

Hr manual for tata power community development



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Tata Power Company (TPC), a pioneer in the power sector, has historically been committed to environment enrichment and community services. TPC has been undertaking corporate social responsibility (CSR) activities for decades. Tata Power Community Development Trust (TPCDT) is a CSR function deployment organization of TPC.

With more and more power generation projects coming into existence, activities related to CSR have increased. TPCDT now required a set of policies and guidelines in order to have smooth governance and operational efficiency in terms of human resource management.

Creating a well defined set of rules and policies in organization's manuals could help to avert problematic situations. Hence, the objective of this project is to frame a Human Resources (HR) Policy Manual for TPCDT. The project also aimed at studying various aspects of Human Resources in this organization, analyzing and incorporating HR Policies.

Methodology for the project included examining the areas of operation of organization and assimilating information about its operational aspects. After gathering data, the policies that need be incorporated in Human Resource Manual of TPCDT were identified and an in-depth analysis of their applicability to the organization was carried out. The next step included study of various employee and labour related acts as a part of identification of compliance and necessary requirements. HR Manuals of similar organizations and trusts were also referred to understand overall content and flow of the HR Manual for TPCDT.

Major observations were noticed in terms of organization structure and internal management systems. The whole structure of TPCDT was to be redesigned. Various grades and designations were identified in accordance with those of Tata Power Company Ltd. A whole new performance appraisal system was designed to suit the hierarchy of the organization. Further for smooth function within the organization an efficient grievance handling mechanism was also established.

For all the above major observations certain policies and strategies were recommended by me. Majority of my proposals and recommendations were accepted viz. ‘ TPCDT’s Organization Structure’, ‘ Grades and Designations for TPCDT’, ‘ Three Tier Performance Appraisal System’, Looped Grievance Handling Mechanism’, ‘ Recruitment Flowchart’, ‘ Forms and Templates’, etc. Various activities that were of assistance in formulating the HR Manual included literature review, discussions with HR personnel and higher management of the organization, organizational analysis of TPCDT, referring other organizations manual, academic study material and continuous guidance from company guide and faculty guide.

Finally as an outcome of my summer internship project, an HR Manual has been drafted catering to the needs and requirements of TPCDT. This manual was accepted for implementation by the management of TPCDT.

Introduction

Tata Power Community Development Trust (TPCDT) is a registered trust under Bombay Public Trust Act-1950, dated 13th April, 2009, with its objects as relief of poor, advancement and propagation of education learning, for

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providing medical aid and relief and advancement of any object to general public utility without any profit.

In the subsequent years after its registration, TPCDT started extending its area of operations with its objectives as follows:

Relief of poor including the help from establishment and support of institutions, educational fund for the relief in poverty including relief of any distress

Providing scholarships, prize and fellowships in any branch of science art or commerce, or in assisting students to study whether in India or abroad either by payment of lump sum or by payment of periodical sums or by giving interest free loans or at nominal interest

Providing medical aid and relief, including for establishments, maintenance and support for hospitals, dispensaries, convalescent homes, rest-houses, recreation centers and institutions or funds for medical aid and relief for promotion of health and hygiene

Providing aid to any charitable institutions

Establishing, support, maintaining and for grant aid to goushalas and other institutions working for the protection and preservation of animals and birds.

As the scope of operations increased, TPCDT required a set of policies and guidelines to have smooth governance and maintain its operational efficiency. In order to maintain quality of services rendered by TPCDT, it required hiring of personnel and various other personnel policies. There were

some issues coming from various operational locations of TPCDT in context of organization's HR policies and guidelines. Issues like defining a link in between Tata Power and TPCDT in terms of management hierarchy were coming into picture. Other queries included: What can be the maximum permissible benefits and allowances can be granted for TPCDT employees? How the recruitment and selection policy will work? What will be the grievance handling procedure? What should be the procedure for performance appraisal? Solutions to such queries were required in form of written guidelines and policies clearly defining organization's human resource policies.

For this vary purpose, TPCDT required an HR Manual to have all sets of policies and procedures compiled in a handbook format for smooth personnel management. Each employee should be able to use this manual as a guidebook when he or she needs to apply organization policy in a given situation. Every employee should feel free to consult this manual to assist in the interpretation of Human Resources policies.

1. 1 About HR Manual:

The Human Resources Policy Manual is Organization's Human Resources policies written into a usable guidebook for all employees. This manual not only outlines an organization's policy toward the various phases of the employer-employee relationship, but it also indicates how policy is to be administered. Consequently, each employee should be able to use this manual as a guidebook when he or she needs to apply organization policy in a given situation. Every employee should feel free to consult this manual to assist in the interpretation of Human Resources policies.

Research and experience has shown that written policies promote consistency, continuity, and better understanding within an organization. When policies are put into writing in the form of a manual, they add a visual effect to their overall purpose. Moreover, written policies help management by eliminating the need for time-consuming and expensive memos, bulletins, and announcements. Written policies also aid supervisors and managers in consistently achieving fair and equitable interpretations of policy that require action on a regular, recurring basis. Moreover, fellow employees feel a deeper understanding of their role in the organization when they realize that policies are written and thereby uniformly administered.

Employees feel more secure, confident, and more “at one” with the organization when policies are made clear for them. Policies promote a movement toward responsibility and accountability. Furthermore, the ever-present tendency to pass-the-buck is reduced to a great extent. Specifically speaking, this Policy Manual is designed to provide management with the following advantages.

Understanding – Written policy is one of the best antidotes in the Human Resources medicine chest for avoiding troubles an organizational grapevine may cause. Even though everything is subject to interpretation, the odds overwhelmingly favour the written word compared with the oral.

Line of Authority – Top management cannot make all the decisions that need to be made within the organization’s community. Often at times they feel the need to because they are afraid to release that authority to subordinates. Naturally, it signifies that if top management felt that subordinates could

make decisions like top management would, the reluctance would be reduced. The Policy Manual achieves this desired relationship. It thus results in a solid delineation of authority.

Consistency – Consistent application of organization’s policies is constructive because it means employees will be treated equally. It prevents, to a great extent, the seepage of prejudice and bias in the decisions of supervision. The achievement of this one virtue takes a colossal step toward the maintenance of satisfactory employer-employee harmony. The need for a Policy Manual is very essential. In short, no organization is invulnerable to the fallacies of human nature. These written policies should increase understanding of organization-wide policy guidelines.

Authority and Distribution- Every employee of organization has access to this Policy Manual in handbook format. This Policy Manual is up-to-date and contains the complete and accurate policies of organization as of the published date.

Supplements to the Policy Manual- The policies, practices and guidelines in this Policy Manual will remain in effect until changes are considered necessary as a result of internal growth, competitive forces, or as a result of general economic conditions pertaining to higher education communities. However, any such change to be made on any Human Resources policy or practice will be made only after consideration is given to the mutual advantages, benefits, and responsibilities of such changes on supervisors or managers and on other employees of the organization.

Management Rights- This manual describes general Human Resources policies and procedures for the organization. This manual should not be construed as, and does not constitute an offer of employment for any specific duration, nor is it intended to state any terms of employment. Organization reserves the right to change, modify, suspend, interpret or cancel its policies and practices at its sole discretion and without advance notice. This right extends to both published and unpublished policies.

1. 2 Company Profile:

Tata Power Company Limited

Tata Power Company is a pioneer in the power sector has historically been committed to environment enrichment and community services. The company reaffirms commitment to the conservation of ecological systems and sustainable development through afforestation, water conservation, nurturing and developing of local species of flora and fauna in our areas of operation.

As India's largest private power utility, Tata Power has set the momentum of growth. In the quest to deliver sustainable energy, Tata Power is spreading its footprint nationwide, creating new benchmarks in operational efficiencies, investing in global resources and redefining paradigms.

Tata Power's strength lies in fulfilling their commitments and their ability to manage well in the changing environment. Company takes pride in building lasting and trusting relationship with its customers along with a legacy of caring for communities in and around its areas of operations. Tata Power

strives to lead the reform process for sustainable power with an aim to redefine the contours of Indian ‘ Power’ Sector.

Tata Power Company and Tata Power Community Development Trust (TPCDT)

TPC had undertaken the CSR activities for decades, reflecting the company’s commitment towards sustainable energy generation without undue compromise to human and environmental development. These activities were undertaken as a voluntary initiative by the employees of TPC, and there was no separate CSR department. However, with large scale expansion, the need to have CSR as a separate entity was felt. The dilemma for the decision manager was whether to create a separate CSR department or continue with the existing set up. Other related issues needed to be addressed strategically as well as tactically to maintain a balance between shareholders’ interest and other stakeholders. Tata Power Company’s CSR deployment bodies are:

Project Description

This project deals with preparing HR Manual for Tata Power Community Development Trust (TPCDT) and drafting various forms and templates for administrative purpose of TPCDT.

2. 1 Methodology of Project

Understanding Organization

(Organizational Analysis)

Identification of suitable policies for Tata Power Community Development Trust (TPCDT)

Identification of related acts and regulatory framework

Drafting HR Manual and designing forms and templates

Review and feedbacks; incorporating corrections (if any)

Step 1

Step 2

Step 3

Step 4

Step 5

Areas of operations

Existing organizational structure

Existing work mechanisms

Through management discussions, analysis of other HR Manuals, etc

Concluding policies for manual

Identification of regulatory framework and compliance in terms of identified HR policies

To compile policies in HR Manual and designing relevant forms and templates

To make necessary changes as suggested by management

Step 1 – Understanding Organization (Organizational Analysis):

Organizational analysis aims to generate an understanding of the organizational structure and culture of the system the project is looking at. This can help in understanding the ease or difficulty with which new strategies can be adopted. Organizational analysis is about organizations and people. This covers issues of structure and formality. But it also encompasses issues of process and, in a very fundamental way, change. The subject matter can be very abstract, and is drawn from literatures concerned with organizations in general rather than any specific sector. It also covers underlying change and organizational dynamics, which are common, to a great degree, to all organizations whatever sector they occupy.

The project was started by referring literature on Corporate Social Responsibility (CSR) and operational activities of TPCDT. It comprised of data related to TPCDT's legal documents, field of operations and activities of TPCDT, about linkage between TPCDT and TPC, etc. The first and foremost task was to understand the organizational structure and its operational aspect. For this the "TPCDT's Trust Deed" was read by me in order to understand the purpose of incorporation of the trust.

The next part included understanding the current organizational structure. Initially the structure of TPCDT was as follows:

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Some issues were identified in the existing organizational structure. These issues included:

There were no clearly defined set of rules or regulations in terms of management, reporting and authority.

A number of personnel from Tata Power were performing the roles of TPCDT personnel at some locations. There was no clear distinction as to differentiate the employment roles of the individual between TPCDT and TPC.

In the absence of a HR Policy Manual, the management and decisions pressure was directed towards Head Office.

Grades and designations were not defined. The link in between who is eligible for which designation from TPC to TPCDT was also missing.

Guidelines for recruitment and other administrative procedures were also lacking to some extent.

In order to understand the whole system properly, the current structure of company was examined again. On the basis of observations, a few organizational structures for TPCDT were proposed by me. The proposed structures were as follows:

TPCDT's Organization Structure: Proposed Structure-1

TPCDT's Organization Structure: Proposed Structure-2

TPCDT's Organization Structure: Proposed Structure

TPCDT's Organization Structure: Proposed Structure-4

TPCDT CEO at Head Office

(Support Departments: HR, Accounts, Operations, and Consultants.)

Regional Head

Assistant Regional Head

Program Head

Project Head

Assistant Program Head

Project Coordinator

Assistant Project Coordinator

Senior Field Worker

Field Worker

From the above proposed structures, the (proposed organizational structure - 4) was finalized with some inputs from proposed structure 1, 2 and 3.

The next important aspect in order to proceed towards framing policies and guidelines for TPCDT was “ Grades and Designations Structure”. TPCDT required a clear structure in terms of designation on which a personnel is hired and also a framework for a TPC employee to join TPCDT and for which designation he is placed in TPCDT.

After analyzing the organization and conducting necessary research, the following grades and designations table was proposed by me. The designations were identified in line with Tata Power Company's grades and designations. In the following a clear distinction is given between Tata Power Company and TPCDT. This also describes if a person moves from TPC to TPCDT, he will be placed on which designation. The table also highlights the linkage between Tata Power's employees and TPCDT employees

Grade in TPCL

Designations TPCL

Designation TPCDT

Grade in TPCDT

Sub Grade/ Designation

Sub Grades

A

General Manager

CEO

A/I

B1

Deputy General Manager

B2

Assistant General Manager

C1

Chief Manager

Chief Program Head

B/II

Regional Head

B1/II A

C2

Senior Manager

Assistant Regional Head

B2II B

D1

Manager

Program Head

C/III

Program Head

C1/III A

D2

Assistant Manager

Project Head

C2/III B

Assistant Program Head

C3/III C

D3

Executive

Project Coordinator

D/IV

Project Coordinator

D1/IV A

D4

Officer

Assistant Project Coordinator

D2/ IV B

E1

Worker

Field Worker

E/V

Senior Field Worker

E1/V A

Junior Field Worker

E2/V B

Note: This table was also accepted later on in grades and designation part. The grades were taken as I, II, III, IV and V.

Step 2 – Identification of suitable policies for Tata Power Community Development Trust (TPCDT)

In this phase the key areas suitable for TPCDT were to be identified. Various discussions were made with Col Prakash Tewari (Retd) who is the Deputy General Manager of CSR and Rehabilitation & Resettlement Department in Tata Power and Mr. Inam Mukkhadam who is accounts head for TPCDT. A few questions that came up in the early phases of the project were:

What all will be the contents of the HR Manual that will be suitable with the area of operation of TPCDT? What can be the maximum permissible benefits and allowances can be granted considering the fact that TPCDT is a nonprofit organization? How to understand the working conditions of people in their work areas? How to distinguish between the working conditions of personnel among various areas of operations?

In this phase of the project various secondary data sources were searched and data was collected. Most of the data was related to companies and profit making organizations. But as this organization is a nonprofit organization, financial freedom is limited as compared to a profit making entity. In the initial phase the following policies that could have been a part of manual were identified by me. A copy of the document first presented to management is attached in Attachment2.

After a series of discussions and suggestions the content of HR Manual for TPCDT were finalized. The content comprised of the following:

Introduction:

It included a brief introduction and background of the organization. This is further continued by briefly describing organization's HR philosophy i. e. vision, mission, objectives and values of the organization and purpose of this HR manual. The literature for this part was identified from the trust deed of TPCDT and management guidelines.

Employment:

This consists of employment policy of TPCDT and policy of TPCDT to transfer or promote well performing and capable employees to fill vacancies so that employees are provided with opportunities to widen their exposure and further their career development within TPCDT.

The next important aspect of employment block in a manual is describing the organization structure and hierarchy. Then is the categorization of employees and associates. It also describes the type and nature of

employment in the organization. They were identified as the following in context with TPCDT:

Probationer: An employee who has been hired for a permanent position and is put through a probation period

Trainee: A person who is freshly qualified or new to the sector may be appointed

Interns: Students undergoing practical training with the organization, as a part of their academic Curriculum for a period ranging from 1 to 6 months

Fixed Term Employees: A person who has been hired on a Fixed Term Contract Employment based on an identified project, the duration of which may or may not last its specified tenure.

Permanent Employee: A person who has successfully completed his/her probation period whose service has been confirmed in writing, by the Organization.

Associates: These are experts from various fields having specialized knowledge and expertise

Contract Staff: Employees belonging to contractors deployed in the Organization's premises by the Contractor

Overseas Interns: Students from overseas universities who undertake practical training with the organizations.

Recruitment and Selection

End

Job Analysis, Employee Qualification/ Specification

Posting of Advertisement on Internet/ Newspaper, etc

Confirmation

Appointment, Induction, Training and Development

Staffing: Tests/ Interviews

Receiving and short listing of CVs'

Requirement at Location/Head Office

CV s' Selected

Rejected

No

Yes This section was identified as one of the most important part of internal human resource management. In context of work areas and requirements a chart was proposed by me, which was finalized later with some minor adjustments in terminology for the purpose of recruitment and selection flowchart. The final chart is as follows:

Following activities were of assistance in formulating this flowchart:

Literature review

Discussions with HR personnel and higher management of the organization

Organizational analysis of TPCDT

Code of conduct:

This part of manual was designed on the lines of Tata Power's code of conduct. All Tata Group of Companies have their internal policy on code of conduct. In order to distinguish between Tata Power and TPCDT separate "code of conduct" was drafted in lines with "Tata Code of Conduct" which was having few elements from "Tata Code of Conduct" and other elements from the observations out of organizational analysis from Step 1 i. e. "Organizational Analysis".

Performance appraisal:

The purpose of performance appraisal is for a supervisor and an employee to have a candid discussion about performance expectations and actual performance. The employee's actual level of performance is compared to the expected level of performance using standards that were developed by the supervisor with input from the employee.

The benefits to be gained from conducting performance appraisals include:

Recognizing accomplishments

Identifying newly acquired competencies

Preparing employee development plans

Planning improvement where deficiencies are found

Goal-setting

Communication between supervisors and employees

A new performance appraisal system was identified for TPCDT. A new 'Three Tier Performance Appraisal System' for TPCDT was suggested by me. In most of the Tata Group of Companies 'Performance Management System' is followed. But after few discussions with higher management officials, it was accepted in the proposal phase itself. This system works as follows:

The first phase will comprise of Self Performance Review. Employee will fill the form in 5 days of time. This has to be filled in by the candidate himself. He will be judging himself on parameters stating how the employee judges himself/herself.

The employee should fill in the KRAs / Goals in the beginning of the year. HR dept will then provide employee a Subordinate Performance Appraisal Form. This form will deal with a critical evaluation of the employee by its other fellow employees or subordinates. This form is also on the same grounds measuring various parameters stating how employee's subordinates judge him/her.

The next and most vital part in the three phased appraisal system is IO-RO-SRO Performance Appraisal. This appraisal will have remarks from the immediate superior of the candidate who is known as IO and then it will be forwarded to the next superior RO of the candidate. Their remarks will be recorded in a form and along with all the three forms; the file is given to SRO for finalization of the result. (IO- Initiating Officer, RO- Reviewing Officer, SRO- Senior Reviewing Officer)

[Note: An Initiating Officer (IO) is the immediate superior of an employee. A Reviewing Officer is the superior to Initiating Officer and a Senior Reviewing Officer (SRO) is the immediate superior to Reviewing Officer (RO)].

The evaluation aspect and flow will be as follows in all the performance appraisal forms with an exception to a final remark column in IO-RO-SRO Performance Appraisal Form by SRO

Suppose there are 20 attributes on which self/subordinate/IO-RO have to give point out of five. Here five is the highest and one being the lowest.

Based on the result employee will be rewarded.

Based on this report, salary increments and/or shifting to next level or fresh contracts in the same/ higher grade are made.

Promotion:

For the purpose of promotion it was collectively decided by management to give on merit. It was decided that it can either be based on the report generated from ' Three Tier Performance Appraisal System' or direct promotion from the Managing Trustee of the Organization.

However, special consideration will be required for promotion over and above the post of Program Head. Promotion will be approved after approval from Managing Trustee.

Salary payment:

It was decided by management that the " Managing Trustee" of the trust must approve salary of all employees. Additionally, salaries above a

threshold set by the Board of Trustees must be approved by the Compensation Committee of the Board of Trustees if required. It was decided that salary changes, including certain types of supplementary compensation and salary during a leave of absence, require the same authorization and review process.

Employee recognition and awards:

According to studies, employees work better if they are given incentives for good performance. People naturally love to be recognized so it is important that companies and organizations set up an awards giving system to keep its people inspired.

In addition to my inputs in HR Manual for TPCDT, a new policy on having employee recognition and awards was proposed by me. This part of manual would define the procedures and guidelines related to Employee Recognition and Awards. This has also been accepted after a few discussions and awards like Karmyogi Award, Spot Awards, Best team Award, Best TPCDT Performer Award, and etc were introduced.

Every individual will be evaluated by his/her Initiating Officer (IO) and Reviewing Officer (RO). This will be further reviewed by Senior Reviewing Officer (SRO). One of the differentiating fact about these awards is they are not single awards. As many competent employees can be nominated and given these awards. This decision was taken to increase team effort and motivate individuals.

Job rotation:

Job rotation is rotation from one function to another, in same location or different. Rotation is in the same function as well as different function but may be at various locations. It was collectively decided that the minimum period after which an employee may undergo job rotation should be 2 years.

Following activities were of assistance in determining the policy on job rotation:

Management discussions

Literature review

Discussion with current employees of TPCDT

Grievances redress mechanism:

For any organization, a proper grievance handling mechanism is considered to be very important. For this purpose a new multi-loop grievances redress mechanism was proposed by me. It was designed considering the fact of small loops. Each loop is having a specific decision related to grievance handling outcome. This mechanism was also accepted by management as official grievance redress mechanism for TPCDT. This is in a flowchart structure and has different loops for different situations and grievance handling.

Receipt of a Grievance in TPCDT

(Within any department or area)

Assessment of the Grievance by Grievance Officer

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(One at each location)

Grievance sent to Head Office

For review by (Chief Grievance Officer)

Discussions within Board and Managing Trustee

Grievance Resolved

Sent to Chief Executive Officer

Solution Sent to Origin Site

Yes

No

Grievance Resolved

Yes

No

Employment separation:

This policy was drafted as per management directions. It included procedures related to job separation and types of job separation. The main focus while drafting this policy was on providing clear guidelines to employees about various policies, guidelines and formalities necessary at the time of job separation. Various types of job separation areas that were identified are as follows:

Termination:

Termination of employment is an inevitable part of personnel activity within any Organization.

Resignation:

An employee resignation policy is an organization's official instruction for initiating and processing the voluntary separation of an employee. An organization's employee resignation policy officially compels staff to follow the procedures. Resignation procedures protect the employee's rights and the organization's interest. Official forms confirm and document that the resignation adhered to policy.

It was decided that an employee resignation may be submitted in writing to the Chairman/CEO 3 month prior to the final working date. Earned but unused vacation time (pro-rated to the last day of employment) will be paid. Sick leaves left unused will not be paid.

In order to have a smooth flow of instructions, a resignation process flowchart was proposed by me for TPCDT. The chart is as follows:

Resignation Process Flowchart

Initiating Officer Returns Resignation Letter to Officer

Division inform HO regarding date of release

Resignation Acceptance Letter Handed to Employee

Approving Authority Approves Resignation

END

Reviewing Officer (RO) Returns Resignation to Officer

Resignation Letter is handed back to Officer

START

Officer Submitting Resignation Letter

Officer Reverses Decision

Forward to HR at HO for further proceedings

Reporting and Discussion with Initiating Officer

Discussions Take Place

Forward to CEO at HO for Further D