

**PUNJAB STATE WAREHOUSING**

**CORPORATION**

**STAR Plan**

**Staff Appreciation and Reward Plan**

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### Executive Summary

PSWC is a commercial organization and a reputed Public Sector Undertaking. Delivering its objective in an efficient and effective way is the ultimate goal of PSWC management. This can be perpetually done only when the employees and staff are motivated enough to deliver superior performance. It is felt that high performance ought to be rewarded as it encourages the rewarded individuals and teams directly and also motivate others to work hard.

Therefore, it was felt that PSWC should have a reward/recognition system which rewards high performance in a fair and objective manner and which is consistent with the values of PSWC. PSWC intends to create a culture where the employees and teams are self motivated and committed to achieve the organizational goals.

Consistent with practices throughout public and private sector organizations, PSWC plans to use recognition programs to encourage and reward superior employee performance. The STAR plan would allow PSWC management to give pecuniary/cash and non cash rewards and convey its appreciation to staff in recognition of their exemplary performance and contributions which further operational and administrative improvements within the organisation.

This plan would be operative for the initial period of 2 years for the year 2021-22 and 2022-23, thereafter it shall be reviewed on the basis of its outcomes. The plan may be continued with or without modifications thereafter as decided by the PSWC management.

This STAR plan may be discontinued by the PSWC management at any time, without assigning any reason.

## **Introduction**

No one can deny this fact that motivated, productive employees are crucial for organizational success, regardless of its size, sector, or commercial strategy. The question is how to motivate them. Offering employees' performance-based rewards/recognition is one common approach, where good work is rewarded leading to job satisfaction on one hand and high performance on the other. By aligning rewards with organizational strategy, an organization can inspire its management and staff to deliver superior results. Umpteen studies and research papers confirm the benefits of such endeavors. Indelible impact on the performance and culture of an organization has been seen when rewards/recognition are managed carefully.

According to *Harvard Business Review* paper, 83% of the 250 largest S&P 500 firms use a formulaic annual reward plan, or one that includes predefined metrics. These plans tend to incorporate multiple metrics; the most common are profits (used by 91%) and revenues (used by 49%). Seventy percent of the companies also use nonfinancial (both strategic and individual) metrics.

## **2. Linking Reward/Recognition Plan and Outcomes**

While forming this plan, the following points have been contemplated:-

- How can the organizational strategy and objectives be reflected in the reward plan?
- Are the right metrics being used given the current circumstances?
- When is it time to make adjustments to the existing design?

## **3. Potential Benefits**

Various studies around the world confirm that there are 4 Key Benefits of Offering Employee Rewards/Recognition for the good work.

### **3.1. Upto 75% Boost in Productivity**

According to the *Society for Human Resource Management (SHRM)*, organizations with an incentive program see a 52% increase in productivity. Further, organizations

with incentive programs linked to their company core values see a 75% productivity boost. This rise in productivity is primarily driven by happier employees. There are a number of factors that contribute to employee happiness, but one survey revealed that 50% of employees associate workplace happiness to feeling appreciated.

### **3.2. Higher Success Rate in Achieving Set Organisational Goals**

Incentivizing employees, who contribute to the success of their organizations is important. Giving incentives to high-performing employees can be considered as an act of success sharing. This gives workforce extra motivation to take ownership of their work. It's not surprising that organisations with effective employee reward programs demonstrate a 79% higher success rate in terms of meeting their business objectives.

### **3.3. Better Top Talent Retention**

A fair and objective reward policy reduces attrition rate while attracting new talent to the organization. Thus a reward/recognition plan leads to loyalty which often takes the organization to higher level.

### **3.4. Better Performance**

As mentioned, well-rewarded employees are happy employees. Happy employees deliver high-level service and performance, positively impacting productivity & outcomes.

Thus, the reward/recognition policy is aimed toward recognizing the STARS in the organization.

## **4. Why PSWC needs a Reward/Recognition Plan**

**4.1.** PSWC is a commercial organization and a reputed Public Sector Undertaking. Delivering its objective in an efficient and effective way is the ultimate goal of PSWC management. This can be perpetually done only when the employees and staff are motivated enough to deliver superior performance. It is felt that high performance ought to be rewarded as it encourages the rewarded individuals and teams directly and also motivate others to work hard.

**4.2.** Therefore, it was felt that PSWC should have a reward/recognition system which rewards high performance in a fair and objective manner and which is consistent with the values of PSWC. PSWC intends to create a culture where the employees and teams are self motivated and committed to achieve the organizational goals.

### **5. Staff Appreciation and Reward Policy**

Consistent with practices throughout public and private sector organizations, PSWC plans to use recognition program to encourage and reward superior employee performance. The STAR plan would allow PSWC management to give pecuniary/ cash and non cash rewards and convey its appreciation to staff in recognition of their exemplary performance and contributions which further brings operational and administrative improvements within the organisation.

The following will be the guiding factors to implement the STAR plan:-

### **6. Commencement and Validity**

This policy would be operative for the initial period of 2 years for the year 2021-22 and 2022-23, thereafter it shall be reviewed on the basis of its outcomes. The plan may be continued with or without modifications thereafter as decided by the PSWC management.

This STAR plan may be discontinued by the PSWC management at any time, without assigning any reason.

### **7. Levels of Reward/Appreciation**

**7.1.** There would be 3 levels of recognition under this policy:-

- District (Team)
- Individual
- HQ Branch (Team)

**7.2.** Further, the districts would be split into two categories of BIG and SMALL based on their capacity & nature of capacity for the sake of equity and fairness.

SMALL districts shall include the PSWC districts of Amritsar, Gurdaspur, Hoshiarpur, Kapurthala, Mansa, Fatehgarh Sahib.

BIG districts will be Jalandhar, Ferozepur, Faridkot/ Muktsar, Bathinda, Sangrur, Barnala, Patiala, Moga, Ludhiana.

### **8. Eligibility**

The STAR Plan would be applicable to the following category of employees only (at Individual level) :-

**8.1.** PSWC regular employees, who are currently working in PSWC; employees on deputation to PSWC, employees on contract with PSWC are eligible under this STAR Plan and only if, at the time of the award, they:-

- Have successfully completed their probationary period,
- Have served PSWC for at-least 2 years,
- Have not been charge-sheeted/punished under Rule 8 of Punishment and Appeal Rules for the matters/events/occurrences in the year under consideration and the previous year,
- Have no adverse remark in the last 2 ACRs/APARs,
- Have at least “Very Good” as the grading in the last 2 ACRs/APARs,
- An employee must be an active employee of the PSWC on the day the nominations for the awards/ rewards are submitted.

*It is clarified that casual labour employed, staff hired through outsourcing services in PSWC, temporary employees are not eligible for recognition under the Plan. Further management posts of MD, AMD, Branch Managers are not eligible at an individual level for recognition/awards under this plan.*

**8.2.** An employee may not receive an award under the STAR Plan, if the employee is a participant in an incentive award plan that prohibits the receipt of a recognition award.

**8.3.** An employee's receipt of an award under this STAR Plan does not establish any right or guarantee that the employee will be eligible for or entitled to an award in any subsequent year.

**8.4.** The nominated employees who fail to get rewarded will not have any legal right to get reward/appreciation under this STAR plan.

**8.5.** Once awarded, an individual employee shall not be eligible for the same award next year.

**8.6.** This plan is only meant to encourage and motivate staff to work hard to achieve organizational goals and does not generate any legal right for any employee to get rewarded under this plan.

### **9. Period Under Consideration**

The reward/appreciation shall be considered on the basis of outstanding performance demonstrated by the employee during the course of the financial year. The reward/appreciation would be finalized /communicated in the month of May/ June of the next financial year. (to illustrate, if the year under consideration is 2021-22, and then STAR awards will be announced in MAY/ JUNE 2022)

### **10. Criteria**

The recommendation for suitable nominee shall be made by District Screening Committee (DSC)/ respective Branch Managers to Headquarter Screening Committee (HSC). Further five members HSC, under the Chairmanship of AMD PSWC and consisting of Manager Establishment, Manager Accounts, Manager Quality Control and Manager Procurement shall recommend the worthy nominations after scrutiny under this plan to the Managing Director, who will be the final approval authority. The broad parameters for Appreciation/ Reward would consist but not limited to the following:-



### 10.1 For Individual (wherever applicable)

- KPIs where ever application,
- Trend in losses,
- Optimal utilization of space,
- General upkeep of the Spaces/Godowns,
- New initiatives,
- Timely Milling Completion,
- Movement of Vulnerable Stocks,
- Getting receivables from FCI on time,
- Revenue Generated,
- Legal success,
- Record Maintenance,
- Completion of civil, mechanical and electrical project without cost and time overrun,
- Efforts that brought efficiency and effectiveness in the PSWC working, etc.

### 10.2 For Best District

- No Damage Food Grain
- Zero Lesser Gain in wheat
- Zero Unjustified Storage Loss in Rice
- Minimum on average 85% capacity utilisation
- No weevilisation and quality cut
- 100 % milling by due date
- No defalcation
- No Major attaformation

- Zero Upgradation
- 100% realization of claims from FCI
- Timely updation of record on portal

### **10.3 Best Centre**

- No Damage Food Grain
- Zero Lesser Gain in wheat
- Zero Unjustified Storage Loss in Rice
- Minimum on average 85% capacity utilisation
- No weevilisation and quality cut
- 100 % milling by 31st March
- No defalcation
- No Major attaformation
- Zero Upgradation
- Exceptional Upkeep/ Maintaince of Complexes
- Timely updation of record on portal

### **10.4 Best complex**

- No Damage Food Grain
- Zero Lesser Gain in wheat
- Zero Unjustified Storage Loss in Rice
- Minimum on average 85% capacity utilisation
- No weevilisation and quality cut
- No defalcation
- No Major attaformation
- Zero Upgradation

- Exceptional Upkeep/ Maintenance of Complex
- Timely updation of record on portal

### 10.5 Best Branch/ Team

Every Branch will make presentation of KPI achieved and other important achievements made by the concerned Branch/ Team during the year before the management and put their case for recognition under Star Plan.

### 10.6 Best Employee in HQs

Branch Manager(s) would nominate at least 2 employees of his/ her branch highlighting the employee's extra-ordinary achievements to the Administration Branch and HSC would recommend the name of Best Employee on merit.

## 11. Nomination Process

**11.1.** All STAR Award nominations (excluding the Best District) must be submitted online in the prescribed form on the PSWC portal by 15<sup>th</sup> May of the concerned year.

At District level, a District Screening Committee (**DSC**) consisting of TO/ASTO, Accountant, SDO headed by District Manager will assess the performance of eligible employee/ complex/ centers upon the relevant parameters and send their recommendations to PSWC Selection Committee at HQ. The DSC shall also recommend the kind and quantum of incentive for each employee covered in their report.

### 11.2 Best Employee of each District:

Respective District Selection Committee would nominate the names of maximum 3 employees of the District highlighting their extra ordinary achievement to the Hqs. and HSC would recommend the name of Best Employee on merit. All the proposals received from Field offices/DSC shall be examined by a 5 member Headquarters Screening Committee (**HSC**) at HQ.

### 11.3. Individual Award Nominations

Individual employees may be nominated for STAR rewards based on a high level of performance for assigned work or also in event that is above and beyond the

employee's regular job scope. The nominations would normally be submitted through the DSC of the individual employee but in rare circumstances, the employee himself/herself may approach Manager /Establishment directly for his/her nomination, through the supervisory officer.

The employee's supervisor is responsible for confirming that the employee is eligible for a reward/recognition under this plan.

#### **11.4. Team Award Nominations**

Team Awards may be granted to teams for a high level of performance for assigned work/ project or event that is above and beyond the team's regular job scope. Teams must meet one or more of the performance standards set forth above for work on a project within the same branch/district or for work on the development and/or implementation of inter-departmental projects that is above and beyond their regular job scope.

All the nominations (individual and team) received would be examined by the establishment branch for consideration of the selection committee at HQ.

#### **12. Types of Rewards/ Awards**

Under this policy the rewards/ awards would consist of both Cash and Non Cash elements.

##### **12.1. At District Level**

- Best District (BIG)
- Best District (SMALL)

The best district will get a Cash Reward of Rs 1.5 Lakh + Trophy + Appreciation Certificate.

##### **12.2. Best Center**

The best center will get a Cash Reward of Rs 50,000 + Trophy + Appreciation Certificate.

### 12.3. Best Complex

Each of these other district/field level awards/rewards will consist of Rs 21,000 + Trophy + Appreciation Certificate.

### 12.4. At Branch Level(HQ) -Best TEAM

The best Team will get a Cash Award of Rs 75,000 + Trophy + Appreciation Certificate + a meal with the Management.

### 12.5. Individual Level

#### 12.5.1. Best Employee (STAR of PSWC)

The Best Employee (STAR of PSWC) will get a Cash Award of Rs 51,000 + Trophy + Appreciation Certificate + Choice Posting\*

**\* (Choice posting at a place would be normally for at least 2 years, but may be cut short in case of disciplinary/administrative exigencies)**

#### 12.5.2. Best Employee of the District (STAR of District)

The Best Employee (STAR of district) will get a cash award of Rs 11,000 + Trophy + Appreciation Certificate.

Beside the above mentioned annual Rewards/appreciations, which are based on nomination; There would be 2 more categories of awards, which are:-

### 12.6 Distribution of Reward Money

The awards in cash granted to the branch / team/ district/ center/ complex shall be divided equally among all the employees of above particular groups.

### 12.7. Spot Award

These awards will consist of an appreciation letter + Rs 5000 cash (per employee) for on the spot recognition of good work by an employee. Chairman/PSWC, MD/PSWC and AMD/PSWC shall each have the discretion to grant this spot award

to only 5 employees (each) in a year. The reason of granting with reward must be brought in writing for record.

### **13 . Interpretation**

Any interpretation, clarification with regard to the STAR Plan will be dealt with by the HSC. The committee will place its recommendations to the MD/ PSWC for final decision.

### **14. Conclusion:**

This Plan is expected to boost the overall morale of the employees and officers and is needed to be implemented as soon as possible.