CHAPTER - III

PROFILE OF THE STUDY AREA

Introduction

Mando Automotive India Limited located at Chennai. It was set up in 1997 in collaboration with Mando Corporation, Korea. The Company meets all Hydraulic Brake requirements of Hyundai Motor India. In 2002, Mando India entered into a Technical License Agreement with Continental Teves of Germany for brake systems to meet the requirement of European and US-based car manufacturers like GM, Ford etc. The Company has recently commenced production of Shock Absorbers.

Mando started the commercial production for HMI in the year 1998. The company got its 100-PPM certification from Hyundai & TS16949 certification in the year 2002. In 2005, there was ISO 14001 certification. In 2004, the company started supplying to Ford Fiesta and became supplier of Actuation Parts for Mahindra Renault Logan in 2007. In the year 2007, the company was awarded Capacity expansion and Q1 certification from Ford. Hyundai Motors honored Mando India with 5 Star Award in the year 2008. The following figure 3.1 gives the general profile of Mando India Limited.

Figure 3.1: The General Profile of Mando India Limited.

3.1 Contributor to the Indian Automotive Industry

Mando is among India's leading manufacturers of Automotive Systems and Components making it the country’s leading OEM supplier. Mando has a major presence in the Indian market as well, with some of its major brands being Market
Leaders. The group supplies to every major vehicle and engine manufacturer in the
country.

An Industry leader in automotive solutions, the group recorded a sales
turnover of INR 52.5 Billion in 2012, targeting to achieve INR 100 Billion by 2015.
Today, with nineteen companies spread across 51 locations and eleven states of the
country, Mando also has a business vertical operating in the area of Luxury Hotels.
Mando has built up a sizable export market, currently about 13% of the total sales of
existing products but targeted to reach 30% over the next few years.

The group has provided a number of technology firsts to the Indian
Automotive Industry over the five decades of its existence starting with being the
pioneer of Ride Control products in the country.

3.2 Global Partnership

Mando today is known for its established and successful partnerships with
leading global automotive front-runners, each one being a global leader in its area of
operation. In the early 60’s, Mando set the trend for collaborating with international
partners for business with leading Global Automotive players spread across America,
France, Sweden, Germany, Japan and Korea. The group today has a total of 15 Joint
Ventures, 6 Technical Collaborations, 19 Companies, 51 locations, 12000 people - all
of which stand silent testimony to the Group’s well recognized spirit of partnership.
Mando has partnered with global leaders such as Dana Corporation, USA, Henkel
Behr and MAHLE of Germany, Valeo and Faurecia of France, Mando and Chang
Yun of Korea, Haldex of Sweden, among others. Integrating these multifarious units
and operations into a powerful entity, while providing its various joint venture
companies with several advantages, has made Mando the large conglomerate that it is
today.

3.3 Manpower

The group firmly believes that business is 90% people and proudly asserts its
key asset to be its dedicated workforce of 13,000 people. Mando offers its people a
wealth of opportunity for growth within the expanse of the organization.

Whether it may be moving cross functionally or across its gamut of companies
or even overseas to its Joint Venture partner locations. The group has pioneered a
number of benchmark Human Resource practices in the Industry including the famed ‘Operating Engineers’ model for its Shop Floors as well as the focus on women employment across the group.

There are two major groups of employees in Mando. They are i) Staff and ii) Operating Engineers (OE). Total number of employees is 870. The total number of male employees is 624 and the female employees are 246. Two fifty five male and forty-six female are working in the staff category. Three sixty-nine male and two hundred female are in Operating Engineers category. The overall Man Power head count of Mando is as follows;

<table>
<thead>
<tr>
<th>S.No</th>
<th>Departments</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expats</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>General</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Finance</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>IT</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>HR</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Maintenance</td>
<td>32</td>
</tr>
<tr>
<td>7</td>
<td>Marketing</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Production Planning Control(PPC)</td>
<td>36</td>
</tr>
<tr>
<td>9</td>
<td>Quality Control</td>
<td>78</td>
</tr>
<tr>
<td>10</td>
<td>Product Development</td>
<td>21</td>
</tr>
<tr>
<td>11</td>
<td>Supply Chain &amp; Logistics</td>
<td>46</td>
</tr>
<tr>
<td>12</td>
<td>Supply Quality Association</td>
<td>11</td>
</tr>
<tr>
<td>13</td>
<td>Production Engineer</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>Vendor Development</td>
<td>9</td>
</tr>
<tr>
<td>15</td>
<td>Production</td>
<td>569</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>870</td>
</tr>
</tbody>
</table>

The following figure 3.2 gives the common view of Mando’s Manpower.

**Figure 3.2: Common View of Mando India profile**
The following Table 3.2 explains the department wise staff headcount

Table 3.2: Department Wise Staff Headcount

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC</td>
<td>78</td>
</tr>
<tr>
<td>SC&amp;L</td>
<td>46</td>
</tr>
<tr>
<td>PPC</td>
<td>36</td>
</tr>
<tr>
<td>Maintenance</td>
<td>32</td>
</tr>
<tr>
<td>PD</td>
<td>21</td>
</tr>
<tr>
<td>Finance</td>
<td>16</td>
</tr>
<tr>
<td>Production Engineer</td>
<td>15</td>
</tr>
<tr>
<td>General HR</td>
<td>12</td>
</tr>
<tr>
<td>SQA</td>
<td>11</td>
</tr>
<tr>
<td>Expats</td>
<td>9</td>
</tr>
<tr>
<td>VD</td>
<td>9</td>
</tr>
<tr>
<td>HR Admin</td>
<td>8</td>
</tr>
<tr>
<td>Marketing</td>
<td>6</td>
</tr>
<tr>
<td>IT</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>301</td>
</tr>
</tbody>
</table>

Chart 3.1: Department Wise Staff Headcount

The following Table 3.3 explains Gender Wise Department Headcount
### Table 3.3: Gender Wise Department Headcount

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC</td>
<td>62</td>
<td>16</td>
<td>78</td>
</tr>
<tr>
<td>SC&amp;L</td>
<td>37</td>
<td>9</td>
<td>46</td>
</tr>
<tr>
<td>PPC</td>
<td>34</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td>Maintenance</td>
<td>30</td>
<td>2</td>
<td>32</td>
</tr>
<tr>
<td>PD</td>
<td>20</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>Finance</td>
<td>11</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Production Engineer</td>
<td>14</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>General HR</td>
<td>10</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>SQA</td>
<td>10</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Expats</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>VD</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>HR Admin</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Marketing</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>IT</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>255</td>
<td>46</td>
<td>301</td>
</tr>
</tbody>
</table>

### Chart 3.2: Department Wise Staff Head Count

The following Table 3.4 explains Department Wise OEs Headcount
### Table 3.4: Department Wise OEs Headcount

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVA</td>
<td>7</td>
</tr>
<tr>
<td>Senior</td>
<td>10</td>
</tr>
<tr>
<td>MSG</td>
<td>11</td>
</tr>
<tr>
<td>WCA</td>
<td>17</td>
</tr>
<tr>
<td>MCM</td>
<td>41</td>
</tr>
<tr>
<td>MCA</td>
<td>48</td>
</tr>
<tr>
<td>CCM</td>
<td>50</td>
</tr>
<tr>
<td>DBA</td>
<td>52</td>
</tr>
<tr>
<td>CHM</td>
<td>73</td>
</tr>
<tr>
<td>MBA</td>
<td>73</td>
</tr>
<tr>
<td>SHOX</td>
<td>88</td>
</tr>
<tr>
<td>CCA</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>569</strong></td>
</tr>
</tbody>
</table>

### Chart 3.3: Department Wise OEs Headcount

The following Table 3.5 explains Gender Wise OEs Headcount

### Table 3.5: Gender Wise OEs Headcount

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVA</td>
<td>1</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Senior</td>
<td>9</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>MSG</td>
<td>11</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>WCA</td>
<td>7</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>MCM</td>
<td>38</td>
<td>3</td>
<td>41</td>
</tr>
<tr>
<td>MCA</td>
<td>24</td>
<td>24</td>
<td>48</td>
</tr>
<tr>
<td>CCM</td>
<td>43</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td>DBA</td>
<td>21</td>
<td>31</td>
<td>52</td>
</tr>
<tr>
<td>CHM</td>
<td>71</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>MBA</td>
<td>40</td>
<td>33</td>
<td>73</td>
</tr>
<tr>
<td>SHOX</td>
<td>43</td>
<td>45</td>
<td>88</td>
</tr>
<tr>
<td>CCA</td>
<td>61</td>
<td>38</td>
<td>99</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>369</strong></td>
<td><strong>200</strong></td>
<td><strong>569</strong></td>
</tr>
</tbody>
</table>
3.4 Talent Identification, Philosophy, Belief and Style of Mando

Mando believes in and is committed to develop global managers and lays great emphasis on the development of its employees through training, conducted by its in-house technical and management institute – The Mando University – ‘Mando ‘U’. The following picture shows the philosophy, belief and style of Mando.

Figure 3.3: Philosophy, Belief & Style of Mando

3.5 Social Responsibility Initiatives

Mando has a strong commitment to Social Responsibility. Society and its welfare are vital elements of Mando's core philosophy. The SNS Foundation (SNSF), the social engagement wing of Mando, has made ‘Education, Health and Women Empowerment’ and Vocational Training central to all its community development initiatives. It functions as a registered NGO and is present at all manufacturing bases of Mando.
The Foundation’s development activities include literacy with emphasis on the girl child, health and family planning, environmental issues, elimination of child labor and vocational training to help people, especially women in income generation.

A truly global conglomerate, the strength of Mando lies in its strong brand image, widespread distribution network, product range, excellent quality, extensive original equipment coverage, export markets, cellular manufacturing and JIT Systems focus on technology up-gradation and successful international partnerships. The Group’s capability to set up state-of-the-art and highly efficient manufacturing plants gives it the competitive edge that sets it apart. It is all this and more that have made Mando a leading name in the Indian Automotive Industry and a preferred business partner the world over.

**3.6 Business Areas**


**3.7 Korean Expertise in Design and Validation**

Mando India’s products are designed in Korea with expertise from Mando Corporation, Korea and are developed in India. The Korean and the Indian companies jointly ascertain the validation of the product. Mando started commercial production for Hyundai in 1998, meeting all Hydraulic Brake requirements of Hyundai Motor India.
3.8 Products of Mando

Mando India manufactures a wide range of high quality and advanced Hydraulic brakes, Shock Absorbers and Struts for cars and sports utility vehicles. These are manufactured strictly to Mando specifications and to satisfy the stringent requirements of our customers. The precision, quality and technology component in Mando products guarantees its performance. Mando products are all designed by Mando global R&D team in Korea and validated by Mando experts in Korea and India.

3.9 Customers of Mando

Mando India, supplies to leading vehicle manufacturers in India and overseas markets. Mando meets the entire requirement of Hydraulic Brake Systems for Hyundai Motor India. Mando also manufactures Brake Systems for a large number of major European and US-based car manufacturers. Its high technology infrastructure, advanced R&D capabilities and the highest quality standards have ensured that it Mando remains a most preferred supply source with all customers. The following picture shows the valuable customers of Mando.
Mando Automotive India is one of the leading manufacturers of Brakes & Suspension Systems for Passenger cars in India; Catering to most of the Vehicle OEMS. (Hyundai | Mahindra | GM | Tata Motors | Nissan) Mando Automotive India is one of the brake manufacturers to introduce the Integrated parking caliper brake assembly with BIR (Ball in Ramp) technology for Indian cars.

3.10 Innovative Techniques of Mando

3.10.1 Cutting Edge CNC Machines

Mando uses cutting edge CNC as well as special purpose machines and test equipments for manufacturing.

3.10.2 Manufacturing Systems

Mando has put in place the Lean Manufacturing system with a view to achieve excellent levels of quality and productivity. This is reaffirmed through the many recognisions and awards that Mando have received from their customers, including the prestigious “5 Star” award by Hyundai Motor and Q1 certification by Ford India.

3.10.3 Computerized Research and Development Testing Equipments

The company has extensive capabilities to design and develop products, which include performance/durability and environmental testing. Mando has been certified to TS 16949 and ISO 14000 systems standards. Mando also have cutting-edge computerized Research and Development testing equipments.
3.11 Research & Development

With emphasis on development of globally competitive products, processes and technologies, Mando believes in promoting global technology competitiveness to its overseas subsidiaries. Mando is supported by Mando Global R & D network for design & product validation, which contributes effectively to the development of cutting-edge automotive parts in India. Mando has a global R & D network of 11 centers in 5 countries; R & D Center at Mando is currently under development. The central R&D Centre continues to provide significant support in areas of Intelligent Vehicle Technology, Electronic Technology, Chassis System Technology, Reliability & Validation Technology, Material Technology and Manufacturing Technology.

3.12 People and Culture (OE Model)

Over the years, Mando has built a unique culture (OE Model) which rests on the four pillars of inspiring, nurturing, caring and thanking. Central to this culture are the company’s objectives of staffing the shop floor with a Knowledge Work Force, ensuring high productivity and zero IR issues.

The inspiring culture at Mando starts with a regional mix of OEs who hail from 11 states of the country. With so many different regions represented, the shop floor is a symbol of Unity in Diversity. It also means that the Shop floor workforce celebrates a large number of festivals with equal gaiety and in the most traditional manner. Uniquely, the employees’ families are invited to visit Mando from time to time and reciprocal visits are organized to the homes of the employees thus building a strong bond in the Mando team.

Following the Mando Way, Mando strives to nurture talent in a variety of ways. Not only are shop floor trainings organized from time to time, OEs are also nominated for overseas training. Employees are encouraged to attend Skill Enhancement Courses and women employees are specially trained in the mechanical field. Apart from technical skills, employees are given soft skills trainings as well to make them into holistic personalities and make them ready for a global business culture.

The company’s caring attitude is visible in the variety of initiatives that it takes from time to time. Hostel day celebrations are organized annually. The company
also offers its employees health club facilities and to keep them motivated to use the facilities various competitions are organized from time to time. An OE’s lunch with the Deputy Managing Director and the staff working with the OEs on the shop floor are a common sight at Mando. A communication meeting is regularly organized. During these meetings, employees are recognized for their performance, best projects and best room amongst others.

**Figure 3.6: Mando’s People and Culture (OE Model)**

![Diagram of Mando's People and Culture (OE Model)](image)

The well-known Mando OE model, which has become an industry benchmark has been adopted by Mando as well. This model has received many an industry accolade winning Mando a place in the Great Place to Work list. The company has also been awarded the Asia’s Best Employer Brand Award, the Global HR Excellence Award, 2011, the Performance Management Award, the IFTDO Award amongst others. The following Figure 3.6 gives the details of Mando’s people and culture (OE model).
3.12.1 Functions of OE Model

A) Inspiring

Inspiration is an experience with which we are all familiar. We are inspired when insights or ideas imbue a task with a sense of necessity and excitement. OEs are inspired of Mando’s new possibilities.

**Regional Mix:** OEs recruited from all over India to build diverse work culture.

**Entertainment / Celebrations:** Monthly Entertainment / Celebration activities and all regional festivals are celebrated.

**Family Visits:** Employees Families are visited regularly. MIL visits employees home.

**Employee Involvement through CI:** Continuous Improvements (CI) Teams through Employee Involvement – to bring sense of ownership

**Communication:** Mando Connect (Intra Social Network) is available within the campus. The events of Mando uploaded at youtube.com.

B) Caring

The company’s caring attitude is visible in the variety of initiatives that it takes from time to time. Let us see how the Mando provides caring facilities.

**Hostel Facilities:** Hostel facilities for all employees – Boys / Girls Separate Hostel Facilities and Hostel Day Celebrations are allowed every year.

**Work Life Balance:** The following items are conducted regularly at Mando.

i. competitions

ii. Regional Festival Celebrations

iii. Day Out with Employees

iv. Sports.

v. Health Club

**Women's Forum:** Women’s Forum provides the following facilities for female employees.

i. Training on business etiquettes,
ii. Leadership skills,

iii. Team Management skills.

iv. Senior successful women managers will be the mentors for the budding ones.

**Mando Redressal Forum (MRF)**: MRF includes the following events

i. Canteen Meeting

ii. Monthly Redressal Meetings

iii. Hostel Meetings – Boys / Girls

iv. Safety Committee Meetings

v. Write to Know

vi. Weekly Lunch with Deputy Managing Director

**Staff Working on Lines** - Managing Director, Finance Manager, DGM – Production and Manager – PMD is working on lines.

**C) Nurturing**

Following the Mando Way, Mando strives to nurture talent in a variety of ways. Let us see in detail

**Polytechnic Adoptions**: Two polytechnic colleges are adopted by Mando namely i) Residential Women’s Polytechnic, Payyanur, Kerala and ii) VSVN Polytechnic, Virdunagar, Tamilnadu.

**Skill Enhancement**: Different kinds of training are conducted to nurture the OEs.

- On the Job Training
- Skill Matrix
- Evaluation Record
- On the Job Training
- Theory Evaluation Practical Evaluation Certification
- Training Plan
**Overseas Training:** Exposing employees to overseas for motivating & benchmarking the process. OEs are also nominated for overseas training.

**Video Based Training:** about Product of the company, Process of production and Best Practices of the company is arranged by the organisation periodically.

**Library Facility:** It is available in Mando. The Collection of Technical & Managerial Books placed in the library.

**Anand University:** Mando helps the OEs to excel in their department run it. They can do specialization in the following areas

i. Maintenance Engineering
ii. Quality Engineering
iii. Safety Engineering
iv. Supply Chain Engineering
v. Tool Engineering
vi. Train The Trainer

**Sponsorship for Higher Studies:** If the OEs apply for higher studies, the Mando grants scholarship and sponsorship until they complete the higher studies.

**Educational Partners of Mando**

i. ANAND University
ii. NTTF – Nettur Technical Training Foundation
iii. FTI – Foreman Training Institute
iv. CVAT – Centre for Vocational & Advanced Training
v. REC – Rajalakshmi Engineering College

**D) Thanking**

The well-known Mando OE model, which has become an industry benchmark. This model has received many awards. This paved the way of winning Mando a place in the Great Place to Work list. Let us see the awards in detail.
i. Best OE recognition
ii. Best CI team recognition
iii. Best 5S Team
iv. Global Awards
v. Best 5S Zone Shop Floor
vi. Best 5S Zone Office Areas
vii. Best OE of the Month
viii. Best CI Team
ix. Best system
x. Adherence
xi. Best Rejection
xii. Best Project
xiii. Best CI for the Year
xiv. Best 5S for the year Quality Conscious
xv. Best 5S Beyond Workplace
xvi. Best Facilitator

3.12.2 Purpose of OE Model

There are six important purpose of OE model of Mando. They are as follows

i. Zero IR Breakdown
ii. Have Knowledge Work force in shop floor
iii. Flatter Organization
iv. Better Customer Management
v. Flexibility & Productivity
vi. Culture of Continuous Improvement

3.12.3 Dynamics of OE Model

There are nine important dynamics of OE Model in Mando. Dynamics of OE Model is as follows
• Innovation
• Regional Mix
• Disciplined use of Processes
• Cross Functional Team Work
• Earning while Learning
• Accountability for Performance
• Continuous improvement
• Seamless Communication
• Women Empowerment

3.13 Awards

Mando received number of awards. Let us see the list of awards

• Oct 1998 : Start of production for Hyundai Motor India
• Dec 2004 : Started supply of Master & Booster and Caliper for Ford Fiesta
• Feb 2007 : Started supply of BSTR & M/Cyl assembly for Mahindra Renault Logan
• Oct 2007 : Achieved Ford Q1 Certification
• Oct 2008 : Started supply of Brakes & Suspension Systems for Hyundai i20
• Jun 2009 : Got Award for Best Places to work
• Mar 2010 : Started supply of Brake Assist Booster for Hyundai i10 and i20
• Apr 2011 : Started supply of Brakes & Suspension system to Hyundai Fluidic Verna
• July 2011 : Mando won Asia's Best Employer Brand Award- 2011 for “Best HR Strategy in line with Business” at a glittering event held in Singapore on July 22nd 2011
• Aug 2011 : Started supply of Brakes & Suspension system to Hyundai EON
2011-2012: Mando participated in 20th global HR Excellence Award 2011 - 2012" In which Mando won the Award for "Organization with Innovative HR Practices".

Mar 2012 : Received “Overall Best Performance” Award from Hyundai Motor India

Oct 2012 : NHRDN Chennai Chapter conducted “HR T20” on 26th October 2012 at Hotel Savera. Sixteen companies from various sectors participated and presented their Best Practices. Each participant presented any one of their company’s outstanding, futuristic HR Practices using 20 slides each displayed for 20 seconds in automatic transition i.e. total time 6 minutes 40 seconds. The challenge for the participant was to create a presentation that conveys the idea crisply and tactfully.

Dec 2012 : Mr. Siba Prasad Panda received 3rd Prize from TN Government for the best project of workmen safety in factories on Dec 19, 2012

2012 : Mando India was awarded “Overall best performance for the year- 2012” by the Hyundai Motor India Limited. JMD Mr. Jeong Min Kim and JMD Mr. Madhavan received the award from Mr. Y.H. Seo MD – Hyundai Motor India Limited and Mr. S.H. Hur-Executive Director (Procurement).

3.14 HR Audit Practices of Mando Automotive Limited

The Mando Automotive India Limited is practicing HR audit from 1997 onwards. Three times HR Audit format was revised. The third revision was done on 03.12.2012. The organization has separate HR audit practices for staff and Operating Employees. Now let us see the various HR audit practices of staff and OE’s.

3.14.1 HR Audit Practices of Staff

a. HR Structure

An analysis of a Mando’s internal and external environment is necessary when deciding what structure will best aid the organization. Mando adopted the view of
Pugh and he suggests that understanding the organization’s internal environment is achieved through the measurement of the following structural dimensions:

Table 3.6: Internal Structural Dimensions

<table>
<thead>
<tr>
<th>Structural Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialization</td>
<td>Degree to which an organization’s activities are divided into specialized roles.</td>
</tr>
<tr>
<td>Standardization</td>
<td>Degree to which an organization has standard rules or procedures.</td>
</tr>
<tr>
<td>Formalization</td>
<td>Degree to which instructions and procedures are written down.</td>
</tr>
<tr>
<td>Centralization</td>
<td>Degree to which the authority to make certain decisions is located at the top of the management hierarchy.</td>
</tr>
<tr>
<td>Configuration</td>
<td>The shape of the role structure of the organization. This includes: a) Chain of command: the number of vertical levels or layers on the organizational chart. b) Span of control: the number of direct reports per manager; number of horizontal levels or layers on the organizational chart.</td>
</tr>
</tbody>
</table>

Adapted from Pugh (1973)\textsuperscript{196}.

Understanding of the external environment is achieved through the measurement of Contextual factors:

Table 3.7: External Structural Dimensions

<table>
<thead>
<tr>
<th>Contextual Factor</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origin And History</td>
<td>Whether an organization was privately founded; the kinds of changes in ownership, location and other related changes the organization has experienced.</td>
</tr>
<tr>
<td>Ownership and Control</td>
<td>Type of ownership (e.g., private or public). Is control divided among a few individuals or spread among many individuals?</td>
</tr>
<tr>
<td>Size</td>
<td>Number of employees, net assets and market position.</td>
</tr>
<tr>
<td>Charter</td>
<td>Nature and range of goods and services</td>
</tr>
<tr>
<td>Technology</td>
<td>Degree of integration achieved in an organization’s work processes.</td>
</tr>
<tr>
<td>Location</td>
<td>Number of geographically dispersed operating sites.</td>
</tr>
<tr>
<td>Interdependence</td>
<td>Extent to which an organization depends on customers, suppliers, trade unions, any owning groups or other related entities.</td>
</tr>
</tbody>
</table>

Adapted from Pugh (1973)\textsuperscript{197}.

Contextual dimensions help formulate a better understanding of the external environment and the relationship between the internal and external environment.


\textsuperscript{197} Ibid
Once the structural dimensions and contextual factors have been examined and the connection between an organization’s structure and strategy is understood, the OD consultant can consider alternatives for solution design. The art of organizational design is assessing the essential aspects of the environment and their meaning for the organization’s future. Translating those aspects into the right structure is critical to building results like increases in efficiency and cost avoidance. There is no one best structure and the consultant’s decisions depend on the supporting evidence for each organization.

Therefore, HR structure as the term suggests refers to the hierarchy involved in the HR management. This structure acts as a strategic link between an organization's business strategy and people. They also play an indispensable role in executing those business strategies. The top line executives hold a pivotal role in any HR structure because they represent the best source of evaluating information. The HR structure is well formed in Mando. For HR auditing the company formed two ways of examining HR structure.

i) The company’s business strategy has a link with Human Resource structure of the company.

ii) The policies of the company are supporting the HR department in executing the strategy.

b. Manpower

The second HR audit practice of Mando for staff is Manpower planning. Manpower planning is determination of right number and right skills of human force to suit present and future needs. For Mando, Manpower planning is “strategy for the requisition, utilization, improvement and preservation of an enterprise’s human resource. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing sources of manpower.” Manpower planning is a process determining requirements of right number and right kind of human force at right place and right time.

Objectives of Manpower planning of Mando are to ensure optimum use of human resources currently employed. To assess future skills requirement, to provide control measures to ensure that necessary resources are available as and when required, to determine requirement level, to anticipate redundancies and avoid
unnecessary dismissals and assess training and development needs.

There are three HR audit practices of Manpower planning of Mando.

i. Mando has an effective Manpower planning process.

ii. It has a clear job description for each job/position and a clear competency map.

iii. Mando is doing HR Planning according to the skills, knowledge and education of existing employees

c. Performance Management

Performance management is the process through which supervisors and those they lead gain a shared understanding of work expectations and goals, exchange performance feedback, identify learning and development opportunities, and evaluate performance results.

It is through this process that Mando is able to create and sustain a workplace environment that:

- Values continuous improvement
- Adapts well to change
- Strives to attain ambitious goals
- Encourages creativity
- Promotes learning and professional development
- Is engaging and rewarding for employees

Mando preferred eight HR audit practices in the area of performance Management. They are i) Key Result Area (KRA) sheets. ii) All annual appraisal.iii) All annual appraisal forms have been filed & signed by appraise & appraisers for every year. iv) Final approved performance v) Refresher training.vi) Midterm review of KRAs vii) midterm interview of Job Description and viii) relevant JD with current Job Description

d. Talent Identification, Creation and Retention

The fourth HR audit practice of Mando is talent identification, creation and retention. In today’s global economy, Mando continuously invests in human capital.
In the role of business partner, HR leaders work closely with senior management to attract, hire, develop and retain talent. Yet the skills shortage presents both socio-economic and cultural challenges as talent crosses borders in Mando. Thus, in view of workforce trends such as shifting demographics, global supply chains, the aging workforce and increasing global mobility, forward-looking organizations like Mando rethinks its approach to talent management to best harness talent. By doing so, Mando positively positioned to succeed in a highly competitive marketplace. In addition, organizational culture, employee engagement and leadership development have a significant impact on talent retention in Mando Limited.

Retention of key talent — those employees who are the strongest performers, have high potential or are in critical jobs — is even more important during economic recoveries when organizations compete aggressively for market share and talent. Key talent disproportionally contributes to Mando performance since key employees often become organization leaders. In link with these ideas, the Mando Company’s preferred six HR audit practices for Talent Identification, creation and retention as follows.

They are
i) Human Capital (HC) list of Mando
ii) Department heads are aware of HC list.
iii) Development dialogue.
iv) Employees up to L2 in HC list have a copy of their development/growth plan.
v) Exit interview
vi) The full & final settlement.

**e. Organization Culture**

Organizational culture refers to a system of shared meanings held by members that distinguishes one organization from other organizations. Organizational culture provides employees with a clear understanding of the way things are done in that organization. Organizational culture is the perceived, subjective impudence of the formal system, the informal, style of managers and other significant environmental factors on the attitudes, beliefs, values and motivation of the people in a particular organization. The concept of culture is seen as a kind of bridge between the individual
and the organization. Culture performs a number of functions within an organization. It creates a distinction between one organization and another, it conveys a sense of identity for role incumbents, it facilitates the generation of commitment, and it enhances social system stability. Finally, culture sells as a sense making and control mechanism that guides and shapes the attitudes and behavior of employees.

One of the major reasons for the widespread popularity of and interest in organizational culture stems from the argument that Mando’s organizational cultures lead to superior organizational and financial performance. Organizational culture of Mando creates competitive advantage is by defining the boundaries of the organization in a manner which facilitates individual interaction and/or by limiting the scope of information processing to appropriate levels.

The Mando preferred ten HR Audit indicators for Organization culture.

They are
i. Monthly calendar
ii. Adherence to the calendar is more than 70%
iii. 100% employees have given at least 2 ideas after working on line
iv. Availability of duty manager
v. Employee Satisfaction Survey (ESS)
vi. Follow up Action
vii. The communication meetings
viii. All employees in general (1st & 2nd shift) are covered in communication meeting
ix. Annual Medical checkup
x. Doctor facility

f. Training

There are essentially three main types of employee training programs conducted by Mando: formal, employer-supported offsite training (e.g., tuition reimbursement programs); formal, employer-provided on-site training (e.g., employee induction programs); and informal, on the-job training (e.g., coaching and mentoring). In addition, Mando’s training and development policies include those that promote an “internal labor market” by providing opportunities for development and career advancement within the firm. Formal, on-site, employer-provided training programs, such as formal induction programs, have had a consistently positive relationship with performance in a number of meta-analyses and quality empirical studies. Therefore,
Mando favored five ways to conduct HR audit on training programs i.e., i) 40 hours of training, ii) Appraisal Discussion, iii) Report, iv) Bond, v) 80% adherence to training plan.

g. Recruitment, Selection & Induction

The seventh HR audit practice of Mando is Recruitment, Selection and Induction. Before a department takes steps to employ staff, it should work out the type of staff. It needs in terms of grade and rank, and the time scale in which the staff are required. The general principles underpinning recruitment within the civil service are that recruitment should: a) use procedures which are clearly understood by candidates and which are open to public scrutiny. b) be fair, giving candidates who meet the stipulated minimum requirements equal opportunity for selection and c) select candidates on the basis of merit and ability. Recruitment of overseas officers is undertaken only when no or insufficient local candidates are available. Based on the HRM requirements Mando formed Recruitment, Selection and Induction policies. There is a tracking system for vacant position in the firm. Structured Induction program for new joiners is conducted as per their level. A mentor (buddy) has been assigned for new joiner.

h. Record Maintenance

The Records Management Office will provide active records and filing system advice to custodians on topics such as: Electronic filing methods, Indexing methods, Filing supplies and equipment, File labeling and color coding methods, and Retrieval systems. For HR auditing the following areas are evaluated in the field of record maintenance. In Mando all personal files are updated as per corporate guidelines dated 12.5.09. All the personnel files are kept locked under responsible HR person. Nomination forms related to SA are available for eligible members. Nomination forms related to PF are available for all employees. Mediclaim and MetLife insurance has been completed for all employees. Leave accumulation details accessible to employees. There is availability and accessibility of personnel Manuel.

i. Women’s Grievance Committee

India has recently passed the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Sexual Harassment Act”) and has made the law effective w.e.f. April 23, 2013. The law convincingly states, “No
women shall be subjected to sexual harassment at any workplace. The new sexual harassment act 2013 is exactly on the same terms as the Vishaka Judgment punishable up to five years rigorous imprisonment with/without fine or both.

Mando has adopted the guidelines in Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Sexual Harassment Act”) and guidelines laid down by the Supreme Court of India in its 13 August 1997 judgment on the Writ Petition (Criminal) Vishaka vs. State of Rajasthan for prevention and deterrence of sexual harassment in the workplace. The sense of security at the workplace/study place will improve women’s participation in overall progress, resulting in their economic empowerment and inclusive growth as whole.

Mando’s WGC HR audit practices are as follows.

i. The president of Women’s Grievance / Sexual Harassment committee is a female employee
ii. The women committee consists of a minimum of three members
iii. The women committee have representatives from NGO
iv. The women committee meetings are being held once in a month
v. There is a policy on sexual harassment & it is displayed
vi. The company conducts awareness program on sexual harassment

j) Human Resource Information System (HRIS)

A human resource information system (HRIS) is software containing a database that allows the entering, storage and manipulation of data regarding employees of a company. It allows for global visualization and access of important employee information. The use of Human Resource Information Systems (HRIS) has been advocated as an opportunity for human resource (HR) professionals to become strategic partners with top management. The idea has been that HRIS would allow the HR function to become more efficient and to provide better information for decision-making.

An effective management information system enables Mando in various levels of information to be systematically collected about human resource matters so that departments, policy branches and Civil Service Branch can monitor and predict the effectiveness of Human Resource Management practices.
In Mando accurate management information enables forward looking Human Resource Management by providing the means to:

- monitor and improve on-going HR Management performance
- provide up-to-date information on which to base policy development
- verify and demonstrate departmental effectiveness in Human Resource Management
- create service-wide checks and balances to safeguard delegation
- provide true accountability for Human Resource Management

Administrative HR is much more efficient by using IT because HR professionals are better able to handle large amounts of information efficiently.

Mando’s HRIS audit practices are as follows

i. IT system,
ii. Data entry
iii. Leave management.

3.14.2 HR Audit Practices of OE’s

a. Recruitment

Recruitment is the process of locating potential applicants and encouraging them to apply for existing or anticipated job opening. During this process, efforts are made to inform the applicants about requirement of the job, qualification required to perform the job and the career opportunity available to the candidate in the organization. On the basis of availability of present human resources in the organization decision will be made with regards to filling up the vacancy from within the organization or outside the organization. These decisions are made on the basis of the organization’s human resources policies, and the requirement of the vacancy to be filled. Another important factor in success of recruitment is how much the firm is willing to offer in terms of salary and other benefits in comparison to other organizations in the area. Good recruiting system requires the effectiveness by pre-screening the employees on the basis of their interest in the organization. The screening is usually done by conducting a telephonic/ web-based interview prior to actual interview process. This helps weeding out the applicants who do not have real interest in the organization. The process of pre-screening saves a lot of time and makes the whole system effective.
Recruitment and Selection processes are concerned with identifying, from the range of applicants, the appropriate prospective employee for an organization, weighing up the chances that the applicant will accept an offer of employment and assessing the likelihood that, if appointed, the employee will continue in employment over the long-term.

Grounded on these the Mando method of recruiting of OE’s are determined by four HR audit practices

i. Initial IQ test,
ii. Recruitment team
iii. Feedback of new joinee
iv. Supervisor’s feedback about new joinee.

b. Induction

In Mando all employees require induction. The character of the induction will vary, but all OEs need some form of program, whether they are in academic, technical, professional or support roles, senior or junior appointments, full or part-time, permanent or on a short-term contract, new to the organization or an internal appointment. Depending on the situation, more or less information will be required.

Through Induction, employees are familiarized with their new immediate work unit and environment, including local work practices, standards, safe work procedures, administrative procedures and training in relevant systems. It may also include mandatory training programs.

An induction period is meant to ensure that new members of OEs settle into their roles as quickly and effectively as possible. Tailor-made programs have also been shown to increase staff retention.

Mando induction program:

- Helps the individuals understand their role, the department they work in and the university as a whole
- Familiarizes them with the physical environment, the culture and the university’s procedures and policies
- Makes sure they understand their legal responsibilities

The Induction HR audit practices of Mando are as follows
i. Induction training

ii. Joining of fresh recruits

iii. Training modules

iv. Welcome address

v. Buddy system

vi. Induction training for new joiners

vii. Welcome party

viii. Apprentices/trainees night training

c. Training

Training involves an expert working with learners to transfer to them certain areas of knowledge or skills to improve in their current jobs. Development is a broad, ongoing multi-faceted set of activities (training activities among them) to bring someone or an organization up to another threshold of performance, often to perform some job or new role in the future. Employees must be trained, and where possible developed to meet their own career needs and the need of the organization. In Mando training is job or task-oriented. It aims at enabling individuals to perform better on the jobs they are currently doing. Therefore, Mando developed and implemented training and development systems and programs that best help to achieve its objectives.

The third HR practice of OE’s is Training. There are essentially three main types of employee training programs: formal, employer-supported offsite training (e.g., tuition reimbursement programs); formal, employer-provided on-site training (e.g., employee induction programs); and informal, on-the-job training (e.g., coaching and mentoring). In addition, training and development policies include those, which promote an “internal labor market” by providing opportunities for development and career advancement within the firm.

Mando have a detailed training program. The organization determined five HR practices concerning training.

They are as follows,

i. 40 hours of training
ii. Selection Criteria  
iii. Conversion Training  
iv. STAR Program  
v. Training History Record.

d. Appraisal / Retention

The fourth HR audit practice of OE’s is Appraisal/ Retention. Executives have recognized the significance of executive coaching in their professional performance, both personally and organizationally. During the beginning years of executive coaching, it is seen as an executive crutch to assist non-performers. Today, executive coaching is looked upon as a necessary tool and in some cases reserved only for senior executives. Retention, rather than on the immediacy of Recruitment and Selection. Mando reviewed the changes in the area of human resource development in Chennai and observed that some companies and industries have shifted towards a more strategic approach that emphasizes the impact of effective learning at both individual and organizational levels on long-term organizational competitiveness. Mando found that the education and development of employees have a significant effect upon both the personnel productivity and the short-term and long-term indicators of organizational performance.

The HR audit of Appraisal / Retention in Mando listed ten practices.

i. HR have records of Mobile no./ address of all OEs  
ii. The increment letters to OEs have been issued by 10th of the month from which due  
iii. Summary of exit interviews with analysis & corrective actions is sent to the plant head  
iv. There is evidence of analysis of exit interviews & action plans emanating from these  
v. All Absconding cases are closed & reported max. 40 days from the date of last attendance  
vi. OE attrition in last 3 months is above the affordable
vii. Retention of apprentices / trainees hired in last 6 months is not encouraging

viii. There is a structured process followed by HR to establish connect with every OE once in a month (Eg. Lunch with JMD, Write to know, MRF & Hostel Meeting)

ix. Criteria of knowledge allowance & special allowance is displayed on the Notice Board

x. Service Award accumulated amount for every OE is displayed on the notice board every month

e. Recognition

Recognition of work performance focuses on employees’ work process, most notably the creativity, innovation and continuous improvement they bring to their work methods. In the context of the work process, the main indicators for this type of recognition manifest themselves when individuals (or teams) feel recognized for their expertise, skills, ingenuity and professional qualifications in the way they perform their duties and solve problems. Subjects usually come away with a heightened sense of esteem and personal competency.

Mando understands the importance of offering awards and incentives that recognize, validate and value outstanding work. These keeps the employees motivated and are effective methods of reinforcing company expectations and goals, especially in times when merit budgets are low (or even frozen), promotions are rare, health care premiums are on the rise and overall job satisfaction is low.

Employees not only want good pay and benefits, they also want to be valued and appreciated for their work, to be treated fairly, to do work that is important, and to have opportunities for advancement and involvement in the company. Recognition and reward programs play an important role in organizational success by helping attract and retain high-performing employees. Therefore, Mando determined four HR audit recognition practices as follows,

i. The company recognizes 10% OEs each month

ii. There is an annual calendar for monthly HR events

iii. OEs are involved in planning and conducting the HR events
iv. Recreational avenues are available for OEs after office hours like Gym, Volley Ball etc.,

f. Contractual on Line

The sixth HR audit practice is contractual on line. Contractual are helping the OEs in work line. Contractual on line facility is available in Mando.

g. Infrastructure

Infrastructure projects in developing countries like India are perceived as highly vulnerable to risks, which constrains financing. Some of the notable risks that need to be reckoned are risks arising during the period of construction leading to time and cost over-runs, operational risks, market risks, interest rate risks, foreign exchange risks, payment risks, regulatory risks and political risks. At times, in the absence of proper risk mitigation mechanism, the costs of the projects tend to increase and such high level of risks cannot be traded off against high returns. The aim of the policy makers should be to reduce perceived risks by introducing greater policy clarity and, at the same time, providing an environment that will reassure investors.

Infrastructure is the important factor determining the interest of employees to work more. Mando provides the infrastructure facilities in eight ways. They are

i. The company has separate boys and girls hostel

ii. The company helps boys find accommodation in 1st year

iii. Amenities like newspapers, carom board etc. are provided in hostels

iv. The toilets are clean in the hostels

v. Security is provided in girls’ & boys’ hostels

vi. Transport is provided for pickup from & drop up at hostels

vii. There is a lady security guard in transport provided to drop girls at the hostel after 10pm

viii. Furniture is provided as per guidelines in girls’ & boys’ hostels
h. Mando Redressal Forum (MRF) Forum

Mando Redressal Form is created by the organization based on the HRM rules and regulations. It was discussed earlier in functions in OE model. For HR audit, the company considers three ways of examining the MRF. They are as follows

i. The company has frequency of MRFs

ii. Resolvable issues are open more than 1 month

iii. The plant head and HR Head are permanent members of the MRF forum and at least one of them attends each meeting

i. Women’s Grievance Committee (WGC)

The norms of Women’s Grievance Committee are same that OE and Staff have. It was discussed in 3.14.1(i).