

Designing  
interventions of  
employee  
engagement and  
welfare practices  
management e...



**ASSIGN  
BUSTER**

Asian Paints is India's largest paint company and the third largest paint company in Asia today, with a turnover of Rs 30.2 billion (around USD 680 million). The company has an enviable reputation in the corporate world for professionalism, fast track growth, and building shareholder equity.

Asian Paints is a great marketing success in a branded consumer product business. The company succeeded where others failed in three areas:

First, it understood the requirements of the Indian paints market better than the MNCs which did not bother to respond to local consumer needs. It was the first to introduce small pack sizes, a variety of shades and a wide range of paint types (enamels, distempers, emulsions) to suit different pockets.

Secondly, in the highly competitive market emulsions segment, the company introduced as many as 151 shades in its Apcolite range when the competition was offering a maximum of 40 odd shades. The strategy paid off and Asian Paints today commands a 40% share in this segment. It set up an extensive national distribution network to tap demand in smaller towns.

And finally, the company has displayed considerable savvy in its advertising campaigns, dealer relations, point of sale publicity and product demonstrations to consolidate and expand markets. In fact, the company has played a pioneering role in expanding the Indian paints market by identifying high demand potential areas and then tapping them to maximum effect.

The project was undertaken with the following objectives in mind:

1. Designing of interventions of employee engagement and welfare practices

2. Preparation of a MIS of various Acts with reference to the various statutes
3. Optimization of Payroll process by Lean methodology

The scope of the project is as follows:

1. Payroll process of workmen and staff
2. Employee engagement of staff and workmen cadre with suggestions of engagement interventions as to render a festivity atmosphere in the plant, serve as a platform for inter-departmental interaction and to bring them closer
3. Reference to only those statutes which involve filings or returns or display of notices

Regarding payroll process, after understanding the application of Value stream mapping by attending LEAN workshop, the focus was on understanding the entire payroll process and the current state has been captured in a value stream map. Next, after studying the cycle time and identifying the optimization opportunities from the current payroll process map, the improvements to be finalized were discussed with the process owners. Then the future payroll process map was plotted and the implementation of the improvements happened in the May payroll.

Regarding employee engagement, first, an exploratory research was conducted which included extensive interviews with the HR managers in the neighbouring industries. The data was analyzed in the context of the current engagement model at Asian Paints-Patancheru plant and its required

objectives in the scope of employee engagement and the interventions were accordingly designed.

Regarding preparation of a MIS, I have studied the needed Acts and gone through the statutory filings and returns files and integrated them into an easy to use and comprehensive MIS with all details at one place so that it serves as one stop search self-service mechanism.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1. 1 LITERATURE REVIEW**

##### **1. 1. 1 Employee Engagement**

According to Hewitt Associates, an individual is considered to be engaged to the organization if they display all the three Engagement behaviours:

Say: Consistently say positive things about the organization

Stay: Wants to stay with the organization

Strive: Strive to achieve above and beyond what is expected in their daily role

Other definitions of employee engagement are as follows:

“ The extent to which people enjoy and believe in what they do and feel valued for doing it.”

“ The extent to which employees commit to something or someone in the organization, and how long they stay as a result of that commitment.”

“ Loyal employees (versus satisfied employees) stay because they want to. They go above and beyond the call of duty to further their company’s interests.

“ The extent to which employees put discretionary effort into their work in the form of brainpower, extra time, and energy.”

Employee engagement is currently a buzzword in the HR fraternity, with every organization seemingly reworking its strategies around it. But what explains the sudden interest? According to the Development Dimensions International, there are four main drivers for this surge to climb on the engagement bandwagon:

People have become increasingly the primary source of competitive advantage.

The war for talent, and talent retention, is becoming tougher by the moment.

Popular appeal and the ease of implementation of the concept in the workplace.

Overwhelming impact of engagement initiatives on overall productivity.

Also, the Service-Profit Chain Model builds the case for employee engagement. Created by James Heskett and his colleagues at Harvard Business School and published in the seminal paper Putting the Service-Profit Chain to Work, it is as follows:

Employee Satisfaction f Employee Retention f Employee Productivity f  
Service Value f Customer Satisfaction f Customer Loyalty f Profitability and  
Growth

Thus, more profits are created by loyal customers, who are actually created by engaged employees.

Let us now look at the Hewitt explanation of the need of employee engagement. As shown by the figure, employee engagement is imperative for the sustained success of any organisation.

### **Figure 1: Importance of Employee Engagement to Business Results**

Thus, if an employee is satisfied with their employers, they would want to contribute to business success as well, which would eventually result in improvement of business results.

### **1. 1. 1. 1 Employee Empowerment**

Conger and Kanungo explicitly recognized an antecedent role for organizational practices in their definition of empowerment as “ a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques providing efficacy information” (1988: 474).

Contextual factors representing empowerment climate may be listed as below –

#### **Information sharing**

information on organization’s mission

information about performance

#### **Autonomy through boundaries**

organizational structure that encourages autonomous action

task autonomy

#### **Team accountability**

teams are locus of decision-making authority and performance accountability

#### **Reward system**

individual incentive enhance performance by:

recognizing and reinforcing personal competencies



providing individuals with incentives for participating in and affecting decision making processes at work

## **Workplace independence and flexibility**

empowerment and autonomy in decision making

adequate freedom and flexibility to do their jobs

## **Skill acquisition and development**

**For the sake of clarity and simplicity in our research, empowerment is considered a driver for engagement as a sub-driver of “ sense of accomplishment”.**

### **1. 1. 2 Lean Thinking**

#### **1. 1. 2. 1 Definitions**

Lean is an operations management approach and it is a way of thinking and not a tool. It is a business approach based on fundamental goal of eliminating waste and maximizing flow.

### **Figure 2: Why become LEAN?**

A Lean enterprise is an organization that fully understands, communicates implements and sustains lean concepts seamlessly throughout all operational and functional areas.

Value Added Activity – Activities that transform the form/fit/function of material in a way meaningful to the customer.

Non Value Added Activity – Activities that consume time, space and other resources, but do not contribute to making value.

## **Figure 3: Seven types of waste**

### **1. 1. 2. 2 Principles of Lean thinking**

Understand Value

Define the Customer

Understand Customer needs on various dimensions:

Quality

Delivery

Cost

Safety

Environment

The critical starting point for Lean Thinking is value as defined by the ultimate customer.

Identify Value Stream

Value flows to the customer in the form of product or service includes three critical transformation processes:

Idea transformation: concept to market launch

Information transformation: order-take through scheduling to delivery

Physical transformation: raw materials to final product

Make the work flow

Build reliability in the process so that work naturally flows from one step to the next step smoothly without interruption and balance the load at all steps of value addition.

Respond only to Customer's Pull

Do not produce to be busy, produce only as much as customer [next step in the process] needs and only when it needs, that is Convert " Just In Case" inventories to " Just in Time" inventories.

Strive for Perfection

The real bench mark is zero waste, and not the best of the best. Every improvement sets the standards even higher. Unless this principle is applied the Waste of Intellect cannot be eliminated

## **1. 2 THEORY**

### **1. 2. 1 ABOUT ASIAN PAINTS**

#### **VISION**

**Asian Paints aims to become one of the top five Decorative coatings companies world-wide by leveraging its expertise in the higher growth emerging markets. Simultaneously, the company intends to build long term value in the Industrial coatings business through alliances with established global partners.**

The internal structure of Asian Paints can be broadly understood as a business divisional structure. It is divided into three independent divisions:

1. Decorative Business Unit (DBU)

2. Growth Business Unit (GBU)

3. International Business Unit (IBU)

The decorative business unit caters to high aesthetics and low utility and contributes to about 70% of the company's revenues. The various products under the decorative segment are as follows:-

Interior Wall Finishes: Powerful brands like Tractor, Royale and Apcolite

Enamels: Brands like Apcolite Synthetic Enamel and Utsav Enamel dominate this segment

Exterior Finishes: Brands like Apex, Ace launched in the last seven years have become powerful

Wood Finishes: Created this segment in the 70s. Powerful brands viz.

Touchwood, Asian Melamine Wood Finish

Asian Paints is the leader in all segments in decorative coatings. In the Industrial Coatings Division, AP is the second largest player in India, growing in excess of 25% over past three years.

Manufacturing Units

The company currently operates 6 plants to manufacture paints for all

Business Units at:-

1. Ankleshwar (Gujarat)

2. Kasna (Noida)
3. Patancheru (Hyderabad)
4. Bhandup (Mumbai)
5. Sriperumbudur (Chennai)
6. Rohtak (Haryana)

The Human Resource Management function is much decentralized at Asian Paints. The Corporate Center at Vakola, Mumbai has a team of HR (Corporate HR). Each of the Business Units and Manufacturing Units also has a separate team (BUHR and Plant Personnel). The BU HR team is further divided into zones.

## **1. 2. 2 Current Engagement model at Asian Paints – Patancheru**

### **1. 2. 2. 1 Hewitt’s Employee Engagement Framework**

#### **Figure 4: Asian Paints- Patancheru’s Employee Engagement Framework**

This framework addresses the hard, tangible factors – basically the hygiene factors first and then moves towards bonding with the employees by fulfilling the soft, felt experienced Growth and Fulfillment factors.

### **1. 2. 2. 2 Driver Definitions**

Align: To align the new joiners with the organization

Guide: To enhance awareness about policies

Support: To ensure essential workplace requirements are met

Connect: To provide opportunity for free expression and facilitate communication with employees

Togetherness: To instil fun in workplace and to strengthen relationship with employees and their families

Grow: To focus on building functional expertise and capabilities among employees

Appreciate: To appreciate and encourage employees

Lead: Developing and Nurturing leadership

## **1. 2. 2. 3 Current Programs under the model**

### **Align:**

#### **– GOAL**

GOAL is a structured orientation process which stands for Get Oriented and Learn. It is conducted for new joiners in staff cadre over a period of six months. It begins with a two day plant induction and fifteen days sectional induction. A central induction is conducted where all sections present to the new joiners. The process also has modules like PTP-Product Training Programme and sales visit and PLM-Performance Learning Monitor where the new joiners are given projects on leadership.

#### **– Roles Clarity Workshop**

This is conducted for staff cadre who have completed one year of service in the company. It involves shop floor experience – a discussion and corrections  
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required for aligning the expectations of the new joiners to the goal of the organization.

## **Guide:**

### **HR Helpdesk**

This is an intranet portal which is an information resource about the policies and assistance resource regarding query and troubleshoot problems handling.

### **Indradhanasu**

Indradhanasu is an internal magazine at the Patancheru plant which is an excellent internal communication mechanism for informing and engaging employees. It is planned that more articles will be started in the Telegu section.

## **Support:**

### **Library**

A well maintained library is put into place and improvisation plans are still on.

### **Infrastructure**

Infrastructure improvement plan is currently in progress.

## **Connect:**

### **Open House**

Annual open houses are held for staff

## **HR Connect**

A new initiative, HR Connect has started in which the HR goes to the shopfloor and has a casual talk with the employees which can involve discussion over the issues the employees are facing.

## **Togetherness:**

### **Pratibha awards**

Awards distribution happens on the Factory day for awarding meritorious children of the employees.

### **Annual parties**

They are conducted for staff – Milan which serve as an interaction and socialization platform and serves as a relaxation element.

### **Jeevan Yatra**

For newly wed couples, a one day session Jeevan Yatra is conducted which involves sending the couple to a resort which involves marriage counselling on how to maintain a successful and healthy marriage.

## **Grow:**

### **Trainings**

Technical and behavioral trainings

### **Employee Development Workshop**

They are conducted for staff cadre to boost employee performance by making employees aware about their strengths and skills which will help them in achieving success levels.



## **Life Skills trainings**

This is a new initiative which has started for workmen cadre in which workmen are given trainings like English speaking trainings.

## **Appreciate:**

### **Shabash awards**

Shabash awards are used for rewarding employees for exceptional work performance and they are distributed in Saturday Communication (SatComm) meetings where these rewarded employees are appreciated in front of the entire senior managers committee.

### **Trainer Recognition**

Trainers who have delivered more than or equal to five trainings a month and have received excellent feedback are appreciated.

## **Lead:**

### **Coaching**

In this, the Senior Manager- Personnel coaches the senior officers to develop their abilities and help achieving their goals.

## **1.3 RATIONALE OF THE RESEARCH**

The aim of the research is to identify interventions for employee engagement which will strengthen communication, teamwork and rapport, encourage positive behaviour, provide a fun and relaxation element in the employees' lives and make employees better educated about health, safety and environmentally responsible. The research also involves developing a comprehensive MIS which would serve as a self-service mechanism and be

subject matter expert independent. It also involved optimizing the payroll process by reducing the cycle time, improving the accuracy and making it person independent.

## **1. 4 RESEARCH OBJECTIVE**

To make the payroll process more streamlined and lean

Identification of interventions of employee engagement

Developing a comprehensive and easy to use MIS which acts as a one stop search

## **1. 5 RESEARCH QUESTIONS**

For the payroll process, the key action points were identified as follows:

Cycle time

Data movement in certain processes

Dispersed data

Standardized processes

For the preparation of a MIS, the key action points were identified as follows:

Person independency

Self-service mechanism

Comprehensive

User friendly and easy to use

For designing the employee engagement interventions, the key action points were identified as follows:

Recognition

Communication

Team spirit

Awareness:

Health

Safety

Environment

## **CHAPTER 2**

### **RESEARCH METHOD**

#### **2. 1 SAMPLE**

For benchmarking employee engagement and welfare practices in the neighbouring industries, the key industries selected were:

Coke

ITW Signode

Dr. Reddy's

ICI Paints

Kirby

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Sandvik

The following Acts were studied with respect to statutory filings, returns and displays:

The Factories Act, 1948

Employees' State Insurance Act, 1948

Contract Regulation and Abolition Act

The Employment Exchanges Act, 1959

Employees Provident Fund and Employees' Pension Scheme

Andhra Pradesh Labour Welfare Fund Act

Andhra Pradesh Factories and Establishments (National, Festival and other Holidays)

The Apprentices Act, 1961

The Workmen's Compensation Act

The Payment of Wages Act, 1936

The Payment of Gratuity Act, 1972

The Payment of Bonus Act, 1965

Minimum Wages Act

The data sources for the payroll process for workmen and staff were:

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Attendance data source like daily swipe, leave/leave cards, Weekly off, compensatory off, On-duty applications

New joinees details

VDA

Confirmation details

Bank details

Employee master changes

Resignations

Salary Revision

LOP

LOPR

Overtime

Working days

One time payments

One time deduction

Recurring deduction

Investment declaration

Transfers

Other instructions

Salary register

Bank advice

## **2. 2 MEASURES**

The questionnaire for benchmarking employee engagement and welfare practices is highly qualitative and open-ended in nature, and was mostly dispensed with during the interview to engage the interviewee. It was designed after careful analysis of the broad key areas the analysis framework was to be designed. It is attached in Appendix.

The methodology adopted for preparation of the MIS of Statutory returns was to study the following acts and how the returns are currently filed and to integrate them into one centralized tracker.

The methodology adopted for streamlining the payroll process was to study the concepts of Lean methodology, understand the application of Value Stream Mapping. It involved understanding the existing payroll system in depth and plotting the current payroll process map. The instrument used for plotting the current process map was Microsoft Visio 2010. After the identification of the optimization opportunities and discussion for improvements with the process owners, the future To-Be payroll process map was plotted in Microsoft Visio 2010.

## **2. 3 PROCEDURE (Data Collection)**

Qualitative in-depth interviews were conducted with the selected key industries, in person for benchmarking the best practices in employee engagement in the neighbouring industries. Regarding preparation of the MIS and optimizing the payroll process, the data inputs were collected in discussion with the process owners regarding the current process of filing returns and plotting the payroll process map with input sources and cycle time respectively.

## **CHAPTER 3**

### **RESULTS & DISCUSSIONS**

#### **3. 1 RESULTS**

Every industry exhibited different levels of engagement, with varying practices and key areas of focus. Following is a summary of the findings in each industry.

##### **3. 1. 1 ICI PAINTS**

###### **Table 1 -ICI Paints**

STAFF

WORKMEN

Training/Development

Technical trainings

Leadership journey for managers - where managers are asked to draw their life curve, values and ambitions, contributions

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## Manager effectiveness programmes

Situational Leadership Programme for all line managers - identify the situation and realize your potential and how to guide yourself to achieve the same

Managers were taken for a 5 day programme at a resort - Mahabalipuram

Newspapers are kept in respective departments ; library is maintained

## Rewards/Recognition

Appreciation letter to team on meeting targeted production volumes

Star Parivaar programme : Line managers nominate team members who are shortlisted at the head office and final selection takes place- receive books

Letters from General Manager quarterly

## Celebrations/Talks

Celebrated Holi in the plant after working hours

Since the next day following Holi was holiday, the managers took a full day trip and went to the houses of staff members and celebrated Holi with them

Twice in a year party

Celebrated Holi in the plant after working hours

Games and competitions like Rangoli, painting, antakshari and prize distribution



(Conducted within plant working hours; during the not so peak seasonal demands/stages where less volumes need to be produced)

National Safety week - Safety quiz and safety awards

Road Safety day in plant - where the ACP Traffic was invited to deliver a lecture on the same

Bike checking camp

World Environment Day - 5th June - plan for tree planting campaigns

Change in policies/processes

Compensation structure revision

New performance development process has been put into place

Bring Buddies to work - referral programme

### **3. 1. 2 ITW SIGNODE**

#### **Table 2 -ITW Signode**

STAFF

WORKMEN

Training/Development

Local + External trainers (Tied up with consultants -SHL, Gallup, etc.)

Technical trainings: Volunteers for explaining any new technology in market

Behavioural trainings - Time management, safety, negotiation skills, First Aid, etiquettes, Presentation skills, personality development, communication skills

On power holidays - workmen are sent in batches of 25 to HICC (Hyderabad International Convention Centre) for trainings on fire handling

5S training, awareness on safety

Local + External trainers

Behavioral training- conducted 2 yrs. back, currently in plan

Forums/Feedback/Communication meetings

Monthly Staff meeting - G. M. addresses in canteen/ conference hall followed by Training (30-45 mins) or Knowledge Sharing

Open House: Power Staff Members (15-20 years' experience) + new joinees; Discussion around goals alignment with the organization especially youngsters.

Let's Talk Initiative (Stay interview) - one on one meeting/discussion by HR for 40-45 minutes

Department wise(staff and workmen both from the same dept) - Open House once in 15-20 days

Celebrations/Talks

Christmas

Birthday celebrations - birthday allowance Rs. 2000 given 1 month in advance

Ownership of celebration with team - greeting card + Employee may also sponsor birthday celebration with his allowance

Birthday celebrations - birthday allowance Rs. 1200 given 1 month in advance

Ownership of the celebration with team

World Health Day - 7th April - Doctor speaks on health and lifestyle for 1-2 hours

Blood donation camp held on the same day in collaboration with ITMR for thalassemia

World Environment Day - 5th June - 1 representative from CII gave a session on Global warming + tree plantations

Celebrations - Dussehra + New Year also celebrated

Family Day (open to both but mostly oriented towards workmen)

### **3. 1. 3 DR. REDDY'S**

#### **Table 3 -Dr. Reddy's**

STAFF

WORKMEN

Training/Development

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Higher education is need based-both from company + employee's sides

Tie-ups with BITS Pilani for MSc degree - Evening classes in Hyderabad

Knowledge based - functional training

Refresher based - relates more to SOPs, Do's and Don'ts

Trainings' frequency and need areas identified by a role-department matrix

Behavioural front training - centralized L&D Centre; Monthly calendar rolled;

Department heads nominate as per requirement (HR can also nominate) ;

Routed through HR

Know your Business - Induction at Plant- compulsory & monitored by BU-HR

Rewards/Recognition

Appreciation at Site Leadership Team (SLT)- 10-15 minutes presentation

Even recognition of small changes - lean improvement, safety, compliance, documentation, etc. - appreciation note/gift like pen, etc.

Parichay - Employee referral scheme

Celebrations/Talks

Birthday celebrations & introduction of new joiners on Colour Club Day ;

15th Aug- 5k run ; All participants got a T-shirt; followed by playing volleyball

Children's Day – Children's painting competition : Children got a chance to eat in the canteen also

Celebration pictures displayed on notice board

Forums/feedback

HR walks into any section; calls people for 10-15 minutes And enquires about the major issues

Locked box – drop their ideas and grievances. No anonymous entries are not allowed

HODs are asked to fix a time once/twice a month when they will be available to queries

Regular meeting once a month-SLT Meetings where all departments make presentation on problem areas etc. The inputs are combined and sent to senior managers.

Open Houses – interaction with Plant Head and HR

Mails are sent on closure of points/feedback

### **3. 1. 4 COKE**

#### **Table 4- Coke**

STAFF

WORKMEN

Training/Development

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70-20-10 : 70% - On the job training, 20% classroom training, 10% nominations depending on requirements

NLP- Behavioral training programs are customized - time management, change management, leadership skills, etc.

Conducted in Aug-Sep : off season time period

English speaking courses are planned

Higher education sponsored with a tie-up with ITI College in Vijayawada, even for CL

OE (Operational Excellence)- Lean management programme on 8 wastes reduction

Process Improvement Plan (PIP) - For bottom performers

Counselling is subsequently provided and checked - Lack of commitment/competency

Rewards/Recognition

Coke Prince - monthly R&R programme

Predefined parameters - discipline, punctuality, safety, training requirements

Top performer gets Rs. 1000 as 1st Prize; recognized along with family

All Coke Prince sent to an outbound activity-5day trip along with family

Celebrations/Talks

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Festival celebrations- all prominent festivals celebrated like Pongal, Ugadi, etc.

Since they follow staggered weekly off, whoever is available participates + volunteers+ all HODs

Diwali- Lakshmi puja followed by crackers, Diwali gifts and sweets distributed 1 day earlier

Sri Ram Navami - separate menu in canteen

Vinayak Chaturthi - 9 days Puja held in the traditional manner ( 1st day- quality department, 2nd day- Depot, 3rd day- HR, etc.)

Christmas - Christmas Tree, special prayers by associates

Annual medical check ups

Birthday celebrations - notice board display; For all permanent associates- Greeting card+1/2 kg Haldirams sweet packet which can be stored till 4 months; HR intimates the HOD and HOD personally wishes

Celebrate Women's Day, Environment Day

Traffic CA - to explain rules & regulations

Forums/feedback

Committee meetings - all categories of staff + workmen+ contract labour representatives+ managers

Grievance Cell including Woman Grievance Cell

Monthly Union management meetings – MoM – targets fixed are shared;  
external meeting with External President of the Union and all top delegates  
including the HR in every 2 months.

### **3. 1. 5 SANDVIK**

#### **Table 5- Sandvik**

STAFF

WORKMEN

Training/Development

Technical training

Behavioral training (only 1 or 2) related to personality development – 1-2  
days in plant – Mr. Narayan Reddy

Celebrations/Talks

50 years of completion this year- so 5-6 series of celebrations are planned

Health talks : Voluntary but still 95% attendance

Outings once a year

Famil