

Human and physical resources



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“ RATIONALE BEHIND THE STUDY”

Industrial progress is an outcome of mainly of the human and physical resources of the production. Sufficient progress has been made in the sphere of physical input such as capital and technology. Despite rapid development in technology the desired level of economic development and social welfare are yet to be achieved! One of the main causes of failure has been underutilization of human resources in the country. Unfortunately the rate of progress in our country has not been commensurate with our potential on account of lack of appropriate work culture. Employer and employed are still looked upon as adversaries rather than as partners. In the joined endeavors frequent strikes, lockouts and other forms of industrial unrest are symptoms of prevailing environment in industry.

In this project the main purpose of the study was to have a thorough understanding of the theoretical concept and their practical application by being placed in the actual work environment

- To understand their relevance and find the extent to which they are actually being applied in the work situation;
- To have an in-depth knowledge of the function of the organization through actual work experience.

“ OBJECTIVES OF THE STUDY”

The project apart from a brief overall review of the organization studies the level of absenteeism rate in the organization, referring the general staff of both the managerial and non-managerial level of employees. The main issue of concern was related with the employee’s presence rate and how often they find themselves failing in reporting to work, at the same time analyzing <https://assignbuster.com/human-and-physical-resources/>

different causes and other incentives regarding salaries and welfare packages offered to them as well as judging the satisfaction level with their compensation package, which surely creates a reason for determining their dedication towards the work.

This project has also been undertaken to gather the details of employees turn over as well as examining the general trend within an organization enabling to find an exact reason behind the increasing absenteeism rate in the organization.

Hence, the major objectives of this study were: –

- To identify the prevalence level of the absentees in Varun Beverages Ltd.
- To identify the major causes of the absenteeism at Varun Beverages Ltd.
- To Assess the after effects of absenteeism in Varun Beverages Ltd.

The project is based on my experience and frequent interaction with the employees in VBL.

“ HYPOTHESIS”

A hypothesis is a proposition, condition or principle which is assumed, perhaps without belief, in order to draw logical consequences by this method to test its accord with facts which are known or may be determined.

When a researcher observes known facts and takes up a problem for analysis, he first has to start somewhere and this point of start is the hypothesis. In other words, one has to proceed to formulate tentative

solution as soon as the problem to be tackled is finalized. These proposed solutions or explanations constitute the hypothesis which the researcher proceeds to test on the basis of fact already known or that can be made known. Even, collection of facts merely for the sake of collecting them will yield no fruits; to be fruitful, facts need to be collected such that they are for or against some point of view or proposition. Such a point of view or proposition is the hypothesis. The tentative explanations or solutions are suggested to researcher by something in the subject matter and by our previous experience.

Hypothesis testing means to know whether the hypothesis based on the data collected is valid or not. The main object of hypothesis testing is whether to accept the null hypothesis. Procedure for hypothesis testing deals with steps on the basis of which a hypothesis is either rejected or accepted.

Thus, this study has been primarily carried out to analyse and judge the effects and implications of absenteeism among the employees of a bottling plant, both on the managerial and the non-managerial section of employees.

The hypotheses of the study are: –

- Absenteeism affects and reduces organizational productivity.
- Logical outlook towards various problems was more prominent among regular attendees than absentees.
- Older employees have greater commitment towards their work.

The hypothesis of this study has been deduced and identified on the basis of the belief that employees normally absents themselves from work due to

certain unconditional and conditional reasons which affects organizational productivity.

“ SCOPE OF THE STUDY”

Every employee who takes off in defiance of organization regulation has reasons, right or wrong which justify themselves the legitimacy of their actions. Unless a management attendance program identifies and addresses the causes of employee absenteeism it will be ineffective and unfair.

Traditional disciplinary programs alone can, at best, give the illusion of control. It is no secret that there are ways to beat even the best systems.

The fear of discipline often only increases the desire to avoid management systems.

If absenteeism is to be controlled the physical and the emotional needs of employees must be addressed. In a 1985 study on “ Rates of absence among Nurses” it was found that 50% of absenteeism could be controlled through attending employees physical and emotional needs.

“ CONSTRAINTS OF THE STUDY”

My project is entitled as:

“ A study of the level of absenteeism and its causes, at Varun Beverages Ltd.”

(A study conducted at Pepsi Bottling Plant Greater Noida, UP, with special reference to managerial and non-managerial categories of employees)

My project being based on the primary data, I have undergone a session of interaction through questionnaire with both the managerial and non-managerial group of employees as per the requirement of my project.

Now, while undergoing the interview process I found certain constraints existing thereby in VBL:

- Hiding of some true facts by the respondents due to fear of the management.
- Some of the responses given by the respondents vague i. e. not legible and clear.
- Few of them showed disinterest as they all have a notion that such an investigation is futile and that they will gain no benefit from it.
- Few of them remained quiet when asked about what suggestions they would like to give for future developments and success of VBL.

Besides all these constraints I have been impressed by the ingenuity, cooperation, confidence and efficiency which were reflected through their knowledge and experience and still find my journey of interviewing, interesting and people at VBL amiable and thus at least I successfully interacted to 70 employees in Varun Beverages Ltd.

“ ORIGIN OF VARUN BEVERAGES LTD. UNDER RKJ GROUP”

It can be said with absolute certainty that the RKJ Group has carved out a special niche for itself. Its services touch different aspects of commercial and civilian domains like those of Bottling, Food Chain and Education. Headed by Mr. R. K. Jaipuria, the group as on today can laid claim to expertise and leadership in the fields of education, food and beverages.

The business of the company was started in 1991 with a tie-up with Pepsi Foods Limited to manufacture and market Pepsi brand of beverages in geographically pre-defined territories in which brand and technical support was provided by the Principals viz., Pepsi Foods Limited. The manufacturing facilities were restricted at Agra Plant only.

Varun Beverages Ltd. is the flagship company of the group.

The group also became the first franchisee for Yum Restaurants International [formerly PepsiCo Restaurants (India) Private Limited] in India. It has exclusive franchise rights for Northern & Eastern India. It has total 46 Pizza Hut Restaurants & 1 KFC Restaurant under its company.

It diversified into education by opening our first school in Gurgaon under management of Delhi Public School Society. The schools of the group are run under a Registered Trust namely Champa Devi Jaipuria Charitable Trust. Companies are medium sized, professionally managed, unlisted and closely held between Indian Promoters and foreign collaborators.

The group added another feather to its cap when the prestigious PepsiCo “International Bottler of the Year” award was presented to Mr. R. K. Jaipuria for the year 1998 at a glittering award ceremony at PepsiCo’s centennial year celebrations at Hawaii, USA. The award was presented by Mr. Donald M. Kendall, founder of PepsiCo Inc. in the presence of Mr. George Bush, the 41st President of USA, Mr. Roger A. Enrico, Chairman of the Board & C. E. O., PepsiCo Inc. and Mr. Craig Weatherup, President of Pepsi Cola Company.

PEPSI COLA INTERNATIONAL'S STRATEGY

- Target core Brand
- Focus on business growth.
- Satisfy market priorities
- Focus on franchising with building core of company owner.

A North Carolina Pharmacist established Pepsi Cola in 1890 as a cure for Dyspepsia (indigestion). Under the supervision of Mr. Bradhman Pepsi's first bottling plant was build 1905.

In 1977, when Coca-cola left the country then Pepsi Co. began to lay plans to enter this huge Indian soft drink market. Pepsi working with Indian business groups to seek government approval for its entry in the India soft drink market. Pepsi offered Indian Government to help in the exports of some of its agricultural products in a volume that would cover the cost of importing soft drink concentrate.

Pepsi Company is established in Indian in 1989. At that particular time it was know as a non-Cobo (Company owned bottling operations) company. In January 1995 Pepsi took over and it is now known as a Cobo (Company owned bottling operations) company. It joined hands with Voltas Ltd with 60%equity. But now it has become a fully owned subsidiary.

Pepsi Company is broad based food and Beverages Company, serving more than 60% of its sales and operation profits from its snack- foods and restaurants business. Established with a turnover of \$ 28 billion in 1989, the company's beverage business has grown 50% streets ahead of the market; which has expanded by 20%. It poured in vast sums to whip up its visibility

at the retail level, so that consumers were greeted virtually at every street corner by Pepsi's blue-red and white colors. Behind the hype, in effort invisible to consumers, Pepsi pumped in Rs. 300 Crore to add muscle to its infrastructure in bottling and distribution. This is apart from the money that went into upgrading the plants.

April 1993, Voltas and Punjab Agro's equity stakes were bought over converting Pepsi Foods from a joint venture to fully owned subsidiary. Weak bottlers who did not have the finance were given massive support in form of interest-free loans to upgrade their operations. But the big strategy, which has proved to be a winner was the position Pepsi decided to take company owned Bottling operations (COBO). For this another subsidiary Pepsi co. India Holding was set up as investment vehicle capitalized at \$9.5 million.

- 1991 saw a major launch of 7-up in India, which was warmly received by India customers and consumers.
- 1994 Pepsi achieved the number 1 position in cola brand India.
- 1995 2 new COBOs were opened in UP & Gujarat.
- 1996 Mirinda attained No 1 Position in orange beverage category.
- May 1998 was major launch of Mirinda Lemon in India.

Pepsi is trying very hard to maintain the lead it made over its competitors in the India soft drink market. It is expanding its business in other fields also. It is in the business of export of beverage concentrates. This year Pepsi has achieved a 100% growth in the export turnover in the first quarter of 1998 over the corresponding period for the previous year. Pepsi has taken a lead in the beverage concentrate exports from potential in the near future.

Pepsi has also developed agricultural linkages to boost its export thrust and as a move in the direction, its plant at Sonapat has become the first rice-processing facility in India.

Pepsi meanwhile added a new range of products to its agro-export Portfolio. These include Baron, a brand of peanut butter marketed in U. S., Branded red and green chili, Puree, ginger and garlic paste & cooking paste under the season's Harvest home, which is also the name of its branded basmati rice.

At present Pepsi is trying very hard to maintain its position in the market. It is operating in a very well managed manner. Some of its strategies it followed to be competitive in the market area follows –

EMPOWERMENT

One of the strongest weapons in the Pepsi's armory is the flexibility it has empowered with its people. Every manager and sales person has the authorities to take whatever steps he feels will make consumer aware of the brand and increase its consumption.

CHANNEL MANAGEMENT

Pepsi has a very well managed distributive system. It is said the “Pepsi don't have bottlers, it has partners”. Pepsi has a well-aligned bottling network. It operates through COBO (Company owned bottling operations) and FOBO (Franchise owned Bottling Operations)

It is this way a Pepsi Co., India Strengthens its marketing that gives it an edge. Every member of its sales team is meticulously taught the merchandising and display skills that can leverage the reach of the company's bottling network to achieve high visibility for the product.

“ COMPANY PROFILE IN INDIAN SCENARIO”

Since the entry of Pepsi co. to India in 1987, the soft drink Industry has undergone a radical change. When Pepsi entered parley was the leader with ‘Thumps UP’ being its flagship brand. Other product offerings by parley included Limca & Gold Spot. Another upcoming player in the market was the erstwhile bottle of Coca-Cola, Pure Drinks. Its offerings included Campa Cola, Camps Lemon and Campa Orange.

With the re-entry of Coca-Cola in the Indian market, Pepsi had to go in for more aggressive marketing to sustain its market share. The chronology the initial phase of the “Coal Wars” in India was:

July 1986

An application for soft drinks-cum-snack food joint venture by Pepsi, Voltas and Punjab Agro is submitted to the government after an earlier proposed alliance- 1985, between Pepsi and Duncan’s of the Goenkas fails to take off.

Sept. 1988

Final approval for the Pepsi Foods Limited (P. F. L) project granted by the Cabinet Committee on Economic Affairs of the Rajeev Gandhi Government.

March 1990

Pepsi Cola and Seven up Launched in limited market in North India.

May 1990

The government clears the Pepsi project again but with a change in brand name to Lehar Pepsi. Simultaneously it rejects the Coca-Cola application. Citra from the Parle stable hits the market.

Dec 1991

Pepsi extends its soft drinks reach on national scale. Products launched Delhi and Bombay.

Jan 1992

Brito Foods application cleared by the FTPB. Pepsi and Parle start initial negotiations for strategic alliance but talks break off after a while.

1993

Pepsi launches Teem and Slice. Captures about 25. 30% of the soft drinks market in about two years.

July 1993

Volta's pulls out of PFL joint venture. Pepsi decides to raise equity to 92%
Reports of coke – Parle negotiations gain strength.

1994

Pepsi brought Dukes & Sons

1995

Pepsi launched Cans having capacity of 330 ml in various flavors.

1997

Pepsi brought Mirinda Orange opposite to Fanta.

1998

Pepsi launched Lemon Mirinda to give tough competition to Limca.

1999

Pepsi has launched its Diet Pepsi Can and 1. 5 Liters pet bottles for health conscious people.

1997

Refusing to dilute its equity state Coca-Cola winds up operations in the country. Parle launches Thumps Up and Drinks launches Campa Cola.

2001

Pepsi launched Aquafina.

2003

Pepsi launched Mountain Dew

2005

Mirinda lemon zinger, 7UP. Ice was launched by Pepsi.

2006

Bubbly Pepsi was launched.

2007

Pepsi Gold was launched.

“ ABOUT ORGANIZATION AND ITS OBJECTIVES”

By the word organization we generally mean, a structural framework of duties and responsibilities required of a personnel in achieving the predetermined goals.

An organization of VBL is a simple yet complex in terms of the different designations provided to its employees.

Company’s overall view of organization can be successfully dealt as follows:

The people at PBG reflect the Company’s emphasis on superior sales capability and service. In North America, more than one-half of PBG

employees work in sales, followed by nearly one-third in operation. Their organizational structure, based on a general management model, reflects the same priorities. The Vice President/General Managers of PBG's market units lead marketing and sales efforts in contiguous geographic areas with common major customers. They designed their organization to give their market units the autonomy to serve the needs of individual customers, develop market-specific strategies, and respond to local marketplace dynamics. From the General Manager to the frontline customer representative, the entire PBG sales force competes on a local level to serve existing customers and to win new accounts.

“ OBJECTIVES OF VARUN BEVERAGES “

The objectives of VBL are:

- To observe the implementation and working of sales club programme at different sections in Noida.
- To monitor whether it is successfully implemented in the market.
- To monitor the customer awareness about the sales club programme whether they are fully aware about the programme or not.
- To check out that all the required materials for sales club programmed are given to customer/ retailer or not.
- To find out the effect on increasing the sales b/z of sales club programmed at partial shop.
- To monitor the purity of vis-cooler at sales club account.
- To monitor the purity of sack at sales club account.
- To monitor whether updates in the programmed book is clan in time or not.

- To make the books available to the customers.

“ OTHER INFORMATIONS ABOUT VBL ”

EARNINGS RELEASES

Pepsi Co's 2004 quarterly earnings releases are expected to be issued the week of April 12

July 12, September 27, 2005 and January 30, 2005.

COMPANY DOCUMENTS

Investor relations: – Security analysts and other members the professional financial community who have question Pepsi Co's investor relations department at (914) 253-3035 or (914) 253-2155.

SHAREHOLDERS: – Pepsi Co's (symbol: PED) shares are traded principally on the New York Stock Exchange in US. The company is also listed on the Amsterdam, Chicago, Swiss and Tokyo stock exchanges. Pepsi Co's has consistently paid cash dividends since the corporation was founded.

MISSION STATEMENT

“ Our mission is to be the world's premier consumer product's company focused on convenient foods and beverages. We seek to produce healthy financial rewards to invest as we provide opportunities for growth and enrichment. Our employees, our business partners and the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity!” as exclaimed by Pepsi Co's.

CORPORATE CITIZENSHIP

Pepsi Co's believe that they are corporate citizen; it has a responsibility to contribute to the quality of life in our commodities. This philosophy is put

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into action through support of social agencies, projects and programs. The scope of this support is extensive-ranging from sponsorship of local programs and support of employee's voluntary activities to contribute to time, talent and funds to programs of national impact. Each division is responsible for its own giving program. Corporate giving is focused on giving where Pepsi Co's employees volunteer.

PEPSI HEADQUARTERS

Pepsi Co's world headquarters is located in Purchase, New York, approximately 45 minutes from New York City. Edward Darell Stone, one of America's foremost architects, designed the seven building headquarters complex. The building occupies 10 acres complex that includes the Donald Mkendall sculpture gardens, a world acclaimed sculpture collection in garden setting. The collection of work is focused on major twentieth century art, and features work by such as Augusta Rodin, Henri Laurens, Henry Moore, Alexander Calder, Alberto Giacometti, Arnaldo Pomodoro and Claes Oldenberg. The gardens were originally designed by the world famous garden planner, Russel Page, and have been a visitor's booth in operation during the summer and spring.

TRAINING AND DEVELOPMENT

It provide following to employee:

- On Job Training Program
- In House Training Program
- Out door Training Program

WELFARE ACTIVITIES

Company provides welfare activities to its employees like:

- Uniform
- Transportation facilities
- Canteen
- Annual meet etc.

“ PRODUCTION SETUP AT GR. NOIDA BRANCH OF PEPSI”

Gr. Noida plant in Varun Beverages plant is a dedicated plant for five major products.

“ DEFINING ABSENTEEISM”

Absenteeism in short can be defined as a failure to report to work.

- It is likely a symptom of low moral and declining productivity or little involvement at work as demonstrated by the employees staying away from work.
- It refers to the failure on the part of employees to report to work through which they are scheduled to work. In other words an unauthorized absence constitutes absenteeism.
- It is referred to here in as failure of employees to report to work when they are scheduled to work.

UNDERSTANDING ABSENTEEISM OR INTRODUCTION TO ATTENDANCE MANAGEMENT

The management of attendance is an important aspect of supervision. The cost of absenteeism is greater than the direct payment of wages and benefits made during the absence. Organization must also consider the indirect cost of staffing, scheduling, reframing, lost productivity, diminished

moral, turn over, opportunity cost. The indirect cost often exceeds the direct cost of absenteeism. Effective supervisory efforts in attendance management will affect a relatively small percentage of employees but will generate substantial savings, increased productivity and moral.

“ TYPES OF ABSENTEEISM”

There are two types of absenteeism, each of which requires a different type of approach-

- **INNOCENT ABSENTEEISM:** – innocent absenteeism refers to employees who are absent for reasons beyond their control sickness and injury. Innocent absenteeism is not culpable i. e. blameless. In a labor relations context this means that it cannot be remedied or treated by disciplinary measures.
- **CULPABLE ABSENTEEISM:** – it refers to employees who are absent without authorization for reasons, which are within their control. For instance, an employee who is on sick leave even without being so and it can prove so; he/she is guilty of culpable absenteeism. To be culpable is to be blameworthy. In labor relation context this means that progressive action can be taken. For the large majority of employees, absenteeism is legitimate, innocent absenteeism, which occurs infrequently. Procedures for disciplinary action apply only to culpable absenteeism. Many organizations take the view that through the process of individual absentee counseling and treatment, the majority of employees will overcome their problems and return to an acceptable level of regular attendance.

“ CALCULATION OF ABSENTEEISM”

The rate of absenteeism is expressed as the percentage of man-days lost through absence to the total number of man days scheduled in a given period.

As we know, employees are the 21st century organization’s greatest assets.

Accountants are even adding human capital to the balance sheet.

Absenteeism is a universal problem in an industry. It becomes a problem when it exceeds 10% as it disturbs the production schedules and creates many problems. Personnel Research studies have further revealed that: –

- The days before and after a holiday are liable to higher rate of absenteeism.
- Employees who belong to local area are absent more often than outsiders.
- Bad weather increases rate of absenteeism, especially among employees who live at distant places.
- Employees under the age of 25 years and above the age of 55 years are absent more often than those in the age group of 26 to 55 years.
- Operative employees are absent more frequently than the supervisors and managers.

The higher the rate of pay and greater the length of services of the employees, the fewer the absences.

“ FACTORS CAUSING ABSENTEEISM”

The causes of absenteeism are many and include: –

- Major accidents and illness

- Low morale
- Poor working conditions
- Boredom on the job
- Lack of job satisfaction
- Inadequate leadership and poor supervision
- Personal problems
- Poor physical fitness
- Inadequate nutrition
- Transportation problems
- The existence of income protection plans
- Stress
- Work load
- Employee discontent with a collective bargaining process and its results.

Although both psychological and non-psychological factors contribute to it, the findings of Indian studies appear to have somewhat greater emphasis on non-psychological ones.

The workers in Indian industries found that chronic absenteeism was related to: –

1. The extent of workers identification with the company.
2. Integration with work group.
3. Satisfaction with supervisors.
4. Belief in the future of the company.

On the other hand there are few psychological factors as the major causes of absenteeism of Indian industrial workers. Such factors are poor health, transport difficulty, do chores, and indebtedness etc.

“ HOW ABSENTEEISM CAN BE CONTROLLED ”

The definition of absenteeism, factors affecting and its causes are quite clear. What is not so clear is how to take affirmative actions to control it. Traditional methods of absenteeism control based only on disciplinary procedures have proven to be ineffective. It is almost impossible to create a fair disciplinary action because even well run disciplinary systems, which treat which treat similar actions in consistently similar ways are seen as unfair. The reason for this is discipline alone usually identifies the root cause of absenteeism. Every employee who takes time off in defiance of company regulations has reasons, right or wrong which justify to themselves the legitimacy of their actions. Unless the management attendance programme identifies and addresses the cause of employees' absenteeism it will be ineffective and unfair. Now, if absenteeism is to be controlled the physical and physical and emotional needs of employees must be addressed.

The purpose of attendance management is to develop a willingness on the part of all our employees to attend work regularly and to assist them in motivating their co-workers to attend work regularly. Now, this can be done by-

1. Addressing the physical and emotional needs of our employees.
2. Communicating the attendance goals of the organization so employees can understand and identify with them.

3. Dealing with cases of excessive absenteeism effectively and fairly so deterrence can occur.

Successful administration of an attendance management program requires managers and supervisors to be aware of and create work environment in which the following can be actualized

1. The greater the extent to which individuals identify their goals with the goals of the organization the greater their motivation to be regular in attendance.
2. The more people find their jobs meaningful to them, the greater their motivation to be regular in attendance.
3. As employees workload increases due to the absence of a co-worker, peer pressure is exerted on the absent co= worker to attend work regularly.
4. The more people like working for the organization the higher their motivation to attend regularly. Recognition of good employee attendance helps improve attendance.
5. Employees will have a lower absence ratio if they fail they fail face to discuss their on the job problems with their supervisors.
6. Employees with a low absence ratio have attitudes of complaisance and ' team spirit'.
7. Low absence ratio employee is more satisfied.

Like employees turnover, there is avoidable and unavoidable absenteeism. Absenteeism is unavoidable when the employee himself falls sick, his dependants at home suddenly become unwell or there is an accident inside the plant. Unavoidable absenteeism is accepted by managers and is even

sanctioned by labor laws. For insistence, one day of leave with wages for every 20 days of service is allowed by the factories act, 1948.

Avoidable absenteeism arises because of night shift, opportunities for moonlighting and earning extra income ineptness, lack of job security, job satisfaction and unfriendly supervision. This absenteeism needs intervening by the management. Managers should take steps to remove causes of absenteeism. On the positive side, managers must create a work environment which will make the employees realize that it make sense to work in the factory rather than stay at home and waste their time. Moreover, the management must have a safety plan, implement it and evaluate its effectiveness.

“ EFFECT OF ABSENTEEISM ON AN ORGANIZATION”

“ Levels of absenteeism beyond the normal range in any organization have a direct impact on that organization effectiveness and efficiency.”

It is obviously difficult for an organization to operate smoothly and to achieve its goals if its employees fail to report to their jobs. The work plans is disrupted and often-important decisions are delayed. In organization that relies heavily on assembly- line production, absenteeism can be more than a disruption: it can result in the drastic decline in the output and in some cases it can bring about a complete shutdown of the production. But levels of absenteeism beyond the normal range in any organization have a direct impact on its efficiency.

Apart from the above viewed fact the most important problem faced is related with that of the cost of absenteeism! Many organizations set aside approximate