

## **Examining the impact of workforce restructuring on the industrial growth and performance of SAIL (Steel Authority of India Ltd.)**

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### **Abstract**

The increasing cost of the managing human resources within the working areas of a company has been comes forth most critical challenge for the international companies to perform their business within the recent day's business environment worldwide. The scarcity of the human resources and many other management-oriented problems within business ring-forth a number of serious stumble blocks in front of the business companies to run business without disruption and avail growth. The entire process of workforce restructuring supports to reduce cost of HRM and supports to gain more effective performance from the employees within workplace. Thus, it enhances the production and earning of a company within the business environment. The study focused on examining the impact of workforce restructuring on the industrial growth and performance of SAIL. Secondary data collection process has used to develop superior idea of the topic and build effective findings within the study. Different statistical data about SAIL has showcased within the discussion to provide more effective understanding on the topic.

**Keywords:** SAIL, Workforce restructuring, Business Environment, Industrial restructure, Growth and Performance

### **1. Introduction**

The overall cost of availing energy and human resources within a workplace becomes significantly challenging for the companies which manage their overall expenditure and business growth in the global market. The steps toward workforce restructuring provide superior support for business companies to reallocate overall employee structure within the workplace and reduce the expenditure to avail higher financial edge within the market. A large number of leading companies worldwide has been implemented workforce restructuring within the workplace of the enterprise which assists them to gain greater business advantage within the competitive market. Steel Authority of India Ltd (SAIL), is a designer, manufacturer, and selling company has established on headquartered in New Delhi, India (Forbes, 2023). Steel sheets, rods, bars, thermo mechanical bars and wire rods, electrical coils, and other product segments made by still components. The company has established a superior place among consumers' minds through their high-quality steel products which support to avail business monopoly in India.

In order to cope with the increasing cost of human resources, SAIL has taken steps towards workforce restructuring and reinforced an employee structure within the company to perform diverse operational tasks and financial expenditures in the market periphery. It provides key support to the company to avail various technical and economic edges over business crises in the worldwide periphery. The entire study has been focused in order to evaluate the impact of workforce restructuring on industrial growth and performance by discussing the case of SAIL. A number of concepts and theories which are related to organizational performance and workforce restructuring will go to be elaborated within the discussion.

## 2. Rationale and Objective of Study

The business environment especially in engineering works has witnessed various critical challenges in the last few years due to different environmental, political, and social contexts. The crisis related to supply chain and human resource scarcity comes forth the most significant challenges for business organizations to survive within the aggressive competition within the business environment. The steps towards workforce restructuring become highly essential for the companies in recent days worldwide market to ensure a reduction of the overall expenditure within the workplace as well as gain superior performance for human resources to cope with a challenging business atmosphere. The steps towards workforce restructuring not only assists to reduce the expenditure for human resources as well as helps to restructure their working pattern, schedules, and responsibilities to maximize the growth of a company in the competitive environment (Aggarwal *et al.* 2022). SAIL has taken steps forward toward workforce restructuring which provides superior support to the company to mitigate financial, strategic, and operational challenges within the company and escalate growth. The entire study aims to examine the impact of workforce restructuring on the industrial growth and performance of SAIL. The key objectives involved in the study are mentioned below.

### **Objectives**

- To build a superior idea on the entire concept of workforce restructuring.
- To understand the impact of workforce restructuring on the business growth rate of SAIL.
- To know the influence of workforce restructuring on the financial performance of SAIL.

## 3. Review of literature/research gap

The overall concepts involved in workforce restructuring are related to taking mandatory steps towards maintaining the HRM cost within a workplace and changing the operational responsibilities of the workforce in the business market periphery. The overall operational tasks performed by the human resources managers within a workplace to creating or eliminating work positions, restructure the working process of the company to escalate the performance of the organization (Nassar *et al.* 2020). The steps taken towards workforce restructuring provide higher growth for the company to enhance the performance and contribution of each human resource within the business market surrounding.

The basic motto which has been provoking a company towards taking steps towards workforce restructuring is to reduce the expense of the company in managing human resources. The increasing competition within the market and different financial hazardous make it most important for business companies in recent days' global market to restructure the human resources and working pattern within a workplace of a company. The steps towards creating new positions, eliminating unnecessary job positions, motivate employees towards the strategic actions are mostly taken in account in time of performing workforce restructuring within a company. Business companies can able to avail themselves of higher financial resources by reducing the cost of managing human resources as well as able to gain superior performance growth in the worldwide market. It mostly assists to enhance the growth rate of a company in recent day's worldwide market as well as supports gaining a higher competitive edge over business rivals within a certain industry. It is mostly escalating the tendency of the business authorities in the competitive market to take steps towards workforce restructuring.

### **Literature Gap**

The overall concepts involved within workforce restructuring also involves a large number of critical disadvantages and negative impact on society within a business area. The study will not involve elaborating on the different negative influences of workforce restructuring on society and the business process. It can be taken as a key literature gap involved in this particular study.

## 4. Methodology

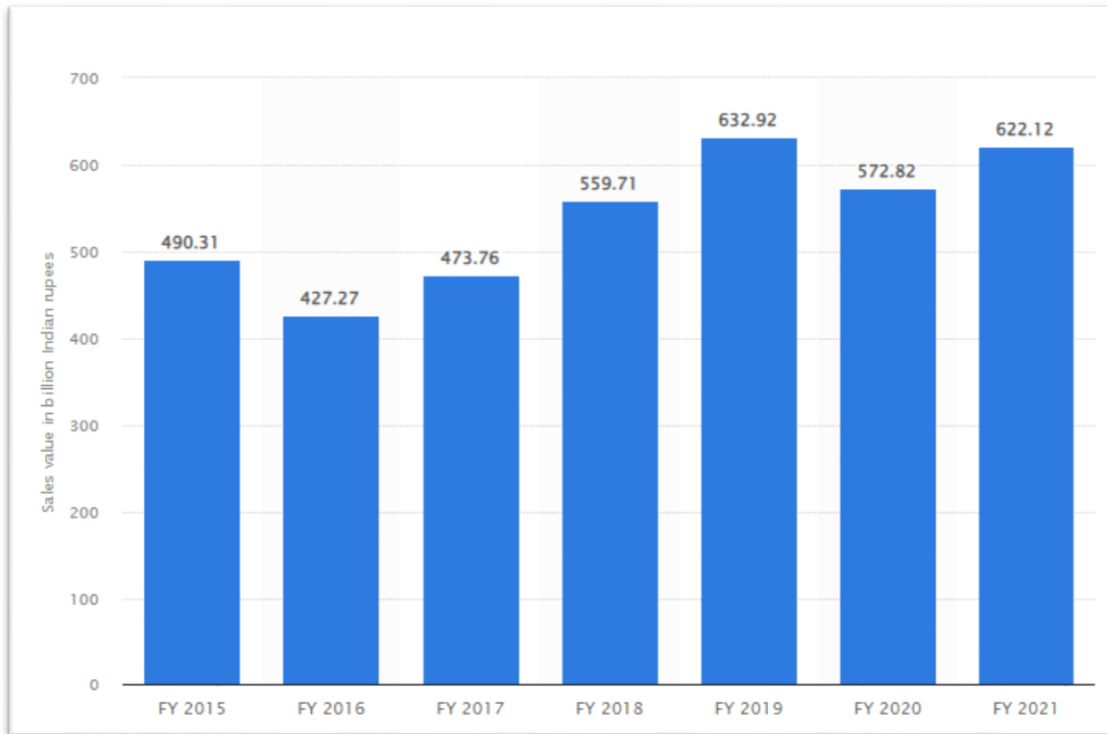
A number of different materials and methods are used within a study in order to come forth with the most significant findings and results on a certain topic. The declaration of the methodologies which has used to perform the study also assists to understand the overall conducting process of a certain study. Thus, the methodologies and materials which will go to be used within this particular study are mentioned in the discussion. The entire study has been performed to examine the impact of workforce restructuring on the industrial growth and performance of SAIL. Thus, it is essential to keep the focus on taking a large number of topic-related information to deliver the entire study with empirical findings. An inductive approach helps to gather a large number of topic-related data within a study, thus an inductive approach is taken in order to perform this particular study efficiently. A secondary process of data collection helps to gather a large source of data by exploring different authentic and peer reviews published work on a certain topic online. The overall study needs to collect a large number of data thus secondary data collection methods have been undertaken in order to perform this particular study successfully. The data published onwards 2019 have been taken within the inclusion criteria within the study. On the other hand, the information does not publish on peer-reviewed or authentic sites, published before 2019, and not in the English language taken within the exclusion criteria to perform the study.

## **5. Discussion and Analysis**

### **5.1 The future of the steel industry in India: A case analysis of the workforce restructuring within SAIL**

SAIL is the largest steel manufacturing and selling company in India. The company has build a strong business position in the steel industry as the central public sector company in India. The recent days worldwide business threats and different business disruptions escalates the need for SAIL to take steps toward take strategic implementation and change of management within the enterprise. The company has taken steps towards workforce restructuring within the company which provides key support to the organization to mitigate different financial crises and avail most desiring performance and contribution from the human resources within the working areas of the company. The overall steps taken by SAIL within the business environment not only escalated the growth of the company in the competitive periphery but also brings forth a significant managerial innovation within the business market surroundings. Various business companies within the steel industry have started to follow the steps of SAIL towards workforce restructuring in order to avail a higher growth within the industry and manage financial expenditure successfully. The business leaders, managers, and employees within the different working sites of the SAIL has been enhancing their performance rate in order to secure job position which mostly helps the company to avail a superior business advantage within business market surroundings effectively.

The steps taken by SAIL toward workforce restructuring mostly escalate the growth rate of the company in recent days' competitive market. Various financial hazardous and economic loss has been mitigated by the company through taking steps toward workforce restructuring. In the fiscal year of 2021, SAIL earned a sales rate of 622 billion Indian rupees within the domestic market of India and escalates its business growth rate within the competitive periphery (Sun, 2022). The business growth of SAIL after implementing steps towards workforce restructuring has been increasing the inclination of various business companies in the steel industry to adopt effective action plans towards workforce restructuring. Thus, the workforce restructuring steps of SAIL mostly motivated different companies to take innovative steps towards managing human resources and creating and eliminating positions of the staff effectively to meet the strategic and financial objectives of the company. It actually brings forth the inclination towards monitoring, rewarding, and eliminating employees according to their performance and reducing the cost of expenditure of human resource management to provide a higher financial advantage within the steel industry. Hence, it can be claimed that the steps taken by SAIL toward workforce restructuring mostly impact and change the future of the steel industry in India.



**Figure 1: Domestic sales value of SAIL**

(Source: Sun, 2022)

## **5.2 Impact of workforce restructuring on the production rate of a company case of SAIL: A conceptual analysis of workforce restructuring.**

The human resource scarcity and increasing financial hazards within recent days worldwide market has been coming forth a critical challenge for organizations to manage the need of employees and reduction of the overall operational expenditure within the workplaces. It has been most negatively impacted on the overall manufacturing and production rate of the business companies especially in the heavy engineering sectors in the worldwide periphery. The leading steel manufacturing and selling company SAIL has also witnessed a critical reduction within their entire production rate due to human resource issues and increasing operational expenditure. It actually escalates the overall need for the company to implement effective strategical applications within the business and managerial area of the company in order to improve the production rate and growth in recent days' competitive market of heavy engineering works. The production rate of steel plants in India has been reduced by 7.7 percent in the fiscal year of 2023 (Sun, 2023). As the largest steel product-producing institution in India SAIL also witnessed a critical business loss and a decline in the production rate in the fiscal year of 2023.

The overall steps taken by a business organization toward implementing workforce restructuring within the workplace of the company provide the key supports to improve the contribution and involvement of the human resources within the working sites of a company. It mostly helps to escalate the production rate and production quality of a business company in recent days worldwide market sphere. The steps undertaken within the workforce restructuring mostly help SAIL to enhance its product manufacturing ability as well as to escalate the production rate of the company in today's heavy engineering marketplace. In India, the steel industry is one of the core industries. Hence, the financial growth of India depends on earning from the steel industry within the business environment. The way to the reduction of HRM expenditure can be met by eliminating and detaining human resources within the company. Although, it negatively impacts the manufacturing ability of a company as well as the social image of the company within a business area. SAIL has taken steps towards reshaping and reorganizing the human resource

structure and working pattern within the workplace. Different job roles are eliminated while new responsibilities are allocated to human resources in order to improve the production rate and quality of the company. It comes forth the key opportunity for SAIL to escalate its manufacturing rate and avail higher financial benefits within the heavy engineering industry.



**Figure 2: Annual change rate of steel production in India**

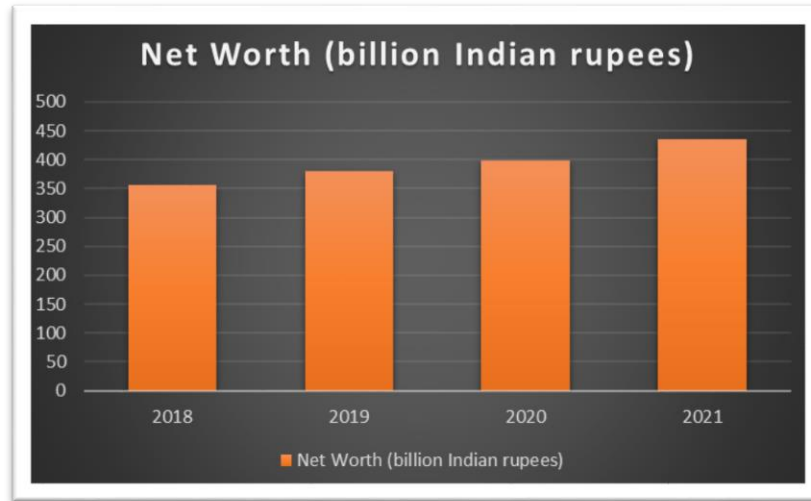
(Source: Sun, 2023)

### **5.3 Impact of workforce restructuring to Improve Performance of Employees as well as Leaders: the influence of workforce restructuring in SAIL**

The case of workforce restructuring has a significant impact on the performance of a company through reshaping the workforce, responsibilities, and tasks to the suited individuals within the workplace. As the growth of a company depends on the performance of the human resources and business leaders, the steps toward reconstructing the working environment and taking effective performance from different individuals according to their expertise. The changing business environment in recent days global market has significant increase the need to take effective steps according to the international business management changes to avail more effective outcomes within the business performance of a company. The steps toward reconstructing the working environment of a company mostly enhance the ability of a company's workplace to cope with the demand and situation in recent times highly competitive and turbulently business environment. In order to reduce the operational cost within the working site of SAIL, the company has decided to take steps towards reconstructing its entire human resource and work distribution which helps the company to survive the financial disruption during the pandemic period. The flexible working hours, employee turnover, recruitment, and running workplace through providing duties according to the abilities and most suited employees mostly help to sustain the performance of SAIL and reduce the financial threat.

The effective contribution and efforts of each human resource in diverse operational positions escalate the performance of the company and support ladders to gain maxim output from the employees. The overall performance and motivation of the leaders aggravates through availing the most desired performance from the workforce make the most effective strategical implementation in the management process to accelerate the operational edge of the company in the competitive market. The overall step taken by SAIL

toward reconstructing its workforce has helped the company to avail higher performance from employees and leaders which aggravates the net worth of Steel Authority of India within the market. In the fiscal year of 2021, the overall net worth by SAIL amounted to 435 billion Indian rupees, which is 38 billion more than the company has net growth in the previous fiscal year (Sun, 2022). It actually showcased that the steps towards workforce reconstruction have escalated the growth of the company through the more efficient performance of the human resources as well as business leaders.



**Figure 3: Net Worth of Sail over the Years**

(Source: Sun, 2022)

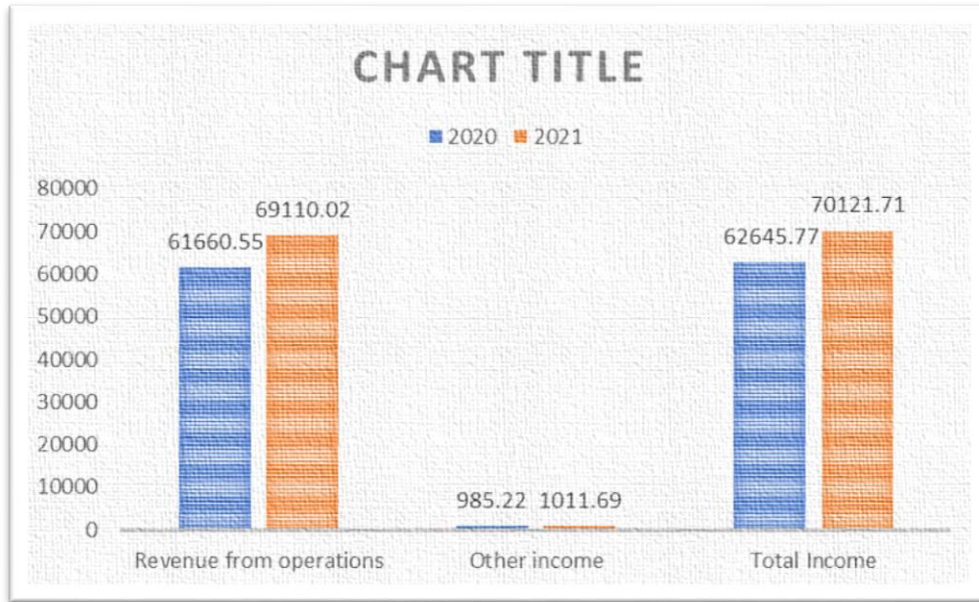
#### **5.4 SAIL is availing high edge in the competitive market: Discussion on the need for workforce restructuring within the industry.**

The impact of the workforce reconstruction has been most significant enhance the performance of SAIL and escalate the overall financial growth of the company in recent days worldwide business market surroundings. The steps towards implementing effective strategical policies and changing the responsibilities and total human resources within different impacts on the operational performance of a company in the worldwide environment. Business Companies in recent days worldwide business surroundings has been undertaken steps forward to deconstruct the working environment and human workforces to enhance their performances. The increasing rate of competition in the international market and issues has been bringing forth critical financial crises and human resource scarcity enhancing the need for workforce reconstruction globally. The entire steps undertaken by SAIL within the business atmosphere provides key support to the company to escalate the performance of the company as well as reduce its financial costing. It has offered a significant competitive edge to the company within recent days business market periphery. As mentioned by Yanambaka (2022), the assistance of workforce reconstruction helps employers to gain the desired performance from human resources and escalate the overall business growth rate of the company in recent days international business.

The performance and business growth scope of the industry has a superior dependency on the strategic and operational performance of the company's performing business within the industry periphery. The workforce reconstruction steps were taken by SAIL to manage human resources more efficiently to avail a high performance and contribution from each human resource within the company while reducing its operational cost. The overall trend of the steel industry internationally. Higher success and performance growth which has been availed by SAIL through performing steps to the workforce reconstruction mostly encourage other companies in the industry to implement workforce reconstruction within their working sites.

#### **5.5 Financial growth and performance rate of SAIL and its relation with workforce Restructuring**

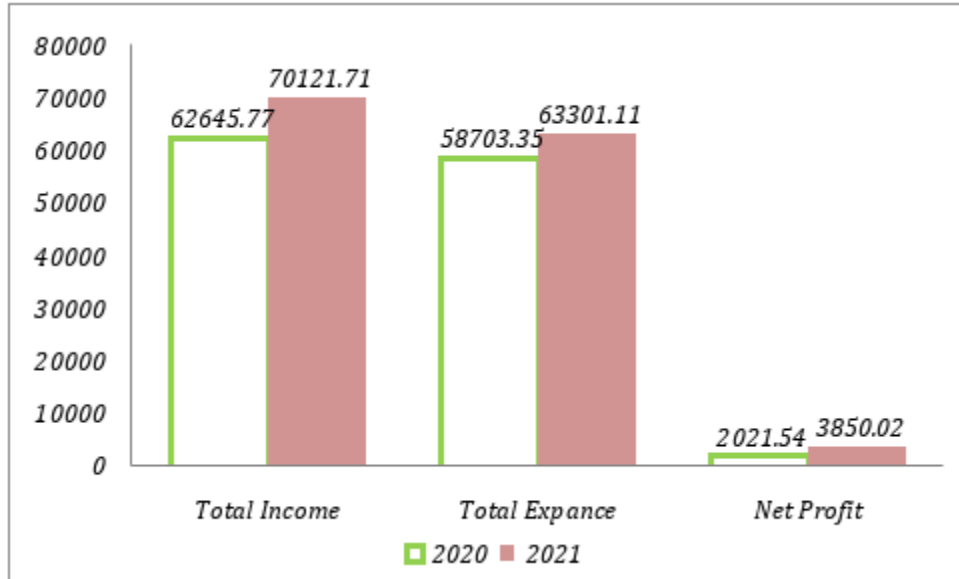
SAIL has earned superior business growth within the international business market periphery and established the positive impact of workforce reconstruction within heavy engineering workplaces all around the globe. The overall earning of the company in recent days worldwide business market surroundings has been witnessing significant business growth as well as a competitive edge within the steel industry which has mostly occurred due to strategic implementation of the company towards workforce reconstruction. The overall income rate of SAIL in the fiscal year of 2020 was 62645.77 Crore, despite the diverse business issues, cross-border conflicts, and supply chain issues the company has improved its income rate and earned 70121.71 Crore in the fiscal year of 2021 (The Economic Times, 2021). The changes in the management process and shifting responsibilities of the business owners in the working area of the SAIL mostly help the company to balance its entire income rate in the competitive business environment.



**Figure 4: Income of SAIL**

(Influenced by: The Economic Times, 2021)

A number of critical business disturbances and changing business characteristics all around the globe mostly increase the need to take suitable workforce reconstruction processes within the business to maintain the operational expanse of the company while enhancing performance. The steps towards employee turnover, change the role of the executives, providing operational tasks as per the expertise, and recruiting efficient professionals within the business to improve operational growth and operational expanse rate. The total expanse of SAIL in the financial year of 2020 was 58703.35 crore, the reconstruction of the human resources mostly helps SAIL to manage its expanse in 2021 which amounted to 63301.11 (The Economic Times, 2021). The desiring income expense ratio helps the company to avail a higher profit in 2021 which has gained due to steps towards workforce restructuring.



**Figure 5: Income of SAIL**

(Influenced by: The Economic Times, 2021)

## 6. Results and Findings

The entire study has been performed in order to find the impact of workforce restructuring on the industrial growth and performance of SAIL, different statistical and narrative information has been used to avail an effective finding. The entire study has found that the steps towards workforce reconstruction including recruiting, dispatching, changing working roles, and shift of departmental responsibilities provide key support to escalate business growth. The steps taken towards workforce restructuring provides support to the company to avail the effort of the most suited individuals with different work position within a company. The overall operational and HRM cost of business enterprise in the business environment can be managed through take effective application towards reconstructing the workforce. SAIL has taken steps towards workforce restructuring which has escalated the performance of the company in recent days worldwide business market sphere of heavy engineering works. The overall business earnings of SAIL have enhanced after the implication of the workforce restructuring within the working periphery of the company. The company has taken a superior business edge over its business rivals through its effective implication steps towards workforce restructuring.

## 7. Conclusion

Steps towards workforce restructuring are one of the most discussed business management trends in the recent days worldwide business environment. The increasing competition and aggravating overall operational expanse of a business company triggered the importance to manage each human resource more efficiently and reduce the cost of HRM actions. Thus, the study has been performed to examine the impact of workforce restructuring on the industrial growth and performance of SAIL. Different secondary qualitative data have been analyzed within the study to develop an efficient insight into the topic. The study has found the implication of reconstructing the workforce provides key support to improve performance and the financial edge of SAIL within the steel industry.

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