The variable was measured by developing a scale arbitrarily for the study. The scale consisted of four statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important. The total scores varied between four and 20.

#### **3.8.3.3.5 Safety provision**

Safety provision was operationally defined as the healthy working conditions with various protective devices for the various field activities provided by the plantation. The variable was measured by asking a six statements rated on a five-point continuum with scores five, four, three, two and one for the responses very important, important, less important, least important and not important and the total score for the respondents being six to 36.

### 3.9 DATA COLLECTION PROCEDURE

The data were collected from the respondents using a structured interview schedule and personal interviews as given in the appendix II. The interview schedule was prepared initially from the available literature and was modified after discussions with experts in APK, UPASI, human resource personnel in tea companies. The interview schedule was pre tested in a non-sample area. One plantation in the Nilgris district and one in Idukki district was selected for the pilot study. Based on the responses obtained, suitable modifications were incorporated. The final interview schedule was divided into four parts. First part consisted of general information of the respondent, second part consisted of factors contributing to reward system, third part consist of extent motivation and job satisfaction through the existing reward management system. Details on the rationality of the existing reward system were undertaken by interviewing scientists, officers and human resource personnel of APK, UPASI and tea companies.

### 3.10 STATISTICAL TOOLS USED

#### 3.10.1 Kendall's Coefficient of Consistency (W)

The test was used to identify the extent of consistency on the variables identified under personal-socio-psychological, organisational and situational factors. Those variables, which were significant, were used for further statistical analysis.

#### 3.10. 2. Factor Analysis

Factor analysis, according to Kerlinger (1973) is a method for determining the number and nature of the underlying variables among larger number of measures. Factor analysis reduces the multiplicity of tests and measures of greater simplicity. It tells in effect what tests or measures belong together. In the present study factor analysis was used to identify the factors or grouping based on similarities contributing to reward management system. The Principal Component Analysis Method was used for the study.

A principal component analysis of a set of 'm' original variables generates 'm' new variables, the principal components PC1, PC2.....PCm with each principal component being in linear combination of the subject scores on the original variables. The principal components of a set of variables are uncorrelated with each other and they are hierarchically ordered in terms of their variance with the ith principal component having the ith largest variance. The variance of the variable is of course the measure of the extent to which subjects differ in their scores on the variable. It is thus reasonable to interpret PC1 as that linear combination of the original variables whose variance is greatest for all coefficient vectors. Principal component analysis is thus a sort of discriminant analysis (Srivastava, 1990).

### **3.10. 3. Time Series Analysis**

Time series analysis was used to analyse the changes in pay packages of the respondents in the last 40 years. The secular trend was used to measure the deviations of the wages over the same period. Over a period of a dozen or more years the time series likely to show a tendency to increase or to decrease (Croxtton and Cowden, 1979).

### **3.10.4 Step Down Regression Analysis**

Step down regression analysis was used to identify those variables with the maximum contribution in predicting the dependent variable, by eliminating variables of less importance. The step down regression analysis selected the best sub-set of variables that contribute maximum variability to the dependent variable as suggested by Chatterjee and Price (1977).

### **3.10.5 Percentage Analysis**

Percentage analysis was used in the study to calculate the increase in financial rewards in the past 50 year for the supervisors and the labourers.

### 3.11 HYPOTHESES OF THE STUDY

Keeping in view the objectives, review of literature and conceptual framework of the study, the following null hypotheses were framed for the present investigation.

1. There will be no significant difference between personal-socio-psychological, organisational and situational factors that contribute to reward management system.
2. There will be no significant difference between the management cadre, supervisors and labourers with respect to reward management system.
3. There will be no significant relationship between reward management system and motivation of management cadre, supervisors and labourers.
4. There will be no significant relationship between reward management system and job satisfaction of management cadre, supervisors and labourers.

# *Results*

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## 4. RESULTS

The findings of the study are presented under broad sub-headings.

- 4.1. Existing reward management system and rational analysis of the reward system.
- 4.2. Important factors affecting reward system of management cadre, supervisors and labourers.
- 4.3. Influence of the existing reward system on the motivation of management cadre, supervisors and labourers.
- 4.4. Influence of the existing reward system on the job satisfaction of management cadre, supervisors and labourers.

### 4.1. EXISTING REWARD MANAGEMENT SYSTEM AND RATIONAL ANALYSIS OF THE REWARD SYSTEM

The results of the existing reward system for management cadre, supervisors and labourers are given below;

#### 4.1.1 Existing Reward System

##### *4.1.1.1 Reward System for Management Cadre*

The management cadre reward system was based on imported American and European concepts. They are,

1. Hay Management Consultants
2. Framework-Towers and Perrin
3. European Factor Plan

Table 1 Characteristics and Factors of Hay Management

S.No.	Features	Characteristics	Factors
1	Know-how	Know-how	1. Technical i) Advanced vocational ii) Basic professional iii) Seasoned Professional 2. Breadth of management i) Activities were heterogeneous or homogeneous 4. Human relations skills
2	Problem solving	Problem solving	1. Thinking environment Freedom to think that is standardised or well defined 2. Thinking challenge that is patterned or adaptive
3	Responsibility	Accountability	1. Freedom to act that is regulated or directed 2. Area and type of impact
4	Inconveniences	i) Physical effort and/ or strain ii) Working Environment iii) Hazards	



## 2. Frame work- Towers and Perrin

Table 2 Characteristics and Factors of Frame work

S.No.	Features	Characteristics	Factors
1	Know-how	i) Knowledge and skills ii) Resource responsibility iii) Contacts	Education, Experience, Knowledge Skills, and Expertise. Direct reports, Projected/ Ad hoc teams External level and nature, Internal level and nature
2	Problem solving	Problem solving	Complexity of problems
3	Responsibility	i) Freedom to action ii) Accountabilities iii) Resource responsibility iv) Impact	Freedom of action Accountability for managing projects and processes Financial Internal and external business impact

## 3. European Factor Plan

Table 3 Characteristics and Factors of European Factor Plan

S.No.	Features	Characteristics	Factors
1	Know-how	1. Knowledge/Skill	1. Job knowledge i) Level of knowledge ii) Complexity of knowledge iii) Training and experience iv) Specific qualifications for the job v) Specialists knowledge vi) Keeping up to date learning 2. Business Expertise

		<p>2. Social skills</p> <p>3. Physical demands</p>	<p>i) Level of knowledge</p> <p>ii) Scope of Knowledge</p> <p>iii) Understanding of the company</p> <p>iv) Knowledge of the market</p> <p>v) Language knowledge</p> <p>3. Interpersonal contacts</p> <p>i) Internal</p> <p>ii) External</p> <p>iii) Contact with people within and outside the company</p> <p>iv) Verbal communication skills</p> <p>v) Written communication skills</p> <p>vi) Skills in negotiation and persuasion</p> <p>4. Eye-hand co-ordination (Degree of eye-hand co-ordination from 3 levels)</p>
2	Problem solving	Problem solving	<p>1. Types of problems/situations</p> <p>2. Complexity of problems/situations</p> <p>i) Type of problems/situations</p> <p>ii) Creativity and innovation</p> <p>iii) Experience and tradition</p> <p>iv) Nature of management received</p>
3	Responsibility	<p>1. Responsibility of business resources</p> <p>• 2. Influence on the company</p>	<p>1. Nature of the responsibilities</p> <p>2. Scope of responsibilities</p> <p>i) Responsibility of people</p> <p>ii) Supervisory activities</p> <p>iii) Type and scope of financial responsibility</p> <p>iv) Monitoring standards and values</p> <p>3. Nature of influence</p> <p>4. Area of influence</p>

			i) Decision making authority ii) Decision level iii) Time perspective iv) Evaluation and management of business risks v) Type of influence on final results vi) Area of influence on final results
4	Inconveniences	Circumstances and physical demands	1. Possible risks (from 3 levels) 2. Demands in respect of traveling

Financial rewards that the management cadres were receiving are:

1. A monthly salary ranging from Rs.12, 000/- to Rs.18, 000/- and certain management cadre also received upto Rs.25000/-.
2. Increments based on performance
3. Medical Reimbursement

Non-financial Rewards

Recognition in the form of promotion was the most common non-financial reward.

The management cadres were also entitled to

1. Bungalow with all essential furniture
2. A motorbike with fuel and repair free of cost
3. Servants for housework and garden work
5. Holidays as per the Industrial Employment Act
6. Recreation Facilities
7. Sick leave
8. Leave travel concession

#### **4.1.1.2 Rational Process of Reward Management System for Management Cadre**

Tea plantations were owned and managed by the British traders, aristocrats and military personnel. The estates were developed by 'Visiting Agents' from England who

were paid by the plantation owners. These visiting agents visited the plantation with definite time schedules from England to look into the functioning and progress of the tea plantation. By 1900s the growth and expansion of tea in Sri Lanka, Burma and Assam resulted in more attention by the visiting agents. The post of visiting agents was abolished and 'Estate Managers' who were permanent residents of India were appointed. They were full time managers and were able to pay greater attention. These managers were given residence in the plantation. As the influence of the British over India was on the decline, and the British were migrating back to England and the new world which resulted in the appointment of Indian managers from the Syrian Christian community. The Tata Company, which bought the first tea estates from the British, resulted in the import of managers from north India. The Tata Company was responsible for introducing management concepts into tea plantations in its north and south Indian tea estates. This spread to other tea estates also. The greater unionization of labour and passage of Plantation Act (1951) further revolutionized the reward management concepts for the appointment of managers through the concept of Human Resource Management. Initially job descriptions were used was modified to KRA and finally Hays Management Concept, Towers Perrin and European Factor Plan have been implemented till date.

#### **4.1.2.1 Reward System for Supervisors**

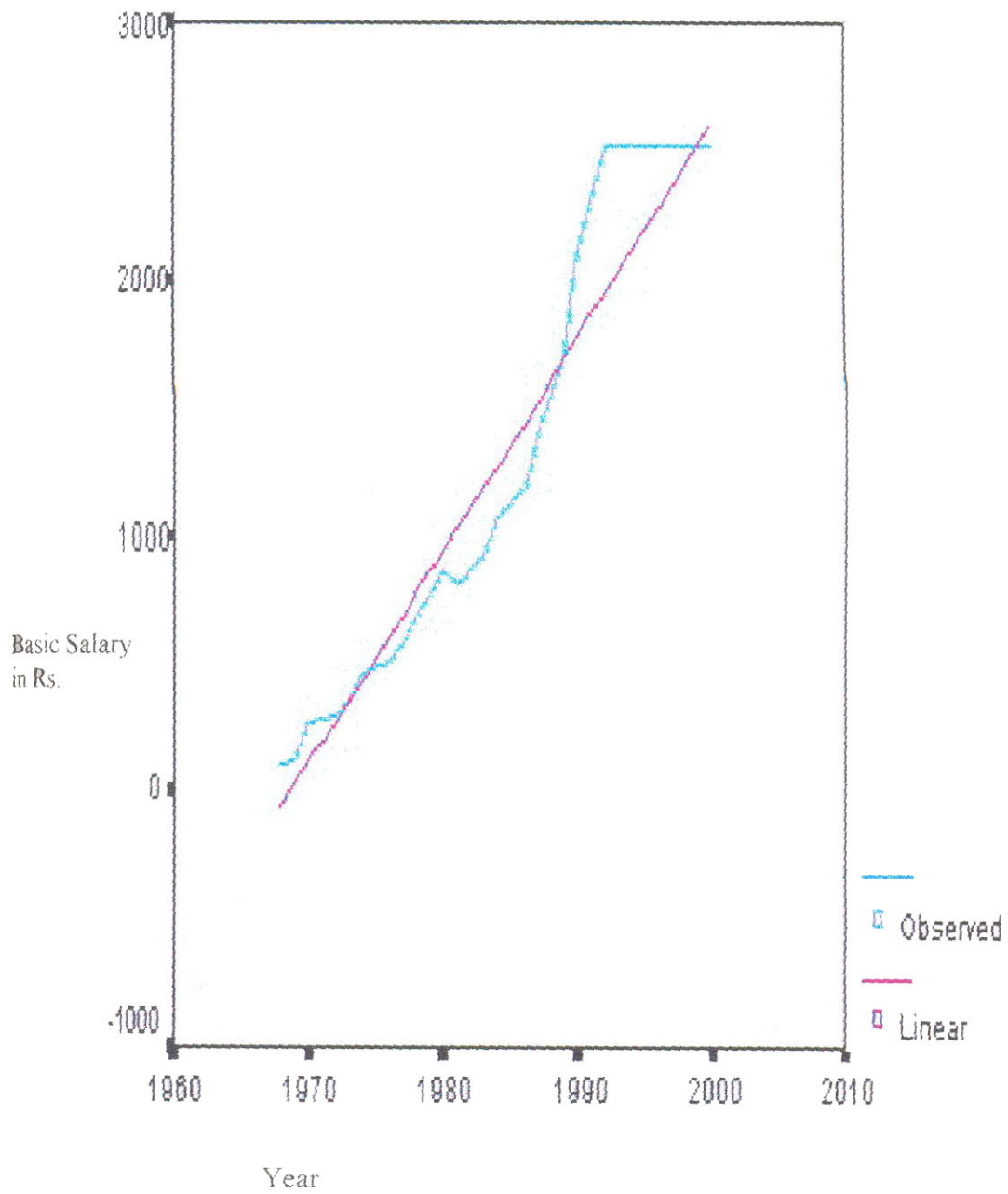
Table 4 gives the details on the basic pay, fixed dearness allowance, variable dearness allowance servant allowance educational allowance from the year 1968 to 2002.

The data was subjected to time series analysis and was found to have significant increase in basic pay and dearness allowances over the past forty years. The data has been diagrammatically represented in the graph 1. From the 1980s there has been a steep increase in dearness allowance and the basic of the supervisors, which continued till 1992

Table 4 Supervisory Financial Rewards

Year	Basic Pay (Rupees)	Fixed DA(Rupees)	Variable DA(Rupees)	Servant Allowance (Rupees)	Total (Rupees)
1968	40	33	-	35	108
1969	50	37	-	35	122
1970	143	135	-	-	278
1972	162	147	-	-	309.2
1973	169	195	-	-	364
1974	190	211	70	-	472
1976	212	225	74	-	511
1977	245	312	52	-	609
1980	275	327	82	-	864
1981	710	-	92	-	802
1983	764	-	160	-	924
1984	857	-	218	-	1075
1986	920	-	295.75	-	1212.75
1987	1370	-	70	-	1440
1989	1445	-	245	-	1690
1990	2030	-	41.16	28.06(personal pay)	2099.22
1992- 2002	2150	-	295.90	28.06(personal pay)+ 49.48(educational allowance)	2523.44

Graph No. 1 Trend showing the reward details of supervisors in tea plantations (1966- 2000)



and there after it has been static. The total financial reward rose from Rs. 108 in 1968 to Rs 2523.44 in 1992, which is 2236 per cent more. The table also shows the Discontinuance of fixed dearness allowance in 1980 and the introduction of the variable dearness allowance in 1974.

The settlement of wages of *Maistries*/Supervisors in Madras and Kerala was made through the memorandum of Settlement under The Industrial Disputes Act, 1947 in 1958. The *Maistry* system was abolished with agreement of the Government of India in 1951. The terms of settlements were as follows.

1. As from the date of this agreement, all workmen on estates in *maistries* gangs will stand transferred to Estate Gangs.
2. All the resident head-*maistries* and head *kanganies* normally doing supervisory work in field and factory shall be changed to a new category designated as "Supervisors".
3. The wages of the *maistries* absorbed as supervisors shall be fixed that they are not less than the daily average of their earnings taking the monthly average in the years 1955, 1956 and 1957 subject to a maximum of Rs.5 as the basis for determining the daily average wage.
4. Future recruitment of supervisors and their terms of conditions of service will be at the discretion of the employers.
5. a) The resident *maistries* engaged in supervisory work in field or factory who have completed 60 years of age at the date of this agreement or died or left the service after October 24, 1956 shall be paid a compensation as calculated below plus their gratuity. This also applies to those *maistries* who desire to resign from service. The above does not apply to cases of termination of service.

Compensation for *the kanganies* was as following:

- 1) For *maistry* with a service below 10 years- 8 months commission subject to a minimum of Rs.150/-

- 2) For a *maistry* with a service between 10 years and 15 years – 12 months commission subject to a minimum of Rs.200/-.
- 3) For a *maistry* with a service of over 15 years-15 months commission subject to a minimum of Rs.300/-. The basis of calculation of commission will be the average monthly commission earned in the years 1955, 1956 and 1957.

b) No *maistry* appointed as a supervisor as provided in Clause 2 would be paid compensation defined in Sub-clause (a) above.

c) The contract of the resident *maistries* who are only labour suppliers and who are not doing supervisory work will be determined at the date of the agreement on payment of the compensation defined in sub-clause (a) above.

d) The contract of supply of nominee *maistries* directly in receipt of per capital allowance on or after 1st May 1958 through the estate check roll will be determined on payment of compensation as aforesaid.

Dependents of such *maistries* who have died subsequently to 24<sup>th</sup> October 1956 will be paid the compensation as defined in sub-clause (a) reduced by any sums already paid on account of or in recognition of the termination of the deceased *maistry's* contract.

This agreement became the super session of all the Award of the Special Industrial Tribunal for Plantations, from 1958.

The dispute regarding the terms and conditions for the abolition of the *kangany* system arose between the managements of the plantations in the State and their work men represented by various trade unions functioning in the plantation industry. A series of conferences were held at various levels. Ultimately at a conference of the parties held by the Labour Commissioner on 20<sup>th</sup> September 1962 the dispute has



been settled on the following terms:

- I) All registered *kanganies* and labour *kanganies* who do supervisory work and who are certified physically fit will be employed with continuity of service, as supervisors on terms currently applicable to supervisors, on a total wage equal to the minimum time-rate. The differential, in case of each of them, will be inclusive of any differential, which he may already be receiving.
- II) The retirement age for supervisors is 58 years.
- III) Head *kanganies* or *kanganies* who receive head money direct from the management, who wish to leave employment, will be paid compensation at the under mentioned rates, viz.,
  - a) For those having less than 10 years service-Eight months head money subject to a minimum of Rs.150/-.
  - b) For those having more than 10 and less than 15 years of service-12 months head money subject to a minimum of Rs.200/-.
  - c) For those having 15 years or more of service-one month's head money for every year of service, subject to a maximum of 17 months head money and to a minimum of Rs 300/-.
- IV) The wages of the *kanganies* absorbed, as supervisors shall be fixed that they are not less than the daily average of their earnings taking the monthly average in the years 1955, 1956 and 1957, subject to a maximum and a minimum of Rs.2.37. This agreement will not affect any settlement already made with any *kangany*.
- V) The existence of this agreement shall not prejudice the right of any party to this agreement to present its case before the appropriate Wage Board.

## 4.1.3.1 Reward System for Labourers

Table 5 Labour Financial Rewards (1966 – 1977)

Date	Particulars	Men (RS)	Women (RS)	Adolescence (RS)	Child (RS)
1/1/1966	Basic pay	2.25	1.8	1.35	1.13
31/12/1966	Basic pay	2.25	1.8	1.35	1.13
	DA	0.22	0.22	0.22	0.22
	Total	2.47	2.02	1.57	1.35
1/1/1969	Basic pay	2.46	1.97	1.48	1.23
	DA	0.34	0.34	0.34	0.34
	Total	2.8	2.31	1.82	1.57
1/4/1971	Basic pay	2.46	1.97	1.48	1.23
	DA	0.6	0.6	0.6	0.6
	Total	3.06	2.57	2.08	1.83
1/4/1972	Basic pay	2.61	2.12	1.57	1.32
	DA	0.88	0.88	0.74	0.74
	Total	3.94	3	2.31	2.06
31/3/1974	Basic pay	2.61	2.12	1.57	1.32
	DA	1.08	1.08	0.9	0.9
	Total	3.62	3.2	2.47	2.22
1/4/1974	Basic pay	2.61	2.12	1.57	1.32
	DA	2.28	2.28	1.92	1.92
	Total	4.89	4.40	3.49	3.29
31/3/1977	Basic pay	2.61	2.12	1.57	1.32
	DA	2.96	2.96	2.5	2.5
	Total	5.57	5.08	4.07	3.82

Table 5 gives the details of the basic pay and dearness allowance of men, women, adolescence and child labour from the years 1966 to 1977 and the Table 6 gives the details of the basic pay and dearness allowance of adult, adolescence and child labour.

**Table 6 Labour Financial Rewards (1977 – 2000)**

Date	Particulars	Adult (RS)	Adolescence (RS)	Child (RS)
1/4/1977	Basic pay	4.75	3.56	2.85
	DA	2.40	1.8	1.8
	Total	7.15	5.36	4.65
31/3/1980	Basic pay	4.75	3.56	2.85
	DA	2.92	2.19	2.19
	Total	7.67	5.75	5.04
1/4/1980	Basic pay	6.45	4.83	3.87
	DA	3.16	2.37	2.37
	Total	9.61	7.2	6.24
1/4/1983	Basic pay	6.45	4.83	3.87
	DA	5.52	4.14	4.14
	Total	11.97	8.97	8.01
1/5/1984	Basic pay	7.6	5.7	4.56
	DA	5.76	4.32	4.32
	Total	13.36	10.02	8.88
31/3/1986	Basic pay	7.6	5.7	4.56
	DA	8.28	6.21	6.21
	Total	15.88	11.91	10.71
1/4/1986	Basic pay	8.19	6.14	4.91
	DA	9.18	6.9	6.9
	Total	17.37	13.04	11.81
31/3/1989	Basic pay	8.19	6.14	4.91
	DA	13.14	9.87	9.87
	Total	21.33	16.07	14.78
1/4/1989	Basic pay	10.09	7.57	6.05
	DA	13.10	9.84	9.84
	Total	23.19	17.41	15.89
31/3/1992	Basic pay	10.09	7.57	6.05
	DA	17.69	17.28	13.28
	Total	27.78	20.85	17.33
1/7/1992	Basic pay	10.09	7.75	6.05
	DA	19.04	14.3	14.3
	Total	29.13	21.87	20.35
2000	Total	34.72	26.04	-

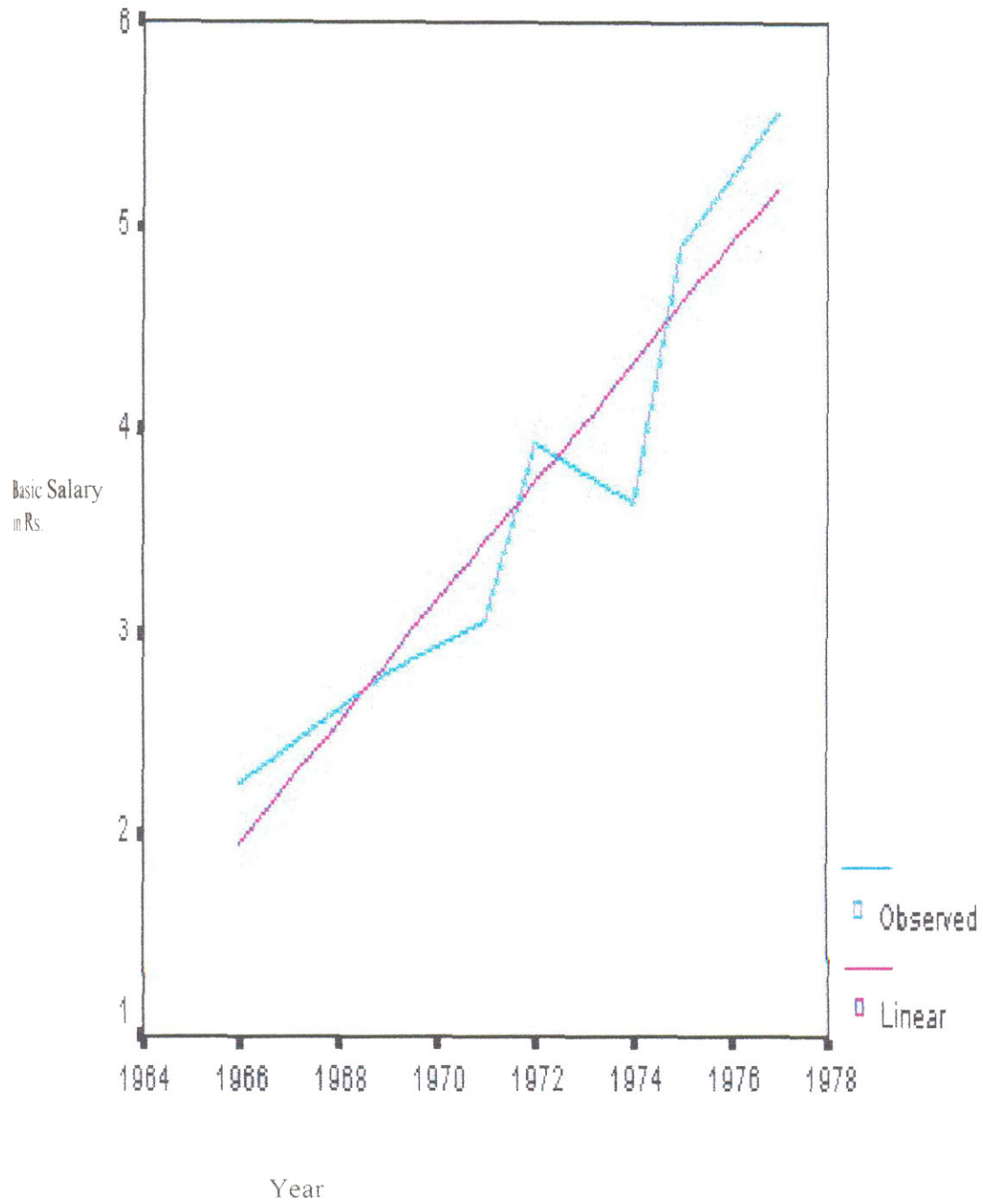
from the year 1977 to 2000. From 1977 the men and women categories equals wages and therefore their categories are combined as adult. The data obtained was subjected to time series analysis and found significant increase over the past 40 years. The results of the time series analysis are represented by the graphs 2, 3, 4 and 5 for the years 1966 to 1977 and the graphs 6, 7 and 8 for the years 1977 to 1992. There has been a steady increase of total financial rewards for the men from 1966 to 1977 except for a slight decline in the year 1974. The women labourers had received a steady increase of financial rewards of Rs2.02 in 1966 to Rs 5.08 in 1977. The financial rewards of the adolescent and child labour showed similar trends of increase with more less the same levels of rewards. The graph explains the financial rewards of the adult labour, which has had a sharp increase from Rs 7.15 to Rs 34.72 over the years. The adolescent and child labour have received steady increase in financial rewards corresponding to the adult labour.

**Table 7 Percentage increase in Basic Pay and Dearness Allowance**

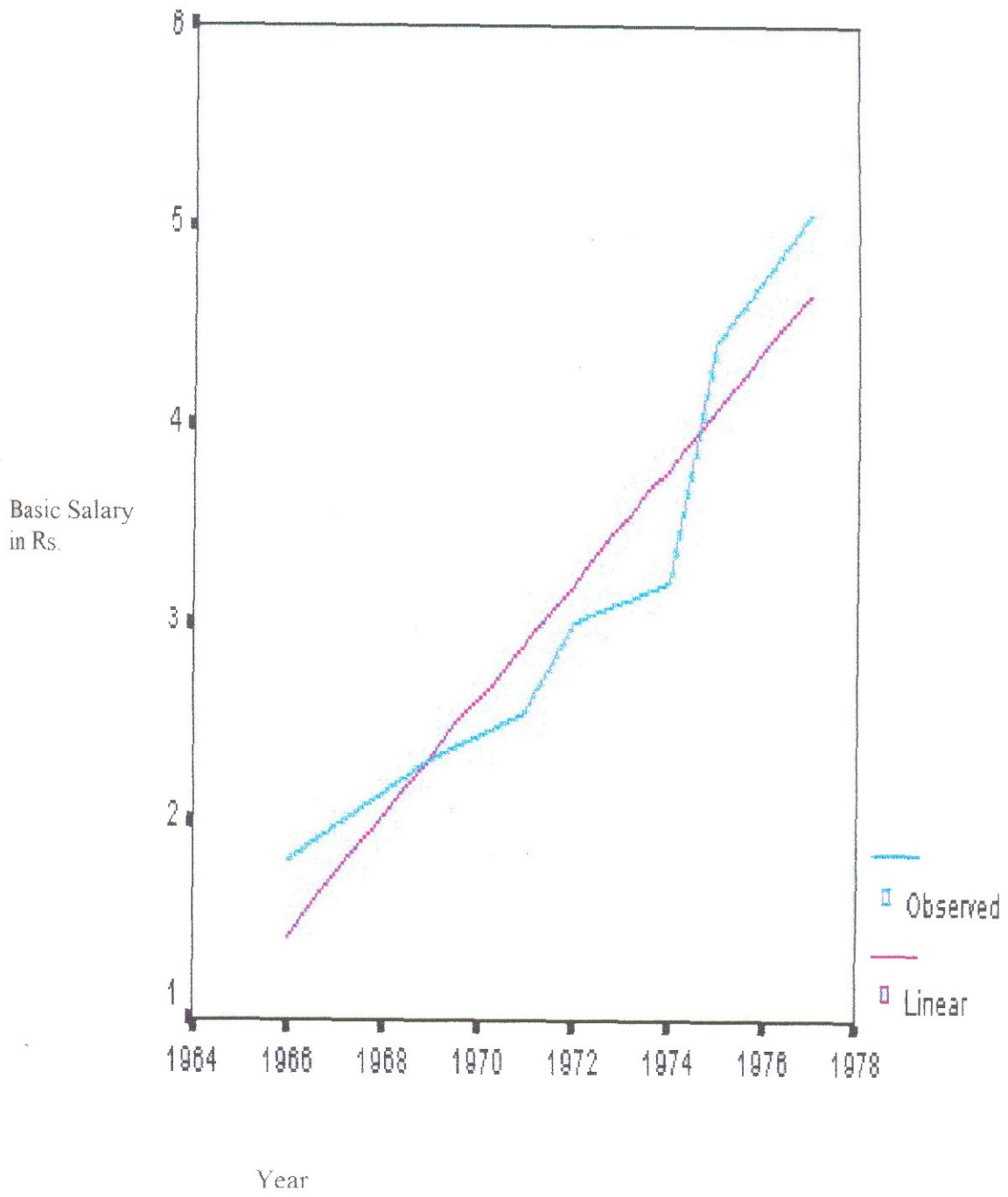
Particulars	31/3/1977	31/3/1992	% Increase
Basic pay	2.61	10.09	287
DA	2.96	17.69	498

The DA grew after the 1977 settlement along with the increase in wages but was double the percentage of basic wages when it came to force.

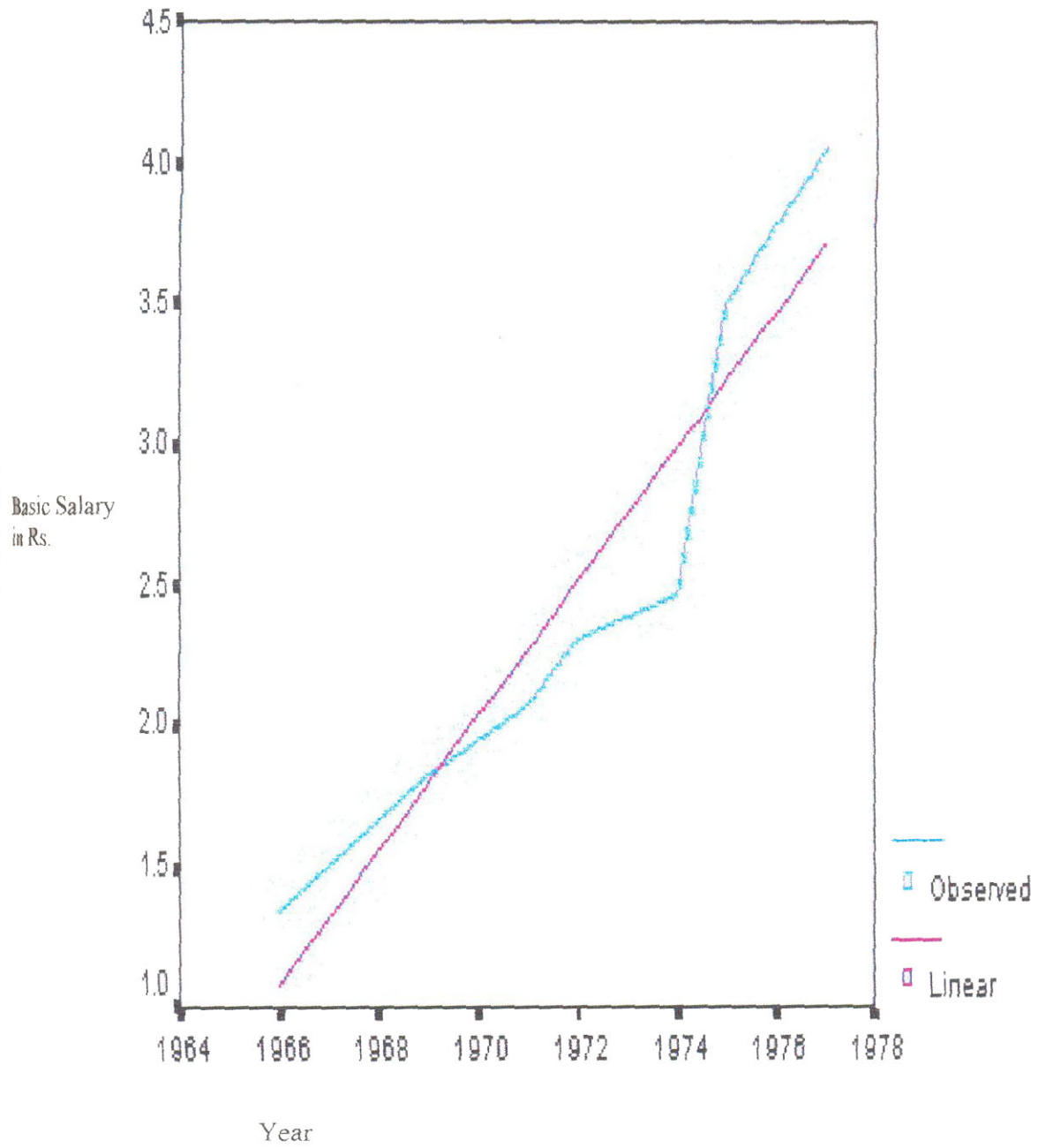
Graph No. 2. Trend showing the reward details of men labour in tea plantations (1966-1977)



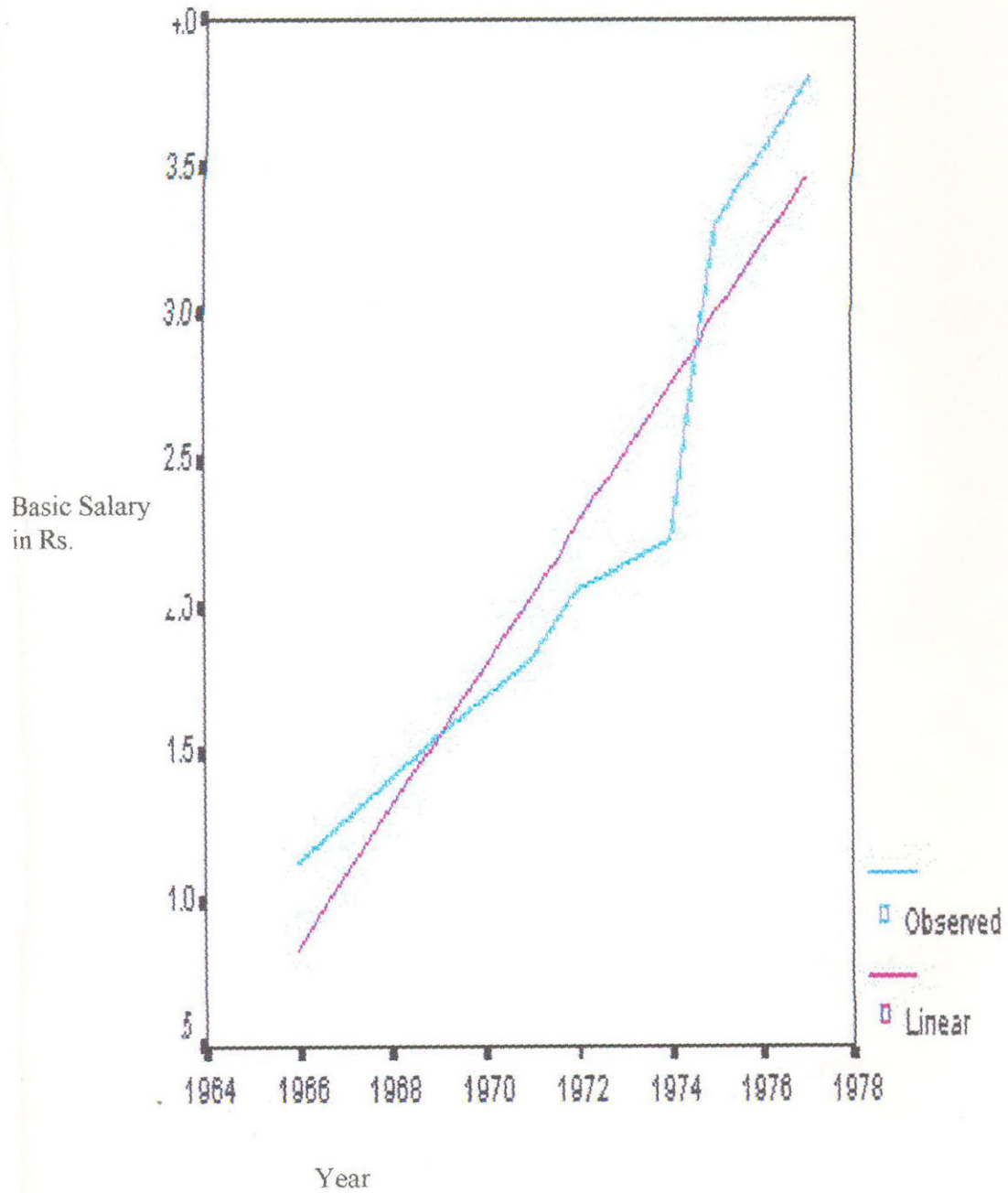
**Graph No. 3 Trend showing the reward details of women labour in tea plantations (1966-1977)**



**Graph No. 4 Trend showing the reward details of adolescent labour in tea plantations (1966-1977)**

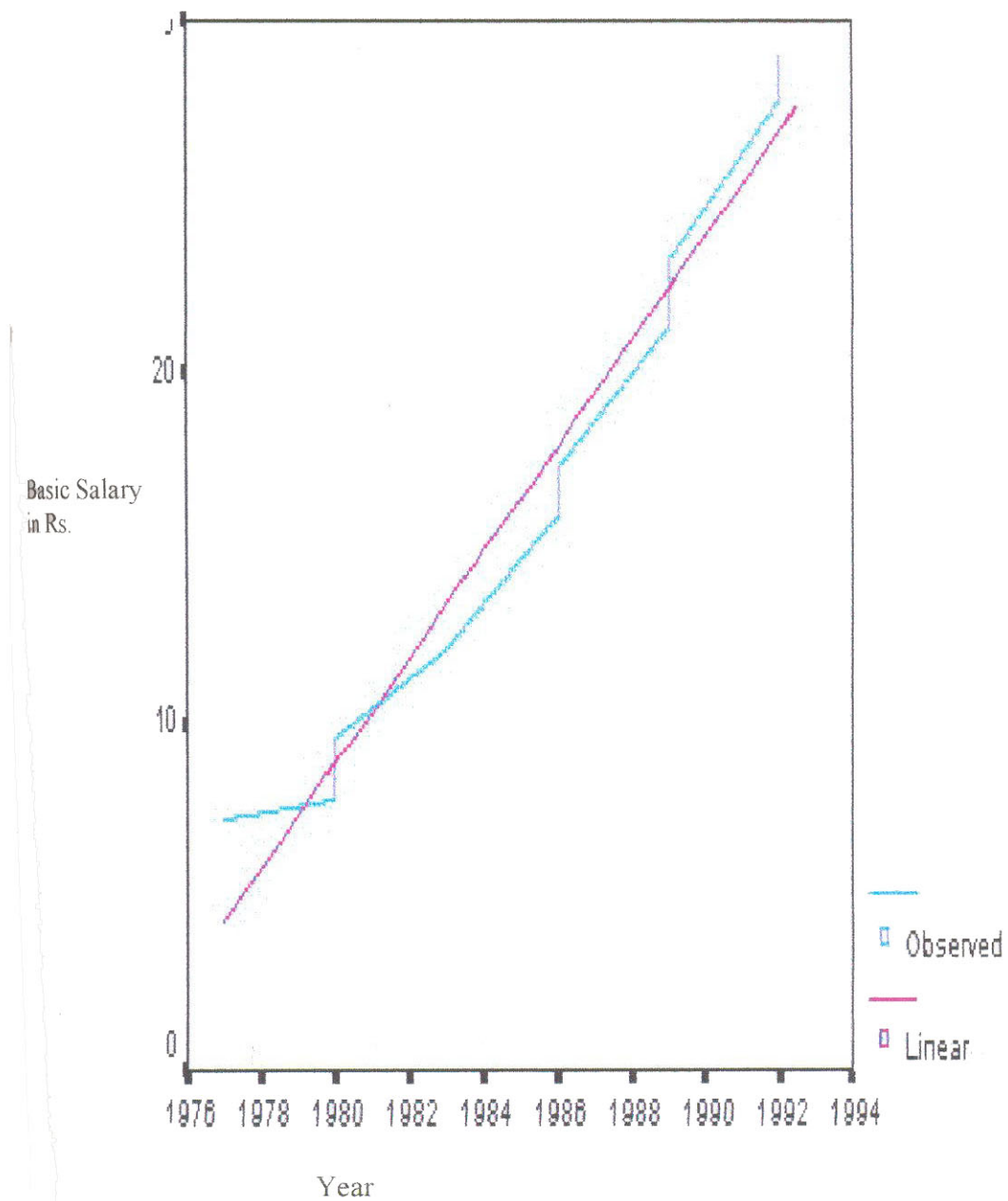


Graph No. 5 Trend showing the reward details of child labour in tea plantations (1966-1977)

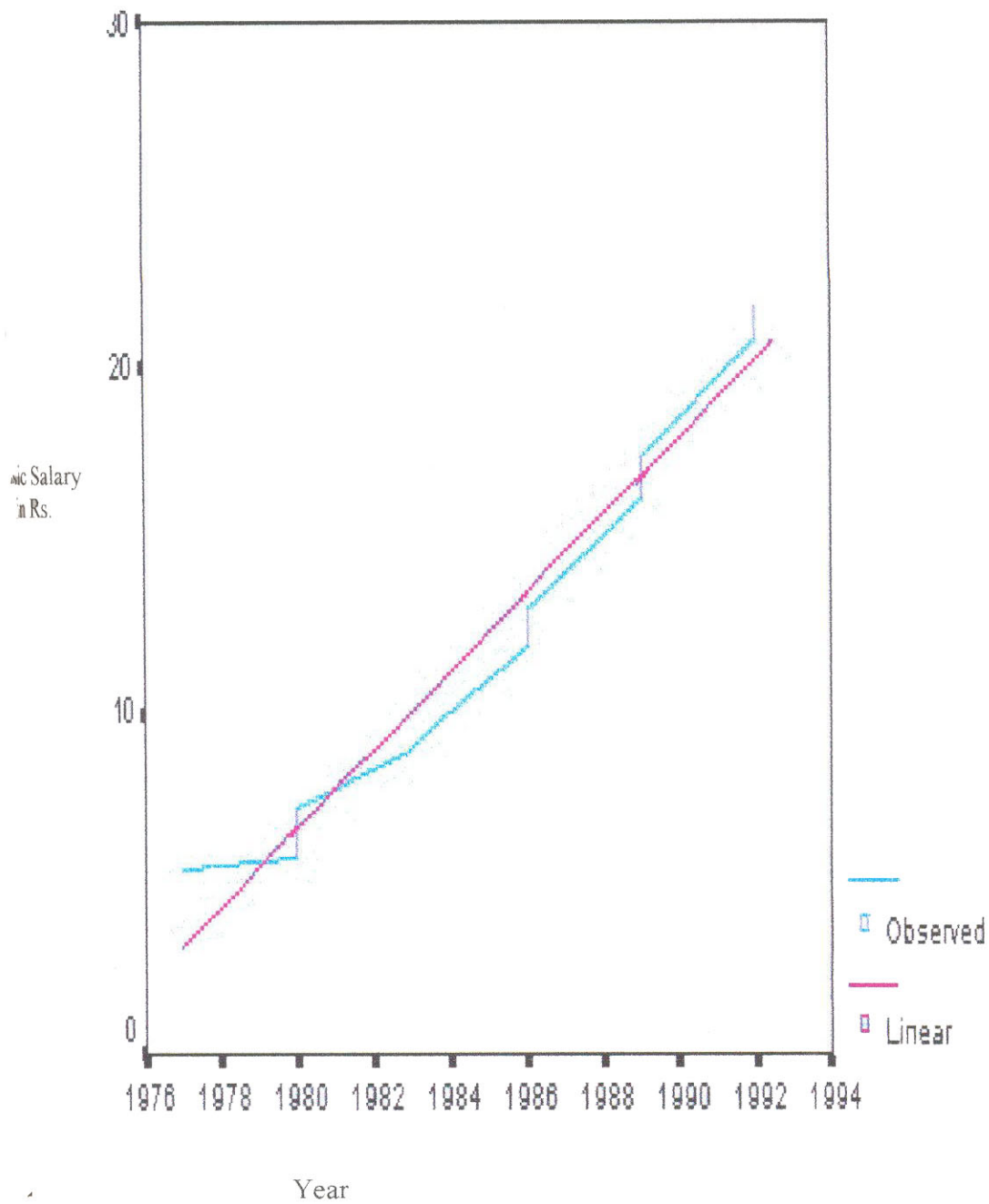




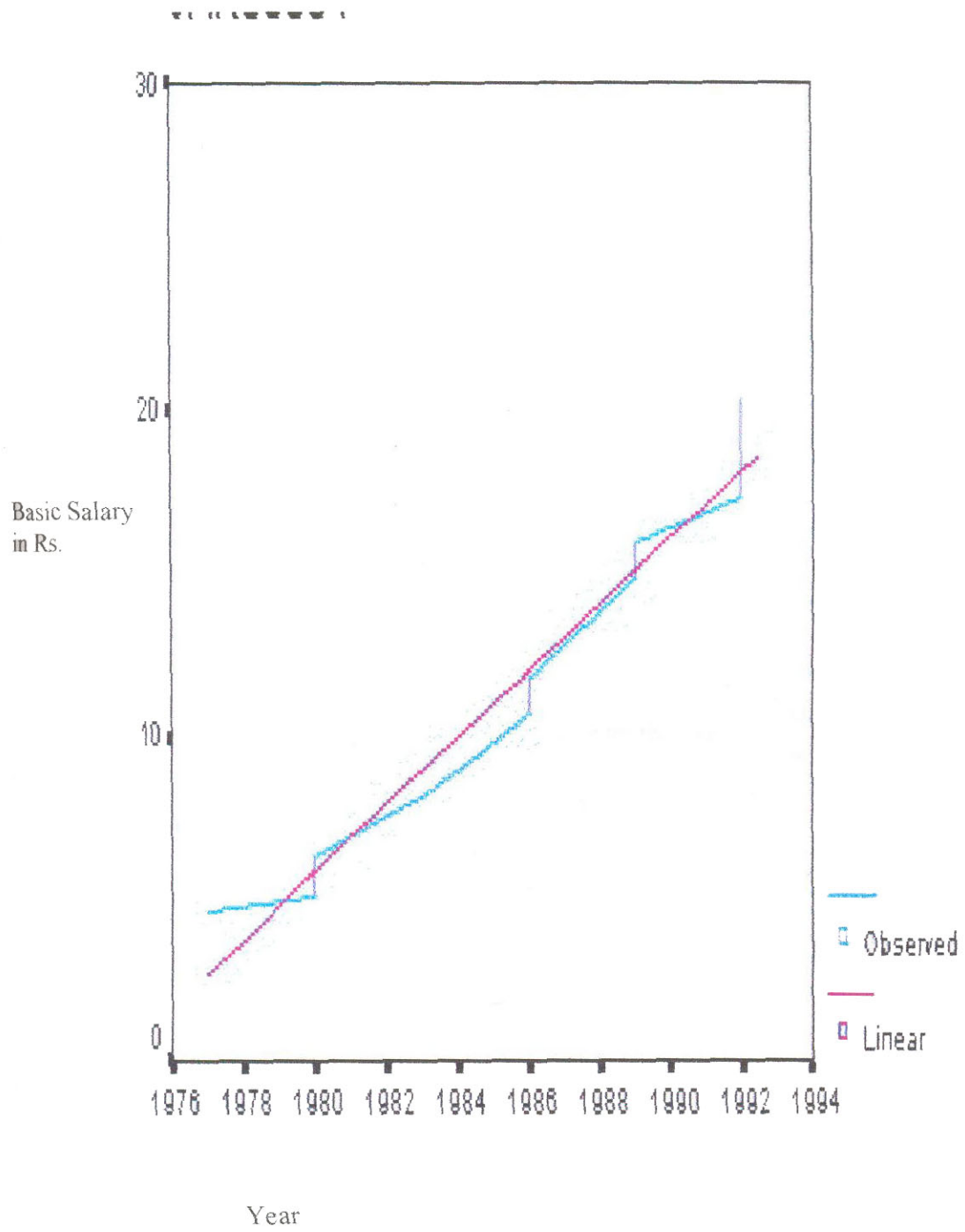
Graph No. 6. Trend showing the reward details of adult labour in tea plantations (1977-1992)



Graph No. 7 Trend showing the reward details of adolescent labour in tea plantations (1977-1992)



**Graph No. 8 Trend showing the reward details of child labour in tea plantations (1977-1992)**



### 4.1.3.2 Productivity Incentive Scheme for Labourers

Table 8 shows the productivity incentive scheme, which was introduced for the labourers in 1969 and still in practice today.

**Table 8 Productivity Incentive Scheme for Labourers**

Date	Quantity (kg)	Month	Actual quantity to be plucked (kg)	Quantity over standard to be plucked (kg)
1/1/1969	7	January, February & August	7 paise/kg up to 10 kgs.	Above 10 kg @10paise/kg
	10	Other months...	7 paise/kg up to 10 kgs.	Above 10 kg @10paise/kg
1/4/1977	9	January, February & August	13 paise/kg up to 12 kg.	Above 12 kg @14 paise/kg
	12	Other months...	13 paise/kg up to 12 kg.	Above 12 kg @14 paise/kg
1/4/1990	9	January, February & August	16 paise/kg	Nil
	12	Other months...	16 paise/kg	Nil
1/4/1983	9	January, February & August	18 paise/kg	Nil
	12	Other months...	18 paise/kg	Nil
1/4/1986	9	January, February & August	20 paise/kg for the 6 kg	Over the standard 22 paise/kg
	12	Other months...	20 paise/kg for the 6 kg	Over the standard 22 paise/kg
1/4/1989	9	January, February & August	22 paise/kg for the first 6 kg.	Over the standard 24 paise/kg
	12	Other months...	22 paise/kg for the first 6 kg.	Over the standard 24 paise/kg
8/3/2000	10	January, February & August	Rs 1.389/kg till 10 kg	40 paise /kg up to 10 kg, above standard 50 paise
	14	Other months...	Rs 0.992/kg till 14 kg	44 paise/kg up to 10 kg, above standard 50 paise

The 'productivity incentive scheme' is of two types namely 'piece-rate incentive scheme' and the 'time-rate incentive scheme' one for the months of January, February and August and the second scheme for the remaining nine months. In the piece-rate scheme the amount paid for the tea leaf plucked in the year 1969 was seven paise for 10 kg of leaf, which rose to Rs 1.389 per kg of leaf in 2000, but the amount of standard output to be plucked showed a initial increase from 1969 to 1977 from seven kg to nine kg and from then on it has remained static, while the amount paid for the leaf plucked has steadily increased. There has been increase only in the year 2000. In the time-rate scheme the amount paid above the standard output was 10 paise in 1969 and a marginal increase in 1977 and was discontinued in 1980 and reintroduced in 1986 with a sharp increase to 22 paise and 24 paise in 1989 and to 40 and 44 paise in 2000, which is double the amount in 10 years.

The legislation covering plantation labour welfare are of twofold nature- exclusively for the plantation sector namely the Plantation Labour Act 1951 and which are of a wider coverage of all industrial workers including those employed in plantations. In latter category comes statutes' relating to maternity benefit, provident fund, gratuity and bonus, etc. Additionally it has been customary for plantations to enter into bilateral and tripartite settlements, which are not contemplated under legislation. These statutory and quasi-statutory benefits are summaries below.

#### 1. The Workmen's Compensation Act 1923

Workers employed in a plantation otherwise than in a clerical capacity, without wage limit and in cases were in the immediately preceding 12 months period 25 or more persons were employed are covered. The Act provides for compensation in cases of employment injury. For temporary disablements resulting from the injury, the compensation payable is half monthly payments of an amount equal to 25 per cent of the monthly disablement period, or during a period of 5 years, whichever is shorter. The Act also provided Rs 24, 000/ for permanent disablement, payable is - and for death Rs 20,000.

## 2. The Plantation Labour Act 1951

This is comprehensive labour welfare legislation and stipulates elaborate provisions relating to health, social security and welfare benefits. Although it is a central enactment, the administration is by the State governments through rules framed on the basis of a model provided by the Centre. It covers all plantations admeasuring five hectares or more and employing 15 or more persons and applies to workers drawing wages upto Rs 750/- per month. The Act provides, interalia, for the following benefits.

1. Free medical aid to the workers and their families
2. Free housing as per the standards prescribed by the State Governments
3. Wholesome drinking water
4. Latrines and urinals as prescribed
5. Creche with whole refreshments for children of below 6 years of age
6. Recreation facilities
7. Educational facilities
8. Protective clothing (blankets, umbrellas or rain coats)
9. Leave with wages at the rate of one day for every 20 days of work
10. Sick leave at the rate of 14 days with  $\frac{2}{3}$ <sup>rd</sup> of the wages
11. Weekly day of rest in every seven days

Overtime payment at twice the rates of ordinary wages for work done in excess of the normal working hours.

## 3. The Maternity Benefit Act 1961

It applies to all plantations covered under the Plantations Labour Act 1951 and provides for maternity leave with benefit for period of upto 6 weeks immediately preceding the expected day of workers delivery and upto 6 weeks immediately thereafter. The qualifying period is 160 days of work in the 12 months immediately preceding the

expected date of delivery. The benefit is payable at the average rate of wages earned to the availability of maternity leave. In the event of miscarriage, leave with wages of 6 weeks is payable. The Maternity Benefit (Amendment) Bill, 1987, intending to bring out amendments to certain provisions of the Act is pending before Parliament, one of the amendments being to reduce the qualifying period from 160 days to 80 days.

#### 4. The Employees Provident Fund Act and Miscellaneous Provisions Act 1952

The Act is applicable to plantations in which 20 or more workers are employed. Those drawing wages upto Rs 2500/-p.m. are covered. The following 3 schemes are in operation.

##### i) The Employees Provident Fund Scheme 1952:

Both the employer and worker have to contribute eight per cent of the workers wages to the provident fund, which can be withdrawn by the worker at the time of superannuating or earlier under the prescribed circumstances. Advances from the Fund are also permitted for certain purposes like house construction; marriage expenses of the worker or dependents, etc. Under the Employees Provident Fund and Miscellaneous Provisions (Amendment) Bill, 1988 already passed by Lok Sabha and pending in the Rajya Sabha- the contribution rate of eight per cent is proposed to be enhanced to ten per cent.

##### ii) The Employees Family Pension Scheme, 1971;

An amount representing 1-1/6 percent of the wages of a worker is diverted from the contribution of both the employer and worker to the Provident Fund, referred under (i) above, to a Family Pension Fund. From this fund, on the death of an employee while in service, the family receives a monthly family pension ranging from Rs 225/-to Rs 750/-.

iii) The Employees Deposit Linked Insurance Scheme, 1976:

To the Deposit-Linked Insurance Fund the employer contributes 0.5 per cent of the wages of a worker and the Central Government contributes 0.25 per cent. From the Fund, the dependents/heirs of an employee who dies while in service are paid an amount equal to the average balance in the Provident Fund account of the employee during the last three years, subject to a maximum of Rs 10, 000/-.

5. The Payment of Gratuity Act 1972:

The Act is applicable to all plantations under the Plantation Labour Act. Employees drawing wages upto Rs 2500/-p.m. are covered. On superannuation, death or disablement or termination of service of an employee, gratuity at the rate of 15 days wages is payable for every year of continuous service subject to a maximum amount of Rs 50, 000 /-. Except in the case of disablement or death there is a qualifying service of five years of continuous service before an employee becomes eligible for gratuity.

6. The Payment of Bonus Act 1965:

The Act is applicable to plantations where in 20 or more persons are employed on any day during an accounting year. Employees drawing wages upto Rs 2500/-p.m. are covered. However for the purpose of bonus calculation a maximum salary of Rs1600/- p.m. only is taken into account. Provision also exist for the payment of annual bonus either based on the profits or productivity, subject in both the cases to a minimum of 8.33 per cent and a maximum of 20 per cent of an employees annual earnings. The employee has to be employed in the establishment for not less than 30 working days in that year to avail this benefit. Payment of minimum bonus of 8.33 per cent is compulsory even if the establishment makes partial loss in a particular year.



7. The Industrial Employment (National and Festival Holidays) Act of the respective states.

Under these legislations, apart from the annual leave with wages under the Plantation Labour Act, workers are given national holidays and festival holidays of seven to nine days in a year with full wages.

8. The Equal Remuneration Act 1976:

Under this legislation, the differentiation in the wage rates payable to male and female workers has been done away with and they are to be paid equal wages for equal work or of similar nature.

The main quasi-statutory benefits are: -

- a) -Annual leave traveling expense to registered home address and back; in some States detention allowances is also paid.
- b) -Cattle keeping and grazing facilities
- c) -Facilities for collection of free firewood
- d) -Ex-gratia payment in case of non-occupational chronic diseases
- e) -Issue of free liquid tea/coffee at work spots
- f) -Kitchen garden facilities
- g) -Uniform for certain categories of employees
- h) -Arrangement for issue of food grains in some areas on a no-profit, no-loss basis.

Educational stipend schemes, under which the Boards provide stipends towards tuition fees/hostel charges for dependents of plantation employees drawing monthly emoluments upto Rs 1600/-. p.m. Capital Grants to schools and colleges for the construction of hostel building, extension of school building etc. in return for concession to the wards of plantation workers. Capital Grants to medical establishments to set up specialized medical treatment for tuberculosis, cancer, disease of the eye, etc and in return for reserving a certain number of beds to the plantation workers /wards and providing free treatment or at concessional rates.

#### 4.2. IMPORTANT FACTORS AFFECTING REWARD SYSTEM OF MANAGEMENT CADRE, SUPERVISORS AND LABOURERS.

The data on factors affecting reward system were subjected to factor analysis and step-wise regression analysis. The importance of each variable is given by the factor loading and whether the variable is significant or not.

##### 4.2.1 Management Cadre Reward System Factors

**Table 9 Management Cadre Personal-Socio-Psychological Factors**

S.No.	Personal-Socio-Psychological Variables	Factor Loading	Regression Coefficient	T value
1	Self -confidence	0.875	0.074	2.432**
2	Value added to the job by the manager	0.777	0.163	4.195**
3	Leadership ability	0.767	0.139	2.326**
4	Risk orientation	0.748	0.126	2.220**
5	Compliance	0.748	0.195	2.190**
6	Fair play	0.747	0.227	0.269NS
7	Team working ability	0.740	0.148	4.103**
8	Regularity in communicating goals	0.719	0.108	3.011**
9	Level of job commitment	0.707	0.459	0.166NS
10	Labour management ability	0.630	0.429	0.178NS
11	Possibility of added responsibility	0.629	0.436	0.175NS
12	Technical competency	0.610	1.071	12.432NS
13	Skill of the manager	0.596	0.388	0.194NS
14	Discipline	0.575	0.769	-0.066NS
15	Loyalty to the organisation	0.521	0.230	0.267NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 9 represents the factor loadings for personal-socio-psychological factors of management cadre. Self confidence had the highest factor loading of 0.875 followed by value added by the manager 0.777, leadership ability 0.767, risk orientation and compliance 0.748, fair play 0.747, team working ability with 0.740. The other important variables are regularity in communicating goals 0.719, level of job commitment 0.707. Discipline with 0.575 and loyalty to the organization with 0.521 were least important factors of reward management system.

**Table 10 Management Cadre Organizational Factors**

S.No.	Organizational Variables	Factor Loading	Regression Coefficient	T value
1	Reward management practices	0.875	0.687	23.850**
2	Organizational resources	0.873	0.069	2.411**
3	Reward policy of the organization	0.865	0.205	5.411**
4	Organizational reward strategy	0.837	0.261	6.040**
5	Organizational climate	0.828	0.121	3.126**
6	Aim of the organization	0.732	0.211	5.631**
7	Performance management	0.697	0.854	-.051NS
8	Flexibility of the reward system	0.653	0.352	0.208NS
9	Communication pattern	0.650	0.453	0.169NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 10 represents the factor loadings for organizational factors for management cadre. Reward management practices of the organization had the maximum loading of 0.875 followed by 0.873 for organizational resources, 0.865 for reward policy of the organization, 0.837 for organizational reward strategy and 0.828 for organizational climate. The variables that were of lesser importance are aim of the organization with 0.732, 0.697 for performance management, 0.653 for flexibility of the reward system and

0.650 for communication pattern.

Table 11 represents the factor loadings for situational factors for management cadre. Among the situational factors for management cadre, government policies had the highest factor loading of 0.804 and 0.755 for consumer price index. The less important variables were market price with a factor loading of 0.664 and climate influence with 0.555 factor loading. The least important variables were competition from other plantation companies with 0.285 and 0.193 for economic trends in the country.

**Table 11 Management Cadre Situational Factors**

S.No.	Situational Variables	Factor Loading	Regression Coefficient	T value
1	Government policies	0.804	0.107	3.554**
2	Consumer price index	0.755	0.071	0.392**
3	Market price	0.664	0.095	2.254**
4	Climate influence	0.555	0.980	-0.006NS
5	Competition from other companies	0.285	0.286	0.238NS
6	Economic trends in the country	0.193	0.370	0.200NS

Note: \*\* Significant at 1%level

NS: Not Significant

#### 4.2.2 Supervisor Reward System Factors

Table 12 represents the factor loadings for personal-socio-psychological factors for supervisors. The important personal-socio-psychological variables of supervisors contributing to reward management system are personal efficacy with the maximum factor loading of 0.831, followed by leadership ability with 0.790, target achieving ability 0.774 and labour management ability with a factor loading of 0.768. The lesser factors are 0.668 for listening skills, 0.631 for self-confidence and 0.606 for attitude towards managers. The

least important variable was risk orientation with a factor loading of 0.267

**Table 12 Supervisor Personal-Socio-Psychological Factors**

S.No.	Personal-socio-psychological Variables	Factor Loading	Regression Coefficient	T value
1	Personal efficacy	0.831	0.228	34.616**
2	Leadership ability	0.790	0.263	28.317**
3	Target achieving ability	0.774	0.520	9.417**
4	Labour management ability	0.768	0.295	40.768**
5	Listening skills	0.668	0.320	6.107**
6	Self-confidence	0.631	0.736	0.465NS
7	Attitude towards the manager	0.606	0.964	0.340NS
8	Risk orientation	0.267	0.930	0.357NS

Note: \*\* Significant at 1%level

NS: Not Significant

**Table 13 Supervisor Organizational Factors**

S.No.	Organizational Variables	Factor Loading	Regression Coefficient	T value
1.	Reward policy of the organization	0.892	0.680	11.753**
2	Organizational reward strategy	0.817	0.840	10.711**
3	Organizational climate	0.746	0.550	8.263**
4	Aim of the organization	0.732	0.156	24.466**
5	Organizational resources	0.218	1.075	0.287NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 13 represents the factor loadings for organizational factors for supervisors. The organizational factors, which were identified, are, reward policy of the organization

with 0.892, organizational resources 0.818, and 0.817 for organizational reward strategy. The variables with lesser importance were organizational climate with 0.746 and 0.732 for aim of the organization.

**Table 14 Supervisor Situational Factors**

S.No.	Situational Variables	Factor Loading	Regression Coefficient	T value
1	Government policies	0.807	0.188	9.217**
2	Consumer price index	0.795	0.131	10.288**
3	Market price	0.646	1.260	18.916**
4	Climate influence	0.588	0.019	-0.310NS
5	Economic trends in the country	0.255	0.010	-0.340NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 14 represents the factor loadings for situational factors for supervisors. Government policies had the maximum factor loading of 0.807 among the situational factors affecting supervisors, followed by consumer price index with 0.795, market price with 0.646. The least important variables were climate influence with 0.588 and economic trends in the country with 0.255.

Table 15 represents the factor loadings for personal-socio-psychological factors for labourers. Significance of the job to the labourer had the highest factor loading with 0.766, followed by average daily output with 0.759 and self-awareness with 0.750. The variable of lesser importance are skill of the labourer 0.675, participation in labour political activities with 0.661, discipline with 0.656 and 0.633 for morale. The variables, which had the least importance, are pay satisfaction with 0.484 and 0.449 for attitude towards the manager.

### 4.2.3 Labour Reward System Factors

**Table 15 Labourers Personal-Socio-Psychological Factors**

S.No.	Personal-Socio-Psychological Variables	Factor Loading	Regression Coefficient	T value
1	Significance of the job	0.766	0.316	90.131**
2	Average daily output	0.759	0.093	26.034**
3	Self awareness	0.750	0.313	71.379**
4	Skill of the labourer	0.675	0.157	3.514**
5	Morale	0.663	-0.009	-0.249NS
6	Participation in political unions	0.661	-0.078	-2.296NS
7	Discipline	0.656	-0.100	-.296NS
8	Pay satisfaction	0.484	-0.079	-2.318NS
9	Attitude towards the manager	0.449	-0.079	2.313NS

Note: \*\* Significant at 1%level

NS: Not Significant

**Table 16 Labourers Organizational Factors**

S.No.	Organizational Variables	Factor Loading	Regression Coefficient	T value
1	Reward policy of the organization	0.932	0.301	87.112**
2	Organizational reward strategy	0.926	0.266	68.521**
3	Organizational resources	0.873	0.091	24.288**
4	Aim of the organization	0.794	0.043	7.672**
5	Organizational climate	0.785	0.154	15.437**
6	Plantation Act	0.739	-2.101	0.032NS
7	Labour legislation	0.731	-2.195	0.030NS
8	Attitude towards labour	0.674	-2.207	0.029NS
9	Organization's relation with the unions	0.463	0.595	0.553NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 16 represents the factor loadings for organizational factors for labourers. The reward policy of the organization with 0.932, organizational reward strategy with 0.926 and organizational resources with 0.873 had the maximum importance with respect the organizational factors contributing to the reward management system of the labourers. Aim of the organization with 0.794, organizational climate with 0.785, Plantation Act with 0.739 and labour legislation with 0.731 are the other important variables contributing to the reward management system of the labourers.

**Table 17 Labourers Situational Factors**

S.No.	Situational Variables	Factor Loading	Regression Coefficient	T value
1	Strikes and lockouts	0.813	0.294	59.131**
2	Market price	0.751	0.071	9.447**
3	Government policies	0.705	0.263	52.724**
4	Consumer price index	0.699	-2.216	0.250NS
5	Role of UPASI	0.656	-2.151	0.033NS
6	Climate influence	0.652	0.623	0.534NS
7	Economic trends in the country	0.601	1.019	0.310NS
8	Labour union activities	0.577	-2.162	0.032NS
9	Changing demography, skill and employment patterns	0.472	-2.300	0.023NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 17 represents the factor loadings for situational factors for labourers. The important situational factors were strikes and lockouts with 0.813, market price 0.751 and government policies with 0.705 were the maximum influence on the reward management



system. Consumer prize index with 0.699, role of UPASI with 0.656 and climate influence with 0.652 were the other important factors. The least important factors were economic trend in the country with 0.601, labour union activities with 0.577 and changing demography, skill and employment patterns with 0.472 factor loading.

#### 4.3. INFLUENCE OF THE EXISTING REWARD SYSTEM ON THE MOTIVATION OF MANAGEMENT CADRE, SUPERVISORS AND LABOURERS

##### 4.3.1 Results of Factor Analysis

The data on the important reward variables contributing to the motivation of the management cadre, supervisor and labourers was subjected to factor analysis are given below.

**Table 18 Results of Factor Analysis of Management Cadre Motivation**

S.No.	Reward Variables	Factor Loading
1	Responsibility	0.804
2	Personal importance	0.790
3	Financial rewards	0.765
4	Influence	0.745
5	Intrinsic value	0.717
6	Personal growth	0.674
7	Recognition	0.629
8	Attribution and expectancy	0.553

Table 18 represents the results of the factor analysis of the extent of motivation through the reward management system for management cadre. For the management cadre responsibility had the maximum factor loading of 0.804, followed by personal importance 0.790, financial rewards 0.765, influence 0.745, and intrinsic value 0.674. While the least motivation levels were from reward variables were personal growth 0.674, recognition 0.629 and attribution and expectancy with 0.553 factor loadings.

**Table 19 Results of Factor Analysis of Supervisor Motivation**

S.No.	Reward Variables	Factor Loading
1	Recognition	0.881
2	Influence	0.841
3	Responsibility	0.678
4	Financial rewards	0.498

Table 19 represents the results of the factor analysis of the extent of motivation through the reward management system for labourers. Among the supervisors recognition with 0.881 was the most important reward variable, while influence with 0.841, responsibility with 0.678 was the other important variable. Financial rewards were the least important variable with 0.498 factor loading.

**Table 20 Results of Factor Analysis of Labourer Motivation**

S.No	Reward Variables	Factor Loading
1	Productivity incentive scheme	0.911
2	Labour dignity	0.885
3	Financial rewards	0.223

Table 20 represents the results of the factor analysis of the extent of motivation through the reward management system for labourers. In the labour category productivity incentive scheme had the maximum factor loading of 0.911 followed by labour dignity with 0.885 and financial rewards with 0.223 factor loading.

#### **4.3. 2 Results of Regression Analysis**

The data on the extent of influence of the reward system on the motivation of the management cadre, supervisors and the labourers was analyzed using the regression analysis which are given below

**Table 21 Results of Regression Analysis of Management Cadre Motivation**

S.No.	Reward Variable	Regression Coefficient	T value
1	Financial Rewards	0.961	46.822**
2	Influence	0.276	11.352**
4	Personal Importance	0.209	8.676**
5	Recognition	0.248	13.062**
6	Responsibility	0.208	9.772**
7	Personal Growth	0.146	6.233**
8	Attribution and Expectancy	0.121	5.409**

Note: \*\* Significant at 1%level

NS: Not Significant

Table 21 represents the results of the regression analysis of the extent of motivation through the reward management system for the management cadre. The single important motivating variable of the exiting reward management system was the financial rewards for the management cadre with a T value of 46.822, which was significant at one per cent level. While the other variables are in the order of influence, personal importance, recognition, responsibility personal growth and attribution and expectancy were all significant at one per cent level.

**Table 22 Results of Regression Analysis of Supervisor Motivation**

S.No.	Reward Variable	Regression Coefficient	T value
1	Recognition	-0.356	-2.631**
2	Influence	0.401	2.538**
3	Responsibility	0.222	1.435NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 22 represents the results of the regression analysis of the extent of motivation through the reward management system for the supervisors. In the supervisory category recognition was the most motivating variable with a T value of -2.631 and 2.538 for influence were significant at one percent level.

**Table 23 Results of Regression Analysis of Labourer Motivation**

S.No.	Reward Variable	Regression Coefficient	T value
1	Productivity Incentive Scheme	.484	3.707**
2	Labour Dignity	-.033	-.249NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 23 represents the results of the regression analysis of the extent of motivation through the reward management system for the labourers. In the labour category productivity incentive scheme was the only motivator with a T value of 3.707 and significant at one per cent level.

The factor loadings obtained through factor analysis was used to formulate motivation index for the management cadre, supervisors and the labourers as given below

1. **Management Cadre Motivation Index** = [Influence\* .745 + Personal Growth \* .674 + Intrinsic Value \* .717 + Personal Importance \* .790 + Attribution and Expectancy \* .553 + Financial Rewards \* .765 + Responsibility \* .804 + Recognition \* .629]
2. **Supervisor Motivation Index** = [Influence \* .841 + Financial Rewards \* .498 + Responsibility \* .678 + Recognition \* .881]
3. **Labour Motivation Index** = [Motivational Rewards\* .223 + Level of Aspiration \* .864 + Labour Dignity \* .885 + Productivity Incentive Scheme \* .911]

#### 4. 4 INFLUENCE OF THE EXISTING REWARD MANAGEMENT SYSTEM ON THE JOB SATISFACTION OF MANAGEMENT CADRE, SUPERVISORS AND LABOURERS

##### 4.4.1 Results of Factor Analysis

The results on the important reward variables contributing to the job satisfaction of the management cadre, supervisor and labourers are given below.

**Table 24 Results of Factor Analysis of Management Cadre Job Satisfaction**

S.No.	Reward Variables	Factor Loading
1	Benefits	0.898
2	Job environment	0.871
3	Job security	0.811
4	Promotion	0.762
5	Equity and fairness	0.725
6	Job esteem	0.664

Table 24 represents the results of the factor analysis of the extent of job satisfaction through the reward management system for the management cadre. In the management cadre benefits had the maximum factor loading 0.898, followed by job environment with 0.871 and 0.811 for job security. While promotion with 0.0762, equity and fairness with 0.725 and job esteem 0.664, were the other variable of the management cadre job satisfaction.

Table 25 represents the results of the factor analysis of the extent of job satisfaction through the reward management system for the supervisors. Among the supervisors the maximum factor loading was for job environment with 0.677, benefits with 0.667 and job security with 0.587. Job esteem with 0.377 and equity and fairness had the factor loading.

**Table 25 Results of Factor Analysis of Supervisor Job Satisfaction**

S.No.	Reward Variables	Factor Loading
1	Job environment	0.677
2	Benefits	0.667
3	Job security	0.587
4	Job esteem	0.377
5	Equity and fairness	0.351

**Table 26 Results of Factor Analysis of Labourer Job Satisfaction**

S.No.	Reward Variables	Factor Loading
1	Timely financial rewards	0.894
2	Higher bonus	0.852
3	Benefits	0.802
4	Safety provisions	0.771
5	Satisfaction of basic needs	0.744
6	Quality of life	0.533

Table 26 represents the results of the factor analysis of the extent of job satisfaction through the reward management system for the labourers. In the labour category, receipt of timely financial rewards with 0.894 factor loading followed by higher bonus 0.852, benefits with 0.802 were important reward variables. Safety provisions with 0.771, satisfaction of basic needs with 0.744 and quality of life with 0.533 were the lesser reward variables of job satisfaction.

#### **4.4.2 Results of Regression Analysis**

The results on the extent of job satisfaction from the existing reward management system for the management cadre, supervisors and labourers are presented below.

**Table 27 Results of Regression Analysis of Management Cadre Job Satisfaction**

S.No	Reward Variable	Regression Coefficient	T value
1	Job esteem	0.345	6.760**
2	Job security	0.319	6.518**
3	Promotion	0.333	6.464**
4	Job environment	0.321	5.467**
5	Benefits	0.235	3.993**

Note: \*\* Significant at 1%level

NS: Not Significant

Table 27 represents the results of the regression analysis of the extent of job satisfaction through the reward management system for the management cadre. Job esteem was the maximum job satisfying reward variable with a T value of 6.760 significant at one per cent level, followed by job security, promotion, job environment and benefits were all highly satisfying reward variables for the management cadre.

**Table 28 Results of Regression Analysis of Supervisor Job Satisfaction**

S.No	Reward Variable	Regression Coefficient	T value
1	Job environment	0.234	1.459**
2	Job esteem	0.059	.434NS
3	Equity and fairness	-0.279	-2.080NS
4	Job motivation	0.144	.993NS
6	Job security	0.029	.186NS

Note: \*\* Significant at 1%level

NS: Not Significant

Table 28 represents the results of the regression analysis of the extent of job

satisfaction through the reward management system for the supervisors. Among the supervisors, job environment, was the only job satisfying variables.

**Table 29 Results of Regression Analysis of Labourer Job Satisfaction**

S.No	Reward Variable	Regression Coefficient	T value
1	Safety provisions	0.539	9.423**
2	Timely financial rewards	0.563	5.334**
3	Higher bonus	-0.440	-3.912**
4	Quality of life	0.270	3.778**

Note: \*\* Significant at 1%level

NS: Not Significant

Table 29 represents the results of the regression analysis of the extent of job satisfaction through the reward management system for the labourers. In labour category safety provisions, timely financial rewards, higher bonus and quality of life were all found to be significant at one per cent level.

Based on the factor loadings obtained in factor analysis, job satisfaction index was formulated for the management cadre, supervisors and labourers.

**1. Management Cadre Job Satisfaction Index** = [Job Security\* .811 + Job Esteem \* .664 + Job Environment \* .871 + Promotion \* .762 + Equity and Fairness \* .725 + Benefits \* .898]

**2. Supervisor Job Satisfaction Index** = [Job Security \*.587 + Job Esteem \* .377 + Job Environment \* .677 + Job Motivation \*.783 + Equity and Fairness \* .351 + Benefits\*.667]

**3. Labourer Job Satisfaction Index** = [Timely Financial Rewards\*.894 + Satisfaction of Basic Needs\* .744 + Higher Bonus\* .852 + Quality of Life \* .533 + Safety Provisions \* .771 + Benefits \* .802]



# *Discussion*



## 5. DISCUSSION

Reward system has been practiced for over 150 years in tea plantations. Yet a comprehensive study has never been attempted. This chapter tries to interpret and discuss the probable reasons for the results obtained in the study under the following headings.

5.1 Discussion on the existing reward system and the rational process involved in arriving at the existing reward system in tea plantation.

5.2 Discussion on the important factors affecting reward system for management cadre, supervisors and labourers.

5.3 Discussion on the influence of the existing reward system on the motivation of management cadre, supervisors and labourers.

5.4 Discussion on the influence of the existing reward system on the job satisfaction of management cadre, supervisors and labourers.

5.5 Description on the empirical model of reward management system for management cadre, supervisors and labourers.

5.6 Model proposed for reward management system for management cadre, supervisors and labourers.

### 5.1 DISCUSSION ON THE EXISTING REWARD SYSTEM AND THE RATIONAL PROCESS INVOLVED IN ARRIVING AT THE EXISTING REWARD SYSTEM IN TEA PLANTATION.

#### 5.1.1.1 Existing reward system for management cadre

Tea from India has global importance in flavour and value. The majority of the plantations in India are owned by national companies with diverse products in the fields of agriculture, industry, entertainment, communication, medical and hospitality of national and global perspectives.

The reward system for management cadre in tea plantation was based on job

evaluation systems. The job evaluation systems are Hay management; European factor plan and framework, which are presented in the results. These management concepts are all imported from the western countries.

The use of these job evaluation systems were based on fulfilling the following condition as proposed by Poels, (1999).

1. The methodology must be logically fit closely to other types of rules within the organization.
2. The internal relationships of the organization must be reflected in the relative difference in pay, which result from the established pay policy.
3. The pay policy must be in accordance with what the employees perceive as fair.
4. The methodology that was constructed must comply with legal requirements and obligations, such as the conditions of the social security laws, collective labour agreement etc.
5. The pay policy must contribute to the rationale of the organization and must be in accordance with the design and the quality of working life in the organization. Personal costs must never exceed what the organization can bear.

Table 1 shows the Hay Management method of job evaluation technique. The various reasons attributed as to why plantations use these systems are

1. The method has a built-in check on the results of evaluation.
2. The methods provide information on organizational interrelationships, the characteristics of the job.
3. The Hay method considers the determination of the job levels as being the responsibility of the management. An evaluation committee, management the personnel and representatives of Hay Management participate to support and guide the process and monitor the correct implementation of the method to carry out the evaluation of jobs.

In the implementation process the Hay Group was responsible for the application

of the correct standards of the Hay method. The method has to check annually the facts of performance.

Framework management system is presented in Table 2. The reasons attributed as to why tea companies follow this system are

1. Framework is a point factor job evaluation scheme customized to client requirements.
2. Framework uses a tailored questionnaire to collect information on the above factor.
3. Framework uses a computer system that stores questionnaire responses and allows easy manipulation of the data.
4. In the Framework the characteristics comprises of group of wider elements in the sense that there are no well-defined characteristics, so it is user friendly.
5. Procedures are established after consultation and collaboration with the organization concerned and after securing maximum involvement of the employees concerned.
6. Information on the job can be collected through questionnaire or structured interviews, depending on the situation and agreed process for the job evaluation resource.
7. Framework software is a complete package for job evaluation, competence and financial and non-financial remuneration.

Dufetel (1991), Emerson, (1991) and Werner (1991) in their study among U.S.firms found that 60 per cent to 70 per cent used different questionnaire job evaluation systems as it helps in identifying individual difference of skill attainment, levels of problem solving, accountability and knowledge. These finding confirms the results of the present study.

Table 3 shows job evaluation factor under European factor plan (EFP). The reasons attributed to use this method in tea plantation were

1. Central to EFP method is the allocation of weights to factors to be assessed for the management cadre and these weights should relate to the strategic objectives of the organization.
2. This system helps in factoring the system with specific characteristics and developments and to generate job structures, which closely reflect the internal relationships.
3. The method is simple to use, which consists of a questionnaire that the employees can fill while answers are processed in the computer.
4. The reward of the employee is an automated system employed by the company and consists of different modules, which incorporates job analysis procedure, market comparison and budgeting.

However these systems mainly were aimed at only what the management cadre was supposed to do and not what he actually does or willing to do for the success of the plantation, which in itself is a draw back of the job evaluation systems.

The assessment of rewards for management cadre was also influenced by day-to-day factors such as

1. Daily production
2. Quality of leaf
3. Absence of management cadre at times when necessary
4. Lack of communication when company officials contact management cadre at the plantation office.

The management cadre were entitled to a salary starting from Rs 12,000 to Rs 18,000 negotiated using the job evaluation systems, which takes into consideration all living expenses, personal abilities. Salary is the cornerstone of employee compensation Lewis (1994) reports and it is based on this element that all other rewards awarded. The findings of the present and corroborates with the above and also confirms with the

findings of Ellig (1982) and Brooks (1987). Through bargaining and negotiations, some management cadre personnel have managed to obtain a monthly salary of rupees 25,000/- . Using the job evaluations systems, performance were analysed and increments given to the management cadre along with promotions. Many assistant managers have become managers and managers have become group managers. The non-financial benefits like bungalow, furniture, telephone water, electricity, servants for cooking -house maintenance and gardening. Recreation facilities like sports accessories, library, bar, meeting hall, computers and entertainment accessories are also provided. A motorbike with free fuel and maintenance, sick leave, leave travel allowance, concession for other leaves, special concession for spouse and children, especially medical and education facilities. Bureau of National Affairs (1992) found that employers provide various social and recreational opportunities for their employees, including company sponsored athletic events, dance clubs; annual summer picnic, craft activities and parties, country club, home assistants etc. and all are in agreement with the finding of the present study.

Jain (1991) in his studies found that many employers sponsored health related insurance for one year, dental services or fixed lump sum benefits, confirm the finding of the present study.

The rational behind providing these benefits were:

The tea plantations were situated in high ranges far off from towns and cities with disadvantages for comfortable living. So the provision of the non-financial benefits will invariably add to the job satisfaction of the management cadre and they could spend more time in the plantation, monitoring the diversified activities efficiently.

Benefits also lead to

1. Curtailing of unnecessary expenses
2. Social status of the management cadre elevated
3. Savings are higher.

Another reason that may be attributed to provide these benefits was to create an obligation for the management cadre to be present even on non-working hours between 6.30 pm to 8.00 am in the morning and 5.30 pm to 7.30 pm in the evening. Sunday though a holiday, the management cadre had the obligation to be present in the plantation.

So the reward system for management cadre can be considered rather innovative, as it is not provided in most of the other agriculture based companies. The reward system provides a high level of esteem and job satisfaction creating a compliance on the management cadre, projecting them as magnanimous individuals with high level of responsibilities of a maintaining a plantation.

According Ehrenfeld (1993) the administration of rewards that are positively valent to employees will create a job satisfaction and motivate them is in consonance with findings of the present study.

#### **5.1.1.2 Rational analysis of the process involved in arriving at the existing reward for management cadre**

The reward system in tea plantations for the management cadre arose with the colonial administration in India. The bureaucracy system was deeply rooted in the tea plantations. The posting of a manager for tea estates, made it necessary for the colonizers to develop wide-ranging facilities for their managers because of the isolation of plantations from areas of direct governance. As a result bungalows, furniture, water, electricity, horses and carriages for transport, servants for cooking, and looking after children and guardians were established. The colonial rulers also wanted facilities matching to that they had in cities and to their standards of living. This also resulted in the establishment of clubs, horse racing club, golf clubs, libraries, parks etc. in all that the management cadre enjoyed, clearly indicated his status and power over the plantation. This system was handed over to the Syrian christian community when the East Indian Company lost the grip over Travancore politics. (Baak, 1998). This period also witnessed

the emergence of several concepts in the west particularly the industrial revolution and the factory system, modern corporation and managerial capitalism, scientific management welfare work and industrial management, helped in promoting the importance of managers and the necessity to reward sufficiently to sustain plantation in those times. Fernis *et al.* (1998) have also attributed the above reasons as obtained in the present study.

The continuous influence of the colonial administration and tea attaining global importance because of its high consumption in the western world, made it necessary to find ways and means to increase production, quality of tea and enhance the performance of the management cadre responsible for the plantation. This resulted in import of management concepts from the western countries.

Sharma (1999) confirmed that liberalization and globalization was pushing the tea industry to take new actions in order to enhance managerial performance. This would enhance the strategic capacity of the tea industry and would provide a competitive advantage in the global market, which India holds for the past 150 years. The management concepts have precisely helped in this direction.

#### **5.1.2.1 Existing Reward System of Supervisors**

Results of Table 4 reveal the details of basic pay, fixed dearness allowance and variable dearness allowance for supervisors. The pay as on 2002 includes a basic pay of Rs. 2150, variable dearness allowance of Rs.295.90, Rs. 48.48 for educational allowance and Rs.28.06 as personal allowance. The bonus is paid as per the Bonus Act (1965), which requires a minimum of 8.33 per cent for a year and can go up to 20 per cent depending on the company's profits. The provident fund is paid with a contribution at the rate of 10 per cent of basic salary, insurance fund with a contribution of 0.5 per cent of the basic salary, pension fund for which the employees divert 8.33 per cent for an accounting year and can go up to 20 per cent depending on the company's profits. The provident fund is paid with a contribution of ten per cent of basic salary, insurance fund with a contribution of 0.5 per



cent of the basic salary, pension fund for which the employees direct 8.33 per cent are all governed by the provision of the employee's Provident Fund and Miscellaneous Provisions Act (1952). Payment of gratuity by the Payment of Gratuity Act (1972), which is calculated as

$$\frac{\text{Last drawn salary} \times 15}{26} \quad \times \quad \text{Number of completed years of continuous service or part,}$$

UPASI (1996) gives the details of the financial and non-financial rewards entitled to the Supervisors through its Handbook on salary and Fringe Benefits for Estate Staff in South India.

The reward systems for supervisors had all been the fruitful efforts of the Estate and Staff Union of South India (ESUSI) and UPASI. The supervisors had immensely benefited through ESUSI as Padmanabhan and Cheriyan (1991) confirms that the tea companies could enlist the cooperation of supervisors through a success of 12 settlements in the past 45 years from 1965 devoid of any unrest by way of increased emoluments and improved service conditions.

The reward system awarded to the supervisors clearly focuses on how the plantation authorities could control them directly; enhance their morale and performance at work. The supervisors were also required to be in close proximity to the labour force so as to control them. The tea companies provided the elaborate financial and non-financial rewards assured a system devoid of absenteeism, as supervisors could not excuse for leave whenever they wanted as all facilities in the plantation. The findings in the study were in conformity with findings of Baak, (1998).

### 5.1.2.2 Rational analysis of the process of arriving at the existing reward system for Supervisors

The supervisory system evolved from the former *kangani/maistry* system, which were responsible for providing cheap labour to the plantation. The British administration had identified a potential source in *kanganis* to provide cheap labour and if necessary bonded labourers so they were rewarded a handsome reward. This guaranteed loyalty of the *kanganis* to the British. The loyalty, which the colonial rulers were able to build up, had a lasting effect on the plantation system. The advantages the colonial rulers had are:

- a) "The *kanganis*" never used strikes to meet the needs.
- b) Cheap labour whenever required could be provided by the *kanganies*
- c) Rewards could be given which even though meagre by creating a false self-esteem in the *kangani*.
- d) Kept the people divided over most issues.

These findings have also been corroborated in the studies conducted by Baak, (1998). The transition from the *kangani* system to the supervisory system was done through 12 peaceful settlements from 1965 and the supervisors were ensured financial and non-financial benefits as per the Plantation Act.

The results of the present study clearly reveal that the colonial rulers and plantation management cadre are clearly aware that pleasing the supervisors would have a great influence in their performance in the field and their control over the labour force. So they have followed a peaceful and yet open door policy. Padmanabhan and Cheryian (1991) and Government of Kerala (1959) corroborate the findings of the present study.

#### 5.1.3.1. Existing Reward Systems for the Labourers

Table 6 gives the details of the financial rewards the labourers received on a weekly basis. The basic pay of Rs.34.72 and Rs. 26.04 for adolescence and children. The bonus

is paid as per the Bonus Act (1965), which requires a minimum of 8.33 per cent for an accounting year. The provident fund was paid with a contribution of 10 per cent of basic salary. Insurance fund was paid with a contribution of 0.5 percent of the basic salary; pension funds for which the employees divert 8.33 per cent were all governed by the Employees Provident Fund and Miscellaneous Provisions Act (1952). Gratuity is paid by the Gratuity Act (1972), which was calculated as

$$\frac{\text{Last drawn salary} \times 15}{26} \quad \times \quad \text{Number of completed years of continuous service or part, there of in excess of six months}$$

The financial rewards such as basic salary, variable dearness allowance were low when compared with the wages of other labour communities and the industrial sector. Sarkar and Bhowmik (1998) in their studies found that the industrial sector wages rose faster in the country while in the plantation sector it was more or less static.

However these low wages were compensated with free housing, water, firewood and cooking, electricity, medical facilities, schooling, crèche for children etc., which were not provided to other labour communities.

The passage of the Maternity Benefit Act had greatly helped the pregnant women. It should be carefully pursued that all the benefits through the different Acts were due to the uniqueness of the plantation sector, the influence of the industrial workers on the tea factories and the general fight for independence and rights as individuals were effective catalyst for receipt of the benefits mentioned in the Plantation Act. This was also confirmed in the studies of Venkataratnam (1996a) and Association of Planters of Kerala (1982). The details of the labour benefits are given by the Association of Planters of Kerala (1982), UPASI (1996), and Government of Kerala (1959).

The findings of Viswanathan (1996) did not corroborate with the findings of the present study. Many plantations in Tamilnadu, the labourers complained of overcrowded

leaking housing units, lack of electricity and absence of safe drinking water.

#### 5.1.3.1.1 Productivity Incentive Scheme

Table 8 presents the details of the productivity incentive scheme presently implemented in the plantations. The scheme consists of two schemes, one for the months of January, February and August, which indicate the dry periods and the pruning month, while the tea leaf to be plucked varies for the other months. The two schemes vary in the amount of tea leaf to be plucked. Further the time rate and piece rate schemes also vary for these two schemes in the output and the amount paid. It should be noted that the reasons attributed to such varied schemes might be to increase productivity. The piece rate scheme has enhanced the motivation of the labourers to work better and the following reasons can be attributed to the success of the scheme.

1. Units of output can be measured
2. There is clear relationship between employee effort and quantity of output.
3. Job is standardized and the work is regular.
4. Quantity is controlled and measured
5. Competitive conditions requires that unit labour costs to be known and precise

The time rate scheme ensured a sense of security for the labourers, while quality of produce could be maintained in the company and the cost of labour was high under this scheme. In the piece rate scheme the labourers were always feeling insecure. These findings were in agreement as observed by Goel (1999).

The labourers were sure of the quality and quantity of tealeaf standard, which was attainable and could relate the pay they receive to the quantity plucked. These findings were confirmed by Gutherie and Cunningham (1992).

The labourers were also happy about the time rate scheme as it helps in doing work

of their convenience and also maintain the standards they had to pluck. Yukl and Latham (1975) in their studies were able to obtain similar results among industrial workers.

The time rate schemes had the disadvantage were in the labourers were not willing to raise the quantity of leaf to be plucked. This was confirmed in studies of Kohn (1993) among industrial workers in US companies.

Introduction of the piece rate scheme had reduced the control of the unions over the labour force. Richard (1977) noted in the studies among cotton textile worker that the piece-wage scheme payment was a threat to the unions, where unions preferred time rate payment. Multiplicity of unions with diversified union activities and attitudes; outside interferences, particularly political leaders had increased inter-union rivalry and have reduced the purpose of unions. The observations were in consonance with the findings of Dhanraj (2001).

#### **5.1.3.2. Rational analysis of the process of arriving at the existing reward system for the labourers.**

The plantation has a distinct form of production system which given rise to certain specific situations. Plantations require huge tracts of land and a large labour force. The areas most suited for plantation crops were sparsely populated and hence, local labour was not easily available. Thus during the formative years, plantations faced acute shortage of labour. Shortage of labour was one of the reasons of wage increase as observed by Sarkar and Bhowmik (1998).

Since the plantation industry is labour intensive, cheap labour was the most important means of increasing profits. As a result the entire labour force in Assam and West Bengal were migrants from Bihar, Nepal and Madhya Pradesh. These labourers were just provided with wages for the subsistence living. This reasoning was in agreement with the subsistence theory discussed by Goel (1999) on labour management in Indian industries. Whole families were asked to migrate and settle down in the

plantation. The Plantation Labour Act permits the use of adolescence and child labour (Government of Kerala, 1959). The dominance of women in the tea industry has helped in keeping the wages depressed. Till independence the wages were given at the plantation owners free will. In 1948 the Minimum Wages Act was passed by the Government of India to formulate a standard wages rate for the labour class, to abolish inequalities such as low wages, disparities, slavery etc.

Karim (1994), Martocchio and Judge (1995) noted that until 1930 there were no labour law and employees were not required to engage in collective bargaining with employees and were virtually restrained in their behaviour towards unions of the labour community.

The concept of minimum wages was put forth at the 50<sup>th</sup> Labour Conference, which prescribed that minimum wage must take into account food, clothing, fuel, housing for three units of consumption and committee on the issue lead to the formation of the Tea Wage Board. The recommendations were strongly criticized by the plantation owners describing them as cost ineffective and the system of 1.5 units of consumption for determining wages were finally agreed upon. This is why that plantation labour is one of the lowest paid among the labour communities (Government of India, 1931).

The greatest benefits the labour force began to enjoy was the passage of the Plantation Labour Act covering a wide range of financial, non-financial benefits and social security through, provident fund, gratuity, workers compensation etc.

Piskorski (1994) observed that laws like The Taft Hartley Act (1947) were passed to protect the rights of employees and against unions and rights of employees against labour unions, which helped in developing and maintaining good human relation. The passage of the Plantation Act ensured such a status to the labourers of the plantation particularly on labour empowerment and upliftment.

1. The Minimum Wages Act had provisions, which ascertained the rights of

- labourers and so labourers went on strikes, as regular strike demands higher wages.
2. Labour unions were active and politically strong without inter union rivalries, which greatly enhanced the bargaining political of the labour union. As women constituted almost 60 per cent of the labour force they demanded equal wages as man and the Equal Remuneration Act was passed in 1977.
  3. Rise in cost of living index, wages in other industrial sectors
  4. Rise in the price of tea in the market.

These findings are in corroboration with the findings of Sarkar and Bhowmik (1998).

Goel (1999) in his discussion on wage determination stressed the importance of 'Bargaining Theory' where wages are determined by the relative bargaining power of trade unions substantiates the findings on role of labour unions for demanding better pay.

All these findings are in agreement with the observation of Mills (1986). Table 7 shows that the basic wages rose by 287 per cent while the dearness allowance by 498 per cent over the years 1977 to 1992, and the reasons attributed above are most appropriate in describing the percentage increase.

The benefits as enlisted in the Plantation Act were all not followed as families grew, and wages rose, the tea companies provided little benefits. The findings of Viswanathan (1996) in the estates of Tamilnadu were in agreement with observations in the present study. New families were not provided housing or medical facilities, and many labour were forced into debts and have become bonded labourers.

## 5.2. DISCUSSION ON THE IMPORTANT FACTORS AFFECTING REWARD SYSTEM FOR MANAGEMENT CADRE, SUPERVISORS AND LABOURERS.

### 5.2.1 Management cadre reward system factors:

#### 5.2.1.1. Management cadre Personal-socio-Psychological factors

The results presented in Table 9 reveal that self-confidence was the most important variable with the highest factor loading of 0.875. A management cadre requires high level of self-confidence in order to maintain a plantation as it covers several hundred hectares of land, thousands of labour force, diverse activities from field to factory, human resource management, finance, stock, unpleasant and unexpected situation arising due to labour unrest, strikes, drought, pest and diseases, political interference, machinery malfunctioning etc. In order to manage such a diversity of activities, a management cadre should be a person who believes that he is capable of managing them efficiently. Most of the management cadre had a vibrant and pleasing personality, which evidently could be observed in their interactions in the day-to-day activities. The abilities of the management cadre will greatly reflect from his self-confidence, which in turn affects the plantation performances.

Kirkpatrick and Lock (1991) described self-confidence as one of the most important factors contributing to the success of a business activity along with drive, honesty, integrity etc. corroborates the findings of the present study.

Value added to the job by the manager was the second most important variable with 0.777 factor loading. The increments of management cadre greatly depended on the performance of the plantation. So the management cadre's innovative ideas, decision-making, creativity in managing problems, and enhancing performance, ability to set an example to the plantation and the organization greatly reflects his value and importance as a management cadre. The findings of the present as described by Werhrich and Koontz (1993) have substantiated the values added by the management cadre as the one who



shows the desire to manage for which he expands a lot of efforts time, energy and long hours of work.

The third important variable was leadership ability with 0.767 factors loading. The importance of this trait is very clear, as in a plantation the management cadre has the ultimate authority and power to carry out day-to-day activities, enhance production and harmony of the plantation. The importance of leadership may further be understood as plantations have frequent labour unrest, resulting in strikes and to solve them, the management cadre has to exhibit quality leadership ability or else the consequences could be dangerous to functioning and reputation of the organization to which the plantation belongs. Blake and Mouton (1964) observed that managers who are interested in getting results by being high on their concern with people or with production through committed, cooperative subordinates and employees were consistent with the findings of the present study. The findings in the present study corroborates with results of Zaccaro *et al.* (1991) also.

The risk orientation with 0.748 factor loading was the fourth important variable affecting reward system. Risk is an unavoidable factor as there is always uncertainty. Climate conditions are unpredictable, labour forces are unpredictable and it is the biggest challenge of management cadre. The term risk refer to an outcome which leads to losses or deviations of realizations from expectations (Heady, 1957) However risk orientation in the case of a management cadre indicates the readiness to face challenges whenever they occur arising at the probability of succeeding success depends not only in chance but also on one's efforts. Keeley (1980) contradicts the findings of the present study were in employees were least willing to take risk.

Kahneman and Tversky (1984) noted that people avoid risk when an outcome was framed positively and people seek risk when an outcome was framed negatively. Plantation activities involve uncertainties and unforeseen circumstances and therefore the management cadre were always put in a position to be risk oriented and usually with the persuasion from the organization.

Compliance had a factor loading of 0.748 which was an important factor contributing to the reward system of the management cadre. The organization always prefers management cadre who are willing to accept and go by the desires of the organizational authorities. The only reason that may be attributed to this is that, plantations are situated in isolated areas, which involves assets of crores of rupees and investments of similar amounts, so if management cadre comply with the organizational ways and means, it would be easy to monitor them. The organization also inherits this characteristic as the remains of the colonial administration in India, which expects its Indian subordinates to be complying and obedient. The advantage of compliance was that the management cadre carries lesser burden if things go wrong as result of organizational decision-making.

Agency research postulates that management cadre compensation through fixed salary promotes managerial opportunism, whereas equity ownership promotes management cadre's compliance with company interests as reported by Kosnik and Bettenhausen (1992) are in conformity of the findings of the present study.

Fair play was the fifth important variable with a factor loading of 0.747. Management cadre who followed the open-door policy in dealing day-to-day situations with respect to the labour force and factory problems were greatly appreciated by the organization and were reflected in the increments of the management cadre. The studies of Vroom and Yetton (1973) suggested that people in authority while making decision should always follow the fairness rule, substantiates the finding of the present study. Management cadre should present outcomes and inputs in a thorough and socially sensitive manner as reported by Greenberg (1990) also confirm the findings of the present study.

Team working ability was the next important variable with a factor loading of 0.740. The large area of the plantation, the segmentation of units, thousands of employees scattered over the plantation definitely requires the management cadre to work as a team

with help of field manager, assistant field managers and supervisors to get the best out of the plantation and enhance production. Team leaders are called to provide special resources to groups empowered to implement their own missions in their own ways. This suggests that the role of the team leader was clearly very different from traditional supervisory leadership role as Zenger *et al.* (1994) points out. So the uniqueness of the plantations requires greater amount of team working by the manager for desired results. The inputs of the group members in a team is an effective factor in understanding the ability of a team leader and team working has helped in combating a variety of important organizational problems (Solomon, 1987).

The next important variable was regularity in communicating goals with a factor loading of 0.719. Management cadre were required to explain and clarify the day to day activities that he wishes to do on a day to day basis to all his subordinates, either through circular, phone calls, group meetings. This helped in creating an atmosphere where the important players under the management cadre, namely the assistant manager, field manager, field assistant manager who monitor and control much of the activities, created greater interpersonal trust and work culture and felt wanted for their output. Schnake *et al.* (1990) revealed management cadres were positive about goals and assignments and they communicated on a regular basis, which has helped in improving productivity.

Level of job commitment had a factor loading of 0.707 and was an important factor affecting reward system. Mathew and Hamel (1989) indicated that commitment was higher among individuals with high responsibility, ample opportunities for promotion, autonomy and job variety. The managerial job provides all the above-mentioned rewards as the management cadre identifies and the management cadre takes the extra mile to put their heart and soul in the job. These findings were also in conformity with studies of Thompson *et al.* (1992).

Trahan and Steiner (1994) found that in any organization rules and regulations serve about the same purpose do, as laws in a society and discipline is called for when these laws and regulations were violated. Poor performance is not acceptable and it happens

when rules and regulations were violated, and each employee was expected to meet established standards of quality. The management cadres in the plantation were also expected to maintain and go by the rules and regulations laid by the organization and any violation of which could lead to depromotion, transfer to termination of service. Depromotion and transfer could lead to lowering of financial rewards he is liable to receive.

Labour management ability had a factor loading of 0.630 and is characteristic that directly reveals the management cadre abilities. Though supervisors were responsible for labour management, the large labour force requires direct and constant monitoring from the management cadre to look into the possibilities of problems among labour force, problematic individuals who liable to cause dissatisfaction and to establish overall order. Wehrich and Koontz (1993) described that managerial control function, monitoring, inspection of labour hours lost, and level of productivity locating workers who are responsible for poor performance, taking action for improvement etc. were in line with findings of the present study.

Possibility of added responsibility had a factor loading of 0.629, which indicates its contribution as a factor affecting managerial rewards. Martin (1980) and Burke (1995) in there studies observed that corporate companies would recruit individually who are willing to take challenging jobs, additional responsibilities as such individual help in career development and growth of the organization, substantives the finding of the present study.

Technical competence with a factor loading of 0.610 was comparatively a low when compared to other variables, but still affected the rewards the management cadre received. In many problematic situations technical competence was essential to solve problems, as confirmed by the findings of Barth (1993). Managerial competence in technical and functional fields was highly career minded and managers made decisions that helped to remain grow in their chosen field.

Skill of the manager had a factor loading of 0.596. The skill of the manager though had a low factor loading was an important variable affecting reward system. The lower importance to this variable can be substantiated by the findings of Ledford (1991), were in the job-based pay which has little importance to the range, depth and types of skill and knowledge but rather the job title is for what the management personnel are paid for.

Loyalty to the organization with a factor loading of 0.521 was the least affecting variable in the study. Caldwell *et al.* (1990), observed that the existence of alternative employment opportunities, chances where employees tend to weigh both jobs and those with better rewards and less commitment were opted. Management cadre in tea plantations were following the same pattern, and the organization of late were stressing less on loyalty than it was during the colonial styled administration.

Self confidence is the most essential factor and it is based on which the management cadre can add value as a manager to the job, express and utilise his leadership ability take risk. An alternation of these factors can drastically reduce the efficiency of his job. All the other factors are essential and define the characteristics for a management cadre as additional qualities to make his job more challenging and promising.

#### **5.2.1.2 Organizational Variables**

Table 10 reveals the results of factor analysis of organizational factors of management cadre. Reward management practices had the maximum factor loading of 0.875. Organizations, which were willing to provide greater financial rewards, non-financial rewards, benefits, lesser working hours, more recreation and entertainment, were obviously opted by the management cadre. Tea plantations provide all the above said provisions for management cadre. Tea plantations owned by national companies like Tata Tea, Harrison's Malayalam, AVT Tea, Stanes Tea, and Parry Agro Provide greater facilities and high financial rewards to attract the best management cadre for there estates.

Performance related pay as reported by Lawler (1988) skill based pay as reported by Walton (1985) competence related pay as reported by Lawler (1996) personal services as reported by Bureau of National Affairs (1992), flexible benefit programs as reported by Olmstead and Smith (1989) were all to obtain the best management personnel for organizations. The benefits provided by successful tea plantations were very high and the management cadre also received a heavy paycheck, which was comparatively high when compared to most of the government and private establishments.

Organizational resources with a factor loading of 0.873 was the second important variable affecting reward system and is closely associated with the reward management practices of the organization. As mentioned earlier only established tea companies can provide large financial and non-financial rewards. These companies have a diverse of other products in the business industry and can pool or transfer resources based on necessity. Organizational resources were also based on the performance of the organization, which was influenced by tea prices in the market, company policy, corruption etc. Armstrong and Muralis (1991) confirm that business performance and financial position of the company were important factors determining the ability to pay.

Reward policy of the organization had a factor loading of 0.837 and was the third important factor affecting reward system. The reward policy for the management cadre provides a qualitative working atmosphere, some freedom to make decisions and provides a platform for expressing views and awarded recognition and appreciation for good performance. The reward policies for management cadre have been on accepted relationships.

Poels (1999) has identified expectations and prospects as perceived by the employee, attractiveness of the organization to new employees, relationship between pay, benefits and other terms of employment, pay range an important dimension which define a reward policy. These dimensions were found to be affecting the kind of individuals who sought employment in tea plantations and have brought about responsible and successful

managers to the organizations.

Organizational reward strategy with a factor loading of 0.837 was the fourth variable affecting rewards system. Mintzberg (1978, 1987 and 1994) in his studies found that formulation of reward strategies was neither rational nor straightforward. Reward strategies according to him emerge over time periods from activities, situations and may not be articulated. However articulate they be, the tea plantations are no exception to this disease, but have in many ways tried to establish a link between business and reward strategy, enhance growth of the organization, better performance, flexibility, achievement, work oriented culture with managerial participation leading to satisfaction for the manager.

Organizational climate was another important variable affecting reward system with a factor loading of 0.828. Tea plantations have very strong organizational climate, the management personnel have good, effective and strong interpersonal relations with the management and the organization and the organization in turns encourages the cultivation of a positive work culture. This was in conformity with concepts of Armstrong and Muralis (1991), where in harmonious relations were maintained, there mutual trust and respect between employees and employees, management treats employees fairly and consistently, consultation communication and participation are well established.

Aim of the organization had a factor loading of 0.732. Armstrong and Muralis (1991) point out that business aims will provide the basis for developing rewards through reward strategies and reward policies. The main business perspective of tea companies were to maintain high quality of tea leaf, maintain and enhance quantity, obtain a higher price in the market and minimise costs, and most of these were done at the plantation, so the aim of the organization will definitely include to please and enhance the management cadre of the plantation who were responsible for the above activities.

Performance management with factor loading of 0.697 was the next important

variable affecting reward system. Armstrong and Baron (1998) point out that though performance management was in widespread use in the business world and there was necessity to pay serious attention to changes required in the system, which were contributed by.

- a) Diagnosis of the current situation and its causes in the industry and business world
- b) Clarification of the objectives of performance management for the future.
- c) Training and continuing support, which encourages and sustains changed behaviours.
- d) Delivering on the promise of performance improvement, in the performance management process through evaluation.

The reasons mentioned above can also be attributed to the factor loading obtained for the management cadre, which doesn't mean that they are not relevant. A change and redesign could enhance the performance management system and contribute significantly to the success of the management cadre and the organization.

Flexibility of the reward system had a factor loading of 0.650, was a significant contributor to the reward system. The changing scenario of management concepts in the business world has also affected the management concepts employed in the agriculture-based industry. The traditional reward system of the British has been replaced by modern management concepts to modernise the industry so as to enhance productivity and performance and new organizations are providing flexible reward system. Poels (1999) points out that any salary amount for a newly appointed employees, any reassignment of a job to another grade without entailing an unintended adjustment of the amount of the salary, adjustment of pay policy of the organization in relation to the labour market, any periodical increments, alteration benefits was being done for managers and executives to suit there needs.

Communication with the factor loading of 0.650 was the least variable affecting



reward system. The remnants of the colonial system still exist in tea plantations, where plantation managers were only used to taking orders from senior officials and company owners. But that system is slowly changing in larger plantations, while in smaller plantations the bureaucratic style of communication still exists. Larger plantations have introduced two-way communication, but there still exists reservations as how to communicate, what should be communicated, and who should communicate. Farnham (1989) says that top management are less willing to listen to the problems of employees. While Fisher (1991) substantiated through the studies among industrial sector employees that there was a level of upward communication and top management were willing to listen to complaints, problems and issues pertaining to work and human resources.

The reward management practices, organizational resources reward policy and reward strategies are the most defining factors of the rewards of the management cadre. A change in these factors can affect positively or negatively the reward system of the management cadre.

### **5.2.1.3 Situational Factors**

Table 11 reveals that government policies had the maximum factor loading of 0.804 affecting reward systems. The tea industry with its global importance has been a major bone of dislike between the government and the private sector. The tea companies are under constant censure from government policies, which hinder its performance. Porter (1979) reports that governments can limit or even close down industries with such controls as licence requirements, imports and limit access to raw materials. The lowering of tea prices in India, due to large-scale import of tea at cheap prices has shown considerable strain on the reward system of management personnel. Managers are required to work extra hours for the same reward, reduction in the number and amount of increments, absence of promotion, are some of effects of the government policies affecting tea plantation management personnel. Sharma (1998) observed that the government policy of importing tea from developing countries was reducing the price of Indian tea affecting tea plantation business.

Consumer price index with 0.755 was the next important variable with a factor loading affecting reward system. The steady rise in standard of living, rising costs of food and nutritional products, rise in electricity charge, taxes, have a steady influence on the reward system of management cadre who demand more. It was found management cadre who joined tea plantations from organizations with higher standards were expecting to be provided on par even though it does not tally with the consumer price index of the region.

Market forces were the third variable affecting reward system with a factor loading of 0.664. The rise in prizes of tea crop in the early 1980's showed a substantially increase in the increments given to manager, while the down trend in 1990's and total decline of tea prizes in the market has affected the increment levels and promotion policy of the tea companies. These findings were consistent with the findings of Sharma (1999).

Climate influences had a factor loading of 0.664. This variable has become a significant contributor to the production levels in several plantations in South India. There has been shifting of weather pattern with prolonged periods of dry spells in past 10 years due to global warming. This has decreased the production levels in many plantations as reported by Krishnakumar (1996). The lowering of production levels means, lesser job duties for management cadre, which will directly affect the increments and incentives they are to receive.

The least affecting variables were competition from other companies with 0.285 and economic trends in the country with 0.193 factor loading. As discussed earlier most of the national companies through have a flexible reward system, are more or less the same in competition. The competition levels are less as the work to be done in a plantation requires a lot of energy, patience, monotonous and is laborious. So the question of competition is limited. While managers small plantations will see bigger plantations as competitions and show a willingness to join them as they will benefit from enhanced financial and non-financial rewards which substantially low or nil in the smaller plantations.

The low factor loading for the variable economic trends in the country could be reasoned through the following.

1. Tea is an important global earner, because of its peculiar flavour and aroma.
2. Though the economy has gone through various phases of ups and downs the tea markets has always been stable and have increased over the years.

Government of India (2000) forecasts a production outlay of 1000 million kilograms for the tenth five year plan even at a time when the market prices for tea were falling, amid rising production costs and closure of tea plantations. The historical importance of tea, created by the colonial system was one of the reasons attributed to high dominance of Indian tea. The managerial rewards have substantially benefited for this reason. The tea companies are now trying to cut the number of levels of management personnel and enhance the compensation and rewards of existing management cadre to maintain higher production and productivity levels.

In the situational factors government policies, consumer price index has the maximum affect, which could define the reward system for the management cadre.

## **5.2.2 Supervisor Reward system Factors**

### **5.2.2.1 Personal-Socio-Psychological factors**

Among the different factors affecting reward system (as observed in Table 12) personal efficacy had the highest factors loading of 0.831. A supervisor has to pool all his personal abilities in order to get all the work done. The second important factor namely leadership ability with 0.831 factor loading is closely aligned with personal efficacy as is evident from the result. In plantations, the supervisors were challenged by large women work forces who do the leaf plucking which is monotonous in nature. The supervisor should pool his leadership qualities and personal abilities to get the women to work with

diligence, keeping in mind the quality of the leaf and at same time quantity. These women who are breadwinners of their home require to be cajoled on a daily basis to work better. Armstrong and Muralis (1991) defines personal efficacy is the belief in ones own ability to perform a task. Those with high personal efficacy will have the capacity to see a link between their own effort and performance and with their rewards. They try to persist in action even in failure, try alternative courses of action rather than give up, trying. This is a socially learned and developed from personal experience, feedback, which creates a sense of competence and reinforces people's belief in them. Bureaucratic approach to leadership by the supervisor is still followed as in the colonial system as the work force is large. Muczyk and Reimann (1987) describe bureaucratic approach to leadership in their model, which in the most effective method considering the high level of illiteracy among women labourers.

The third important factor affecting supervisory reward system was target-achieving ability with a factor loading of 0.790. Every unit area given to a supervisor clearly defines that he also must get the maximum amount of tea leaf from the given area. In case where the supervisor was not able to achieve this target as specified by the field managers he was transferred to other units and in certain case he is only given half-day salary. The target achieving ability was directly influenced by his ability to manage the labour force that was under his supervision. A volatile labour force means his chances of getting the desired target, were difficult. But in the studies conducted, it was found that supervisors had little or no difficulty in managing labourers at all, as most of them were migrant labourers from Tamilnadu and had high levels of illiteracy among them as observed by Sarkar and Bhowmik,(1998). The labour force particularly women had no other alternative employment and are forced to work in plantations. In many cases the labourers were at the mercy of the supervisors as unions have little influence or were bribed with money or were in terms with supervisors. So the supervisor had no difficulty in managing the labour force. Certain supervisors went to extent of not allowing a labourer to work for a day if they had failed to report for work without prior permission.

Supervisory listening skills definitely were an important factor affecting reward

system of the supervisor, as he is the link between the labourers and the management cadre. The greater proximity to the labour force and similarity of tracts in many cases were added advantages as to get to know them, their problems, find solutions for their problems and enhance the work performance. In many situations the management personnel such as the field managers and assistant managers were unable to understand or communicate with labourers and in such cases the supervisory skills have always helped. The effective listening skills 'HURIER Model' developed by Brownell (1985) best describe the importance of supervisory listening skills namely hearing, understanding, remembering, responding, interpreting and evaluating.

Self-confidence had a factor loading of 0.631. Halloran and Frunzi (1986) point out that success and high morale in the department begins with a self-confident supervisor in industrial units. Though this is true in most cases and was evident from the study, the level of self-confidence was not actually visible, but rather it was the fear of punishment and termination from job for poor performance, which projected self-confident behaviours in many supervisors.

The supervisor's attitude towards management cadre, which had a factor loading of 0.606, does have a direct impact on his rewards. Supervisors, who comply, worked long hours and were found at the beck and call of the management cadre were definitely assured of increments and other benefits which he could not obtain otherwise. The least important factor affecting supervisory rewards was risk orientation with 0.267 factor loading. The probable reason that can be attributed was that, supervisors were given targets to achieve and usually achieved through force or frightening the labour force who were at the mercy of supervisors, so the context of risk are limited. Supervisors who try to get work done more from child or adolescent labourers in difficult geographical areas, weather conditions may be appreciated by a management if it was directly related to production.

The personal efficacy is the most contributing factor of a supervisor's reward, this factor also brings out the leadership ability, target achieving ability and labour

management ability. Any decline or arise on these factors could substantially affect the reward system.

#### 5.2.2.2 Organizational factors

The results of the Table 13 indicate that reward policy was the most affecting factor with 0.892 factor loading. The reward policy of the organization is based on the market rates with comparative industrial organizations. There is little evidence to show that the reward policy was based on performance or competence. The Industrial Disputes Act 1947 as reported by Padmanabhan and Cheriyan (1991) were the basis for deciding the reward policies of the supervisors.

Organizational resources as discussed in management cadre, was also relevant to the supervisors. If the price of tea was good then the supervisors were assured of getting their salary on time, their incentives for the year and bonus as per the Bonus Act (UPASI, 1996) from 8.33 per cent up to 20 per cent, which though has never been paid so far. The poor performance in the year 2002 of tea in the market had deprived the supervisors of their bonus was observed from the study and nine months salary has not been paid.

Organizational reward strategy with factor loading of 0.817 was the third factor affecting reward system. The reward strategy as pointed out by Muralis (1996) were characterised by diversity and conditioned both by the legacy of the past and realities of the present. In the case of supervisors the reward system has been evolved from the *kangani* system or *maistry* system (Padmanabhan and Cheriyan, 1991) and the special Industrial Tribunal for Plantation (1958) has become the basis for the reward strategies for the supervisors along with the ESUSI. The reward strategies had immensely benefited the supervisors, and the absence of strikes or unrest by the supervisors is note worthy in the past 40 years, which clearly indicates that they are happy with the system.

Organizational climate and aim of the organization with factor loading of 0.746 and 0.732 were the other factors affecting supervisory reward system. Research among

hundreds of organizations around the world by Gross and Blau (1995) demonstrated that there was a clear correlation between a positive organizational climate and performance in the bottom line employees of the organization. This positive climate has been enhanced by the organizations cordial and effective relation with Estate and Staff Unions of South India as reported by Padmanabhan and Cheriyan (1991), which has had a positive effect on the rewards of the supervisors.

The aim of the organization was to sustain with profits, retain its name in the tea market. Gilbert (1997) observed that it was necessary to keep internal processes in line with the way in which the business goes in the market. The organizations by large had a profit oriented outlook but have also takes the effort to satisfy the bottom line management personnel (the supervisors) to achieve its own ends.

Reward policies, organizational resources, reward strategy of the organization were the most important factors contributing to the reward system of the supervisors.

### 5.2.2.3 Situation Factors

Government policies had the maximum factor loading with 0.807 as observed in Table 14. As discussed in the management cadre the government policies of taxing the tea industry due to its high profits, periodic hiking of power tariff, and imports at lower prices has systematically reduced the increase in incentives or benefits.

Studies on the consumer price index could not be found, yet this factor has direct effort on the reward system of supervisors. A report in *Business Review* dated 2002, discusses the new agreements, that compensatory payments were being done in plantations of West Bengal and Assam with higher bonus of 9.75 per cent and 11 per cent from the regular 8.33 per cent as per Bonus Act and bonus would be calculated for supervisors with standard of rupees five thousand per month. This new agreement was done in order to compliment the rise in cost of living among the work force.

Market price had a factor loading of 0.646 which also had a direct influence on the bonus received. Higher price for tea in the market means a higher bonus and incentive for the supervisors, while a normal price, reduces the bonus payment to 8.33 per cent. In 2002 no bonus was paid due to substantial lowering of prices.

Climate influence has become a cause of concern in general for many years. A press release by UPASI in 2002 reported fall in tea production from 203 million kilograms to 186 million kilogram in 2002 when compared to 2001. This has clearly reflected in the supervisors pay also, lesser work, lower productivity, and therefore no incentive, and a normal bonus of 8.33 per cent only.

Economic trends in the country as a factor affecting supervisory reward was limited as in the case of management cadre and that is why it has a low factor loading of 0.255. But still the indirect influences like global slow down of economy, higher imports of tea at lower costs, decrease in exports, lowering of prices, all could have an influence and affected the incentives and bonus for the supervisors.

Government policies, consumer price index and market prices are the most important factors defining reward system of supervisors. Any change in these factors will substantially affect the reward system of the supervisors.

### **5.2.3 Labourer Reward System**

#### **5. 2.3.1 Personal-Socio-Psychological factors.**

Table 15 reveals that significance of the job had the highest factor loading of 0.766. Labourers in tea plantations are migrants and have been living for generations starting in the early 1860's. They have adapted fairly well to their new environments and whole families including father, mother, children work in the plantation. If four or five of a family were working, the amount they receive was significant for the family. The yearly bonus also was a large amount based on which they plan their special commitments for



the family well-being. Purchase of new clothes, TV, furniture, utensils, going on trips etc. non receipt of bonus in a year would ruin all their plans and as these labourers are not capable of doing any other job and the possibility to find any other employment was difficult considering the isolated nature of tea plantations. If they have to seek alternative employment they have to migrate to cities and towns. The low literacy level, low social status, and women constituting seventy percent of the labourers have all contributed indirectly to the pay they receive for tea leaf plucking. These migrants were provided housing and other facilities in the plantation and do not have the right to work elsewhere and the possibility of return to their native places does not offer any opportunities or better living conditions either. The findings are in conformity with the studies of Sarkar and Bhowmik (1998) and State Labour Department (2001). The Plantation Labour Act also laid the foundation of elaborate benefits to this sector, which is not found among any other agricultural labour class. The successive amendments have greatly contributed in enhancing the standard of living and labour dignity.

Average daily output with a factor loading of 0.759 was the second factor affecting reward system. The amount of tea picked daily by each labourer was fixed for which they were paid on daily basis and any extra quantity harvested above the standard, a plucking incentive was paid. This system was modified to two slabs, one based on the time-rate picking and the other piece-rate picking.

Sivaram (1998) reports how the scheme has benefited the labourers.

1. The green leaf yield was to be worked out by dividing the field weight of green leaf plucked for the month for the estate by the total area.
2. Green leaf yield per hectare was to be rounded off to the nearest kilogram.
3. The base output was not the task as such but only the indicator above which the incentive wage was to be calculated,
4. All workers were expected to pluck normally and diligently for a full day and harvest the maximum output.
5. For calculating the month's yield, any crop plucked on a holiday was to be excluded.

6. Scheme to be reviewed every two months.

The greatest gain by the productivity incentive scheme was for the labourers and studies indicate that labourers getting up to 60 per cent of the gains of the tea harvested, which is a fair limit.

Self-awareness had a factor loading of 0.750. The frequent occurrence of strikes and lockouts was one of the basis for increase in wages, bonus and benefits as reported by Rao (1998). The plantation owners were getting maximum output but were failing to pay the labourers. The labourers were aware of the facilities that were implemented or being developed and used by the other sections of the society and were demanding them as benefits. Labourers as individuals also had a clear idea about productivity incentive scheme, the benefits to which they were liable through the Plantation Labour Act. These finding have been confirmed by Venkataratnam (1996 a) and Venkataratnam (1996 b).

Skills of the labour contributed, to enhancing the productivity levels and quality of tea leaf plucked and that was the reason why factor loading of 0.675 was obtained in the study. Though the labourers in the process of regular practice gain this expertise, it directly reflects on the daily pay or incentives they receive through the extra plucking. Another important aspect of women being employed for plucking was that they were better and effective quality wise as confirmed by Sarkar and Bhowmik (1998).

Participation in labour union activities had a factor loading of 0.661, which shows that it was a significant factor affecting reward system. By and large women though members of political unions were found to be passive participants. They joined political unions because of husbands or fathers joining the political unions, and most were less interested in joining these political unions. Workers particularly the men who were active in unions were of the opinion that their participation in union activities helped in receiving additional benefits and their right to good living and work condition as studied by Hindman and Smith (1993) is consonant with the findings of the present study. This has been in conformity with Sarkar and Bhowmik (1998) in their studies in the plantation of Terai region of West Bengal. Those who were regular participants of political activities, and frequently absent for work were dealt severely and were not provided their

regular wages, or incentives, reducing the benefits as detailed in the Plantation Act and terminated from service.

Discipline with 0.656 and morale with 0.633 were the other important factors affecting reward system was evident from the Table 17. The common reasons attributed to lower discipline and morale are absenteeism for participation in political and labour union activities, family functions, personal problem like sickness, seeking employment elsewhere. These reasons had significant impact on the amount of wages and bonus they received. These types of workers were removed from the muster as permanent labours and all the benefits they enjoy through the Plantation Act were removed. These findings were in line with that of Suri and Joshi (1984), Unni (1989) Surendranath (1995).

The least affecting factors were pay satisfaction with 0.484 and attitude towards the manager 0.449. The lower factor loading can be attributed to the fact that the majority of the labour forces were actually satisfied with the pay, while the dissatisfaction arises through the disgruntled elements in labour unions and political activists. Another reason, which could be justified, is that individuals always were seeking for more no matter how much of rewards they received. Herzberg *et al.* (1957) suggest that people always tend to want more and are never satisfied how much ever they are provided. Armstrong and Muralis (1991), Porter and Lawler (1968) described the external and internal environment as strongly influencing the satisfaction of pay employees receive.

The importance of attitude towards the manager in the study could be observed as musters though were monitored by supervisors, the direct controls over absenteeism, extra production, were all monitored by the management cadre. The field managers had to sign and approve the productivity book of the labourers on a daily basis, and it is this reason why a favourable attitude towards the management cadre could help in receiving the appropriate wages, and incentives for the work done. Non-favourable attitudes, the labourer stands to loose even if he/she deserves, and at the same time the labourer would have no forum or backing to get the rightful pay.

Significance of the job, average daily output, and self-awareness were the important factors deciding the reward system of the labourer. A significant shift in these factors can

decide the amount of reward the labourer would receive. The factors like skill, participation in labour union activities discipline and morale will also contribute to the reward system.

### **5.2.3.2 Organizational Factors**

The reward policy had the maximum factor loading of 0.932 as was evident from the Table 16. Suri and Joshi (1984) reported much talk on reward policy for the labourers was designed with big words that didn't mean much. The existence of tripartite settlements with the labour union was the basis on which every organization functions. Tea companies were very keen in developing policies which were to their advantage and in many cases the success has been limited due to large scale unionisation and political backing. This was confirmed in a report by the Government of India (1931) and Sarkar and Bhowmik (1998). These policies are strongly on the basis of Plantation Act, Labour legislation and laws. Another area where the tea companies had lost, was the lack of a link between productivity and wages and the disparities between these two were very high when compared to South and North Indian tea plantations also. The tea companies do not have individual reward policies and are guided by general plantation labour laws. The advantages for the labour class were, many fold, so the tea companies were forced to pay more wages, giving little attention to the non-financial benefits, which in many plantations were far below the functioning standards.

Reward strategy had a factor loading of 0.926 and was the next important factor determining the reward of labourers. Balkin and Mejia (1992) describes reward strategy as the deliberate utilisation of the pay system as an integrating mechanism through which the efforts of various sub units and individuals are directed towards the achievement of an organization's strategic objectives. The introduction of the productivity incentive scheme can be attributed to the reward strategy adopted to improve productivity.

Balkin and Mejia (1993) assert that the general principles in personnel management are essentially bankrupt and unless it was legally mandated, were bound to produce sub-optimal results. The failure to increase productivity with wages can be attributed to this reason.

Organizational resources had a factor loading of 0.873. The labour force constitutes 75 to 80 per cent of the employees of the plantation. To provide salaries and benefits to such a vast number of employees, the owners or the companies should have sufficient resources. The profits obtained during high market value should be pooled in so as to sustain the organization. Sharma (1999) also stresses on reinvestment strategies to ensure long-term survival and growth of the industry. Several plantations in the State have closed simply because they have been unable find money to pay the large labour population. Several labourers who did not receive the provident fund money and gratuity after retirement have taken over plantation land through agitation and strikes.

Aim of the organization had a factor loading of 0.794. The strong factor loading suggests the existence of a link between business aim and rewards. The aim of the tea companies was to produce the best quality tea and that primely depends on the labourers. So when strikes and labour unrest take place the organization tries to sort the issues on wages, and more the days of unrest the company stands to lose, as production and profits. Dhanraj (2001) also reported absence of a possibility to introduce technology due to undulating terrain as one of the biggest hurdles to the tea industry and when labourers strike, the tea companies had to make a bargain and negotiate with labour unions ensuring an incentive or wage rise.

Organizational climate had a factor loading 0.785. The plantation employers are realising rather slowly the value of sharing information and the virtue of transparency for building mutual trust and cooperation, which are pre-requisitions for effective productivity. Venkataratnam (1996 b) describes how sound relations could be practised in the companies.

- 1) Business strategies should not base around low cost or low wages, but around the real sources of competitive advantage such as flexibility and quality.
- 2) Employee and human resource consideration to be received in formulating business strategies. •
- 3) Employment security based on a policy, which treats workforce

redundancy as the last resort.

- 4) Investment in skills formation and encouragement of multi-skills and training.
- 5) Employee's involvement is necessary in diversion, pertaining to their jobs.
- 6) Unitary measures accrued at employee share perspective and understanding of the problems of business and industry.

Plantation Act with 0.739 and labour legislation with 0.731 were the other important factors with high factor loading which had direct influences on the reward system. Schregle (1981) commented that the main ideas of labour legislation in force at the time when India become independent were still the basis of the Indian labour legislation system. Amendments in the Plantation Act were being done on a periodic basis and the existing labour welfare legislation stipulates elaborate provision to health, social security and welfare benefits (Government of Kerala, 1959). Dhanraj (2001) observed that cotton textile owners followed the rules and regulations drawn by the South India Mills Association (SIMA) when it came to wages, bonus, incentives and fringe benefits. These finding strongly point that plantation companies were strongly guided by Plantation Acts and labour legislations while deciding on the reward system of labourers.

Attitude towards labour had a factor loading of 0.674, which was significantly related to the reward system, and organization's relations with unions were closely allied. The tea companies were well aware that their production and profits were based on the hard labour of the labourers that necessitated maintaining good relations with the labourers and the unions. Organizations were trying to establish newer ways of implementing schemes for the development of this large labour force into production units, by introducing productivity incentive scheme, greater communication, greater benefits for women, increasing temporary and contract workers.

Reward policy, reward strategy, organizational resources were the main organizational factors defining reward system of labour and influenced by Plantation Act

and labour legislation laws and significant shift could positively or negatively affect the reward system.

### 5.2.3.3. Situational Factors

Strikes and lockouts had the highest factor loading of 0.813 as is clear from the Table 17. Rao (1990) in his studies on labour unrest found sizeable number of disputes related to wage and wage structure in individual units. State Labour Department (2001) observed about 305 cases of lockouts and 20 cases of strikes resulting in the loss of 13.7 lakh man-days affecting two lakh workers in Assam.. In 1995, 33 cases of strikes and 125 cases of lockouts were also reported and the most attributed reason was the bonus payment. The serious of agitations in the 1970's were responsible for increasing the wages and introduction of greater benefits for the labourers.

Market prices had a factor loading of 0.751 and the second important contributor to the reward system. This was closely aligned with the government policy with a factor loading of 0.705. At the global level tea production has increased by 2.45 per cent in 2001 to reach an all time record of 3012 million kilogram as against 3940 million kilogram of 2000, but there has been steady decline in the tea exports from India coupled with poor price realisation. The Association of Planters of Kerala has sought a government policy to subsidise additional expenditures imposed through the Plantation Labour Act, to ease the burden on tea companies. This may help the tea companies to pay the wage bill of the labourers.

A news article in *Business Line* dated October 9th, 2001 discusses the willingness of the Central Government to offer subsidies to bankrupt Darjeeling tea industry. The subsidies will be on schools, roads, electricity and other infrastructural facilities. Armstrong and Muralis (1991) point's that government policies were one of the key factors affecting the reward system of employees.

Consumer price index with 0.699 had the next highest loading affecting reward system. The large number of strikes, labour unrest and lockouts were clear indication that labourers were seeking to increase their wages and benefits on par with the rising costs of

consumable goods and other basic amenities. Johri and Agarwal (1981) observed that wage bill rose sharply between 1950-61 with corresponding increase in consumer price index as result of independence and world wars, which were the main events affecting the Indian industry during those years.

Role of UPASI with a factor loading 0.656 was the next important factor. UPASI is one of the tea organizations responsible for deciding the prices of tea, the wages and benefit schemes for staff and labourers as per the Plantation Act 1957 and therefore were equally responsible for the reward system of labourers. The labourers of small plantations were the main beneficiaries' through UPASI, which initiated trainings, and social benefits. UPASI also coordinates with the government to set up a marketing strategy to increase exports and price stabilization. Referring to the discussion for the management cadre and the supervisors can substantiate climate influence, economic trends in the country.

Labour union activities with a factor loading of 0.577 was also an important factor affecting reward system of labourers. Aziz (1972) found that labour unions were the prime reasons for wage increase in cotton textile industry. The multiplicity of unions with diversified thinking, controlled by outsiders with clout in political circles has resulted in a setback for unionisation and a fall in bargaining power as noted by Dhanraj (2001). These findings were in conformity with the present study.

Demography, skill and employment pattern with a factor loading 0.472 was also a significant contributor to the reward system. In plantations in Idukki the younger generation were less interested in joining as labourers in the plantations. Most of them were educated and were seeking for better jobs in towns or cities. The present labour force includes the older generation and women labourers who feel they are not capable of doing any other job. Immigrant population, absence of any other job opportunity and changing life styles can also be attributed to the importance of this factor.

The situational factors namely strikes and lockouts was the most contributing factor for the reward system and supplemented by market price, government policies, consumer price index and role of UPASI. A substantial increase or decrease in these factors will



affect the reward system.

### 5.3. DISCUSSION ON THE INFLUENCE OF THE EXISTING REWARD SYSTEM ON THE MOTIVATION OF MANAGEMENT CADRE, SUPERVISORS AND LABOURERS.

#### 5.3.1 Management cadre Motivation

Table 18 shows that responsibility has the maximum factor loading of 0.804. The responses and the details collected from management cadre clearly indicated that the level of responsibility, which they were given, was very high and it greatly added to the motivation to work better. The responsibility included 10-12 hours of working day in a plantation and not less than 300 hectares, at least a thousand labourers, a factory running in shifts, several subordinates, maintenance of accounts, production and productivity.

Herzberg (1966) describes responsibility as one of the greatest motivators for people whose basic needs are satisfied and seeking methods and ways to achieve something in life. This was confirmed in the study by Machungaws and Schmitt (1983). McGregor (1960) says that human beings in normal condition would seek responsibility.

Personal importance was the second important motivator with a factor loading of 0.790. Nelson (1994). Kanter (1986), Hill (1989), have confirmed that simple and informal rewards like pat on the back, congratulations, a special holiday, a felicitation through meetings and parties had greater value than monetary rewards for managers. During the study, managers elicited and talked greatly of how the owners and top management have appreciated their achievements and activities, and how the top management considered them as important.

The management cadre expressed a high motivation from the financial rewards with a factor loading of 0.765. Gellerman's (1968) instrumental theory supports that high motivation score by substantiating that the effectiveness of money as a motivator depends on circumstances, values and needs of the individual and how it symbolizes to achieve tangible goals. Herzberg (1966) defined money as a hygiene factor that promotes a healthy individual and prevents diseases or unfavourable feelings.

Bonus was provided to managers as they played an important role in determining the divisional and corporate profitability, which was highly motivating, was reported by Murray (1986) and Greenberg (1990). These studies are in conformity with the results obtained in the present study.

Influence, which has a factor loading of 0.745, is in line with the McClelland's (1962) who described people had motivation to drive to exert influence or to exercise power. McClelland and Boyatzis (1982) have confirmed this theory in their studies to understand leadership motivation.

Intrinsic value had a factor loading of 0.717. Individuals who have joined as managers attach great importance to this value and act as a strong motivator. They perceive that the pay, that they receive for their job was based on their knowledge, skill and competence levels. The impact is so strong that they mobilize all their energy and company resources to bring out the best.

Personal growth was the next important motivator with a factor loading 0.674, which suggests that managers have the opportunities to develop their abilities, knowledge, skill, competence and experience in several ways in the plantation and that is provided through training by the company as proposed by Maslow (1943), Smith (1992) and Cumming (1993).

Recognition with a factor loading of 0.629 contributing significantly to the motivation of managers. Managers were recognized for what they had done through incentives and increments. This sort of motivation has been described as very important for managers by Kanter (1983).

Attribution and expectancy had a factor loading of 0.553 and was significant contributor to motivation. Many managers in informal talks have responded positively describing how they have been paid based on their expectancies, and have contributed to satisfy security, esteem, and self-actualisation and were happy. Mitchell (1983) has propounded the importance of expectancy as a motivator among employees.

Stepwise regression analysis of management cadre motivation found all the eight

reward practices to be significant at one per cent level as the seen in the Table 21. Financial rewards were the highest motivator for a manager and that could be explained through the 'economic man' approach based on reinforcement theory. People are primarily motivated by economic rewards and using this approach has been successful and is widely adopted in management-oriented companies around the world. These individuals tie up rewards and penalties directly to the results they achieve as reported by Skinner (1969). The financial rewards was the most motivating factor for the management cadre, other factors are personal importance; influence, recognition and responsibility which motivate management cadre for higher job performance.

Influence was the second important motivator followed by personal importance, recognition, responsibility, personal growth and attribution expectancy. The last reward, rewards practices were the least motivating factor in the analysis. The results brings out a vital information that the levels of expectancy and attribution are quite high as far as the management cadre are concerned, however the company was not willing to go the extra mile to pay what the employee really wants.

### 5.3.2 Supervisory Motivation

The studies on supervisor's motivation could not be found in spite of extensive review of literature. The results and the discussions through the present study could throw light on the nature of supervisor's motivation.

Step down regression analysis confirmed that recognition was the most important motivating factor for the supervisors as is evident from the Table 22 followed by influence and responsibility.

Among supervisors recognition was the most common motivator that they enjoyed is clear from the factor loading of 0.881 as observed in the Table 19. One of the reasons that can be attributed was that the British have always given special status for these supervisors or *kanganies* as they were called then, for bring in more number of cheap labour particularly women. The findings of the present study were in conformity with theory of Herzberg's (1966) two-factor theory.

The second important motivator was influence with 0.841, which clearly indicates that their influence on the labour force was an acknowledged trait by the tea plantations and their ability to make labours work to the best is very good proof of the McClelland's (1962) motivation theory.

Responsibility was the third important trait with a factor loading of 0.678. The motivation of supervisors clearly follows a pattern. Responsibility to bring labour and get them to do the work by influence and through proximity and helplessness, labourers listens to supervisors. The company recognizing the efforts of the supervisors forms the core of motivation.

This was further complimented by the financial rewards they receive. The importance given to the supervisors in the British system through non-financials rewards have overcome the low level of motivation they perceive from the financial rewards.

For supervisors recognition and influence were the most effective motivation coupled with responsibility and complimenting financial rewards to make them an effective supervisor.

### **5.3.3 Labour Motivation**

From the Table 20 it is clear that the productivity incentive scheme with a factor loading of 0.911 is the most motivating reward for the labourers. Sivaram (1998) in his studies found that the labourers through the productive incentive scheme received 60 per cent, which was a fair limit. The high level of motivation was also due to the existence of two types of incentive schemes namely the time rate and piece rate and they could choose whichever they wanted. Earlier the fixed wage system was highly non-motivating as they always had to work harder to meet the target and those who achieved and those did not achieve the target were in constant friction over the same wages that they received. The step down regression analysis clearly indicates that the productivity incentive scheme was the greatest motivator among the labourers in the present scenario as is evident from the Table 23. Incentive productivity scheme particularly the piece rate work was simple to calculate and easily understood by the employees. It appears

equitable in principle, and their incentive value can be powerful since rewards are directly tied to performance as reported by Henderson (1986).

Labour dignity was the second greatest motivator for the labourers. They had a family labour with each member receiving wages, incentives and bonus. The non-financial rewards included housing, electricity, water, firewood, medical and school facilities, maternity and health for women and endless list of benefits. . They were well aware of their significant contribution to the plantations production. They were also proud and happy that most of the agricultural labour does not enjoy the same standards as they do in the plains or in their native places. Finally the financial rewards that they receive had a factor loading of 0.223. The simple reason that can be attributed was that, when compared to wages of other agricultural crops where it is Rs. 100 for women and Rs. 150-175 for men, the plantation labourers receive nearly around Rs. 60 to 75. Though plantation labourers were bound by Industrial Labour Acts, a comparison of wages indicates that the plantation labourers received lower wages. The widening gap between productivity and wage rate can be attributed to this reason also. Bose (1954) observed in studies that wages in industrial units grew while that in the plantation sector was stagnant. Aziz (1972) and Johri and Agarwal (1981) also observed in their studies the lower wage rate was a bone of contention between the labour force and the employee. So for the tea companies' wages is an important part of the cost production. The employer would like to restrain his wage bill, from rising: so that the profit margin increases. In deed, a wage structure should be such that it creates neither frustration or discounted the labour force. (Directorate of Economics and Statistics, 1993) found that Kerala had the highest wage rate among the labour class in India.

Productivity incentive scheme was the important motivator for getting labourers to work to their best.

#### 5.4. DISCUSSION ON THE INFLUENCE OF THE EXISTING REWARD SYSTEM ON THE JOB SATISFACTION OF THE MANAGEMENT CADRE, SUPERVISORS AND LABOURERS.

##### 5.4.1. Management Cadre Job Satisfaction

Table 24 reveals that benefits had the maximum factor loading of 0.898. The high level of job satisfaction clearly indicates that the tea companies were providing the best of services for the management cadre. The supply of all essential benefits and luxuries will result in paying full attention to their work in the plantation. Considering the unique nature of the plantation industry and its isolation from major human habitation, facilitation of the best benefits would definitely add to the satisfaction of the management cadre. These benefits, which the British established, have been the primary cause for the success of the successful running of a tea plantation. Stepwise regression analysis has revealed that benefits were an important contributor for job satisfaction of the management cadre. The studies of Barber *et al.* (1992) have obtained the same results as in the present study.

Job environment with the factor loading of 0.871 was the second variable enhancing the job satisfaction of the management cadre. Mitchell (1983) from the studies he conducted could conclude that the environment in which they work greatly affect their satisfaction. Even if the company provides adequate rewards if the corresponding job environment is not satisfying then the job satisfaction of the management cadre could be low. Sundstrom (1986) also proposed that working conditions of the job could greatly undermine the job satisfaction of employees. The stepwise regression analysis confirmed that job environment was a significant contributor for job satisfaction as observed from Table 27.

Job security had a high factor loading of 0.811; Ravindranath (1999) understands that no policy that does not ensure security would contribute to job satisfaction. Regression analysis confirmed the contribution of job security was an important contributor to job satisfaction of the management cadre. As in the industrial sector the management personnel were assured of his job for long years to come and could stay in

the organization till he retires without any difficulty.

Promotion had a factor loading of 0.762. Many individuals, who join plantations for a managerial job, are assured of a promotion as a manager in five years and group manager in seven years, which means he will receive higher financial rewards and much more luxury benefits. The stepwise regression analysis has confirmed promotion as an important contributor to the job satisfaction of the management cadre. Mills (1986) and Schmidt (1994) have confirmed promotion as the greatest forms of job satisfaction within an organization.

Equity and fairness had a factor loading of 0.725, which reveals that it was an important for job satisfaction for the employee. However the regression analysis revealed that there was no equity or fairness in evaluating the job and rewards were not fair or equal when compared with others, which shows that the management cadre were dissatisfied with the evaluating system. The unfairness felt by the management cadre in certain ways can be described as the inner feeling, of jealousy that exists in the mind of individuals. Secondly reports of unfair treatment and evaluation of job based on level of compliance, cordiality and interpersonal relations. Thirdly some managers were favoured because they had close relations with the management or were related to the top management or tea plantation owners. These findings were also found in the studies of Boehm (1972), Hunter and Schmidt (1978) among whiter and non-white employees in America.

Job esteem had a factor loading of 0.664 and stepwise regression analysis confirmed that job esteem was a major cause of satisfaction for management cadre. The management cadre occupies a prestigious position. Herzberg's (1966) two-factor theory clearly confirms the status of the job and esteem it creates as a major cause of satisfaction for, employees. Weaver (1980), Eicher *et al.* (1991) and Bedian *et al.* (1992) in their studies found that people with white collared jobs were more satisfied than people with blue collared jobs.

The main reward variables enhancing job satisfaction for management cadre are benefits, job environment and job security; a substantial increase or decrease in these

variables would affect job satisfaction.

#### 5.4.2 Supervisory Job Satisfaction

Studies on supervisory job satisfaction are limited and could not be located even after review of literature in the plantation sector. The job satisfaction from the existing reward system could throw valuable insight into the variables responsible for job satisfaction. The results on Table 25 reveal that job environment with a factor loading of 0.677 were an important affective factor. Most of the supervisors today were descendants of the *kangani* system and were used to the plantation life. They were born and brought up in an environment in which they are a part and parcel and in fact many of them enjoyed the plantation life. As Herzberg (1965) proposes the working conditions greatly affect the performance of the individual, substantiating the findings in the present study. The stepwise regression analysis confirms the contribution of job environment to the job satisfaction of the supervisor as shown in the Table 28.

Benefits had a factor loading of 0.667, which describes benefits as an important determinant of job satisfaction for a supervisor. But in the stepwise regression analysis the variable was deleted expressing the extent of dissatisfaction among the supervisors. Though the supervisor was eligible to benefits by the Estate and staff union of South India and the Plantation Labour Act, many of the benefits provided are not up to prescribed standards and benefits particularly electricity, water and recreation was still lacking. As the supervisors had a history of slavery and dominance by the colonial system, it has created a lack of awareness and illiteracy in them and have succumb to the fate of the exploiting system.

Job security had a factor loading 0.587 and its contribution to the job satisfaction of supervisors has been conformed through step down regression. The *kangani* system and subsequent supervisory system was the basis for mobilising labour and the plantations were wholly depended on them and so the supervisors were always alert for fearing of losing the job. Herzberg (1966) and Handy (1989) have described that job security was



one of the greatest determinants of job satisfaction among employees, which defines their commitment, performance and morale.

Job esteem with a factor loading of 0.377 was another contributor, which signifies their extent of influence and respect among the labour community. Supervisors decide who should work and where they should work and what work men should do etc. and as said previously the *kangani* system created a special status symbol in their job differentiating from the labour class as a influential leader of the labour community but loyal to the plantation company.

The importance of equity and fairness in job satisfaction had a factor loading of 0.351 and was confirmed in the step down regression analysis. Berkowitz *et al.* (1987) found that the best predictor of job satisfaction was the belief that the employee is treated in a fair and equitable manner.

Job environment, benefits and job security were the major factors contributing to the job satisfaction of supervisors and any alteration of these factors will significantly affect the job satisfaction of supervisors.

#### **5.4.3 Labourer Job Satisfaction**

Results of Table 26 reveal that timely financial rewards with factor loading of 0.849 and confirmed by step down regression analysis (Table 29), was the most factor contributing to job satisfaction of labourers. For the labourers receipt of timely wages was important as they have no other means of income and it is based on these wages that they plan monthly activities, pay back loans, etc. The economic lag, poor prices for tea market and company's poor financial position are the reasons why labourers never receive their wages and bonus on time. Higher bonus with 0.852 factor loading significant contribution through the step down regression analysis was an important factor affecting job satisfaction. They were receiving an 8.33 per cent bonus and when excess of profits the company received, bonus goes up to 12 per cent in certain

plantations. Most of their long-term commitments were made practical through the bonus received on a yearly basis. Armstrong and Muralis (1991) suggest a bonus of 10 per cent of pay for manual works, which is universally followed and has found to be effective for the company and at the same time satisfying for the labour force.

Benefits had a factor loading of 0.802 but were eliminated in the step down regression analysis pointing out the level of dissatisfaction among the labour community. The Plantation Labour Act enlists a variety of benefits in order to improve the living standard, but most of them are not implemented or are of low standards lacking infrastructure, maintenance and funds.

Major grievances that the trade unions expressed were the absence of wholesome drinking water, no maintenance of living quarters, latrines and drains, falling standards of medical facilities and is earning major health hazards and disease break arts as Krishnakumar (1996) observed.

McFarlin and Rice (1992) asserted that the relationship between job satisfaction on particular facets of the job particularly the money they receive. The greatest disaffection among labourers is that the money that they receive is not satisfying their basic needs like food and clothing.

Safety provision with a factor loading of 0.771 and was a highly satisfying contributor and is evident from the step down regression analysis. Men who work on spraying were provided with protective clothing, tea plucker's were provided with raincoats, gloves for hazardous chemical handling and in the event of any injury or major hazards the labourers are protected and liable to receive compensation through the Workmen's Compensation Act.

Worker's compensation laws are aimed at providing sure, prompt income and medical benefits to work related accident victims as reported by Bialk (1987) are similar to the Plantation Workmen Compensation Act.

Satisfaction of basic needs had a factor loading of 0.744, but was eliminated in the step down regression analysis expressing level of dissatisfaction among the labourers. The labourers argue that their wages were comparatively low with respect to other agricultural labourers. Though they have been provided with housing, the area is not sufficient as most were joint families. The rise in prices of consumable goods has never matched with wage they receive and were always in debt with loaners.

Quality of life with a factor loading of 0.533 was a definite contributor and the results of step down regression confirm its significance as a job satisfaction factor. Most of the labourers were migrants from Tamil Nadu, who lived in abject poverty, absence of work, were the reasons for them to migrate. Comparing their earlier living conditions the different provisions that they are liable through the Plantation Act, has definitely improved their living conditions, job security, self-awareness and better life for their children through education. Herzberg (1966) proposed that personal life of an employee contributes to his satisfaction in his job environment. There is an enhancement and change in his life contributing to the job satisfaction.

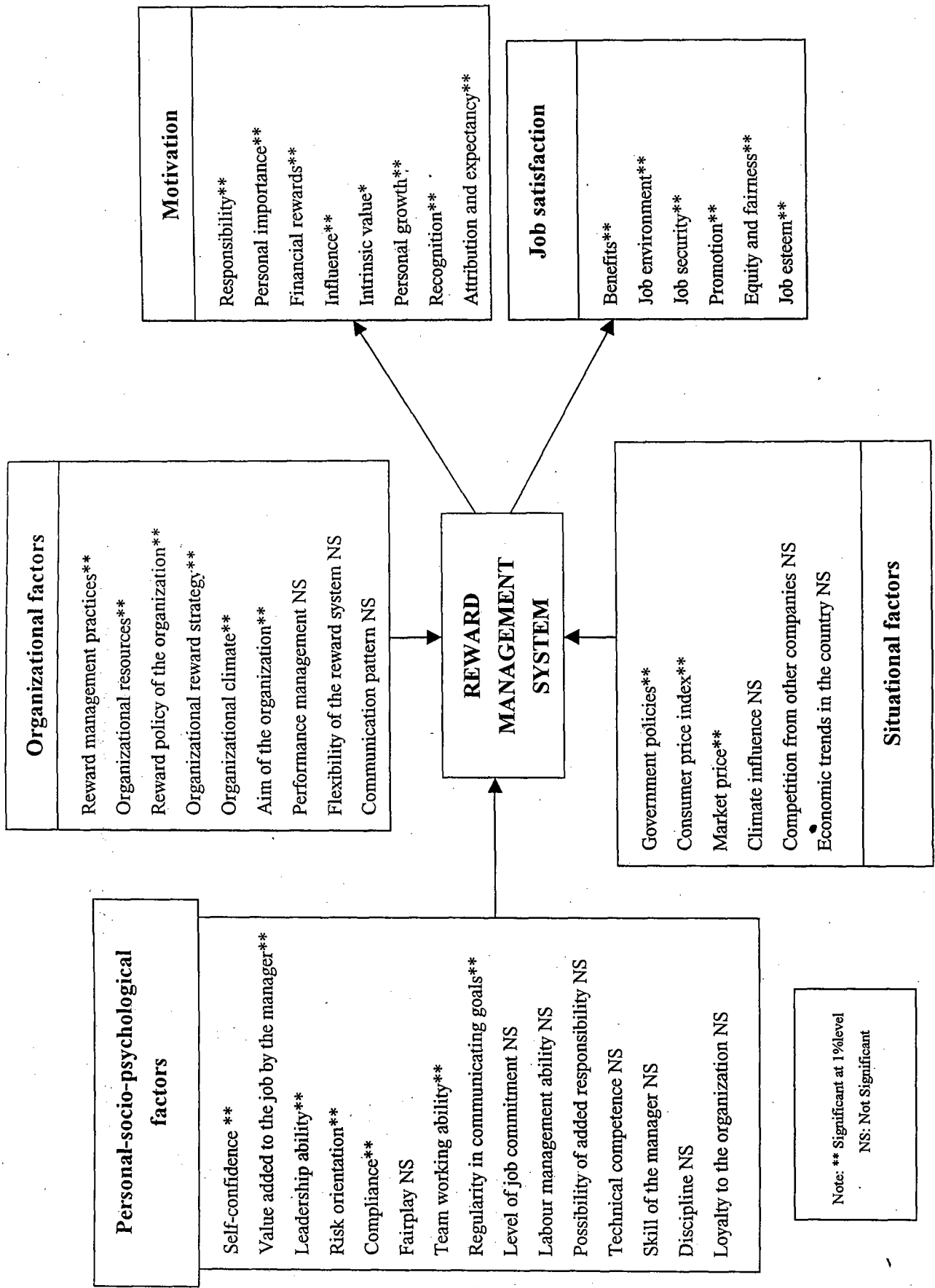
Receipt of timely financial rewards, higher bonus and benefits was the most important contributing to the job satisfaction of labourer.

#### 5.5 DESCRIPTION ON THE EMPIRICAL MODEL OF REWARD MANAGEMENT SYSTEM FOR MANAGEMENT CADRE, SUPERVISORS AND LABOURERS

The empirical model for reward management system depicts the three groups of factors namely personal-socio-psychological, organizational and situational factors contributing to the reward management system. The empirical model was drawn based on the results obtained through the step-wise regression analysis. The factors, which are significant at one per cent level, are indicated by a double star and those that were found to be non-significant is indicated as NS. These different factors affecting the reward system may lead to increased or decreased motivation or job satisfaction based upon the level of significance of each factor for each employee who is rewarded based on these

factors. When there is a relative change of any one of these factors, then the level of motivation or job satisfaction is affected. The motivation and job satisfaction dimensions, which were found to be non-significant, clearly express that, the employees are not happy. So if the reward system could make these dimensions significant, it would be possible to increase productivity and production in the plantation and create a suitable environment for the people to work and live in harmony in the plantations of the country.

**Fig. No. 3 Empirical model of the study showing the reward management system for management cadre**



Note: \*\* Significant at 1% level  
NS: Not Significant

**Fig. No. 4 Empirical model of the study showing the reward management system for supervisors**

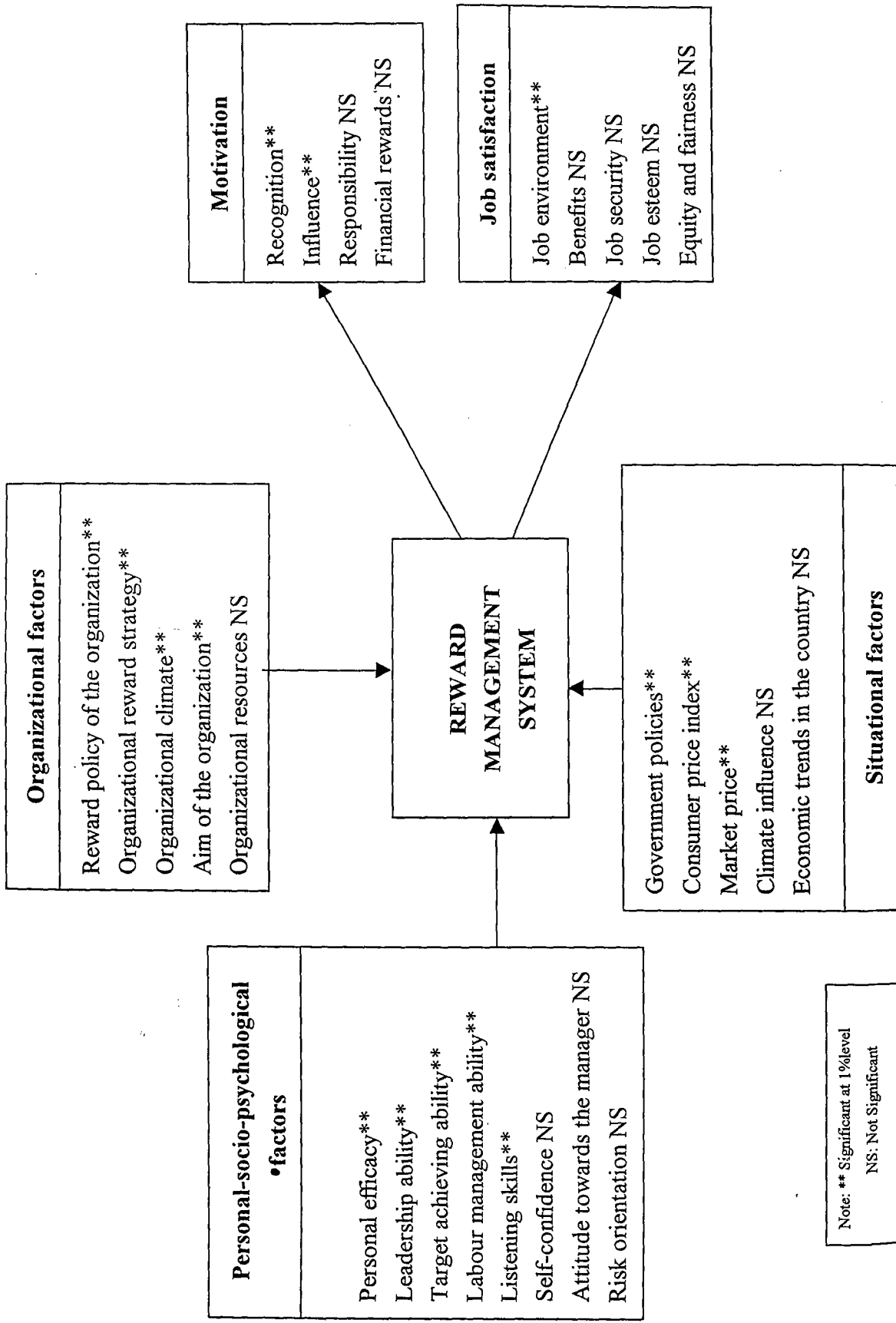
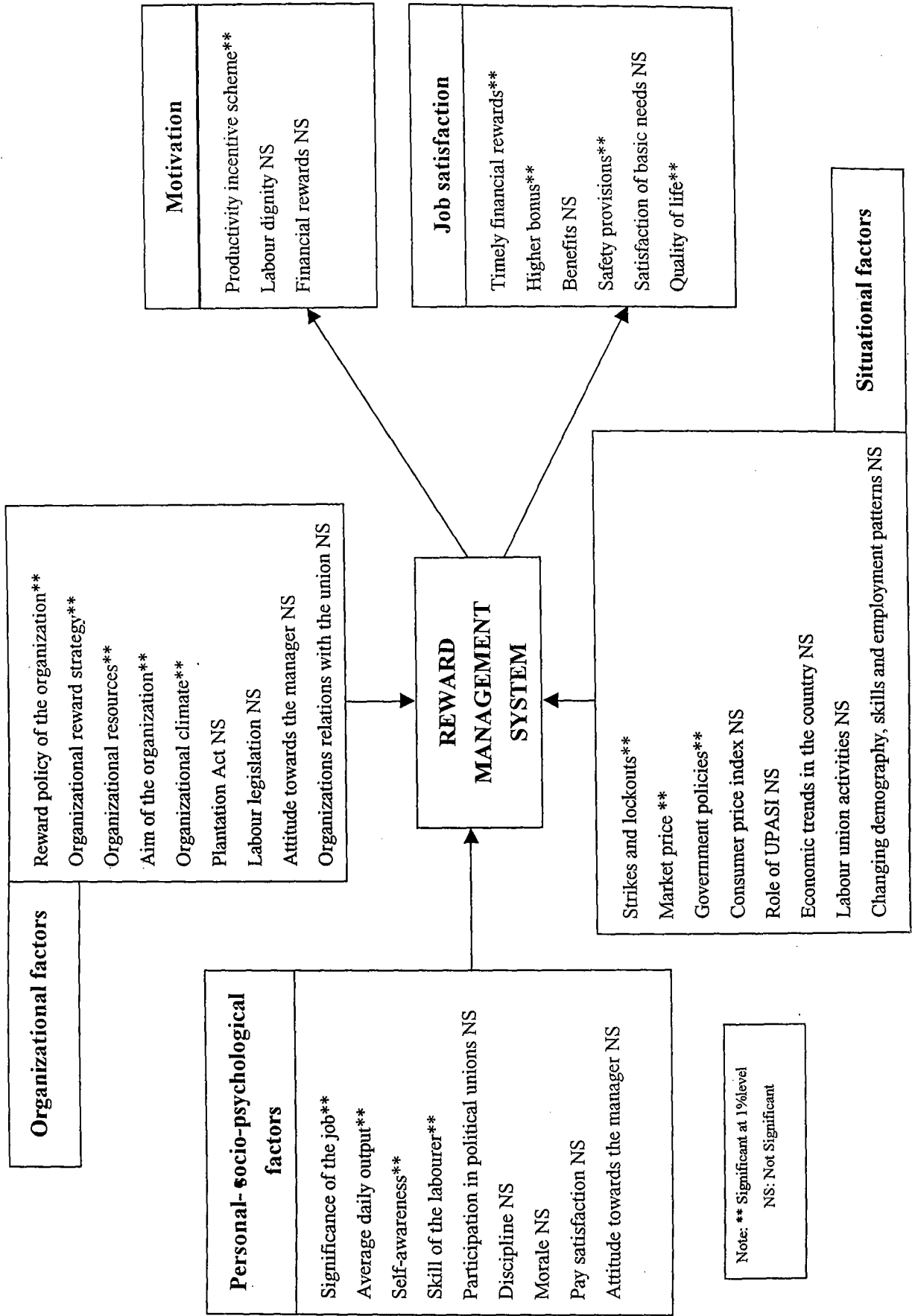


Fig. No. 5 Empirical model of the study showing the reward management system for labourers



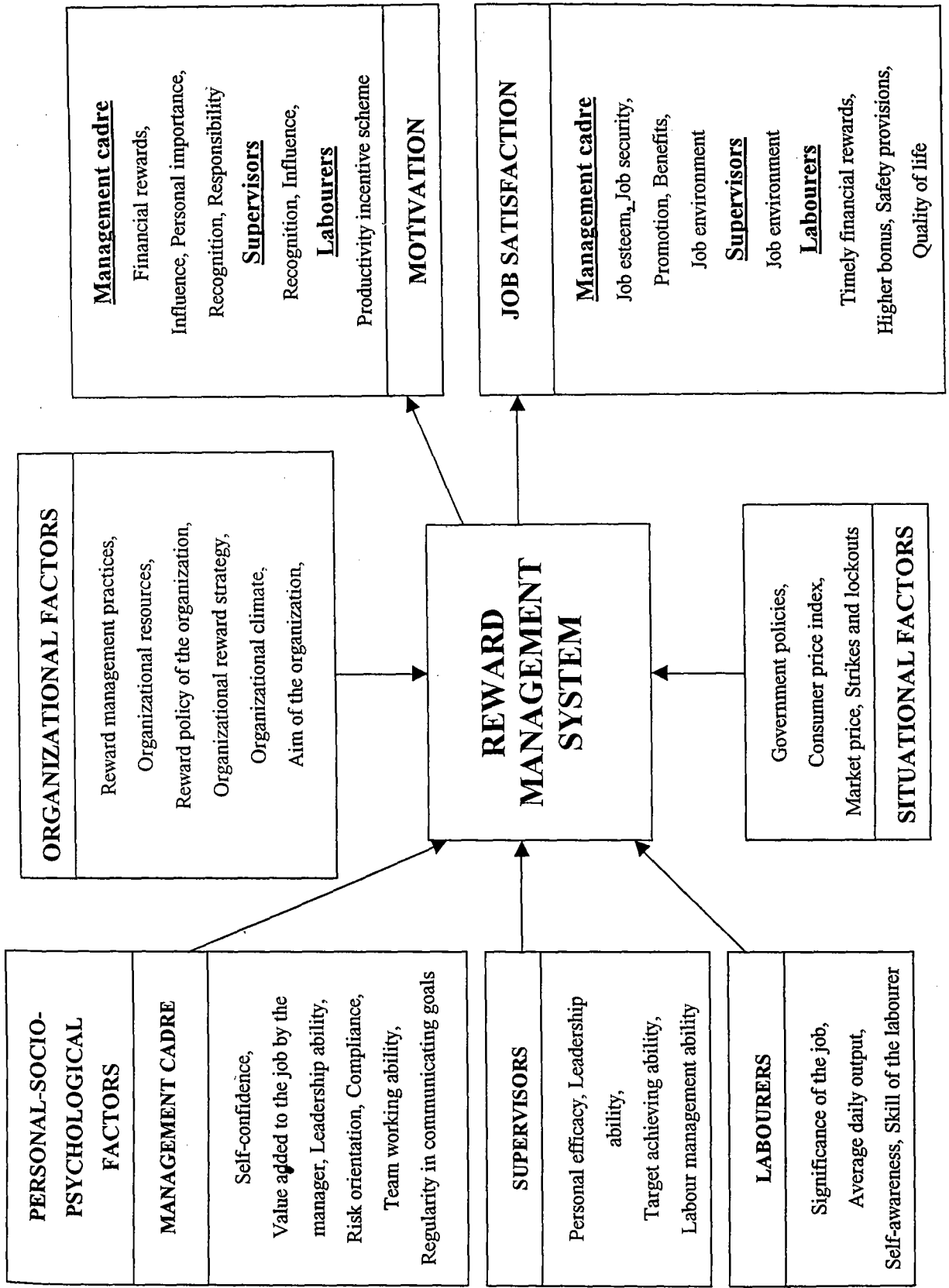
## 5.6 MODEL PROPOSED FOR REWARD MANAGEMENT SYSTEM FOR MANGEMENT CADRE, SUPERVISORS AND LABOURERS

The detailed study on the reward management system for management cadre, supervisor and labourers has revealed a group of factors, which can be ultimately taken as factors for deciding the reward system. It should be noted those factors, which were found to be significant at one per cent level, are the crucial factors for rewarding employees. The dimensions of motivation and job satisfaction from the existing reward system could also be visible from the proposed model. The level of motivation and job satisfaction for each category of respondents will vary based upon the kind of rewards that are administered. The factors which were found to be non significant in the step-wise regression analysis will not affect the reward system even if they are not considered, but if those factors could be taken into account depending on the situation, the kind of plantation, the kind of work the employee is given and the category of employee, a detailed evaluation of the reward to be administered would be possible. Only those factors, which had low factors loading, need to be left out.

The model suggested in the Fig 6 could be used in evaluating rewards for management cadre, supervisors and labourers in the plantations of Kerala, Tamilnadu and Karnataka. Standardization of organizational factors like reward policy of the organization, reward strategy of the organization, aim of the organization, organizational climate and organizational resources could bring about potential changes to the ailing industry. The rigidity of the plantation companies to change their organizational factors is one of the prime causes for the recession in the industry.



**Fig.No.6 Model proposed for reward management system for management cadre, supervisors and labourers**



# *Summary*

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## 6. SUMMARY

The considerable developments in reward management that has taken place recently are associated with changes in the business operations, which run in competitive environment and respond to external challenges. Trends in reward practices can only forecast in the light of prediction on how business strategies and policies are framed.

Kanter (1989) summarizes the changes as a model of post-entrepreneurial corporation as a learner organization with fewer extraneous staff, which focuses on doing only those things in which it has competence. And importantly, they have to ensure that they get value for money from these reward practices.

Underlying intentions of the present study was to investigate the reward management system in tea plantations for the management cadre, supervisors and labourers.

1. To analyse the rational process involved in arriving at the existing reward system in tea plantations.
2. To identify the important factors which contribute to the reward system.
3. To analyse the influence of reward system on motivation and job satisfaction of the employees of the tea plantations.
4. To suggest a model for managing reward management system in tea plantations to meet individual and organizational goals

The study was conducted in Idukki and Wayanad districts ninety percent of the area under tea cultivation occurs in these districts, so was purposively ten major plantations were selected for the study. The sample for the study consisted of 30 management cadre, 60 supervisors and 150 labourers. Additional 30 respondents

consisting of human resource personnel, scientists, management personnel, government officers were also taken as a sample to understand the impact of organizational and situational factors on the reward system of labourers and supervisors. The existing reward system and the rationale as how the present reward system evolved was studied by conducting personnel interviews with officials and scientists, human resource personnel in tea companies, UPASI and APK and review of available records on the reward system.

The data on the factors contributing to the reward system was subjected to extraction method of factor analysis. The data on motivation and job satisfaction from the existing reward system was directly collected from the management cadre; supervisors and labourers were subjected to factor analysis and regression analysis. The data on collected for the past forty years for supervisors and labourers was subjected to time series analysis.

Results of the study are as follows.

- 1) The management cadre reward system was based on job evaluation systems namely Hay Management, Frame Work and European Factor Plan .The management cadre received a pay ranging from rupees Rs 12000/- to rupees Rs 25000/- along with the best of non-financial luxurious benefits.
- 2) The management cadre reward system was evolved from the Colonial administration, which assured elaborate facilities for the managers and after the British left India the system was modified by introduction of management concepts from the west by the giant companies who took over the plantations.
- 3) The results of time series analysis were found to have significant increase in basic pay and dearness allowances over the past 40 years. From the 1980s there has been a steep increase in dearness allowance

and the basic of the supervisors, which continued till 1992 and there after it has been static. The total financial reward rose from rupees one hundred and eight in 1968 to Rs 2523.44 in 1992, which is 2236 per cent more. The table also shows the discontinuance of fixed dearness allowance in 1980 and the introduction of the variable dearness allowance in 1974.

- 4) The reward system for supervisors evolved from the *kangani/maistry* system that were loyal servants of the colonial rulers providing cheap labour. The reward system has been arrived through twelve settlements made by the ESUSI with tea companies and UPASI, all the provisions of the Plantation Labour Act 1951 has provided the necessary benefits to the supervisors.
- 5) The existing reward system for labourers was formulated through the passage of Minimum Wages Act 1948 and the Plantation Labour Act 1951 and there after several settlements based on necessity till date.
- 6) Analysis of data through Time series found significant increase in the wages and dearness allowance over the past forty years. There has been a steady increase of total financial rewards for the men from 1966 to 1977 except for a slight decline in the year 1974. The women labourers have received a steady increase of financial rewards of Rs 2.02 in 1966 to Rs 5.08 in 1977. The financial rewards of the adolescent and child labour had similar trends of increase with more less the same levels of rewards. The adolescent and child labour have received steady increase in financial rewards corresponding to the adult labour.
- 7) The results of factor analysis of personal-soico-psychological factors for management cadre revealed that self-confidence had the highest

factor loading of 0.875 followed by value added by the manager 0.777, leadership ability 0.767, risk orientation and compliance 0.748, fair play 0.747, team working ability with 0.740. The other important variables are regularity in communicating goals 0.719, level of job commitment 0.707. Discipline with 0.575 and loyalty to the organization with 0.521 were least important factors of reward management system.

- 8) The factor analysis for organizational factors for management cadre revealed reward management practices of the organization had the maximum loading of 0.875 followed by 0.873 for organizational resources, 0.865 for reward policy of the organization, 0.837 for organizational reward strategy and 0.828 for organizational climate. The variables that were of lesser importance are aim of the organization with 0.732, 0.697 for performance management, 0.653 for flexibility of the reward system and 0.650 for communication pattern.
- 9) Among the situational factors for management cadre, government policies had the highest factor loading of 0.804 and 0.755 for consumer prize index. The less important variables were market price with a factor loading of 0.664 and climate influence with 0.555 factor loading. The least important variables were competition from other plantation companies with 0.285 and 0.193 for economic trends in the country.
- 10) The factor analysis for supervisors shows the important personal-socio-psychological variables of supervisors contributing to reward management system are personal efficacy with the maximum factor loading of 0.831, followed by leadership ability with 0.790, target achieving ability 0.774 and labour management ability with a factor

loading of 0.768. The lesser factors are 0.668 for listening skills, 0.631 for self-confidence and 0.606 for attitude towards managers. The least important variable was risk orientation with a factor loading of 0.267

- 11) Among the organizational factors, which were identified, were reward policy of the organization with 0.892, organizational resources 0.818, and 0.817 for organizational reward strategy. The variables with lesser importance were organizational climate with 0.746 and 0.732 for aim of the organization.
- 12) The factor analysis for situational factors for supervisors shows that government policies had the maximum factor loading of 0.807 among the situational factors affecting supervisors, followed by consumer prize index with 0.795, market price with 0.646. The least important variables were climate influence with 0.588 and economic trends in the country with 0.255.
- 13) The factor analysis for labourers personal-socio-psychological factors shows that the significance of the job to the labourer had the highest factor loading with 0.766, followed by average daily output with 0.759 and self-awareness with 0.750. The variable of lesser importance are skill of the labourer 0.675, participation in labour political activities with 0.661, discipline with 0.656 and 0.633 for morale. The variables, which had the least importance, are pay satisfaction with 0.484 and 0.449 for attitude towards the manager.
- 14) Among the organizational factors for labourers the reward policy of the organization with 0.932, organizational reward strategy with 0.926 and organizational resources with 0.873 had the maximum importance with respect the organizational factors contributing to the reward

management system of the labourers. Aim of the organization with 0.794, organizational climate with 0.785, Plantation Act with 0.739 and labour legislation with 0.731 are the other important variables contributing to the reward management system of the labourers.

- 15) Among the for situational factors for labourers the important situational factors are strikes and lockouts with 0.813, market price 0.751 and government policies with 0.705 were the maximum influence on the reward management system. Consumer prize index with 0.699, role of UPASI with 0.656 and climate influence with 0.652 were the other important factors. The least important factors were economic trend in the country with 0.601, labour union activities with 0.577 and changing demography, skill and employment patterns with 0.472 factor loading.
- 16) The results of the factor analysis of the extent of motivation through the reward system for management cadre showed that responsibility had the maximum factor loading of 0.804, followed by personal importance 0.790, financial rewards 0.765, influence 0.745, and intrinsic value 0.674. While the least motivation levels were from reward variables were personal growth 0.674, recognition 0.629, attribution, and expectancy with 0.553 factor loadings.
- 17) The results of the factor analysis of the extent of motivation through the reward system for supervisors revealed recognition with 0.881 was the most important reward variable, while influence with 0.841, responsibility with 0.678 were the other important variable. Financial rewards were the least important variable with 0.498 factor loading.
- 18) The results of the factor analysis of the extent of motivation through the reward system for labourers showed productivity incentive scheme had



the maximum factor loading of 0.911 followed by labour dignity with 0.885, level of aspiration with 0.864. The financial reward was the least motivation factor with 0.223 factor loading.

- 19) The results of the regression analysis of the extent of motivation through the reward management system for the management cadre was the financial rewards for the management cadre with a T value of 46.822, which was significant at one per cent level. While the other variables are in the order of influence, personal importance, recognition, responsibility personal growth, attribution, and expectancy significant at one per cent level.
- 20) The results of the regression analysis of the extent of motivation through the reward system for the supervisors were recognition with a T value of -2.631 and 2.538 for influence significant at one percent level.
- 21) The results of the regression analysis of the extent of motivation through the reward system for the labourers showed productivity incentive scheme as the only motivator with a T value of 3.707 and significant at one per cent level.
- 22) The results of the factor analysis of the extent of job satisfaction through the reward system for the management cadre revealed benefits had the maximum factor loading 0.898, followed by job environment with 0.871 and 0.811 for job security. While promotion with 0.0762, equity and fairness with 0.725 and job esteem 0.664, were the other variable of the management cadre job satisfaction
- 23) The results of the factor analysis of the extent of job satisfaction

through the reward system for the supervisors showed job environment with 0.677, benefits with 0.667 and job security with 0.587. Job esteem with 0.377 and equity and fairness had the factor loading.

- 24) The results of the factor analysis of the extent of job satisfaction through the reward system for the labourers showed receipt of timely financial rewards with 0.894 factor loading followed by higher bonus 0.852, benefits with 0.802 were important reward variables. Safety provisions with 0.771, satisfaction of basic needs with 0.744 and quality of life with 0.533 were the lesser reward variables of job satisfaction.
- 25) The results of the regression analysis of the extent of job satisfaction through the reward system for the management cadre revealed job esteem was the maximum job satisfying reward variable with a T value of 6.760 significant at one per cent level, followed by job security, promotion, job environment and benefits were all highly satisfying reward variables for the management cadre.
- 26) The results of the regression analysis of the extent of job satisfaction through the reward system for the supervisors shows job environment, job environment were the highly job satisfying variables.
- 27) The results of the regression analysis of the extent of job satisfaction through the reward system for the labourers shows safety provisions, timely financial rewards, higher bonus and quality of life were all found to be significant at one per cent level.

### **Implications of the study**

- 1) The reward management system has evolved over the years through complex

set of factors, namely personal-socio-psychological. The factors studied in the present study and the results obtained reveals that, there are still factors, which were responsible for defining the reward system.

- 2) The reward system for the management cadre has been evolved much through system of private ownership and convenience of the owner of the plantation, but with passage of time and in crease in area, production global importance to tea has resulted in introducing management concepts to enhance production, productivity of labour and reduce cost of production.
- 3) The management cadre employed was selected based on those having high self-confidence with a dynamic personality; qualitative leadership ability, resulted oriented performance, and not based on academic qualifications or previous experience.
- 4) The supervisory reward system has been developed through the *kangani* system established by the colonial system and the system has helped in developing a supervisory force, which is loyal and ready to listen to the dictums of the plantations. The present supervisors reward was evolved and maintained by tripartite settlements between ESUSI, UPASI and the tea companies with periodic settlements based on the needs raised by the supervisors.
- 5) The labour reward system were in the wages are low clearly indicates that the labourers have a poor bargaining power. The presence of a large number of unions and overt political influence has made the labour union system in effective. The labourers are bound to receive the best of the benefits as per the Plantation Labour Act 1951 but the poor bargaining power, illiteracy lack of power, ignorance have devoid them to receive these facilities and are in no position t o improve them.

- 6) The tea companies, which are national giants have a diversity of products with national and global importance, were less willing to give to the demands of the labour forces.
- 7) The reward policies, reward strategies are clear indication that the labourers will receive only what is essential and nothing more and as how the tea companies decide.
- 8) The influence of economic trends, government policies mainly taxation, import of tea have grossly affected the tea industry and will further affecting the industry if the government is going to implement globalization in the country to the full extend.
- 9) The reduction in rainfall and lack of mechanization are areas where the plantations have to seriously think of, to compliment the effects of droughts, and to increase productivity and reduce cost of production.
- 10) The reduction in payment of bonus and benefits are all reflected in the reasons mentioned above, and the tea companies were trying to reduce the burden of providing benefits to the government.
- 11) Enhancement of motivation and job satisfaction can increase the productivity of labour force and performance of the management cadre in managing the tea plantations.
- 12) Give greater importance to higher order needs for the management cadre such as recognition, promotion, opportunities for growth and development
- 13) Implement novel schemes like the productivity incentive scheme to increase

the productivity of the tea plucked by the labour. It will also help in limiting the harmful effect of the political unions on the labour force.

- 14) Supervisors should be given greater incentives like overtime or special performance related pay or competence related pay so as to enhance their performance. This will help in bringing the supervisors as well the labour force under grater control by the plantations.
- 15) Introduce machinery and training to attract great skill oriented labour, which could reduce the cost as well as the time of production.

#### **Suggestions for future study**

The studies in management in tea plantations are limited. So there is a wide scope for conducting research in several aspects, some of them are;

1. The present study analyzed the factors contributing to reward system and the extent of motivation and job satisfaction through the system. There is enough scope to study in depth the management aspects of the reward system.
2. Managerial evaluation techniques and its impact on reward systems.
3. In-depth documentation of the managerial, supervisory reward systems.
4. A comparative analysis of British, Indian and Global era's on the reward system.
5. To standardize reward-productivity linkage and develop index for various geographical regions.

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# *Appendices*

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## APPENDIX I

### Major Tea Plantation Companies in Kerala( Wynad and Idukki Districts)

S.No	Name of the Company	Idukki District	Wynad District
1	Tata Tea*	“	“
2	Harrisons Malayalam Ltd*	“	“
3	AVT Thomas Tea*	“	“
4	Assam Brooke	“	-
5	Hope Plantation	“	-
6	Aban Tea	“	-
7	MMJ Tea	“	-
8	Ram Bahaduria	“	-
9	Rippon Tea	-	“
10	Peermade Tea	“	-
11	Wynad Estates	-	“
12	Roman Catholic Diocese of Calicut	-	“
13	Karim tharuvi	“	-
14	Connemara Tea	“	-
15	Highland Tea	“	-
16	Hailey buria Tea	“	-

\* These plantations occupy 70 % of tea-cultivated area

## APPENDIX II

**KERALA AGRICULTURAL UNIVERSITY  
DEPT. OF AGRICULTURAL EXTENSION, COLLEGE OF HORTICULTURE, THRISSUR  
680656**

### PHD THESIS: REWARD MANAGEMENT SYSTEM IN TEA PLANTATIONS

#### MANAGEMENT CADRE

##### General Information

- 1.Name
- 2.Age
- 3.Gender                      Male----                      female-----
- 4.Educational qualification
- 5.Experience in the given job
- 6.Daily working hours
- 7.Income at the time of the inquiry
- 8.Name of the plantation
- 9.Size of the plantation
- 10.Name of the organization
- 11.Location
- 12 District

##### Personal –socio-psychological factors

###### 1. Technical competency

1. I am competent enough to advice my supervisors and labourers on the following activities in the tea crop.

S no.	Statement	VI	I	LI	LI	NI
1	Intercultural operations					
2	Pruning					
3	Timely plant protection					
4	Fertilizer requirement					
5	Irrigation					
6	Harvesting					
7	Tea leaf quality					
8	Soil erosion and conservation					
9	Post harvest techniques					
10	Replanting – new varieties					

###### 2. Skill of the manager

S No.	Statement	VI	I	LI	LI	NI
1	I am well aware of the complex situations in the plantation and I am capable of handling the problems arising from labourers and supervisors.					
2	I am tactful in dealing with difficult employees.					
3	I use all my abilities and experience and through careful analysis handle crisis.					
4	I am not sure of myself of managing people.					



### 3. Leadership ability

S.No	Statement	VI	I	LI	LI	NI
1	I identify myself as a leader					
2	I am able to initiate action and decision when there are problems in the plantation					
3	The employees in the plantation identify me as an able leader					
4	As a leader I have maintained good relations, peace and good working environment in the plantation					
5	I offer new approaches to solving problems?					
6	People in local areas and in other plantation regard ME as a good source of information on various problems and solutions with respect to tea and plantation activities					
7	Whenever I have new ideas I try them out					

### 4. Discipline

S.No	Statement	VI	I	LI	LI	NI
1	I am a keen observer of rules and regulations					
2	The level of discipline in a person greatly speaks about the personality, which affects his job performance.					
3	The rules and regulations are outdated and difficult to cope with in the changing scenario					
4	I least have taken decisions of my own with out consulting my superiors for the good of the plantation even if I had to break the rules.					
5	I feel such rules and regulations are very necessary to make a person disciplined, given the unique conditions in the plantation.					

### 5. Morale

S.No	Statement	VI	I	LI	LI	NI
1	Benefits are adequate					
2	Working relation with supervisors are positive and enjoyable					
3	In the plantation, there is tolerance for individual difference and dissent					
4	Good work brings appreciation and recognition.					
5	A spirit of co-operation and respect for others exist in the plantation.					
6	Rewards are fare in relation to job requirement, experience and quality of work in the plantation					
7	A spirit of co-operation and respect for others exist in the plantation.					
8	All employees take pride in their work in the plantation					

### 6. Self-confidence

S.No	Statement	VI	I	LI	LI	NI
1	I have the honour of failing in anything I want to accomplish.					
2	I feel insecure with myself.					
3	I feel insecure about my job					
4	I can face difficult situation with out worry.					
5	I am hesitant to take decisions					
6	I frequent feel unworthy					
7	I can readily adjust to any situation.					
8	I am usually discouraged when the opinions of others differ from my own.					
9	I find it hard to keep my mind on a task or job.					
10	I have several times given up doing a thing I thought too little of my ability					
	I have enough faith in my ability					

**7. Management orientation**

S.No	Statement	VI	I	LI	LI	NI
I.	Rational orientation.					
1	I rely on practicability and logic in making decisions					
2	I analyse problems and decisions by considering the pros and cons					
3	I do not hesitate to contact my superiors when I feel that I have a better alternative to the problematic situation					
4	I take disciplinary actions only when justified and actions are appropriate					
5	I give opportunities for my employees in decision-making.					

**8. Financial management orientation**

S.No	Statement	VI	I	LI	LI	NI
1	I am well aware that efficient management of resources is essential					
2	I am able to forecast and plan for each financial year					
3	Financial miss management, losses and wastage are minimal under my job.					
4	I am proud to say I have no tension due to my ability in managing financial resources					

**9. Labour management ability**

S.No	Statement	VI	I	LI	LI	NI
1	I consider labourers as an important asset to the plantation					
2	I have good healthy relations with the labourers					
3	I allocate work on a rational basis.					
4	Wastage or exploitation is against my principle of human value.					
5	I reward them financially/ non-financially for their good work.					
6	I do not believe in hierarchical bias towards labourers.					
7	I give utmost importance in solving labour problems even if it is personal.					

Express on the above on a five-point scale- very important, important, less important, least important and not important

**9. Ability to set goals**

S.N O	Statement	Very Good	Good	Average	What is required	Poor
1	As a manager how I rate my ability to set a goal					
		Yearly	Half yearly	Quarterly	Monthly	Based on work
2	I set goals					
		Always	Almost	Just right	Least	Never
3	My goals meet your plantation requirement					

**10. Loyalty to the organization**

S.No	Statement	VI	I	LI	LI	NI
1	I am proud to work in this plantation					
2	I am indebted to the organization for providing the best job opportunities for growth and development					
3	Considering the merits of the organization, I will be reluctant to leave even if awarded a little higher reward in a neighbouring organization.					
4	I push my heart and soul in order to support my organization in the time of crisis and difficult situation					
5	I shall honour and accept any decision taken by my superiors					

**11. Level of job commitment**

S.No	Statement	VI	I	LI	LI	NI
1	I feel that I have the utmost responsibility in carrying out my duties in the plantation.					
2	I devote all my available time in performing the duties to my heart satisfaction					
3	I am careful in gathering an analysis in plantation matters and find solutions					
4	If given a change I will opt for other jobs which less laborious and tension free					
5	If time permits, I try to meet all the employees of the plantation personally to look into their needs and problems					

**12. Risk orientation**

S.No	Statement	VI	I	LI	LI	NI
1	It is good for a manger to take risk when he knows his chances of success are high					
2	A manager who is taking risk than the average manager is usually financially better.					
3	It is better for a manager not to try methods in the plantation unless most of the other plantations have used it.					
4	Trying an entirely new method in the plantation by the manger involved risk, but is worth it.					
5	A manager should take more chances in making greater profits for the plantation than content with lesser profit.					

**13. Team working ability**

S.No	Statement	VI	I	LI	LI	NI
1	As a manager, I can achieve the goals by promoting spirit.					
2	I am skill full in solving all problems					
3	I am confident in dealing with my superiors and plantations staff.					
4	Work situation has improved, as there is definite distribution of responsibilities					
5	Job satisfaction is achieved only if the task is done individually.					
6	Teamwork results in minimizing of the work overload and tension because of smooth functioning of matters.					
7	Teamwork has been my key to success.					
8	The team members are always happy to be a part of my team					
9	I would like to do the same teamwork for all the activities of my plantation					
10	I am able to build team spirit among the team members.					

**14. Regularity in communicating goals**

S.No	Statement	VI	I	LI	LI	NI
1	It is very important for me to discuss about the goals of each season very clearly.					
2	I give prime importance in analyzing the goals while communicating with my plantation employees and my superiors.					
3	Communicating of goals with superiors has become a hindrance in my effective functioning					
4	Goal communicated at regular intervals to supervisors as resulted in greater cooperation and better performance.					

Express on the above on a five-point scale- very important, important, less important, least important and not important

### 15. Fair play

S.No	Statement	VI	I	LI	LI	NI
1	Evaluation of problems, performance appraisal is handled in a fair and professional manner					
2	I take disciplinary action only when justified and actions are appropriate.					
3	I give the freedom to all the employees of the plantation to approach for their problems and doubts.					
4	I feel in certain situations I have to take decision against certain employees/ problems to protect my interests in the plantation.					
5	I am ready to take up the case of any employee if he is being threatened or to be suspended for self-gain.					

### 16. Possibility of added responsibility

S.No	Statement	VI	I	LI	LI	NI
1	I am a manger who is willing to take up newer responsibilities in addition to my actual job.					
2	I feel that as a manager I have greater role to play in the welfare of the employees and the local communities.					
3	I am always looking for new problems and situations as it interest me to some thing about it.					
4	It is an important hobby for me					
5	Additional roles help in developing my personality and experience in handling various problems in life					

### 17. Value added to the job by the manager

S.No	Statement	VI	I	LI	LI	NI
1	As a manager, I feel I am the most important contributor to the organizations success.					
2	Due to my dynamism, I have greater role in the organization and all matters concerning the organization success, my opinions and ideas are taken into consideration					
3	I have created competition for the job of manager due to my performance and attractive compensation I have received.					
4	I have introduced or have received/added new forms of rewards, which I feel, will further enhance the value of a manager.					
5	I believe in greater time socializing and looking for opportunities, as that is one of the ways of proving the worth of a manager.					
6	I believe in the open door policy always					
7	The organization takes greater interest in supporting my activities in the plantation.					

### 18. Compliance

S.No	Statement	VI	I	LI	LI	NI
1	I am a person who is willing to accept that is good and positive to the plantations interest					
2	I have a problem of ego when accepting other than my ideas, suggestions or solutions					
3	I always go by what my superiors say even if it is not worth the try.					
4	There is nothing I can do but just accept it as it is the rule and there is nothing I will do					

Express on the above on a five-point scale- very important, important, less important, least important and not important

## 2. Organizational Factors

### 1. Aim of the organization

S.No	Statement	VI	I	LI	LI	NI
1	The aim of the organization is intended only in maintain high profit for the owner					
2	The organization has high regard for the employees who are working for the organization and intents to look into the satisfaction of the employees					
3	The organization intends only to maintain its existence					
4	The organization is concerned with the development of the community as a whole					
5	The organization is interested in becoming an internationally renowned competitor					

### 2. Reward policies

S.No	Statement	VI	I	LI	LI	NI
1	The organization does not compromise on skill or competence when deciding on the rewards on any circumstances					
2	Employees are involved in designing reward systems					
3	All the reward practices have high transparency					
4	Rewards for the employees are market driven/ price of the product					
5	Rewards for the employees will be based on the business of the company					
6	Reward system has flexibility					
7	The company believes in high pay					

### 3. Organizational reward strategy

S.No	Statement	VI	I	LI	LI	NI
1	The organization values use of innovations team work, flexibility, customer/ employer oriented and quality of work					
2	The reward strategy fits the culture and management style of the organization as it is conceived					
3	Drives and supports behaviour at all levels by indicating to the employees what types of behaviour will be rewarded how this will take place and how their expectations will be satisfied					
4	Provides competitive edge required to attract and retain the level of skill the organization needs					
5	Enables the organization to obtain value for money for its reward practices					
6	Provides for integration of reward policies with key reward strategies for growth and improved performance					

### 4. Organizational Climate

S.NO	Statement	VI	I	LI	LI	NI
1	Climate of faith and trust exist in the plantation which makes the employees more dedicated					
2	Relations are superficial and dominated by rivalry and distrust					
3	Tensions and anxiety are reduced in the plantation as fellow workers are trusted					
4	The employees trust each other and look forward for suggestions and guidance from others					
6	Least it happens that best advice and support comes from lower employees					

### 5. Organizational resources

S.No	Statement	Tick the appropriate
1	The organization has a self sustaining system	
2	The resources are sufficient for smooth running of the organization	
3	The resources are used very carefully avoiding wastage	
4	There is always lot of resource left for employee rewards	
5	Organizational resources are scarce and not in proper use	
6	The organization is rich in financial, natural and man power resources	

### 6. Communication pattern (tick the appropriate answer)

S.No	Statement	Tick the appropriate
1	There is regular, direct and person-to-person contact and opportunity for communication between employees and employers in the plantation	
2	Two way communication is present and encouraged in the plantation	
3	Communication with in the plantation is timely accurate and complete	
4	Communication is only need based	

#### a. Method of communications are

S.No	Statement	Tick the appropriate
1	Individual contact	
2	Group meeting	
3	Circulars and letters	

Express on the above on a five-point scale- very important, important, less important, least important and not important..

### 7. Job definition

S.No	Statement	VI	I	LI	LI	NI
1	The job requires specific skills and training					
2	The job requires frequently seeking cooperation from or influencing others					
3	The jobholder must develop relationships and mutual understanding					
4	The ability to listen to others, monitor and review work of other employees in different locations					
5	The job requires motivating subordinates where the degree of motivation and commitment achieved will directly impact upon the result of the plantation.					
6	The job requires highly developed skills of communication for dealing with sensitive or potentially controversial situations, problems and interpersonal situations.					
7	The jobholder must create behavioural change in people to increase cooperation, commitment and interest in the job					
8	The job requires frequent contact with outsiders for information					
9	The job requires no contact with outsiders					
10	The job needs for proper utilization of resources and maximization of output					
11	The job requires increasing level of job satisfaction of employees					

**8. Performance Management:**

Does the organization give importance to performance management for managers? Yes/ No  
If yes, answer the following (Rank the following)

Sl. No.	Performance	Rank
1.	Achieving objectives	
2.	Continuing performance improvement	
3.	Personal development	
4.	Acquiring competence	
5.	Recognition	
6.	Working in teams	
7.	Looking forward to a delivery strategy	
8.	Physical production	
9.	Sales turnover quality	
10.	Sales turnover value	
11.	Price realization	
12.	Value addition at estate	
13.	Estate maintenance	
14.	Research development and training	
15.	Estate infra structure	
16.	Maintenance of transport	
17.	Advertising and promotion	

**9. Reward management practices (tick the appropriate answer) provided by the organisation are**

S.No	Statement	Tick the appropriate
1	Cash pay	
2	Performance pay	
3	Bonus	
4	Employee benefits	
5	Pensions	
6	Responsibility	
7	Achievement	
8	Personal growth	
9	Promotion	

**10. Organizational resources**

S.No	Statement	Tick the appropriate
1	The organization has a self sustaining system	
2	The resources are sufficient for smooth running of the organization	
3	The resources are used very carefully avoiding wastage	
4	There is always lot of resource left for employee rewards	
5	Organizational resources are scarce and not in proper use	
6	The organization is rich in financial, natural and man power resources	

**11. Communication pattern (tick the appropriate answer)**

S.No	Statement	Tick the appropriate
1	There is regular, direct and person-to-person contact and opportunity for communication between employees and employers in the plantation	
2	Two way communication is present and encouraged in the plantation	
3	Communication with in the plantation is timely accurate and complete	
4	Communication is only need based	

b. Method of communications are

S.No	Statement	Tick the appropriate
1	Individual contact	
2	Group meeting	
3	Circulars and letters	

12. Flexibility of the reward system

S.No	Statement	Yes	No
1	Does the organization have a flexible reward system for the manager		
2	Considering the role a manager has to play in the plantation, don't you think a flexible reward system is very essential		
3	Flexible reward system will enhance motivation and commitment to the job		

3. Situational factors

1. Market price / value

S.No	Statement	VI	I	LI	LI	NI
1	The value of tea has significant influence on the income of the plantation/ organization					
2	A significant difference in price variation also affects the income of the organization					
3	The financial performance has significant influence on the rewards the company can afford					

2. Climate influence

S.No	Statement	VI	I	LI	LI	NI
1	a failure in monsoon will significantly affect the production of tea leaf					
2	Irrigation availability, mitigates the factor of climate					
3	Very hot weather, frost and pest and diseases affects production of tea					
4	Climate has no influence on tea crop					

3. Globalisation

S.No	Statement	VI	I	LI	LI	NI
1	The phenomenon of free market has had a significant positive effect on the tea crop					
2	The free market concept is responsible for the lowering of prices					
3	The tea standards has come down considering the international standard					
4	The cost of production rather than the free market concept has affected tea crop					
5	The free market has made the tea market more competitive					
6	The invasion of foreign tea would further affect the Indian tea market					

4. Economic trends in the country

S.No	Statement	VI	I	LI	LI	NI
1	The economic growth rate of the country has influence on the tea industry					
2	In the past a negative / low growth rate has affected the tea industry					



**5. Government policies**

S.No	Statement	VI	I	LI	LI	NI
1	The government policies created conducive climate for the tea industry					
2	Considering the profit of the tea sector government policies have been continuously taxing the tea companies					
3	The government policy has no effect on the tea companies					
4	The government policy is responsible for the minimum rewards of the employees					
5	There is constant tussle between the government policy makers and tea companies to go on a peaceful settlement					
6	The prices in the tea industry can be pin pointed as the poor policy making of the government					

**6. Consumer price index**

S.No	Statement	VI	I	LI	LI	NI
1	The cost of living has gone up therefore I am also entitled to parallel increase in my financial and non-financial rewards					
2	It is impossible to carry on without a increase of financial and non-financial rewards as it As affected my basic needs.					
3	The increase in consumer price index has little effect on me					
4	The increase in consumer price index has made my saving zero					

**4. Competition from other companies**

S.No	Statement	VI	I	LI	LI	NI
1	There is always competition for skilled, experienced managers in the plantation					
2	The companies are wooing managers citing higher rewards and benefits					
3	Competition is of little significance as there are many jobs available and plenty of experienced personnel					
4	Companies are going for higher trade even if they are unreasonable so as to maintain company status					
5	Even if there is competition there is still difference in the rewards and benefits given					

Express on the above on a five-point scale- very important, important, less important, least important and not important

**Motivation Factors-**

**1. Influence**

S.No	Statement	VI	I	LI	LI	NI
1	I am happy that I can be a driving force in my colleagues and employees					
2	I have power to make others do what I want them to do					
3	I have power to make others do what I want them to do					
4	Most of my work I get through by influencing ability on others					
5	I feel that is what has contributed to the success of my job					
6	The organization has identified it as a key to the success of the a managers					

## 2. Personal growth

S.No	Statement	VI	I	LI	LI	NI
1	Opportunities of growth and development of potentialities and skills to become what one believes one is capable of becoming					
2	If opportunities for growth and development are not available I shall leave the organization					
3	Training is an important element in my reward					
4	There are opportunities for promotion					

## 3. Intrinsic value

S.No	Statement	VI	I	LI	LI	NI
1	I believe for the job should be based on my skill, competence and responsibility I possess to perform the job					
2	The value that I perceive about my job greatly affects my performance					

## 4. Personal importance

S.No	Statement	VI	I	LI	LI	NI
1	I would be better in my job if the company gives I in my job					
2	A sense of too much by the rule and bureaucracy makes me feel clod and useless as a manager in the job					
3	Today I have become want I am in the job because of that personal touch I have with my company officials					

## 5. Attribution and expectancy

S.No	Statement	VI	I	LI	LI	NI
1	I am confident that my achievement is due to the rewards I obtain from the company for my job					
2	I am happy that I received the reward for my performance in the job					
3	I shall try to do better so I will have a better reward					

## 6. Financial rewards

As a manager you are entitled to the following financial rewards .are you motivated to do better in the job as a manager. Express your motivation by ranking the following.

S.No	Statement	Rank
1	Profit sharing	
2	Overtime rewards	
3	Increments	
4	Prizes	
5	Team rewards	
6	Competitive rewards	
7	Bonus	
8	Special rewards	

### 7. Responsibility

S.No	Statement	VI	I	LI	LI	NI
1	I feel that discretion in decision-making would help you to perform the job better					
2	Too much of interference by superiors have made me less interested in my job					
3	I want to do many things in the job but I have limited powers					
4	I feel and perceive the job assigned to me is of great importance to me and to the success of the plantation					
5	Discretion and responsibility in carrying out my job has helped in evaluating my positive and negative traits					
6	I have developed self-control in setting my goals and carrying my day today activities					

Express on the above on a five point scale- very important, important, less important, least important and not important

3. What is the thing you would like to do considering your future? Rank the following

S.No	Item	Rank
1	Building a house or bungalow	
2	Getting children educated in big universities or abroad	
3	Own an estate	
4	Leave the place and settle in a city	
5	Establish a charity organization	
6	Start a business	
7	Return to a peaceful life	

### 10. Recognition

S.No	Statement	VI	I	LI	LI	NI
1	I feel my achievement has been reward financial and non-financially well					
2	My superiors always encourage for suggestions, ideas and discussions on issues pertaining to the plantation					
3	All employees are taken into consideration when a crisis Situation exists to solve the crisis					
4	I feel I have a special status symbol in the plantation sector					
5	I feel your personal achievements should be celebrated.					
6	Personal recognition is more important than public recognition					
7	Recognition has little effect on my work					
8	The public recognition given through praise, prizes and mass media is something I have always wanted					
9	I feel have special status symbol in the plantation					

### Job Satisfaction Factors-

#### 1. Job security

S.No	Statement	VI	I	LI	LI	NI
1	I am confirmed in my job according to my service conditions					
2	My job is free from risks and threats					
3	The work group relationship in my job is healthy and predictable					
4	I cannot fulfill my ambitions by continuing in the job					
5	I am enjoying full protection through health and insurance programme •					
6	The pension scheme /contributory scheme offers full protection in my life					
7	The fringe benefits and variable DA attached to my job is attractive					
8	The job I am doing is full of uncertainties.					

**2. Job esteem**

S.No	Statement	VI	I	LI	LI	NI
1	My job gets opportunities to get praise and recognition from others					
2	My job helps me to attain status, respect and prestige as a person					
3	I am enjoying full freedom and independence in my job					
4	The experience in my job has created in me a feeling of self confidence					
5	My job does not provide opportunities for self expression					
6	My job helps me to utilize my abilities fully					
7	My job does not provide opportunities to develop additional capabilities					
8	All achievements in my life are from the job					

**3. Job environment.**

S.No	Statement	VI	I	LI	LI	NI
1	Physical and material requisites or work are satisfactory					
2	The workload is heavy					
3	I am not satisfied with the supply and service facilities					
4	With the conveyance and other facilities available here I cannot perform my duty well					
5	The external agencies near to my working place are not cooperative					
6	The relationship in my organization is friendly and healthy					

**4. Promotion**

S.No	Statement	VI	I	LI	LI	NI
1	I am happy that I am able to avail promotion in my job					
2	The promotion is attractive and worth it					
3	I am confident with my sort of working I will get many more rewards					

Express on the above on a five-point scale-very important, important, less important, least important and not important.

**5. Equity and Fairness**

- I happy that your pay is equitable in comparison to my efforts in the job  
Very happy/ Happy/ I feel worthy/Not adequate/ Very poor
- I happy that my pay is equitable in comparison to the pay of others in similar jobs?  
Very happy/ Happy/ I feel worthy/Not adequate/Very poor
- I happy that the criteria on which they determine my rewards as satisfactory  
Always happy/Almost happy/Reasonable/Can be better/Not proper

**6. Benefit Satisfaction**

Mention Describe which of the benefits I am entitled to and which I am currently availing.

<i>S.No</i>	<i>Benefits</i>	<i>Availing</i>
1	House rent	
2	Housing	
3	Electricity	
4	Water	
5	Firewood	
6	Furniture	
7	Ration	
8	Annual leave	
9	Privilege leave	
10	Sick leave	
11	Casual leave	
12	Travel allowance	
13	Transport on retirement	
14	Leave travel concession	
15	Educational allowance	
16	Acting allowance	
17	Batta	
18	Maternity benefits	
19	Childcare	
20	Medical care	
21	National and festival holidays	
22	T.A. on Transfer	
23	Employment to dependents	
24	Recreation facilities	
25	Provident fund	
26	Pension fund	
27	Insurance Fund	
28	Gratuity	

## SUPERVISORS

### General Information

1. Name
2. Age
3. Gender                      Male----                      female-----
4. Educational qualification
5. Experience in the given job
6. Daily working hours
7. Income at the time of the inquiry
8. Name of the plantation
9. Size of the plantation
10. Name of the organization
11. Location
- 12 District

### PERSONAL –SOCIO-PSYCHOLOGICAL FACTORS

#### 1. Technical competency

1. I am competent enough to advice my labourers on the following activities in the tea crop.

S no.	Statement	VI	I	LI	LI	NI
1	Intercultural operations					
2	Pruning					
3	Timely plant protection					
4	Fertilizer requirement					
5	Irrigation					
6	Harvesting					
7	Tea leaf quality					
8	Soil erosion and conservation					
9	Post harvest techniques					
10	Replanting- new varieties					

Express on the above on a five-point scale- very important, important, less important, least important and not important.

## 2. Leadership ability

S.No	Statement	VI	I	LI	LI	NI
1	I identify myself as a leader					
2	I am able to initiate action and decision when there are problems in the plantation					
3	The employees in the plantation identify me as an able leader					
4	As a leader I have maintained good relations, peace and good working environment in the plantation					
5	I offer new approaches to solving problems?					
6	People in local areas and in other plantation regard me as a good source of information on various problems and solutions with respect to tea and plantation activities					
7	Whenever I have new ideas I try them out					

## 3. Discipline

S.No	Statement	VI	I	LI	LI	NI
1	I am a keen observer of rules and regulations					
2	The level of discipline in a person greatly speaks about the personality, which affects his job performance.					
3	The rules and regulations are outdated and difficult to cope with in the changing scenario					
4	I least have taken decisions of my own with out consulting my superiors for the good of the plantation even if I had to break the rules.					
5	I feel such rules and regulations are very necessary to make a person disciplined, given the unique conditions in the plantation.					

## 4. Morale

S.No	Statement	VI	I	LI	LI	NI
1	Benefits are adequate					
2	Working relation with supervisors are positive and enjoyable					
3	In the plantation, there is tolerance for individual difference and dissent					
4	Good work brings appreciation and recognition.					
5	A spirit of co-operation and respect for others exist in the plantation.					
6	Rewards are fare in relation to job requirement, experience and quality of work in the plantation					
7	A spirit of co-operation and respect for others exist in the plantation.					
8	All employees take pride in their work in the plantation					

Express on the above on a five-point scale- very important, important, less important, least important and not important

### 5. Self-confidence

S.No	Statement	VI	I	LI	LI	NI
1	I have the honour of failing in anything I want to accomplish.					
2	I feel insecure with myself.					
3	I feel insecure about my job					
4	I can face difficult situation with out worry.					
5	I am hesitant to take decisions					
6	I frequent feel unworthy					
7	I can readily adjust to any situation.					
8	I am usually discouraged when the opinions of others differ from my own.					
9	I find it hard to keep my mind on a task or job.					
10	I have several times given up doing a thing I thought too little of my ability					
11	I have enough faith in my ability					

### 6..Management orientation

S.No	Statement	VI	I	LI	LI	NI
I.	<b>Rational orientation.</b>					
1	I rely on practicability and logic in making decisions					
2	I analyse problems and decisions by considering the pros and cons					
3	I do not hesitate to contact my superiors when I feed that I have a better alternative to the problematic situation					
4	I take disciplinary actions only when justified and actions are appropriate					
5	I give opportunities for my employees in decision-making.					

### 7. Labour management ability

S.No	Statement	VI	I	LS	LI	NI
1	I consider labourers as an important asset to the plantation					
2	I have good healthy relations with the labourers					
3	I allocate work on a rational basis.					
4	Wastage or exploitation is against my principle of human value.					
5	I reward them financially/ non-financially for their good work.					
6	I do not believe in hierarchical bias towards labourers.					
7	I give utmost importance in solving labour problems even if it is personal.					

Express on the above on a five-point scale- very important, important, less important, least important and not important

### 8.. Personal efficacy

S.No	Statement	VI	I	LI	LI	NI
1	I believe that I have efficiency in carrying out my day-to-day activities					
2	I feel have become a better person in handling situations?					
3	I the same or some thing different after you took the job.					
4	At present I feel I can do the job yesterday better now.					
5	I can handle if unexpected situations arises in the plantation.					

### 9. Target achieving ability

S.No	Statement	VI	I	LI	LI	NI
1	I am able to achieve goals given to me by the manager					
2	I feel the goals are unrealistic					
3	I feel I am lacking something in achieving my target					
4	It is impossible to achieve the targets, as situations are unpredictable					



### 10. Listening skills

S.No	Statement	VI	I	LI	LI	NI
1	Being a link between office work and the field, I consider that I should have a very good listening skill.					
2	I am a patient listener					
3	I concentrate all my thoughts on the person who is speaking to me					
4	I do not consider listening to labourers as important					
5	Listening has helped me to solve several problems					
6	Listening speaks of the dynamic nature of the person					
7	Solutions have been obtained by listening to others					
8	Today I have reached this position, and one of the reasons is the art of careful listening.					

### 11. Attitude towards the manager

S.No	Statement	VI	I	LI	LI	NI
1	I like my manager because he is considerate and friendly					
2	I do not like the manager because I feel I should be in the post					
3	I like the manager because he is rational in his dealings					
4	I like the manager because he is rational in his dealings					
5	He is very much concerned about my development					

### 12. Attitude towards labourers

S.No	Statement	VI	I	LI	LI	NI
1	I consider them as my key asset					
2	I feel they are loyal to me					
3	They are concerned and do all that confirms my success.					
4	They help me when I am in difficulty					
5	They identify me as a leader					
	I feel at home with them					

### 15. Risk orientation

S.No	Statement	V	I	L	L	N
		I	I	I	I	I
1	It is good for a supervisor to take risk when he knows his chances of success are high					
2	A supervisor who is taking risk than the average supervisor is usually financially better.					
3	It is better for a supervisor not to try methods in the plantation unless most of the other plantation has used it.					
4	Trying an entirely new method in the plantation by me involves risk, but is worth it.					
5	A supervisor should take more chances in making greater profits for the plantation than content with lesser profit.					

Express on the above on a five-point scale- very important, important, less important, least important and not important

### Motivation Factors-

#### 1. Influence

S.No	Statement	VI	I	LI	LI	NI
1	I am happy that I can be a driving force in my colleagues and employees					
2	I have power to make others do what I want them to do					
3	I have power to make others do what I want them to do					
4	Most of my work I get through by influencing ability on others					
5	I feel that is what has contributed to the success of my job					
6	The organization has identified it as a key to the success of the a managers					

## 2. Financial rewards

As a manager you are entitled to the following financial rewards .are you motivated to do better in the job as a manager. Express your motivation by ranking the following.

S.No	Statement	Rank
1	Profit sharing	
2	Overtime rewards	
3	Increments	
4	Prizes	
5	Team rewards	
6	Competitive rewards	
7	Bonus	
8	Special rewards	

## 3. Responsibility

S.No	Statement	VI	I	LI	LI	NI
1	I feel that discretion in decision-making would help me to perform the job better					
2	Too much of interference by superiors have made me less interested in my job					
3	I want to do many things in the job but I have limited powers					
4	I feel and perceive the job assigned to me is of great importance to me and to the success of the plantation					
5	Discretion and responsibility in carrying out my job has helped in evaluating my positive and negative traits					
6	I have developed self-control in setting my goals and carrying my day today activities					

## 4 . Recognition

S.No	Statement	VI	I	LI	LI	NI
1	I feel my achievement has been reward financial and non-financially well					
2	My superiors always encourage for suggestions, ideas and discussions on issues pertaining to the plantation					
3	All employees are taken into consideration when a crisis Situation exists to solve the crisis					
4	I feel I have a special status symbol in the plantation sector					
5	Do you feel your personal achievements should be celebrated?					
6	Personal recognition is more important than public recognition					
7	Recognition has little effect on my work					
8	The public recognition given through praise, prizes and mass media is something I have always wanted					
9	I feel have special status symbol in the plantation					

## Job Satisfaction Factors-

### 1. Job security

S.No	Statement	VI	I	LI	LI	NI
1	I am confirmed in my job according to my service conditions					
2	My job is free from risks and threats					
3	The work group relationship in my job is healthy and predictable					
4	I cannot fulfill my ambitions by continuing in the job					
5	I am enjoying full protection through health and insurance programme					
6	The pension scheme /contributory scheme offers full protection in my life					
7	The fringe benefits and variable DA attached to my job is attractive					
8	The job I am doing is full of uncertainties.					

## 2. Job esteem

S.No	Statement	VI	I	LI	LI	NI
1	My job gets opportunities to get praise and recognition from others					
2	My job helps me to attain status, respect and prestige as a person					
3	I am enjoying full freedom and independence in my job					
4	The experience in my job has created in me a feeling of self confidence					
5	My job does not provide opportunities for self expression					
6	My job helps me to utilize my abilities fully					
7	My job does not provide opportunities to develop additional capabilities					
8	All achievements in my life are from the job					

## 3. Job environment.

S.No	Statement	VI	I	LI	LI	NI
1	Physical and material requisites or work are satisfactory					
2	The workload is heavy					
3	I am not satisfied with the supply and service facilities					
4	With the conveyance and other facilities available here I cannot perform my duty well					
5	The external agencies near to my working place are not cooperative					
6	The relationship in my organization is friendly and healthy					

## 4 .Job motivation

S.No	Statement	VI	I	LI	LI	NI
1	Salary you are receiving at present is satisfactory					
2	Opportunity to utilize technical abilities					
3	Opportunity for further promotion					
4	Opportunity for social contacts					
5	Mental and physical comfort derived from the job					
6	Praise and recognition for good work					
7	Scope to prove excellence in job					
8	Transfer policies of the organization					
9	Provision of delegation of authority					

## 5. Equity and Fairness

1. I am happy that my pay is equitable in comparison to my efforts in the job  
 Very happy/. Happy/ I feel worthy/ Not adequate/ Very poor

2.I am happy that my pay is equitable in comparison to the pay of others in Similar jobs?  
 Very happy/ Happy/I feel worthy/Not adequate/Very poor

3. I am happy that the criteria on which they determine my rewards as satisfactory  
 a. Always happy/Almost happy/Reasonable/Can be better/Not. Proper

**Benefit Satisfaction**

Mention Describe which of the benefits I am entitled to and which I am currently availing.

<i>S.No</i>	<i>Benefits</i>	<i>Availing</i>
1	House rent	
2	Housing	
3	Electricity	
4	Water	
5	Firewood	
6	Furniture	
7	Ration	
8	Annual leave	
9	Privilege leave	
10	Sick leave	
11	Casual leave	
12	Travel allowance	
13	Transport on retirement	
14	Leave travel concession	
15	Educational allowance	
16	Acting allowance	
17	Batta	
18	Maternity benefits	
19	Childcare	
20	Medical care	
21	National and festival holidays	
22	T.A. on Transfer	
23	Employment to dependents	
24	Recreation facilities	
25	Provident fund	
26	Pension fund	
27	Insurance Fund	
28	Gratuity	

## Supervisors

### ORGANIZATIONAL FACTOR

#### 1. Aim of the organization

Express on the above on a five-point scale- very important, important, less important, least important and not important.

S.No	Statement	VI	I	LI	LI	NI
1	The aim of the organization is intended only in maintain high profit for the owner					
2	The organization has high regard for the employees who are working for the organization and intents to look into the satisfaction of the employees					
3	The organization intends only to maintain its existence					
4	The organization is concerned with the development of the community as a whole					
5	The organization is interested in becoming an internationally renowned competitor					

#### 2. Reward policies of the organization

S.No	Statement	VI	I	LI	LI	NI
1	The organization does not compromise on skill or competence when deciding on the rewards on any circumstances					
2	Employees are involved in designing reward systems					
3	All the reward practices have high transparency					
4	Rewards for the employees are market driven/ price of the product					
5	Rewards for the employees will be based on the business of the company					
6	Reward system has flexibility					
7	The company believes in high pay					

#### 3. Organizational reward strategy

S.No	Statement	VI	I	LI	LI	NI
1	The organization values use of innovations team work, flexibility, customer/ employer oriented and quality of work					
2	The reward strategy fits the culture and management style of the organization as it is conceived					
3	Drives and supports behaviour at all levels by indicating to the employees what types of behaviour will be rewarded how this will take place and how their expectations will be satisfied					
4	Provides competitive edge required to attract and retain the level of skill the organization needs					
5	Enables the organization to obtain value for money for its reward practices					
6	Provides for integration of reward policies with key reward strategies for growth and improved performance					

#### 4 Organizational climate

S.No	Statement	VI	I	LI	LI	NI
1	Climate of faith and trust exist in the plantation which makes the employees more dedicated					
2	Relations are superficial and dominated by rivalry and distrust					

3	Tensions and anxiety are reduced in the plantation as fellow workers are trusted					
4	The employees trust each other and look forward for suggestions and guidance from others					
5	I hesitate to give responsibility to others even if others are willing as it is difficult to trust them					
6	Sometimes it happens that best advice and support comes from lower employees					

### 5. Organizational resources

S.No	Statement	Tick the appropriate
1	The organization has a self sustaining system	
2	The resources are sufficient for smooth running of the organization	
3	The resources are used very carefully avoiding wastage	
4	There is always lot of resource left for employee rewards	
5	Organizational resources are scarce and not in proper use	
6	The organization is rich in financial, natural and man power resources	

### SITUATIONAL FACTOR

#### 1. Market price / value

S.No	Statement	VI	I	LI	LI	NI
1	The value of tea has significant influence on the income of the plantation/ organization					
2	A significant difference in price variation also affects the income of the organization					
3	The financial performance has significant influence on the rewards the company can afford					

#### 2. Climate influence

S.No	Statement	VI	I	LI	LI	NI
1	Failure in monsoon will significantly affect the production of tea leaf					
2	Irrigation availability, mitigates the factor of climate					
3	Very hot weather, frost and pest and diseases affects production of tea					
4	Climate has no influence on tea crop					

#### 3. Globalization

S.No	Statement	VI	I	LI	LI	NI
1	The phenomenon of free market has had a significant positive effect on the tea crop					
2	The free market concept is responsible for the lowering of prices					
3	The tea standards has come down considering the international standard					
4	The cost of production rather than the free market concept has affected tea crop					
5	The free market has made the tea market more competitive					
6	The invasion of foreign tea would further affect the Indian tea market					

#### 4. Economic trends in the country

S.No	Statement	VI	I	LI	LI	NI
1	The economic growth rate of the country has influence on the tea industry					
2	In the past a negative / low growth rate has affected the tea industry					

#### 5. Government policies

S.No	Statement	VI	I	LI	LI	NI
1	The government polices created conducive climate for the tea industry					
2	Considering the profit of the tea sector government policies have been continuously taxing the tea companies					
3	The government policy has no effect on the tea companies					
4	The government policy is responsible for the minimum rewards of the employees					
5	There is constant tussle between the government policy makers and tea companies to go on a peaceful settlement					
6	The prices in the tea industry can be pin pointed as the poor policy making of the government					

#### 6. Consumer price index

S.No	Statement	VI	I	LI	LI	NI
1	The cost of living has gone up therefore I am also entitled to parallel increase in my financial and non-financial rewards					
2	It is impossible to carry on without a increase of financial and non-financial rewards as it As affected my basic needs.					
3	The increase in consumer price index has little effect on me					
4	The increase in consumer price index has made my saving zero					

## LABOURERS

### General Information

1. Name
2. Age
3. Gender                      Male----                      female-----
4. Experience in the given job
5. Daily working hours
6. Income at the time of the inquiry
7. Name of the plantation
8. Size of the plantation
9. Name of the organization
10. Location
11. District

### PERSONAL –SOCIO-PSYCHOLOGICAL FACTORS

#### 1. Skill of the labourer

S.No	Statement	VI	I	LI	LI	NI
1	I know how to do the job assigned to me					
2	I have received training on the job assigned to me					
3	I do not have to be reminded every day as how to do my job					
4	I make little mistakes or wastages in my job					
5	I am asked to guide other labourers as how to do the job					
6	The supervisor entrusts the job because I am good at it					
7	I can easily learn a job					

#### 2. Discipline

S.No	Statement	VI	I	LI	LI	NI
1	I am a keen observer of rules and regulations					
2	The level of discipline in a person greatly speaks about the personality, which affects his job performance.					
3	The rules and regulations are outdated and difficult to cope with in the changing scenario					
4	I least have taken decisions of my own with out consulting my superiors for the good of the plantation even if I had to break the rules.					
5	I feel such rules and regulations are very necessary to make a person disciplined, given the unique conditions in the plantation.					

#### .3. Morale

S.No	Statement	VI	I	LI	LI	NI
1	Benefits are adequate					
2	Working relation with supervisors are positive and enjoyable					
3	In the plantation, there is tolerance for individual difference and dissent					
4	Good work brings appreciation and recognition.					
5	A spirit of co-operation and respect for others exist in the plantation.					
6	Rewards are fare in relation to job requirement, experience and quality of work in the plantation					
7	A spirit of co-operation and respect for others exist in the plantation.					
8	All employees take pride in their work in the plantation					



#### 4. Participation in political unions

Sl No	Statement	VI	I	LI	LI	NI
1	I am a member of a political party. Yes / No					
2	It is very important for me to be recognized as a member of a political group					
3	I take pride in being a part of a political group					
4	When in trouble I approach the political union only					
5	When in trouble I approach the supervisor/ manager only					
6	I do not go for work when there is a political function					
7	I give more weight age to politics than my job					
8	I feel they are more trust worthy than the plantation I work for					
9	It is a protective shield against exploitation for me					

#### 5. Pay satisfaction

S.No	Statement	VI	I	LI	LI	NI
1	I feel my pay is good and reflects my performance					
2	The size of the bonus is corresponding to my performance					
3	I am satisfied with the company's flexible benefit programmes					
4	The prospect of a bonus has little effect on my attitude towards to work					
5	My overall pay and benefit package is competitive					
6	The way bonus is determined is fare					
7	The current performance related pay system encourages better performance					

#### 6. Attitude towards manager

aS.No	. Managers	VI	I	LI	LI	NI
1	I like my manager because he is kind and considerate					
2	He takes special interest in my personal needs					
3	He is very encouraging					
4	He is fair in his dealings and rewards well					
5	He has no biases					

#### 7. Attitude towards supervisor

S.No	Supervisors	VI	I	LI	LI	NI
1	The supervisor is good in his dealings					
2	He gives an up to date of all that I have to do					
3	He has no bias towards me					
4	He is kind and considerate to me					
5	He takes individual interest in understanding my problems					
6	He has been fair in appraising my performance					
7	My financial and non financial rewards do not affect my attitude towards the manager or the supervisor					

#### 8. Average daily out put

S.No	Statement	VI	I	LI	LI	NI
1	My performance in the job is more than the set standard					
2	I do not satisfy the daily required output required by the plantation.					
3	The out put as given by the plantation is unrealistic					
4	I do not have the capacity to complete the out put specified but by using extra energy and strain I try to achieve it					

Express on the above on a five-point scale- very important, important, less important, least important and not important.

**9. Significance of the job**

S.No	Statement	VI	I	LI	LI	NI
1	My job will affect the out put of the plantation					
2	By job has significant effect on my family welfare					
3	This is the only job I am capable of doing					
4	No one is willing to employ me because of my low status/ skill					
5	There are no other jobs available					
6	The job is less tedious and enjoyable					

**10. Degree of cooperation in the plantation activities**

S.No	Statement	VI	I	LI	LI	NI
1	I know that my cooperation is utmost important to the plantations success					
2	If I don't cooperate, things could be difficult for the supervisor					
3	I can influence others also and make them non cooperative					
4	My cooperation depends on my wages and rewards					
5	I believe in doing the job my way					
6	I will do the job assigned but I might not be cooperative, it is my nature					

**11. Self-awareness**

S.No	Statement	VI	I	LI	LI	NI
1	I am aware of my contributions to the plantation out put					
2	I feel that without my work substantial gains for the plantation will be lost?					
3	I am aware of the labour welfare measures offered by the plantation					
4	I am aware of the pay- performance incentives					
5	I can understand the importance of labour schemes					
6	I bargain for what is rightful to me					
7	I am aware that I have to do my job properly					
8	Often I am lazy to do my job					
9	Whenever someone is not doing his or her job properly, I tell him or her and make him or her aware of their responsibility					

**MOTIVATION FACTORS**

**1. Financial Rewards**

Express your motivation by ranking the following

S.No	Statement	Rank
1	Profit sharing	
2	Overtime rewards	
3	Increments	
4	Prizes	
5	Team rewards	
6	Competitive rewards	
7	Bonus	
8	Special rewards	

**2. Level of aspiration**

i) I expect the following thing in life for the future

S.No	Statement	Rank
1	Build a house	
2	Getting my children educated	
3	Leave the place and settle in the city	
4	Get my children office jobs	
5	To buy land and cultivate	
6	To buy ornaments and clothing	

Rank the above as per your preferences

### 3. Lab our dignity

Sl. No.	Statement	VI	I	LI	LI	NI
1	Working as a labourer in the plantation has its own worthiness					
2	I have respect as a human being					
3	We have good benefits for a decent living, which is not there for other category of labourers in other jobs					
4	I feel I am wanted for my output					

### 4. Productivity incentive scheme

Sl. No.	Statement	VI	I	LI	LI	NI
1	My main aim of working is that I get rewards based on how I work					
2	I put more work to get more money					
3	I never waste any time for leisure instead I work extra to get more money					

Express on the above on a five-point scale- very important, important, less important, least important and not important

### JOB SATISFACTION

#### 1. Timely financial rewards

Sl. No.	Statement	VI	I	LI	LI	NI
1	The receipt of financial rewards is very important to me .					
2	Delay in receipt makes unhappy and frustrated					
3	I have planned and have many ideas waiting with the receipt of rewards, which I wish to carry out					
4	This has been my major cause of dissatisfaction in the job					

#### 2. Satisfaction of basic needs

Sl. No.	Statement	VI	I	LI	LI	NI
1	Do you feel that the financial and non-financial rewards are helping yourself and your family to satisfy your basic needs?					

#### 3. Higher bonus

Sl. No.	Statement	VI	I	LI	LI	NI
1	I am always expecting something more than last time					
2	I feel the company can give that higher bonus					
3	Higher bonus will make my family and me happy.					
4	An increase in bonus is not going to change anything.					

#### 4. Quality of life

Sl. No.	Statement	VI	I	LI	LI	NI
1	There is lot of differences in how I live today.					
2	My family and I are happier because of the financial and non- financial rewards					
3	My social status has increased					
4	I have opportunities, as we are educated and well aware of myself					
5	The rewards have made me aware of human dignity.					
6	I have understood what is standard of living.					

#### 5. Safety provision on work

Sl. No.	Statement	VI	I	LI	LI	NI
1	The conditions of work are not up to the mark.					
2	We have special protective, which supplied free for us against the unhealthy Climate.					
3	The organization take lot of interest in seeing to that we are comfortable while we are working.					
4	There is special protective given free as plant protection measures for me while working.					

Express on the above on a five point scale- very important, important, less important, least important and not important

**6. Housing benefits (Tick the appropriate against each item)**

Mention Describe which of the benefits I am entitled to and which I am currently availing.

<i>S.No</i>	<i>Benefits</i>	<i>Availing</i>
1	House rent	
2	Housing	
3	Electricity	
4	Water	
5	Firewood	
6	Furniture	
7	Ration	
8	Annual leave	
9	Privilege leave	
10	Sick leave	
11	Casual leave	
12	Travel allowance	
13	Transport on retirement	
14	Leave travel concession	
15	Educational allowance	
16	Acting allowance	
17	Batta	
18	Maternity benefits	
19	Childcare	
20	Medical care	
21	National and festival holidays	
22	T.A. on Transfer	
23	Employment to dependents	
24	Recreation facilities	
25	Provident fund	
26	Pension fund	
27	Insurance Fund	
28	Gratuity	

**LABOURERS**

**ORGANIZATIONAL FACTOR**

**1. Aim of the organization**

Express on the above on a five-point scale- very important, important, less important, least important and not important.

S.No	Statement	VI	I	LI	LI	NI
1	The aim of the organization is intended only in maintain high profit for the owner					
2	The organization has high regard for the employees who are working for the organization and intents to look into the satisfaction of the employees					
3	The organization intends only to maintain its existence					
4	The organization is concerned with the development of the community as a whole					
5	The organization is interested in becoming an internationally renowned competitor					

**2. Reward policies of the organization**

S.No	Statement	VI	I	LI	LI	NI
1	The organization does not compromise on skill or competence when deciding on the rewards on any circumstances					
2	Employees are involved in designing reward systems					
3	All the reward practices have high transparency					
4	Rewards for the employees are market driven/ price of the product					
5	Rewards for the employees will be based on the business of the company					
6	Reward system has flexibility					
7	The company believes in high pay					

**3. Organizational reward strategy**

S.No	Statement	VI	I	LI	LI	NI
1	The organization values use of innovations team work, flexibility, customer/ employer oriented and quality of work					
2	The reward strategy fits the culture and management style of the organization as it is conceived					
3	Drives and supports behaviour at all levels by indicating to the employees what types of behaviour will be rewarded how this will take place and how their expectations will be satisfied					
4	Provides competitive edge required to attract and retain the level of skill the organization needs					
5	Enables the organization to obtain value for money for its reward practices					
6	Provides for integration of reward policies with key reward strategies for growth and improved performance					

**4 Organizational climate**

S.NO	Statement	VI	I	LI	LI	NI
1	Climate of faith and trust exist in the plantation which makes the employees more dedicated					
2	Relations are superficial and dominated by rivalry and distrust					

3	Tensions and anxiety are reduced in the plantation as fellow workers are trusted						
4	The employees trust each other and look forward for suggestions and guidance from others						
5	I hesitate to give responsibility to others even if others are willing as it is difficult to trust them						
6	Sometimes it happens that best advice and support comes from lower employees						

### 5. Organizational resources

S.No	Statement	Tick the appropriate
1	The organization has a self sustaining system	
2	The resources are sufficient for smooth running of the organization	
3	The resources are used very carefully avoiding wastage	
4	There is always lot of resource left for employee rewards	
5	Organizational resources are scarce and not in proper use	
6	The organization is rich in financial, natural and man power resources	

### 6. Attitude towards labour

S.No	Statement	VI	I	LI	LI	NI
1	The organization considers labourers as the key asset of the company's success					
2	The organization takes special interest in fulfilling the needs of labourers					
3	The organization believes in maintaining good relations with the labourers					
4	Labourers are given what is fair to them					
5	The organization believes in maintaining a safe distance from labourers if a bureaucratic approach to labourer is the only way to get them work.					
6	Grievance settlement is done if justified rationally					

### 7. Plantation Act

S.No	Statement	VI	I	LI	LI	NI
1	The plantation act is the bible for rewarding labourers					
2	The organization will not do any thing outside the purview of the plantation act even if it is beneficial					
3	The organization will reward the labourers as per the plantation act even if it is not adequate					
4	Many items in the plantation act are unreasonable and not worth practicing as far as the company is concerned					
5	The plantation act has many loop holes which is handy for the organization to reward as it wishes					

### 8. Labour legislation and administration

S.No	Statement	VI	I	LI	LI	NI
1	There are too many labour laws					
2	It lacks equity and fairness in its approach					
3	The labour laws doesn't give clear cut reference to skills, qualification, training and facilities pertaining to reward					
4	Labour laws are never implemented in plantations so we also don't follow them					
5	Rewards are provided based on the work available which is only possible					
6	Most of the labourers are old and less productive, so the existing labour laws are not acceptable					
7	Labour laws have become a nuisance for giving rewards to labourers					

### 9. Organizations relation with labour unions

S.No	Statement	VI	I	LI	LI	NI
1	The organization always believes in maintain good relations with labour unions					
2	The organizations relation with labour union affects the reward system for labourers					
3	The labour unions are always unreasonable with demands, with out knowing the company's problems or position					
4	The organization considers and takes a lot of patience in trying to satisfy labour unions					
5	The labour unions are good in bargaining and negotiating					
6	Too much politics is reducing their credibility as a welfare organizations					

### SITUATIONAL FACTOR

#### 1. Market price / value

S.No	Statement	VI	I	LI	LI	NI
1	The value of tea has significant influence on the income of the plantation/ organization					
2	A significant difference in price variation also affects the income of the organization					
3	The financial performance has significant influence on the rewards the company can afford					

#### 2. Climate influence

S.No	Statement	VI	I	LI	LI	NI
1	a failure in monsoon will significantly affect the production of tea leaf					
2	Irrigation availability, mitigates the factor of climate					
3	Very hot weather, frost and pest and diseases affects production of tea					
4	Climate has no influence on tea crop					

#### 3. Globalization

S.No	Statement	VI	I	LI	LI	NI
1	The phenomenon of free market has had a significant positive effect on the tea crop					
2	The free market concept is responsible for the lowering of prices					
3	The tea standards has come down considering the international standard					
4	The cost of production rather than the free market concept has affected tea crop					
5	The free market has made the tea market more competitive					
6	The invasion of foreign tea would further affect the Indian tea market					

#### 4. Economic trends in the country

S.No	Statement	VI	I	LI	LI	NI
1	The economic growth rate of the country has influence on the tea industry					
2	In the past a negative / low growth rate has affected the tea industry					

### 5. Government policies

S.No	Statement	VI	I	LI	LI	NI
1	The government polices created conducive climate for the tea industry					
2	Considering the profit of the tea sector government policies have been continuously taxing the tea companies					
3	The government policy has no effect on the tea companies					
4	The government policy is responsible for the minimum rewards of the employees					
5	There is constant tussle between the government policy makers and tea companies to go on a peaceful settlement					
6	The prices in the tea industry can be pin pointed as the poor policy making of the government					

### 6. Consumer price index

S.No	Statement	VI	I	LI	LI	NI
1	The cost of living has gone up therefore I am also entitled to parallel increase in my financial and non-financial rewards					
2	It is impossible to carry on without a increase of financial and non-financial rewards as it As affected my basic needs.					
3	The increase in consumer price index has little effect on me					
4	The increase in consumer price index has made my saving zero					

### 7. Labour union activities

S.No	Statement	VI	I	LI	LI	NI
1	The labour unions are always on the look out for increasing the rewards and benefits					
2	They resort to violence and strikes to achieve their aims					
3	The continuous demand for increase in rewards and benefits with out understanding the company's position has become a drain on the reward system					
4	Labour union has done little to achieve any thing for the helpless labourers					
5	Labour unions are near political organization					
6	In time of crisis the labour unions have protected the rights of these labourers by obtaining the reward that are theirs					

### 8. Change in demography, skill shortages and employment pattern:

Sl. No.	Statement	VI	I	LI	LI	NI
1	More and more entrepreneurs are going for industrial products as agriculture is becoming less profitable					
2	The younger generation is not interested in working in the tea sector as labourer as they find it less attractive and of low status					
3	The rewards and benefits are meager when compared to what they received from other lucrative jobs					
4	There is large scale migration of rural folk to cities and towns looking for fast and easy life					
5	New migrants are less interested in working in plantations					
6	The crisis in the tea sector may replace tea with other crop					

### 9. Role of UPASI:

Sl. No.	Statement	VI	I	LI	LI	NI
1	The rules and regulations laid by UPASI is the final in deciding the rewards for labourers					
2	The UPASI make regular inspections and attends to the grievances					



	of the labourers to see if they receive what is rightful to them					
3	UPASI stands as a guiding force for the tea industry of the region					
4	The benefits that the labourers today receive are because of the efforts of UPASI					

**10. Strikes and lockouts**

Sl. No.	Statement	VI	I	LI	LI	NI
1	Strikes are necessary to bring balance in the plantation as official are negligent to employee problems					
2	Plantation owners are least bothered when strikes occur					
3	The plantation owner resorts to lockout when employees are un yielding					
4	Strikes create a distance in the human relations between employees and the employers of the plantation					
5	The labourers are the ultimate suffers of strikes and lockouts					

Express on the above on a five-point scale- very important, important, less important, least important and not important

### APPENDIX III

#### Management Cadre Factors with Kendall's Value

S.No	Variables	Kendall's (w)
<b>I</b>	<b>Personal-socio-psychological Factors</b>	
1	Technical Competency	0.225*
2	Skill of the Manager	0.875*
3	Leadership ability	0.171*
4	Discipline	0.235*
5	Morale	0.068 NS
6	Self confidence	0.690*
7	Rational Orientation	0.038 NS
8	Financial management ability	0.110 NS
9	Labour management ability	0.104*
10	Loyalty to the organization	0.321*
11	Ability to set goals	0.043 NS
12	Level of Job Commitment	0.367*
13	Risk Orientation	0.387*
14	Team Working Ability	0.274*
15	Regularity in Communicating Goals	0.410*
16	Fair play	0.261*
17	Possibility of added Responsibility	0.270*
18	Value added to the Job by the Manager	0.297*
19	Compliance	0.626*
<b>II</b>	<b>Organizational Factors</b>	
1	Aim of the Organization	0.154*
2	Reward Policy of the Organization	0.138*
3	Organizational Reward Strategy	0.194*
4	Organizational Climate	0.312*
5	Job Definition	0.063 NS
6	Performance Management	0.461*
7	Reward management Practices	0.883*
8	Organizational Resources	0.497*
9	Communication Pattern	0.421*
10	Flexibility of the Reward System	0.333*
<b>III</b>	<b>Situational Factors</b>	
1	Market Price	0.244*
2	Climate Influence	.756*
3	Globalization	0.076 NS
4	Economic Trends in the Country	0.474*
5	Government Policies	0.118*
6	Consumer Prize Index	0.206*
7	Competition from other Companies	0.158*

### Supervisor Factors with Kendall's Value

S.No	Variables	Kendall's (w)
<b>I</b>	<b>Personal-socio-psychological Factors</b>	
1	Technical Competency	0.036 NS
2	Leadership ability	0.112*
3	Discipline	0.081 NS
4	Morale	0.033 NS
5	Self confidence	0.708*
6	Rational orientation	0.024 NS
7	Labour Management Ability	0.779*
8	Personal Efficacy	0.063*
9	Target Achieving Ability	0.914*
10	Listening Skills	0.506*
11	Attitude toward the Manager	0.809*
12	Attitude toward the labourer	0.014*
13	Risk orientation	0.200*
<b>II</b>	<b>Organizational Variables</b>	
1	Aim of the Organization	0.154*
2	Reward Policy of the Organization	0.225*
3	Organizational Reward Strategy	0.173*
4	Organizational Climate	0.432*
5	Organizational Resources	0.497*
<b>III</b>	<b>Situational Variables</b>	
1	Market Price	0.331*
2	Climate Influence	0.828*
3	Globalization	0.123 NS
4	Economic Trends in the Country	0.650*
5	Government Policies	0.134*
6	Consumer Prize Index	0.204*

### Labourer Factors with Kendall's Value

S.No	Variables	Kendall's (w)
<b>I</b>	<b>Personal-socio-psychological Factors</b>	
1	Skill of the Labour	0.625*
2	Discipline	0.307*
3	Morale	0.128*
4	Participation in Political Unions	0.184*
5	Pay Satisfaction	0.142*
6	Attitude towards the Manager	0.025*
7	Attitude toward the Supervisor	0.011 NS
8	Average Daily Output	0.981*
9	Significance of the job	0.789*
10	Self awareness	0.508*
<b>II</b>	<b>Organizational Variables</b>	
1	Aim of the Organization	0.154*
2	Reward Policy of the Organization	0.225*
3	Organizational Reward Strategy	0.173*
4	Organizational Climate	0.432*
5	Organizational Resources	0.497*
6	Attitude towards Labour	0.379*
7	Plantation Act	0.859*
8	Labour Legislation	0.895*
9	Organization's relation with the Unions	0.649*
<b>III</b>	<b>Situational Variables</b>	
1	Market Price	0.331*
2	Climate Influence	0.828*
3	Globalisation	0.123 NS
4	Economic Trends in the Country	0.650*
5	Government Policies	0.134*
6	Consumer Prize Index	0.204*
7	Labour Union Activities	0.593*
8	Changing Demography, Skill and Employment Patterns	0.852*
9	Role of UPASI	0.723*
10	Strikes and Lockouts	0.910*

**Kendall's Value for Motivation for Management Cadre, Supervisors and Laboureres**

<b>S.No</b>	<b>Variables</b>	<b>Kendall's Value (w)</b>
<b>I</b>	<b>Managers</b>	
1	Influence	0.080
2	Personal Growth	0.008
3	Intrinsic Value	0.033
4	Personal Importance	0.045
5	Attribution and Expectancy	0.087
6	Financial Rewards	0.318
7	Responsibility	0.213
8	Recognition	0.193
<b>II</b>	<b>Supervisors</b>	
1	Influence	0.013
2	Financial Rewards	0.158
3	Responsibility	0.310
4	Recognition	0.141
<b>III</b>	<b>Labourers</b>	
1	Motivational Rewards	1.000
2	Level of Aspiration	1.000
3	Labour Dignity	0.032
4	Productivity Incentive Scheme	0.005

**Kendall's Value for Job Satisfaction for Management Cadre, Supervisors and Laboureres**

<b>S.No</b>	<b>Variables</b>	<b>Kendall's Value (w)</b>
<b>I</b>	<b>Managers</b>	
1	Job Security	0.210
2	Job Esteem	0.330
3	Job Environment	0.383
4	Promotion	0.143
5	Equity and Fairness	0.168
6	Benefits	0.555
<b>II</b>	<b>Supervisors</b>	
1	Job Security	0.630
2	Job Esteem	0.141
3	Job Environment	0.575
4	Job Motivation	0.480
5	Equity and Fairness	0.048
6	Benefits	0.695
<b>III</b>	<b>Labourers</b>	
1	Timely Financial Rewards	0.006
2	Satisfaction of Basic Needs	0.082
3	Higher Bonus	0.999
4	Quality of Life	0.080
5	Safety Provisions	0.023
6	Benefits	1.000

# REWARD MANAGEMENT SYSTEM IN TEA PLANTATIONS

By

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## ABSTRACT OF THE THESIS

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## ABSTRACT

Reward Management system was defined as the financial and non-financial rewards developed implemented and managed by the plantations for the employees.

The present study was designed to identify the factors contributing to the reward management system of management cadre, supervisors and labourers, the extent of motivation and job satisfaction from the existing reward system and the rationality as to how the existing reward system was formulated.

The reward system of the management cadre was evolved from the colonial administration and with a fusion of western management concepts. The supervisory reward system was evolved through the *kangani* system and settlements through ESUSI and Plantation Labour Act (1951). The labour reward system was formulated through the Minimum Wages Act (1948), Plantation Act (1951) and a series of settlements made till date.

The study also aimed at identifying important personal-socio-psychological factors, organizational factors and situational factors contributing to the reward management system of management cadre, supervisors and labourers. Factor analysis revealed 30 important factors affecting management cadre, 18 factors affecting supervisors and 27 factors affecting labour reward system. Financial rewards for management cadre, recognition for supervisors and productivity incentive scheme for the labourers were the important motivating reward factors. Higher order needs for management cadre, job environment for the supervisors and timely financial rewards for the labourers were the important job satisfaction reward factors.

The conclusions drawn from the study were: Management cadre should be given better financial rewards and opportunities to fulfill higher order needs. Supervisors should be given overtime rewards and special incentives. Labourers should be provided with innovative schemes like productivity incentive



scheme so as to enhance their motivation as well as work output. The government has to streamline policies to protect the industry. A greater shift in the organizational policies and strategies so as to make human resource as a potential source for higher production in tea plantations.