

Management of people at innodis limited



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This report is an analysis of the management of people at Innodis, a company in Mauritius. We are trying to understand the functions of HR at different level within the organisation and essential how these functions are link to its overall strategy and mission and values. We will also address to how the company values its human capital to achieve its goals and at the same time ensure that the people are given career progression.

Introduction

We have chosen to do our assignment on Innodis simply because it is one of the most famous organizations in Mauritius. Innodis deals with consumer goods. At this time, Innodis has over of 1100 employees.

The vision of Innodis is to continue to thrive as a business over the next ten years and beyond. Together with its strategic partners, Innodis has drawn a road-map to guides every aspect of its business by describing what the need to accomplish in order to continue achieving sustainable, quality and growth and thus become the preferred choice in all the market it operates.

The mission statement of Innodis is the commitment to supply its customer and customers with the finest high- quality products and to lead the industry nutrition research and education. Innodis Ltd supports these goals with a corporate philosophy of adhering to the highest ethical conduct in all its business dealings, treatment of its employees, and social and environmental policies.

At Innodis, they have their human resource department at the Head Office which is found in Port Louis. From there, they monitor the overall human resource operations by their human resource manager and with their

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administrative employees. Innodis has many branches and has a human resource officer and an assistant human resource officer at each branch. These human resource officers report to the human resource manager about everything dealing with employees. The fact that the company aims profit making, they make sure that the human resource operations go smoothly and do not impact on the quantitative results that is final output the qualitative results that are the outcomes.

As ethics is an important part of the welfare of an organization, Innodis has the motto of ethics. However Innodis rather looks at the business case that is profit maximization. There is the intrusion of the trade unions concerning the welfare of employees. This is the reason why the company has to make sure that their employees are safe.

Mission, Vision And Values

Mission:

“ To continuously work towards offering to our consumers selected products of the highest quality at affordable prices.”

Vision:

“ To be the preferred choice in all markets that we operate.”

Values:

“ To treasure the human capital and the personal development of all of our people indiscriminately of their position or social stratum.”

“ To comply strictly with food and environmental health and safety regulation and to continue to embrace sustainable development principle.”

“ Aspire to be the forerunners of innovation, especially when it comes to meeting consumer’ growing demand for healthier food alternatives.”

Innodis has been adhering to its mission and values closely and their has been considerable closing in on their vision. How Innodis has been staying focused on its vision will be discussed in this report progressively.

Corporate Structure and Brief History

Chairman: Sir René Seevaye Kt. , CBE (Non Executive Director and founder of Innodis)

Executive Director: Jean How Hong (CEO)

Other Non-Executive Directors: Maurice de Marasse Enouf, Gil de Sornay.

Innodis started as Mauritius Farms limited in 1973 as a family business for chicken production.

In 1986, they became the exclusive supplier for the Laughing Cow from Fromageries Bel, France and some other Unilever products.

They later changed their name in 1995 to Happy World Foods Limited and in 1996 they listed themselves on the Stock Exchange of Mauritius.

They received their first ISO 9001 certification in 1999 and a second one later in 2009.

They diversified in yoghurt production under their own brand name Dairyvale.

They again changed their name to Innodis Limited in 2006.

In 2010, they expanded to Nigeria and Vietnam in the consultancy and management business.

People at Innodis

Innodis has been a leader in Human Resource functions in Mauritius and in 2010 they were awarded the “ Employer Brand” and were also highlighted as the “ Best People Management Practices”. Innodis values its human capital very highly by encouraging free expression of idea and talent in diverse fields and is noticeably seen to have very loyal employees who have been working with Innodis for over 20 years. This contribution of knowledge, skills and experience from loyal employees add up to create value for Innodis and therefore this overall factor becomes a fundamental competitive advantage for Innodis. (Refer to Exhibit 1, 2 and 3 for the types of training given at different management levels)

Recruitment at Innodis

Innodis stick to a simple concept of recruitment which is to obtain at minimum cost the number and quality of employees required to satisfy the human needs of the company.

The recruiting functions also aims to:

Obtain a pool of suitable candidates for vacant post.

Use a generally accepted and fair process.

Ensure that all recruitment activities contribute to company goals and a desirable corporate image.

Conduct a recruitment activities in an efficient and cost-effective manner.

Innodis recruitment is based on an Advertise-Appointment-Interview policy. Normally appointments must be made in accordance with this policy and must, therefore, be subject to advertisement and interview. However there are exceptions to the application of this policy when it comes to grant awarding bodies. The Human Resources Department must approve any exceptions in advance of formal appointment, for example where a grant awarding body approves funding for a named individual to work on a particular piece of research and the grant is dependent on that individual's contribution.

Innodis has a very practical recruiting culture. They basically tap into the company's culture to obtain a steady source of job applicants. Basically it recruits people mostly by referrals from existent employees but this concept is mostly applied at bottom management levels. This constant supply of job applicants results in a pipeline approach for Innodis to obtain recruits at a very low cost and thus achieving its main objective to get employees at low cost. They always have many applications stored for various types of jobs.

For middle management and top management levels, vacancies are mostly filled from internal sources by promotions and transfers. Innodis ensure that appropriate candidates have the required skills and knowledge in order to

get promotions. Most employees at Innodis are given appropriate training opportunities in order to promote their own development. This is also a very important strengthening factor to the culture at Innodis as it forms part of their core values. Nevertheless, training is a long process and if Innodis need an urgent replacement at those management level they are compelled to look from external recruitment sources which are mostly through advertising. (Refer to Exhibit 1, 2 and 3 for the types of promotions given at different management levels)

Selection at Innodis

At Innodis, selection is on the basis of appropriate criteria and merit, a record of the process and decision is kept and the monitoring information returned to the HR Department. When a vacancy arises, consideration must be given to staff whose posts are being made redundant and for whom redeployment is being sought. The HR department takes into consideration that recruiting a redeployed can reduce both the time and the cost incurred in filling a vacancy.

The basis of selection process is to collect maximum possible information about the candidates to ascertain their suitability for employment and it involves the following steps:

Screening of information

Selection Tests

Interviews

Checking of References

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Physical Examination

Approval by Appropriate Authority

Placement

Ethics of Recruitment at Innodis

While processing the applicants, the Heads of Departments at Innodis make their staff aware that when dealing with enquiries about vacancies it is unlawful to state or imply that applications from one sex or from a particular racial group would be preferred.

Care is also considered when initiating contacts with applicants that all are treated in the same way, for example with regard to invitations to visit the department, informal meetings to discuss the vacancy, and provision of information. The confidentiality of applications must be respected by all of those involved in the selection process.

The company ensures that it is willing and able to attend all interviews for the duration of the recruitment process, to maintain consistency and to ensure fair treatment of all candidates.

Short listing decisions should be based on evidence that the applicant has met the requirements of the person specification. Short listing panel members should avoid dismissing applicants who appear to be over-qualified.

At Innodis, staffs conducting interviews must be aware that, although questions asked may not in themselves be discriminatory, the interpretation

of answers by the panel could exhibit prejudice. For example, if indications of ambition were to be regarded as a worthy characteristic in applicants of one sex or ethnic group but not in another. Information regarding personal circumstances which is found in a CV or at interview must not be taken into consideration in reaching a selection decision. For example, the fact that a male candidate shares details of his domestic circumstances with the panel but a female candidate chooses not to (or vice versa), should not be taken into account.

Effective Induction at Innodis

It has been seen that new employees often experience an induction crisis. The new working environment is often perceived by the new recruit as “frightening”. This can result in high labor turnover. Innodis tries to reduce uncertainty in the new employee by presenting them with lots of information concerning: -

History of organization

Mission statement and objectives

Company and personnel ethics

Structure of organization

Terms of employments

Payment systems and benefits

Holidays and sickness arrangements

Rules and regulations of the organization

Innodis find that it is important to show how a certain job is linked to the overall goals of a business unit and that of the organisation. The role of all individuals are linked to the vision and mission of Innodis. Individuals are shown their part in the whole mechanism of achieving the objectives of Innodis and through this they develop a sense of belongingness to Innodis by bringing around positive attitudes and increased motivations and performance.

Training and Development

It is in the core values of Innodis to treasure human capital and the development of their staffs indiscriminately. They provide a variety of trainings to employees based on their management hierarchy. These trainings mainly aim at increasing the job knowledge and skills of employees at different level that may lead to increased productivity, quality of work and work life.

Innodis uses training as a platform to develop a positive culture to manage the process of change within the organisation. Employees are trained mostly for future promotions at Innodis, however, they also conduct training so that employees are able to cope with changes in design, process and technology in their actual position.

Innodis has many ties up with several educational institutions, notably the University of Mauritius and the Industrial and Vocational Training Board (IVTB), where its employees can benefit from good quality trainings at competitive costs with some partners. The HR department does not have a

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fixed budget allocated to training as for now but past expenditure have been ranging from INR1500000 to INR 4000000. Different types of training are given to employees based on their current position at Innodis. (Refer to Exhibit 1, 2 and 3 for the types of training given at different management levels)

Performance Management

According to Armstrong and Baron (1998), performance management is both a strategic and an integrated approach to delivering successful results in organisations by improving the performance and developing the capabilities of teams and the individuals.

At Innodis, the organization's values are defined. The vision statement communicates both the purpose and the values. Innodis Ltd supports its goals with a corporate philosophy of adhering to the highest ethical conduct in all its business dealings, treatment of its employees, social and environmental policies.

Several ISO quality certifications and government awards attest to the commitment of Innodis of achieving its mission statement. They have also been driving innovative and healthier products to the Mauritian market and are the actual leaders in those areas.

Performance Appraisal

Performance appraisal is the actual process of evaluation of the work of employees and aims at analyzing the gap between actual performance and the expected performance.

It is a systematic and formal method of staff assessment. Performance appraisal also involves providing feedback to the employees with the aim of motivating that person to eliminate performance deficiencies at par.

At Innodis the performance appraisal is different for jobs at different management levels. Different assessment methods will differentiate between past and present performance based on skills improvement and knowledge gain. Some benefits of Performance Appraisal at Innodis are :

Performance appraisal helps in identifying problems at Innodis, which the staff may raise regarding their work environment. For instance, they may have lack of space to perform their work. The workers may feel that they are not well equipped as they have insufficient and outdated equipments.

Therefore, by identifying these issues earlier through performance appraisal, the organization may overcome losses that might have occurred.

It identifies potential problems with individual staff members and takes actions to deal with those problems. For example, it analyses the poor performances of the employees as well as their absenteeism and lack of motivation among them. Through performance appraisal, these individualistic problems are considered and corrective measures are taken at Innodis Ltd.

Performance appraisal also identifies future training needs within the company. This is done so that the employee's skills are improved. It is therefore planned systematically in order to promote the organization's products.

It equally identifies those members of staff who are suitable for promotion and career progression.

Human Resource Policies at Innodis associated to Performance Appraisal

Some of the overall policies that are linked with performance appraisal are as follows:

Equity

As performance appraisal's aim is to provide opportunities to managers and the subordinates similarly, equity is about treating its employees fairly as well as providing them with equal opportunities to perform tasks.

Considerations, working conditions and quality of working life

Performance appraisal also considers employees work-situation, security, working environment, safety related to equipments, their performances according to their work performed and the career prospects that they can have. In the same way, the consideration, working environment and the quality of working life according to the policies are such that they look at individual circumstances, its prospects, security, and employee's self-respect and a pleasant working environment. It as well looks at the improvement of the quality of working life continuously and it increases a sense of satisfaction for the employees.

Performance through people

Performance appraisal is all about rating employees' performance and identifying problems that can become obstacles in their jobs. Similarly, performance through people is such that it develops a fair culture in the sense that it leads to a continuous improvement.

Reward Management

At Innodis Limited, the reward system is both financial and non-financial which are considered at the end of its financial year in July. There are intrinsic rewards like basic pay, employee benefits and compensation and extrinsic rewards like feedback, recognition, praise, promotion to higher position. As a private company, it also provides merit pay to reinforce the performance trend. The pay structure of the company is essential for quality performance and competitiveness and also recruiting and retaining a good labour force. At Innodis, the reward system is consistent and a key driver for both the human resource operations and the company strategy.

At managerial level, the employers have the provision for fringe benefits and allowances such as company car its allowances or company health dividends while the lower level workers are granted with their basic pay and transport facilities. There also the merit pay which helps in performance which reinforces the culture in the organisation. Also there is increment in pay based on the number of years worked in the company. This is why the pay structure at Innodis Limited, are specifically used as tool in bringing innovation and change to the human resource operations which also establishes a corporate reputation in dealing with people. (Refer to Exhibit 1, 2 and 3 for the types of rewards given at different management levels)

A well designed HR policy can be beneficial to Innodis as it ensures employees understand their responsibilities and how they should deal with various situations. It also provides a framework to help managers resolve problems fairly and consistently.

Reward Procedures

The annual pay review of the annual report of Innodis Limited enables its reward system to operate efficiently and flexible. It has enabled much commitment and innovation in the company. The policies and procedures are regularly reviewed by assistant managers at Innodis Limited which tends to be very helpful for the organisation's decision-making or if ever to give one month's notice of any policy change.

At Innodis, there are guidelines for decision making which sets the levels of pay as opposed to competitors' rates. There are formalised policy being used in training and induction of new applicants. Equity and proper working conditions are also implemented to have equal opportunities and impact upon productivity when dealing with people. Standards policies has been set at Innodis Ltd as it is essential in dealing with people matters, inculcating values and provide framework within which decisions are being made. Being a private organisation, it facilitates empowerment and delegation through corporate culture.

Conflict in the Human Resource Contribution

No matter the human resource operations contribute to the effectiveness of the organisation, there are conflicts that may arise in the following ways:

A clash of values where the line managers simply regard their workers as factors of production to be exploited and dispensed within accordance with organizational imperatives

Different priorities which involve getting rid of people. It should be noted that employees are an important asset for an organization.

Disputes may arise out of the interference of trade unions.

Conflict can be creative if an integrative approach is used to settle clarifying priorities, policies and roles, using agreed procedures to deal with grievances and disputes and achieving consensus through a solution that recognizes the interests of both parties.

If these conflicts can be dealt with, Innodis can become more productive and the welfare of its employees will improve much more and this will result in employees` commitment and thus the goals and objectives can be easily achieved.

Conclusion

To conclude, managing people in an organisation whether it is of large size or small size is very important since human resource operations help the organisation to attain its goals and objectives if they are well integrated and carry out. They help in the day to day running of the organisation and they are very important. If human resource operations are well carried out in an organisation, they will help in ensuring that there is a good relationship between employees and the management as the employees will be well taken care of.

At Innodis, they have developed a very strategic approach at every step in HR operations and at every turn, they strengthen their organisational culture and commitment to their mission and values.

Exhibit 1

Below is an example of a job description for a top management position at Innodis together with some information with prospective trainings, performance appraisal and potential rewards associated to that job.

Job Title: Director of Administration

Purpose: A director of administration manages the overall daily office operations. Implement organisational strategies and policies, plan the use of materials and human resources and manage the administrative staff.

Responsibilities: Negotiates contracts, manages vendor relationships, primary liaison to building landlord and oversees office operating procedures.

Qualifications: For a director of administration position typically consist of a bachelor's degree in business administration or other related field and at least 10 years of experience.

Skills: This position may also require additional skills such as the ability to identify and implement best practices, work independently, think strategically, plan for the long-term success.

Salary(Approximate): INR 120000+ /month

Potential Training Areas: MBA programs at the University of Mauritius, Courses in Resources Management, Diplomas in Statistics and Economics.

Innodis offers some training to its top management staffs in fields where they are most likely to expand. Recently they have had much interest in expanding beyond the Mauritian shores and are looking forward to develop talents in international business laws and cross border business coordination. These courses are limited in numbers and usually are very expensive and are mostly proposed to long term employees and those who have some knowledge and experience in related positions. For example the master level courses at the University of Mauritius ranges from INR150000 to INR400000. The effectiveness of such training are usually measured in the form of new mechanisms brought in by the individuals in the organisation to improve existing systems. Better management and operations would have a direct impact on the turnover on several business units that a top manager would have influence on. People at these level are generally rewarded with company cars and drivers and depending on their effectiveness end of year bonuses are given. However, in some cases, shares are given to top level employees in the strategic aim to retain their loyalty to the company.

Exhibit 2

Below is an example of a job description for a Sales Manager at Innodis together with some information with prospective trainings, performance appraisal and potential rewards associated to that job.

Job Title: Sales Manager

Purpose: Develops and maintains a high performance sales culture within the branch and is responsible for staff management functions. The Sales Manager pursues sales excellence, works to achieve shareholder/stakeholder benefit and to increase the long-term value of the business by maintaining high levels of individual and team performance.

Responsibilities: Personally develop and maintain relationships with key customers and prospective customers across the branch/location market area. Maintain a strong understanding of the market trends across the branch/location market area, including the competition. Promote a positive and professional sales attitude. Report daily, weekly, monthly and quarterly activities and sales results, using the company's standardized processes and tools.

Qualifications: 5-7 years of experience in sales management. Strong understanding of customer and market dynamics and requirements. Willingness to travel and work in a global team of professionals. Proven leadership and ability to drive sales teams.

Skills: Selecting and developing the right people. Motivating people. Communication. Integrity

Salary(Approximate): INR 80000+ /month

Potential Training Areas: Diploma in Marketing, Certification courses in retailing.

Sales managers are key positions within Innodis because much of their business depends on good customer relationships and retailing. Sales

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managers are generally given highly competitive salaries. A key factor that enhances their recruitment chances at Innodis are their team leading and management skills and also past sales records. Most people at middle management levels are those who were once part of the bottom management and were promoted. They already possess an idea of the organisation cultures and goals and therefore their integration to their new positions are rendered easier. Innodis provides middle management people with training for mainly two reasons. One is to sharpen their skills in appropriate and prospective domains and second is to prepare them for promotions. However, the promotion from a middle management to a top management requires the candidate to have a good performance record over several years and normally takes a long time. Employees may begin to feel the stagnancy at this level and Innodis tried to counter that effect with a good reward system for them. They, in most cases, benefit from good commission on sales and flexible holidays and work days, company cars and some reduced tariffs at some of the company's facilities.

At the middle management, the performance is generally measured as a team performance. That is, the overall productivity change of a sales team for example would reflect the performance of the responsible sales manager. Increase in new accounts, sales turnover and decreased sales expenses are some of the key performance areas.

Exhibit 3

Job Title: Sales Representative

Purpose: Sales Representative should attend day to day routine activities related to selling and maintain good relationship with current and prospective customers.

Responsibilities: Sell products to customers and potential customers and maintain a database with their purchases and be able to renew inventories.

Qualifications: Must to have above 21, Standard 10 + 2 with emphasis on some courses like marketing, promotions, communications and finance.

Skills: Sales Representative should be confident, energetic, organised and resilient. They need to possess strong written and verbal communication skills, and be experts in customer service. Sales officers should also own at least a basic understanding of maths, as they often deal with prices, deals and commissions.

Salary(Approximate): INR 50000+ /month

Potential Training Areas: Vocational courses related to marketing and negotiation, Seminars for teamwork techniques and new technologies.

At the bottom levels, most recruit are brought in through referrals from existing employees. They submit their application forms and are usually short listed according to their past experiences and communication skills.

The induction work needs to be done here because the new recruits are still to adapt to a new environment and know the culture of the organisation.

They are provided with an on the job training period for their new job among existing employees from which they usually learn from the experience of others and take advantage of tips from more experienced individuals.

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Most employees undergo training when there are changes in design, processes or technology in their present jobs. Employee's showing potential and good performance in terms of high sales records, good customer feedbacks and low absenteeism are given additional training in diverse fields to increase their skills and knowledge. For example, more technical knowledge of some products are imparted to some sales representative who are interested. Job rotation is also a crucial aspect which prepares an individual for promotion after some time.

Employees at this level are usually provided transport facilities to and from the work place and usually have varied incentives. Sales representatives are given reduced tariffs on certain company products and also benefit from refundable medical bills to a certain amount. Loyalty of long term employees are rewarded by company awards and occasional gifts. At retirement, such employees are given some shares in the company together with a severance package.