

Hr policies in manufacturing industry analysis



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IT industry in India comprises of software industry and information technology enabled services (ITES), which also includes business process outsourcing (BPO) industry. India is considered as a pioneer in software development and a favorite destination for IT-enabled services. The manpower requirement of this sector is changing dynamically. We propose to analyze the HR. policies that are prevalent in this sector because of these reasons:

It is a booming industry employing millions of professionals' worldwide

Being a knowledge-based industry; a high intellectual capital lends competitive advantage to a firm

Shortage of skilled manpower is a prime challenge for this industry.

Globalization plays a significant role in design of the policies like cross-cultural management, managing virtual teams etc.

Manufacturing Industry

The Indian manufacturing sector has been averaging a 9 per cent growth in the last four years (2004-08), with a record 12. 3 per cent in 2006-07. India is fast emerging as a global manufacturing hub. Be it automobiles or computer hardware, consumer durables or engineering products, all are being manufactured by multinationals in India. Thus the sector poses an immense opportunity for employment.

Manufacturing Industry's growth has been robust for the past decade

Providing direct and indirect employment to over 13 million people

Since 2000, the industry has grown at a CAGR of about 14%

Size in 2008-09 is estimated to be around Rs. 1, 910 billion

Industry size would be in the range of US \$ 165 to 175 billion by 2022

Overview of Wipro and Tata Motors:

Wipro – Timely reviews is one of the success factors at Wipro. Culture is greatly influenced by Six Sigma program. The HRD planning is done by the top management executives who formulate various policies in reference to Human Resource Planning

TATA Motors – The HR philosophy is ‘caring, show respect, compassion and humanity among colleagues, working cohesively in teams and encourage self sufficiency’. The company since ages has come up with many employee welfare policies and also has bagged the internationally prestigious “Golden Peacock National Training Award” in the category of large employer.

Methodology

Our aim was to study a very broad topic i. e. the HR policies that are implemented in a particular sector, so we needed to filter out some of the major policies which are very significant from the company’s perspective. Therefore our approach can be listed out as follows:

Literature Review

Survey design

Interview questionnaire design

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Interview with employees of Wipro and Tata motors

Literature Review

The main influencers of HR policies can be listed down in relation to IT and Manufacturing sectors are:

Also from CIPD library source and citeHR. com we can define the key differentiating factors among the type of employees working in the two sectors are:

Level of education of employees

Training to represent in company's desired profile

Customer contact

The nature of actually performed by the employees and their awareness to customer response

Selection of HR policies

Therefore we can filter out the recruitment and selection policies as one of the important policy since they are aimed at different types of employees possessing knowledge in different arenas. Secondly kind of work done is different training and development with the next policy we would consider for our study. Performance evaluation is also a major criterion since the parameters for each sector will be quite different. Lastly we would discuss the employee welfare practices. At least the primary study reveals to us that above policies might be different. However further analysis and probing would make the picture clearer.

Survey Design

Referring to whitepapers ' Cognitive Issues in the Design of Web Surveys Roger Tourangeau. Mick P. Couper, Robert Tortora, and Darby Miller Steiger (2000)' and other guidelines present at the hr-survey. com we developed our survey design. (Attached as Appendix). Key influencers to the survey design were the HR policies that we filtered out in step one of literature review.

Interviews

Interview with the employees were our primary data sources of information. The focus was generally on employees who have worked for more than two years in the organization. Most of the interviewed were the engineers and MBA's. The questions were designed to get complete insight of the policies applicable at their organizations. The target number of employees to be interviewed was decided to be 20 each but we had to limit ourselves to almost 10-12 employees per company.

HR POLICIES: WIPRO AND TATA MOTORS**RECRUITMENT**

Recruitment is defined as the process to identify the sources of the talent pool to meet the requirements of the company and to follow effective measures for attracting the manpower in adequate numbers to facilitate effective selection and there by create an efficient workforce. It determines the current and future manpower requirements and provides methods to meet them. It helps in identifying the sources that would help in meeting the requirements and helps the organization in a global talent search and thereby infuse fresh blood in the organization. It also helps in determining the effectiveness of the various recruiting techniques and sources. **FACTORS AFFECTING RECRUITMENT:**

RECRUITMENT IN IT INDUSTRY:

The skill requirement in IT industry is changing due to the dynamic nature of the industry. It has transformed from a mere option for back end operations to value addition and Knowledge processing activities.

The need of requirement arises due to acquisition of projects or scarcity of the required skill set in the current pool of employees. The main sources of recruitment are:

Internal promotion and internal introductions

University appointment boards

Agencies for the unemployed

Advertising or the use of other local media

CASE ON WIPRO

The need of requirement arises when there is skill scarcity or when there is addition of new projects. The skill requirements are determined by the Project manager and the Technical leader and also based on client requirements the Job description is prepared. First the required skills set are checked with the current workforce and then the no. of candidates to be recruited is then decided. Wipro's HR solution entails end to end Recruitment Process Outsourcing (RPO) model enveloping sourcing to position closure activities. Wipro monitors operational metrics, such as, number of candidates sourced, source to interview ratio, interview to offer ratio, offer to join ratio, as well as business metrics like, average time to hire, ageing requisitions and cost per hire.

Work force level

It is the entry or the initial level of the company. The job is mainly software development and testing and maintenance of services. The required skill set is knowledge of programming languages and networking.

Frontline Level

It is the upper level of work force level. The required skill set is strong technical as well as communication skill. It is two way communication process where he/she communicate with work force people as well as their technical department.

Middle Management level (Executive selection scheme)

The Executive Selection Scheme is a fast track programme for accelerated growth of high potential professionals. It takes care of all projects (respect to the Industry specific units) taken by the company.

Top Management Level

It is the top most and prestigious post. Here top most person is mainly concern for managing the whole company, they also make strategies related to decision making for the company's growth.

RECRUITMENT IN MANUFACTURING INDUSTRY:

This industry follows different recruitment techniques based on the entry points. The major constraints affecting the recruitment process are

Government Regulations

Contract workers

Cultural Factors

TATA MOTORS

All recruitment is done in accordance with the approved manpower plan for each division. Recruitment activities are governed by broad organizational guidelines. Applications are invited from different sources for different entry points. A minimum lead-time of at least 12 weeks is required for hiring a candidate for a permanent position.

Workforce Level employees

The sources of recruitment are local candidates. The constraints here are the government regulations and the social and cultural issue and also the salary band problems.

Qualification

Technical f ITI/FTA /NAC / (ITI & FTA) /ITI/NCTVT /SSC & ITI, NCTVT

Non-Technical f Open Graduates, Matric HSC Graduates

If the suitable candidates are unavailable, the Employment Exchange is used.

Management Level Employees

The assessing Agency assesses manpower requirement and obtains appropriate Authority's approval. The major external sources are Advertisements and campus placements.

Qualification Criteria

The advertisements contain the job descriptions and eligibility norms. The general guideline for external TM Grades recruitment is a minimum 2 years' experience following a professional qualification.

Tata Motors believes in selecting talent from some of the best campuses in the country and grooming them with a view to developing future Managers in consonance with the business goals of our organization. Graduate Engineer Trainees (GETs), Post-Graduates in Engineering or Management are recruited through campus selection at IITs, Engineering Colleges of national

repute, Premier Management Institutes and other renowned colleges and universities.

Tata Motors also has a functional employee referral programme where similar qualification criteria but more stringent requirements relating to previous work experience apply.

Referrals are accepted only against vacancy notifications published on/ released to:

Website/Intranet/Portals

Executive search firms

Print Ads

EMPLOYEE SELECTION

The personal characteristics that you are searching for in a candidate should be a reflection of the qualities needed to perform on the job. It is about fleshing out requirements of the position as accurately as possible

And to find out Candidate's fit with the requirement

INFORMATION TECHNOLOGY

WIPRO Selection process

“ When I look at where we have come, what gives me tremendous satisfaction is not so much the success, but the fact that we achieved this success without compromising on the value we defined for ourselves? Values combined with a powerful vision can turbo-charge a company to scale new

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heights and make it succeed beyond one's wildest expectations." Azim Premji

Wipro IT division selection process consist of three stages for software trainee which is its main work force

INTERVIEW

Wipro selection process consist of Interview in 2 stages,

Technical: It is usually concentrates on data structure and C, R DBMS kind of basic computer science knowledge.

HR interview: Hr interview basically focus on the proficiency of English language and general ideas to assess interviewee on their skills to communicate the ideas in a good manner

Variation in interview pattern and selection procedures: many a times It companies hires directly the experienced person in such cases aptitude test is removed from selection process but they focus only on the HR and Technical interview.

MANUFACTURING:

Process @TATA Motors

- HR personnel and a technical expert conduct written tests, group discussions and interviews on campus.

- Selected candidates have to clear a pre-employment medical examination before appointment letters are issued by the HR Head or the person authorized by the HR Head.

Apart from the above guidelines, Tata Motors also has a functional employee referral programme where similar qualification criteria but more stringent requirements relating to previous work experience apply.

Candidate/Applicant:

To apply through the process the candidate should have at least one year of work experience and, must fully meet the qualification/experience requirement stated in the job requirement/advertisement. Candidates applying to TATA MOTORS through this scheme should meet following criteria:

60% marks throughout the academic career.

Referrals are accepted only against vacancy notifications published on/ released to:

Website/Intranet/Portals

Executive search firms

Print Ads

TRAINING

The term refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies.

WIPRO

Training & Development of individuals is a key focus area at Wipro in which more importance is given to Competency Development. A Special Division

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named Talent Transformation Division handles this program. For those with less than one year of experience a well-structured induction training program is conducted. This will cover all aspects of software development skills and business skills that are required at various departmental levels.

Wipro Training Model

Understanding the criticality of the Time training needs Wipro has developed a competency in Rapid Learning method of training.

Rapid Learning:

Rapid Learning helps to develop content in a short span of time using various tools; the content delivery can be both synchronous as well as asynchronous. By doing strategic partnerships with leading technology providers Wipro is able to choose a tool that best suits the requirement.

Development: The Personal Development Plan (PDP) is developed through Winds of Change which is seven step programs that helps in identifying strengths and improvement areas, and determining the action step.

Process Training: This type of training is used to update various processes to improve the efficacies of the system. Business process training is typically a part of any organizations over all change management plan.

Wipro provides Process Training in several fields like HR, Quality, Operation, Payroll, Recruitment etc. For a meaningful transition of the process, quality training is extremely critical

The main components of Process training:

PROCESS TRAINING STEPS

RAPID LEARNING STEPS

Leadership Development framework

TATA MOTORS

Training:

The training process followed in this company is common for all levels of employees. The overall process goes as follows

Requirement Identification:

Training requirements are identified for a period of 12 months i. e. from April to March of a financial year.

Identification is done in the last quarter of the preceding year through the appraisal form/ individual or divisional training needs surveys undertaken by HR/Training Division

Basis for identification are individual development needs, job improvement plans, future requirements and management priorities etc. HR training division is responsible for preparing a consolidated list Organizing training program:

On the basis of the training programs on offer, and the specific requirements of the employees and the division, the Divisional Heads intimate the HR/Training Division about the people they are recommending for training

Divisional Head in consonance with the HR Department is responsible for identifying training needs and the HR Department is responsible for organizing training for all employees

Training Structure:

Working procedure of training:

Utilization of external training program in case of emergency

Nominations of external training are made by department Head

HR Division recommends a training program and obtains the approval of the appropriate Sanctioning Authority prior to processing the nomination.

Employees are deputed abroad for the following:

Attending Executive Development Programs

Getting trained by Tata Motors collaborators/foreign business associates

Attending trade fairs, exhibitions, motor shows, conferences etc

PERFORMANCE EVALUATION

Performance evaluation is an evaluative tool that provides feedback to employees on job effectiveness and career guidance. The evaluation is intended to be fair and balanced assessment of an employee's performance.

PERFORMANCE EVALUATION IN IT INDUSTRY

Performance in IT industry is evaluated at four levels

Financial – This quantifies how the employee has contributed in terms of increased revenues, cost minimization effective use of assets, etc.

Internal - This aspect refers to the employee's contribution in creating and sustaining value

Customer - This looks at the differentiating value proposition offered by the employee

Learning and growth- This looks into how well the employee has learned from his currently accomplished tasks and how well he can use what he has learnt in future projects

Performance Evaluation In Wipro

Performance evaluation in WIPRO tends to answer two questions:

Are your employees developing and performing at the same rate as your business?

Is the pace of WIPRO employee being measured and tracked?

To answer these questions WIPRO offers an integrated end-to end performance management solution. WIPRO's e-performance management system helps establish the best performance management practices:

360-Degree Feedback System - This system collects information from multiple parties including one's subordinates, peers, supervisors and customers that the employee interacts with. A major advantage of the system is that feedback comes from several resources. But this has its demerits too.

Management by Objectives (MBO) - MBO requires the management to set specific, measurable goals with each employee and then periodically discuss

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the latter's progress towards these goals. This technique emphasizes participative set goals that are tangible, verifiable and measurable. MBO focuses on what must be accomplished rather than how it is to be accomplished.

Performance Evaluation In Manufacturing Company

Performance evaluation techniques used in manufacturing industry can be of following kinds

Competency matrix - A matrix that lists 73 competencies, that vary across managerial levels- to measure performance and gauge the development needs of its employees. Each listed competency has associated knowledge, skills and attributes..

KRAs -These KRAs are used to map the employee's progress and, based on the results; the company decides to plug performance gaps with the help of relevant training inputs.

Assessment at team and individual levels -Subsequently, the team's performance is measured on the basis of its achievements. This done, the top management allocates ratings to each team. In a parallel process, the team supervisor appraises each member. Both ratings are taken into account before a final rating is assigned by the senior management team to each functional team and team member.

Performance evaluation in TATA Motors

Performance evaluation in TATA Motors involves the following procedure.

Confidential report (CR) - Maintained by the supervisor where he rates the employee based on his performance in every project. An employee is graded on the quality of the work, timeliness, team work and peer satisfaction.

Individuals are not graded on customer satisfaction in manufacturing units.

Handed to managers for monthly assessment - The top management goes through the report (CR) after the stipulated time for the task is over.

Feedback - Depending on the ratings appropriate feedback is provided to the employee. Any deficiency is immediately communicated sometimes through an interview or through the supervisor in most of the case. Deficiencies are tackled by providing suitable training to the employee.

Promotion - promotion happens once in 2 years. The CR report is used as a reference during promotion interviews.

EMPLOYEE WELFARE

“ Employee welfare or the labor welfare are the efforts to make life worth living for a workmen”

Oxford University

Welfare Activities @ Wipro

Education - education provided to families of family absolutely free and with all facilities

Medical - Company recognizes medical needs beyond the statutory provisions

Housing - company has its own township where new employees are allotted houses. All the maintenance facilities are provided by the company

Club membership and recreation facilities - Sports and other recreation facilities are greatly encouraged. Special tournaments and short trips are also planned.

Canteen - Food is provided under canteen service but it is not compulsory. The Contract Cell is the one which invites tenders and signs agreements with contractor ensuring quality food at the canteen.

Insurance Policy - Employees insured against accident insurance policy of about Rs. 1, 00, 000 out of which half of the premium is paid by the company itself

Welfare Activities @ Tata Motors

Tata has always provided a conducive environment for work activities.

Its proposition involves that “ people are at the core of the enterprise” thereby stressing on good human relations which form the basis for its HR policies

Some of the welfare activities include

1. Community Development Centres
2. Medical Camps
3. Organizing get-togethers like hats off day, family day, women’s day, town hall day

4. Emphasis on rural development programs

Some of the policies that were proposed by Tata that shows it being sensitive to employee welfare activities are:

Conclusion

The HR policies at the Business level that is for the MBA's and Engineers do not differ much

The difference in recruitment is mainly influenced by education and hence the criteria of being knowledge oriented industry stands. However this is just in concerned with the kind of innovative work required by the two sectors.

The HR at the manufacturing industry has to look at two completely different kind of employees; the knowledge workers and the labourers

Therefore the kind of policy interventions driven are different among the two kinds of employees

Also the HR at manufacturing industry has to consider the various laws, rights, collective bargaining, etc. when the labours come into picture

The sensitivity of the HR policies is influenced by the customer contact and visibility

E. g.: If at a factory dharnas or demonstrations are faced the customers are unaffected unless and until their supplies are on time and quality. However a poor call centre service will have to face a quick action from the HR

Training and development differences are basically due to the arenas of work that have to work. Hence major difference can be observed in the policies of the two companies related to this area.

Key differences in the appraisal system generally due to the difference in HRD planning by the top management and the philosophy that drives the two company's

APPENDIX

Interview Questionnaire

How do you think the HR policies at your organisation different?

What kind of role does HRD play as a policy intervention?

How do you think the policies govern the goals of your organisation?

Can you please give some insight on the recruitment process at your organisation?

What are the internal and external factors driving the recruitment process?

Kindly comment on the employee development activities at your organisation?

How do you customise the recruitment and selection process to your organisation?

Can you give us some details on the selection process?

What are the factors involved in promotion activities?

Are there any specific coaching and training available at your process

What is the performance evaluation criterion at your organisation?

Are you satisfied with the performance evaluation tools that are employed in your organisation?

Can you share the performance appraisal and reward systems in your organisation?

How are employee welfare addressed in your organisation?

Would you like to share your views about your company policies and give us a feedback on the interview we conducted?

Sample Questionnaire

Name:

Age:

Mobile No:

Age Group: 20-30 years

30-45 years

> 45 years

How long have you been employed with the company?

1-2 years

2-3 years

> 4 years

What are the factors that influence the recruitment process at your organization?

Advertisements

Campus Placements

Employee Referrals

Walk -ins

Are there any major constraints n the recruitment policy, if yes what are they?

Government Regulations

Contract workers

Cultural Factors

Are you aware of the training structure at your organization?

Yes No

What is the selection procedure at your organization?

Aptitude Test

Technical Interview

Hr Interview

Can you share the leadership program details of your organization?

What are the steps in training that are followed?

What according to you is the most important source of information for your performance measurement?

Managers

Peers

Subordinates

You

You're Work

What according to you is the most important source of information for performance measurement?

Managers

Peers

Subordinates

You

You're Work

Which tool(s)/approach(as) are used for performance appraisal that you are aware of?

Simple Ranking (Highest performer to Lowest performer)

Alternation ranking (crossing off best and worst employees)

Forced distribution (Employees are ranked in groups)

Paired comparison (every employee compared with every other)

Graphic Rating Scales (traits evaluated by a 5 point rating)

Mixed-standard scales (statements representing performance)

BARS

MBO (Management by Objectives)

360 degree feedback

I haven't heard of many of the above criteria

Others

Please share some of the major employee benefits?

How satisfied are you with the current employee welfare benefits?

Very Satisfied

Satisfied

Neutral

Dissatisfied