Chapter 4

Profile of Selected Sample Companies in MIDC Areas in Nashik

4.1 Introduction

This chapter deals with the Profile of five sample companies in Satpur and Ambad MIDC areas in Nashik. The object of this chapter is to study the issues of organizational details such as Historical Review, Plant Details, Product, Manufacturing and Production Details, Customers and Market Share, Human Resource Development, Human Resource Development Policies and Practices, Motivational Techniques and Performance Appraisal systems adopted by all the five sample companies, Namely; Jyoti Structure, CEAT, BOSCH, Crompton Greaves and Glaxo.

Jyoti Structure: Organizational Details

Name of the Organization: Jyoti Structure Ltd.
Year of the Establishment: April 1979
Location of the Unit: 52A/53A, D. Road, MIDC, Satpur, Nashik 422007

4.1.1 Historical Review-In 1974, company as a Private Ltd. In 1979 initiated commercial operations, first manufacturing at Nashik. In 1989, transformed into pub. Ltd. shares listed on BSE. In 1988, bagged first turnkey contract from MSEB. In 1997, Company commissioned own R&D Tower Testing Centre at Ghoti. Established a joint venture company named JSA which is based out of Johannesburg.

4.1.2 Plant Details- The Company has established manufacturing two plants at Nashik and Raipur.
4.1.3 Manufacturing and Product Details - 1) Nashik - Annual Capacity: 56,000 MT 2) Manufacturing capacity of 1, 10,000 MT per annum (India) supplied over a million tons of structures to various utilities across globe.

Jyoti structure’s Product is Turn-key solutions in the field of power transmission, at Nashik.

4.1.4 Customers and Market Share - Relationships with clients from over 40 countries across the globe. Jyoti Structures Company's clients include NTPC and Maharashtra State Electricity Board.

4.1.5 Financial or Performance Highlights -

(1) Turnover - Figures of Annual Turnover for the two years are given in Table 4.1.

<table>
<thead>
<tr>
<th>(`Rs. in Lacs)</th>
<th>2011-12</th>
<th>2012-13</th>
<th>Growth (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Turnover</td>
<td>88,259</td>
<td>94,739</td>
<td>7.34</td>
</tr>
</tbody>
</table>

Performance Highlights - Company’s manufacturing capacity of 160,000 MT of Transmission Line Towers. Gross turnover for the year under review in the 2011-12 was Rs. 88,259 Lakh, recording an increase of 7.34 per cent as compared to Rs. 94,739 Lakh over the previous year.

Figure 4.1
Jyoti Structure Turnover
(2) **Sales and Other Earnings:**

The company claims to have sound financial position substantiated by facts and figures of gross sales and other income, PBT and PAT as shown in Table 4.2.

Company’s authorized capital is Rs. 48,900 Crore. Financial turnover are 1738.5 Crore. At the end of the year, distributed dividend is 7.4 Crore.

**Table 4.2**

**Jyoti Structure: Sales and Other Earnings**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>58195</td>
<td>68961</td>
<td>82308</td>
<td>88624</td>
<td>95171</td>
</tr>
<tr>
<td>Profit before Taxes</td>
<td>4212</td>
<td>4812</td>
<td>5578</td>
<td>4285</td>
<td>3264</td>
</tr>
<tr>
<td>Profit after Taxes</td>
<td>2658</td>
<td>3033</td>
<td>3697</td>
<td>2851</td>
<td>2162</td>
</tr>
<tr>
<td>EPS(Earning per share)</td>
<td>9.80</td>
<td>11.23</td>
<td>13.52</td>
<td>10.41</td>
<td>7.89</td>
</tr>
<tr>
<td>Equity Dividend per cent</td>
<td>45</td>
<td>50</td>
<td>75</td>
<td>55</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: Annual Report of Jyoti structure 2008-09 to 2012-13

Sales and Other Earnings—Above table shows Annual sales of the Company show a rising trend in 2011-12 over the previous year 2010-11 shows a positive trend. Table depicts the growth rate. It shows the growth in the sales in 2011-12. The Sales volume for the year in 2011-12 under review was only Rs.88, 624. But in 2012-13, it is increased by
7.38 percent as compared to previous years. This is the highest growth of sales as per the comparison of the previous years.

Profit before tax in 2012-13 is decreased by 22.5 as compared to the previous year 2008-09 and Profit after tax in 2011-12 is decreased by 18.6 as compared to the previous year 2008-09. EPS (Earnings per share) is 7.89 per cent in 2012-13 and it is decreased as compared to the previous year which was 9.80 per cent.

![Figure 4.2 Financial Performance: Jyoti Structure](image)

### 4.1.6 Human Resources employed in Jyoti Structure-

In Nashik factory, total employees are 887. It includes Vice President-1, General Manager-1, Managers and Supervisors- 103 and Workers-628 (Skilled-141 and Unskilled-641).

### 4.1.7 Human Resources Development in Jyoti Structure -

The Company provides a workplace that is safe, hygienic and humane which upholds the dignity of employees considering their goals and aspirations and ensures that diversity in the workplace is embraced. The Company recognizes the importance of protecting all of their human, financial, physical, informational, social, environmental, and reputational assets. In continuation of its emphasis on training and
development. ‘Gurukul’ is the company’s training centre. Under this training centre, company conducts various training programmes for all employees such as Orientation Programme, Leadership Development Programme and Women’s Empowerment Programme and health and safety programmes.

Special training program conducts for female employees on stress management and medical checkupscamp. During the year, 71 Training Programs were conducted and many employees attended the training. The Company always strive to build trust, deliver mutual advantage and demonstrate respect for human dignity and rights in all relationships it enters into, including respect for cultures, customs and values of individuals and groups.

4.1.8 Human Resource Development Policies in Jyoti Structure -

1) Recruitment

Jyoti Structure endeavours to employ the most suitable profile of human resources through a detailed recruitment process. Company uses multiple sources in recruitment including –

• Recruitment Advertising
• Employee Referrals
• Recruitment Agency
• Web

Once a candidate is short listed, an offer with compensation details is made to him/her and asked to join within a stipulated period. All written offers of employment and appointment letters must be issued and signed by Human Resources. JSL (Jyoti structure) provides an equal opportunity to employees to employ, in its best judgment, the best qualified candidates for approved Company positions. While recruiting and selecting the employees, JSL commits to follow all applicable state and statutory employment laws as applicable in India. All appointments or selections are subject to verification checks, credentials, testimonials, and other particulars mentioned by the candidate in the application. Candidates shall be liable to discharged forthwith if any of the particulars submitted were found to be wrong.
2) **Training and Development**- Company conducts training for workmen (unskilled to High skilled) average five or six training programme per year. It covers the subject i.e. Housekeeping, Health and Safety, Awareness of Hazardous handling, Mediation first Aid; fire fighting. Company also arranges special training programme for managers and supervisors such as classroom training, case study, role play, apprenticeship training, leadership development and self development etc.

3) **Performance Appraisal**-

   Company determines some criteria for apprising employees performance such as set and accomplish Goals and Targets within Deadlines, Leadership skill, honesty, commitment towards organization, Innovation ideas related to eco-friendly production, morals, attendance, new skills, Confidentiality of information, team work skill etc.

   Company applies various methods of performance appraisal such as Ranking, Confidential Report System, Self-assessment system, Peer Appraisal, 360 Feedback, MBO(Management by objectives) Method etc. for all employees The company evaluates the performance of employees at least one times in a whole year.

4) **Leave and Travel Assistance**- Jyoti structure provides leave and travel assistance (LTA) to all confirmed employees. It helps individual to enjoy their holidays. LTA can be claimed as per Income Tax Rules for travel in India. Tax exemption under this scheme is as per Income Tax Rules. The LTA cycle for an employee is on a calendar year basis and for new associates it’s on completion of twelve months. The LTA computation is on pro rata basis for new Joiners. For claiming LTA at least 4 days PL must be availed. Leave application must be submitted without which it will not be paid. Benefit can be accumulated up to 2 years. As per current IT Act, LTA can be claimed twice in a block of 4 years and is exempted from tax subject to submission of supporting documents in the prescribed format.

   Under leave policy, company provides various types of leaves. It includes Privilege Leave, Casual Leave, Medical / Sick Leave, Maternity Leave, Leave without Pay.
Privilege Leave:-
Privilege leave is provided to enable employees to take time off in their busy schedules to rest, recover and revitalize. All employees who are permanent employees of the company can avail this leave and are entitled for 20 days of PL as per calendar year, effective from the date of joining.

Casual Leave:
There may be times when the employee is unable to attend office due to personal Work, requiring his / her presence at home. All employees are entitled to 9 days of Casual leave every year. It can be neither en-cashed nor accumulated. The CL will lapse if not availed. Casual leave cannot be taken in conjunction with Privilege Leave or Sick Leave.

Medical / Sick Leave:
Each employee is entitled to 10 days of SL per year, effective from the date of joining. Company can be accumulated up to maximum 40 days beyond which, it will lapse. It can neither be converted in PL nor can be en-cashed. In case an employee has taken a sick leave for a period greater than 3 days, he/she has to provide a medical certificate. The sick leave can be used in conjunction with PL to set-off shortfall. In case the employee is ill and is unable to attend office, he should inform his manager and apply for sick leave immediately on return. In case of long medical leave, the company may ask the associate to undergo comprehensive check-up by the company specified doctors, to ensure that he/she is fit to resume duty.

Maternity Leave: All female employees shall be eligible for maternity leave (up to 2 children) as per “Maternity Benefit Act 1961”, who has been on Jyoti structure rolls for a period of at least one year. Maximum of 12 weeks leave can be availed during this period. To avail Maternity Leave female employee will have to submit a leave application along with a medical certificate issued by a doctor indicating the expected date of delivery. PL and ML can be taken along with the maternity leave with prior approval.
5) **Benefits**: The Jyoti structure provides following various types of benefits to all employees before and after retirement.

   **Provident Fund**

   The Employee Provident Fund is a retirement benefit scheme that is available to salaried employees. Under this scheme, a stipulated amount (i.e. 12% of the basic salary) is deducted from the employee's salary and contributed towards the fund. This percentage is declared by the government. The employer also contributes an equal amount to the fund. The amount accumulated in the PF is paid at the time of retirement or resignation.

   **Statutory Bonus**

   Every employee shall be entitled to be paid bonus as per the accounting year. Bonus in accordance with provisions of Bonus Act, 1965, provided that the employee has worked in the establishment for not less than 30 working days in that year. An employee’s shall be disqualified from receiving bonus if it is found that, employee has committed fraud, theft, misappropriation or sabotage of any property of the establishment or riotous or violent behaviour during working hours.

   **Gratuity**

   An employee who has been with JSL, for a minimum period of 5 years is eligible for gratuity. 5 – 10 years 15 days of Basic + DA for each completed year of service 10 -15 years 22.5 days of Basic + DA for each completed year of service > 15 years 30 days of Basic + DA for each completed year of service.

   In death cases, the gratuity to be paid is calculated from the date of joining till the year he would have completed 58 years of service, irrespective of the number of years of services put in by the concerned associate. Other than health and safety benefits are as following:

   **Health and Safety Benefits**-It includes the following benefits:

   1. Provides uniform, shoes, rain coat, cap, helpmate etc.
   2. Conveyance charges- Rate is fixed for conveyance out of city, fees paid by company to employees. (T.A., D.A. Facility).
   3. Loan to staff- Advance loan facility from salary available to employees.
   4. Mobile bill facility, weekly off, one day c-off etc.
   5. Attendance Bonus for Hourly Employees.
4.1.9 HumanResourceDevelopment Practices in Jyoti Structure–

The Company implements all above HRD Policies in HRD Practices. Other than some HRD Practices are as follows-

1. Careful recruitment and selection, for example, ‘total quality recruitment’, ‘zero defects recruitment’, ‘right first time recruitment’.

2. Extensive remuneration systems, for example, bonuses available for staff willing to be multi-skilled. Good compensation package to all levels of employees.

3. Team working and flexible job design, for example, encouraging a sense of cohesiveness and designing empowered jobs.

4. Training and learning, for example, front line staff having enhanced interpersonal and social skills. Company has their own training centre “Gurukul”.

5. Employee involvement, for example, keeping employees informed of key changes in the organization.

6. Performance appraisals with links to contingent rewards systems, for example, gathering customer feedback to recognize the work by employees over and above their expected duties, which in turn is likely to lead to a bonus for staff.

4.1.10 Motivational Techniques of Jyoti Structure:

Jyoti Structure Company applies some motivational techniques to their Managers, supervisors and workers. These motivational techniques are such as a word of appreciation, Cash Prize, Promotion and, Job Security, Compensation Package, Reward and Recognition, Word of Appreciation, Subsidized Canteen, Scholarships to Children and Sports and Cultural Activities and Additional Increment, Job satisfactionas per Maslow’s needs of hierarchy motivation and Herzberg’s theory of motivation. Next part that follows the detail information of second selected company i.e. CEAT.
4.2 CEAT Company: Organizational Details

Name of the Company- CEAT LIMITED
Year of the Establishment- In 1972
Location of the Unit -CEAT Limited, No. 82, MIDC, Satpur, Nashik-422 007, Maharashtra, India.

4.2.1 Historical Review: In 1960, the first tyre rolled out from the company's factory at Bhandup in Mumbai. In 1972, they set up a R&D unit at their plant in Bhandup. In 1981, Deccan Fibre Glass Ltd was amalgamated with the company. In 1982, the RPG Group acquired the company. The company promoted a joint venture company in collaboration with CEAT Cari of Italy. In 1993, the company collaboration with Yokohama Rubber Company of Japan for the manufacture of Tyres at Nashik.

4.2.2 Plant Details: Company is head quartered in Mumbai. It has manufacturing plants in Mumbai, Nashik and Halol near Baroda.

4.2.3. Manufacturing and Product Details - The Company is growing at an incredible pace.
   i. 4 manufacturing plants - 3 in India and 1 in Sri Lanka
   ii. 10 outsourcing units for tyres, tubes and flaps
   iii. 3 dedicated 2-3-wheeler plants controlled by CEAT

The company is headquartered in Mumbai. It has manufacturing plants in Mumbai, Nashik and Halol near Baroda.

CEAT’s Products are Heavy-duty Trucks, Buses, Light Commercial Vehicles, & other heavy motor vehicles, and light vehicles.
4.2.4. **Customers and Market Share**—Heavy-duty Trucks and Buses, Light Commercial Vehicles, Earthmovers, Forklifts, Tractors, Trailers, Cars, SUVs, Motorcycles and Scooters and Auto-rickshaws.

4.2.5 **Financial Highlights:**

(1) **Turnover**—The Company registered a growth of 9.1 per cent in turnover from `1,478.2 Crore in the year 2011-12 to `1,613.7 Crore in 2012-13.

(2) **Financial or Performance Highlights**—

Table 4.3

<table>
<thead>
<tr>
<th>CEAT: Sales and Other Earnings</th>
<th>2008-9</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (In Crore)</td>
<td>870.3</td>
<td>996.6</td>
<td>1045.1</td>
<td>1166.2</td>
<td>1490.6</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>65.77</td>
<td>10.39</td>
<td>79.6</td>
<td>11.08</td>
<td>3.26</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>49.53</td>
<td>5.37</td>
<td>53.68</td>
<td>7.42</td>
<td>2.51</td>
</tr>
<tr>
<td>EPS (Earnings per share)</td>
<td>14.71</td>
<td>47.3</td>
<td>6.51</td>
<td>2.20</td>
<td>31.06</td>
</tr>
<tr>
<td>Dividend per share - Rs.</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

*Source: Annual Report 2008-09 to 2012-13*

Performance Highlights—Company’s sales were Rs. 870.3 Crore in 2008-09 increased by 27.8 percent in 2012-13 to Rs. 1,490.6 Crore. Profit before tax (PBT) decreased by 95 percent from Rs. 65.77 in 2008 to Rs. 3.26 Crore in 2012. Profit after tax (PAT) decreased by 94 percent from Rs. 49.53 in 2008 to Rs. 2.51 Crore in 2012. EPS (Earnings per share) increased from `14.71 Crore in 2008-09 to `31.06 Crore in 2012-13. In view of the improved performance of the Company during the year under review, the Board of Directors are pleased to recommend a dividend of `4.00 per equity share of face value of `10/- each (i.e. 40 per cent) for the financial year ended March 31, 2013.
4.2.6 Human Resources employed in CEAT- No. of employees are 1,857

4.2.7. Human Resource Development in CEAT-

It includes Learning and Development System. There are 3 aspects to L&D at CEAT: Classroom Programs, E-learning and Bodhi tree. Company believes that employees constitute its core strength and continued its focus on developing and nurturing talent through a robust performance management and talent development system. The Company has adopted QBM (Quality Based Management) and initiated several measures for strengthening employee relations through progressive people practices at the shop floor and initiatives towards increased productivity. In 1989, the company won the “HRD Award” of the National HRD Network. This is the greatest achievement of the companies. Also CEAT won the Employer Branding Award for "Excellence in Training 2007–08" (* Awards by the Asia Pacific HR congress).
4.2.8 Human Resource Development Policies in CEAT-

(1) Recruitment and Selection Policy- Company follows various methods for recruitment such as choice from amongst the present employees, unsolicited applicants, educational and professional institutions, employee referrals and internet usage.

(2) Training and Development (Learning and Development L&D) it is a core agenda of Human Resources function at CEAT. A variety of programs conducts on an ongoing basis to meet the development needs of employees. These programs arrange for all employees i.e. Managers, Supervisors and Workers. Company arranges various types of training for these employees such as apprenticeship training, first-aid box training. There are 3 aspects to L & D at CEAT: Classroom Programs, E-learning, and Bodhi Tree.

i. Class-Room Programs-

Classroom training is off the job training. The training is imparted by a trainer in a classroom set up, the trainer being an expert in the field. Some of other popular programs include: Business Analysis & Decision Making, First Time Manager, Time Management, and Finance for non-Finance, Persuasive Business Communication, Negotiation Skills, Stress Management, and Leading High Performance Teams.

ii. E-Learning-

RPG Virtual Gurukul, e-learning portal, was re-launched in April 2011 to fulfil diverse and growing training demands of the CEATians. It offers fully automated learning medium and web enabled training solutions spread over 467 courses on topics ranging from IT professional certifications to crucial Skills for managers. At CEAT, the only irreplaceable capital an organization possesses is the knowledge and ability of its people. The old paradigm was "knowledge is power". Today company has to be expanded into "sharing knowledge is power".

iii. The Bodhi Tree platform enables and encourages employees to share information, ideas, know-how across the organization and thus build a knowledge sharing culture. BODHI TREE has following branches:
i. Short articles covering a variety of topics ranging from technical information to issues of socio-cultural matters.

ii. Live Knowledge Sharing sessions by employees who attend external training programs.

iii. Study Tours to Best in Class work-places

Other than behavioral and Functional training is given by CEAT to employees. Behavioral training is especially for managers which is under the title “Jai ho” includes stress relaxation, personality development. Functional training is especially to workers under the title of “Saksham” includes safety and maintenance of machines.

(3) Performance Appraisals / Management by Objectives - Under this HRD Policy, CEAT determines some criteria for apprising employees performance such as Meets Goals and targets, Leadership skills, Relationship with other colleagues, communication (oral and written), Commitment to do a perfect job, Punctuality, behaviour, taking authority and responsibility etc.

In the performance appraisal system revisions are based on the performance of an employee and organizational set targets. For an organization to be an effective one and to achieve its goals, it is very important to measure its employee performance on a regular basis. Timely recognition of the accomplishments also motivates the employees and helps to improve not just Individual performance, but also departmental and organizational performance. Performance of an employee is assessed by the annual performance review process and MBO process. This process is as follows-

(I) Annual Performance Review Process

1. HR initiates the process by circulating the Self Appraisal forms to be filled up by employees.

2. The employee rates himself on various parameters, identifies training needs and completes the Section on accomplishments, strengths, weaknesses; problems faced etc and forward the same to the concerned HOD for review.
3. HOD reviews the evaluation form independently and holds a meeting with the employee.

4. HOD has a performance review meeting. Achievements are recognized, strengths are reinforced and areas of improvement are discussed. MBO’s form an important part of performance review. A joint problem-solving approach is adopted. Training needs of the employee are also identified.

(II) Management by Objectives (MBO)

The principle and purpose behind Management by Objectives (MBO) is to create empowered employees who have clarity of the roles and responsibilities expected from them, understand their objectives to be achieved and thus help in the achievement of organizational goals. The process of MBO is as follows-

1. The HOD first individually works on the MBO (goals and targets) for an employee based on the department objectives and meets of past performance objectives.

2. The HOD and employee sit in joint consultation and discuss the MBO in detail. The standards/expectations are clearly stated with timeline wherever applicable.

3. MBO’s are written and recorded and HR is informed.

4. The HOD conducts periodic reviews, follow-up and feedback. Where necessary, changes may be made to the MBO’s.

5. This is a quarterly process. The reviews and interactions between superiors and subordinates every quarter helps to maintain harmonious relationships within the organization and also solve many problems faced during the period.

(4) Leave Policy- Under this policy there are five types of leaves that may be availed of by the employees.

1. Privilege Leave (PL) - This is being accounted on the presence of the employee. @ 2.5 days for every month of working of the employee generally getting sanctioned. If the employee is on leave for more than 7 days in any month,
accordingly it would calculated at the end of the year the balance PL in any employee's account, could be carried away for the ensuing year.

2. Casual Leave (CL) it is fixed one and the Company may fix it about 10 to 12 days in a year as per the company norms. This is nothing but emergency leave and the employee may inform as and when necessary.

3. Medical leave. This is granted when an employee falls sick or is hospitalized for medical treatment subject to submission of medical certificate to that effect. Duration of such leave and leave period emoluments payable depends upon the company rules.

4. Maternity Leave: (ML): This leave is allowed only to female employees. It is allowed subject to a maximum of 90 days.

5. Paternity Leave: Maximum 6 days and this could be taken at a stretch by any male employee at the time of delivery of his wife. This is a discretionary matter within the jurisdiction of company management.

6. Leave without Pay: An employee can opt for this leave if no other option of paid leave is available. The employee may need this leave due to ill health of self or any family member. This leave, though without pay, is an authorized absence from normal duty and the claim on the post held by the employee remains intact. Company at its discretion may grant or reject the leave.

(5) Travel policy- Under this policy, CEAT determines some criteria of travelling allowance to employees such as for V.P. (Vice President) Rs. 3000 and 7,000 for G.M. (General Manager).

(6) Benefits to Employees-

1) Education Facility- This is for all staff employees. Company gives school donation amount reimbursement to employees children’s. In many times in a specific period (July to Dec month) if there is a transfer of employees, their children suffers a problem of school and fees amount.

2) Telephone Facility- The employee telephones in the break rooms are available to make outgoing, local, personal calls during break times. It includes amount
of telephone bill paid by company up to some limits. I.e. Managers- Rs. 2,000-3,000, Sales Manager- limit is high at Rs. 4,000, In case of sales manager goes to country and out of country, company gives extra payment to them.

3) **Computer / Internet Policy**-
   
i. Company provides Computers, Lap-topsto Managers for making project; sending emails and other works.

   ii. Company email address is strictly to be used for business purpose. Company emails may not be used to chat with friends, solicit others for commercial ventures or other non-business matters. Printers are to be used for official printing only.

   iii. Personal use of the internet must be done during lunch and tea breaks only and not during office Hours and after work hours.

   iv. Employees should not access a confidential/ unknown file, delete or retrieve any stored.

4.2.9 **Human Resource Development Practices in CEAT**-

CEAT implements above all HRD Policies in HRD Practices. Other than some HRD Practices are as follows-

1) **House Keeping Practice**- Under these practices, there should be labeling and coding to all cupboards and files.

2) **Cross- functional Project**- Company gives target to individual or team to accomplish. Each individual or team should accomplish the goals or targets. After their achievement of goals and targets company awards them some gifts or certificates.

3) **Employee-engagement Survey**- Under this policy, it involves Group Discussion and arranges special meeting for all the categories of employees. Company observes different opinions, feedbacks of all employees and takes action. In a whole year, the period of this session is minimum 5-6 days.

4) **Bol Bindhast**- This is like as complaint box. Under this practice, all the employees can give their complaint in the suggestion box.
4.2.10 Motivational Techniques in CEAT:

Company provides motivation to their Managers, supervisors and workers to perform their best. For all employees CEAT gives “surprise gift” for the best performance of employees as per Carrot and stick approach theory of motivation. Also company arranges family get together functions, competitions of employees’ couples under the title of “Jodi tuzi ni mazi”, eco friendly programmes. Only for best workers or best performers of month find out “star of the month” and gives certificate and reward to them. Other than company uses other motivational techniques to employees are such as a Cash Prize, Bonus, Canteen, Scholarships to Children and Sports and Cultural Activities etc.as per Herzberg and ERG theory of motivation.

Next part that follows profile of Bosch Company is in details.

4.3 Bosch Company (Organizational Details)

**Name of the Company:** Bosch Ltd.

**Year of the Establishment:** In 1972

**Location of Unit:** Bosch Limited, 75, MIDC, Satpur, Nasik- 422007

4.3.1. Historical Review- In India, BOSCH has its roots dating back to 1922 when it set up a service centre in Kolkata. In 1951, BOSCH began its journey in India, with manufacturing through Motor Industries Company Limited (MICO) and later expanded with three subsidiaries - BOSCH Rexroth India Limited, BOSCH Chassis System India Limited and Robert BOSCH India Limited. 1960, the first tyre rolled out. In 1972, they set up a R&D unit. 1981, Deccan Fibre Glass Ltd was amalgamated with the company. In 1982, the RPG Group acquired the company. The company promoted a joint venture company in collaboration with CEAT Cari of Italy. In 1993, the company collaboration with Yokohama Rubber Company of Japan for the manufacture of Tyres at Nashik.

4.3.2. Plant Details The Company is headquartered in Bangalore with manufacturing facilities at Bangalore, Naganathapura (near Bangalore), Nashik, Jaipur and Goa. The plant is spread on 400,000 sq m, having 4 manufacturing hangars.
4.3.3. **Manufacturing and Product Details**-

Bosch Limited manufactures and trades in all the three major business sectors of Bosch:


ii. **Industrial Technology** - Business divisions: Packaging Machines, Special Purpose Machines, Solar Energy


Main products manufactured at Nashik are nozzles and Nozzle Holder Assemblies.

4.3.4. **Customers and Market Share**-

(1) **Customers** - The plant received good acceptance by customers in Europe, USA and South East Asia. At present the export business is about 25 per cent of the plant output.

Market Share - Robert Bosch-Diesel Systems (RB-DS) business is a market leader for its major products.

4.3.5 **Financial Highlights**

![Bosch Logo](image)

(1) **Turnover** - In India it generated consolidated revenue of nearly Rs. 12,900 Crore in 2012-13.
(2) **Sales and Other Earnings:**

Sales and other earnings of the company are given in Table 4.4

### Table 4.4

**Bosch: Sales and other Earnings**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>9083</td>
<td>9500</td>
<td>13261</td>
<td>15858</td>
<td>16834</td>
</tr>
<tr>
<td>-of which exports</td>
<td>1816</td>
<td>1900</td>
<td>1692</td>
<td>2068</td>
<td>1884</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>1713</td>
<td>1586</td>
<td>2405</td>
<td>3148</td>
<td>2692</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>1267</td>
<td>1181</td>
<td>1717</td>
<td>2,245</td>
<td>1,916</td>
</tr>
<tr>
<td>EPS (In Rs. Crore)</td>
<td>292.4</td>
<td>284.8</td>
<td>354.4</td>
<td>439.6</td>
<td>422.1</td>
</tr>
<tr>
<td>Dividend</td>
<td>30</td>
<td>40</td>
<td>50</td>
<td>135</td>
<td>60</td>
</tr>
</tbody>
</table>

*Source: Annual Report of Bosch from 2008-2013*

Net sales for the year 2012-13 grew by 85.3 per cent as compare the previous year 2008-9 which volume was 9083. The Profit before Tax (PBT) in 2012-13 grew by 57.1 per cent as compared to previous year 2008-09. The Profit after Tax (PAT) also grew by 51.2 per cent as against previous year in 2008-09. The earnings per share of has reached the highest, i.e., Rs.422.01 during 2012-13 as compare to the previous year in 2008-09. Overall, the Profit before Interest, Depreciation and Taxes, for the year shows an increase over the year.
4.3.6 Human Resources Employed in Bosch—
The strength of total Human resources are 2876.

4.3.7 Human Resource Development in Bosch—
In Human resource development, Company emphasis on enhancement of employee’s skill and competence in the Company. Special emphasis is leading on development of Leadership capabilities at the Middle and Senior Management levels. Significant efforts and measures take to integrate more women in the organization and to create an inclusive environment for them. In constant endeavours to make the Company a better place to work for, necessary changes have been incorporated in the existing HR policies. Attrition continues to be well below market levels due to the measures taken by the Company. Introduction of Low Performance Monitoring policy is a key step towards employee development and ensuring retention of the competence edge of the Company. Achievement of “Significant Achievement Award” for the Company in HR-Excellence Assessment conducted by Confederation of Indian Industry (CII) is a
major recognition of Bosch at National level. In the HRD Process it provides the following services: With 25 years of experience in the field of Human Resource Development and being registered with various Sectorial Education Training Authorities (SETA), it facilitates the HRD process for the companies. It provides the following services:

<table>
<thead>
<tr>
<th></th>
<th>Conduct a Needs Analysis for the client</th>
<th>Develop a Training Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Link the Training Plan with the client’s strategy</td>
<td>Draw up a Workplace Skills Plan as per the SETA requirements</td>
</tr>
<tr>
<td>5</td>
<td>Register the client with the relevant SETA</td>
<td>Register the Workplace Skills plan with the SETA (electronically)</td>
</tr>
<tr>
<td>7</td>
<td>Complete an Annual Training Report on the client’s behalf</td>
<td>Assist the client in receiving their mandatory and discretionary grants</td>
</tr>
<tr>
<td>9</td>
<td>Establish measures that will facilitate the management of the grants as per SETA requirements</td>
<td>Assist the client with implementation of apprenticeships, learner ships and internships</td>
</tr>
</tbody>
</table>

Company facilitates the Skills Development that is designed for supervisors, foremen, technical staff and management. The programmes exposes the candidates to the relevant knowledge required to understand and make calculated decisions related to their field of activities. Where applicable the programme assists the candidate in achieving points towards their continuous professional development scorecard.

4.3.8 Human Resources Development Policies in Bosch -

HRD Policies - Key HR policy goals at present include preparing employees for the future challenges facing the Bosch Group and providing them with opportunities for acquiring additional qualifications.

(1) Recruiting young talent – Company develops international standards and expands junior executive programs worldwide. Therefore the potential for professional development is an essential standard for recruitment.

Company contacts with Colleges and reputed institutions and other contacts are to be undertaken so as to ensure good visibility of the Company vis-à-vis relevant
recruitment sources. Company takes particular care to the treatment of each candidacy regardless of the outcome of the selection process. Even when promoting employees intensively from within the organisation, it is the role of management and HRD to keep an eye on valuable candidates from outside and to benchmark internal skills with external offers. “Women mentoring” programme for women identified as High Performers which is a key step towards the same. Other than company applies other sources such as causal application, advertisement, retired employees etc.

(2) **Training and Development** - (Education and lifelong learning) – Company operates a systematic competence management scheme and is increasing the number of employee training programs. Bosch Vocational Training Centre of the Company helps providing vocational training to the underprivileged. The Training Centre has designs different training programs such as basic computer training suitable for underprivileged children. Many skill development programs or short term courses are introduced at Bosch Vocational Centre. Also arranges many health and safety training programmes for employees.

(3) **Performance Appraisal** - Bosch determines some criteria for apprising employees performance such as Job Knowledge, Meets Targets / Deadlines, Initiative to do / follow up the assigned work, Willingness to shoulder additional responsibility, Commitment to do a perfect job, Habits and Manners, Presentation, Punctuality, Confidentiality of information, team work skill and leadership skill etc.

The Company’s appraisal program system for managerial staff called as ‘Bosch Performance Review and Employee Development (PRED)’ program attains higher maturity level through continuous communication and education through forums like Employee Development workshops etc. Introduction of Low Performance Monitoring policy is a key step towards employee development and ensuring retention of the competitive edge of the Company. Also company uses various methods for appraising employees’ performance such as MBO (Management by objectives), ranking, confidential report system, field review method etc.
(4) **Leave Policy**—Under this policy, the company provides different leave facilities for their employees including leave without pay, causal leave, maternity leave, paternity leave, medical leave etc.

(5) **Travel Policy**—Entitlements for Travel expenses of the employees of different categories is shown below in the box.

A maximum of 1200km is reimbursed per month for staff of all categories. The Mileage / distance from residence to office and back would be deducted. A Prior Approval for using Cab/4Wheeler is Mandatory.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Designation</th>
<th>Entitlement to Class of Travel</th>
<th>Local Conveyance</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV</td>
<td>Zonal Sales/service Manager/State Heads</td>
<td>II Tier AC / Air Volvo AC Buses</td>
<td>Auto/Self as per actual</td>
</tr>
<tr>
<td>III</td>
<td>Area // Territory Sales Manager / service Manager/Deputy Managers</td>
<td>III Tier AC / Volvo AC Buses</td>
<td>Auto/Self as per actual</td>
</tr>
<tr>
<td>II</td>
<td>Service Coordinator/ Territory Sales In charge/Assist Managers</td>
<td>Sleeper / Non AC Buses</td>
<td>Auto/Self as per actual</td>
</tr>
<tr>
<td>I</td>
<td>District Sales Officer/Territory Sales Officer service Officer/executives</td>
<td>Sleeper / Non AC Buses</td>
<td>Auto/Self as per actual</td>
</tr>
</tbody>
</table>

@ Employees in Category – IV are eligible for Air Travel only on prior approval
Number of Kilometres allowed per day category wise:

(6) **Benefits to Employees**—

International development programs – Company integrates employees around the world into the corporate culture described in House of Orientation and creates new international development programs.

Equal opportunities for women – Company consistently promotes employment and development opportunities for women.

Harmonizing career and family – Company offers more options for harmonizing career and family life – for both, mothers and fathers.

Generation 50 plus: – this programme helps to boost the health and performance of older associates and are supporting them in career changes.

Other Facilities- Bosch provides canteen facilities, medi claim facilities, celebrates family day for employee’s family.
4.3.9 **Human Resource Development Practices in Bosch**–

Bosch Company implements above HRD Policies in HRD Practices. Other than some HRD Practices are as follows-

*Leadership pipeline + continuing quality-* Leaders are a rare commodity hence place a very high premium on it. For nurturing leaders available instruments to identify leadership material will hold good and entire focus on nurturing leaders should be only on evolving qualities. Qualities cannot be taught through trainings but has to be experienced. All that an organization can do is to keep reinforcing the qualities and hope for the best.

*Improving leadership effectiveness:* A leader (potential or existing) should know his faults to take corrective steps introduce mandatory feedback system called negative report. All sub coordinates should compulsorily point out the negative areas of their leader/potential leader.

**Arranges various Courses**- Company arranges various courses in company such as Courses for Institutional Customers, Course on Bosch Wheel Balancer, Tyre Changer and Nitrogen Tyre Inflator 12, Course on Bosch Air Conditioning Machine 12.

4.3.10 **Motivational Techniques of Bosch:**

Company applies various techniques of motivation to their all employees to perform their best. Such as A word of appreciation, Cash Prize, Promotion and Additional Increment etc. as per Herzberg’s and Maslow’s theory of motivation. Other than are such as assist Employees Feel Part of a Winning Team, Company gym and fitness studio, Social club, Works committee, Material Incentives, Staff Shop- Offering the regular Bosch product range at discounted prices or close to manufacturing price for end-of-run models. Company determines goals and targets as per goals setting theory of motivation. Other various incentives are given according to the employee’s level within the company such as company car facility or mobile phones. These benefits are task of personal negotiation.
4.4 Crompton Greaves Ltd.: Organizational Details-

Name of the Organization - Crompton Greaves Ltd.

Year of Establishment - In 1980

Location of the Unit - Plot A-3, MIDC, Ambad, Nashik - 422010

4.4.1. Historical Review- In 1878, Crompton Greaves goes back to when Col. R.E.B. Crompton founded the Company. In 1927- merged with F.A Parkinson to form Crompton Parkinson Ltd. (CPL). Company has Owned Indian subsidiary viz. CPW L in Bombay. In 1947- the company was taken over by Karamchand Thapar. Crompton Greaves is headquartered Worli, Mumbai.

4.4.2. Plant Details- The division has the capability to manufacture transformers from 400 kva to 9,00,000 kva.

4.4.3 Manufacturing and Product details-

Manufacturing- It only assembles the auto parts on the production flow line which finally added to the product. CG’s business operations consist of 22 manufacturing divisions spread across in Gujarat, Maharashtra, Goa, Madhya Pradesh and Karnataka.

Transformers, switchgears and heavy electrical equipment. CG’s product portfolio is widely used by the Indian Railway across various segments.

4.4.4. Customer and Market Share-

1. Customers- The Company have a large customer base, which includes State Electricity Boards, Government bodies and large companies in private and public sectors.
Customer Service- CG’s business operations consist of 22 manufacturing divisions spread across in Gujarat, Maharashtra, Goa, Madhya Pradesh and Karnataka supported by well knitted marketing and service network through 14 branches in various states under overall management of four regional sales offices located in Delhi, Kolkata, Mumbai and Chennai

4.4.5 Financial Highlights:

1. Turnover- Rs. 91688 million

2. Financial or Performance Highlights-Sales and other earnings of the company are given in Table 4.5

<table>
<thead>
<tr>
<th>Year</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>71104</td>
<td>75016</td>
<td>79904</td>
<td>79028</td>
<td>80641</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>6228</td>
<td>7355</td>
<td>3703</td>
<td>4197</td>
<td>4391</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>76014</td>
<td>75016</td>
<td>79904</td>
<td>79028</td>
<td>80641</td>
</tr>
<tr>
<td>Earnings per share(EPS)</td>
<td>6.19</td>
<td>9.62</td>
<td>10.82</td>
<td>7.87</td>
<td>6.95</td>
</tr>
<tr>
<td>Dividend</td>
<td>73</td>
<td>81</td>
<td>141</td>
<td>90</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: Annual Report of CG 2008-13
The power system business in 2012-13 has shown 13.4 top line growth over the previous year in 2008-09. The Profit before Tax (PBT) in 2012-13, as a per cent of net sales, was at -29.4 per cent as compared to previous year 2008-09. Overall, the profit before tax shows a decrease over the year. But Profit after Tax (PAT) in 2012-13, as per compare to previous year is decreased by 6.05 per cent. The earnings per share of have reached the better, i.e., 6.95 per cent during 2012-13 as compare to the previous year in 2008-09.

4.4.6. Human Resources employed in Crompton – The total strength of employees are 854.

4.4.7. Human Resource Development in Crompton Greaves -

In company’s human resource development, the HR Systems links individual rewards with Divisional/Regional performance. The Company's compensation philosophy continues to be differentiation based on professionalism and performance excellence, together with the Executive's role and complexity of responsibilities. During the year, actions have been taken to flatten the Organization structure to consist of three broad levels - Executives, Managers and Leadership, thereby eliminating four layers in
the structure. This will also increase the ability of young professionals to assume leadership positions faster. Employee Engagement and Benchmarking in the product continues to be a priority.

In Human resource development, the Management focuses main Values - Performance Excellence, Leading Edge Knowledge, Nurturance, Customer Orientation and Intellectual Honesty and, for easy implementation, simplified these into Positive Behavioural Indicators and Negative Behavioural Indicators of each Value. These Values are the platform on which the Company's businesses are built. Training and development is imparted after identifying needs both at Corporate and at the Divisional/Regional level supported by a Corporate Training Calendar, as well as Training Programmes at different locations. The focus continues to be skill-based training with high business impact, with need-based training in behavioural skills. Leadership development is addressed by inviting Faculty from reputed Institutions and also sponsorship of Senior Executives for high-end Business Leadership Programmes. Gurukulis the CG Management Development Centre located at Mulshi which provides training and development to employees.

4.4.8 Human Resource Development Policies in Crompton Greaves -

HRD Policy for employees is made for financial year and it reviewed twice in a year (Sept-Mar).

1. Recruitment and Selection- Crompton greaves emphasis on filling up key vacancies with professionals in the younger age groups. To improve its performance capabilities, the scrutiny and quantum of sub-optimal performers has intensified. Company uses internal methods of recruitment such as referral etc. and also uses external methods such as campus recruitment, advertisement, employment exchanges etc. In furtherance of its philosophy to induct professional youth, this year, the Company recruited new Engineers, from Institutes of repute.

2. Training-Under this policy, Crompton uses multiple methods of training for all employees such as apprenticeship training, training by supervisors and classroom
training, role play, seminars etc. CG publishing a corporate “Learning Calendar”. In the process Flow involves: 1.Identification of training needs through performance management system. 2. Discuss with the Departmental Heads 3. Preparing the training Calendar. 4. Releasing the training Calendar month wise to employees.


 In Company, Need based system of importing training and Technical training is also followed. Training is based on the frequency of defects found during the production. The Company’s training initiatives included Programmes on Marketing Strategy and Execution, Six Sigma for its Divisional and Regional teams, Appraiser Training, Executive Engagement Training and Behavioural Event Interview Techniques, to strengthen the Executive promotion process.

 3. Performance Appraisal or Performance Management System-

 Crompton determines some criteria for apprising employee’s performance such as Innovation ideas and suggestions, team work, Leadership skill, honesty, attendance, Relationship with others, Taking authority and Responsibility, determine and Meets Goals and Targets within Deadlines, contribution towards company etc. Company uses various methods for apprising performance of all employees such as MBO method, Grading method, self appraisal, 360° degree feedback, Free essay method, Critical incident method etc.

 In CG, the performance of employees is based on mainly 3 goals- Organizational goals, Divisional goals and Individual Goals. These goals are independent to each other. There should be correlation between them for the organization’s development. Basically all these goals are based on some CG Values. It includes performance excellence,
Leading edge knowledge, Nurturance, customer orientation and intellectual honesty. This is a line system. For evaluating the managers, executive’s performance organization uses Rating Methods. It involves excellent, very good, good, average and poor grades. In this process 3 persons are essential for Appraise, Appraiser and Moderator. On the other hand, for workmen the performance evaluation method is based on their wage settlement and also it uses 3 types of criteria’s- i) Written Test ii) Skill Test iii) Personal Interview. All criteria’s are important and interdependent. Workmen’s promotion is determined by these tests. Success of first to third tests surely provides opportunity to candidates to select for promotion. To consolidate the performance culture across the Company, the Performance Management System thus far applicable to Executives has also been extended to Staff.

4. Leave Policy- Depending upon the exigencies of service and subject to rules and procedures laid down for grant of leave, employees are entitled to the following types of leaves. Leave cannot be claimed as a matter of right. The Company may refuse, defer, curtail or revoke leave. There are following types of leaves- A. Casual Leave B. Medical Leave C. Privilege Leave D. Maternity Leave E. Miscarriage Leave F. Extraordinary Leave G. Leave (for Trainees). H. Leave without Pay

5. Travel Policy- The objective of this policy is to rationalize and achieve clarity with respect to an Executive’s entitlement for travel, lodging, boarding, relocation and related expenses incurred within India, during his/her official duty and also define methodology for claims and settlement of these expenses. Also to align entitlements with the new Executive Levels this will be applicable to other HR Policies, and to strive for Reasonableness, Flexibility and Simplicity in implementation. This policy is being applicable to the following: Executives at all levels, Graduate Trainees (GT), Management Trainees (MT) and Pre-placement Trainees (PPT) recruited in terms of the Company’s Scheme for such Trainees. For the purposes of all entitlements under this Policy, such Trainees will be treated at par with the Executive Level (Grades E1 & E2).
Lodging, Boarding and Meal Entitlement with Bills facility is being applicable to the levels such as GM and above, DGM, AGM, Sr.Manager, and Dy. Manager, Executive and Sr.Executive and Executive Trainees.

6. **Benefits to Employees**

Following are the benefits provided by the CG (Crompton Greaves) to their employees:

   * **i) Health and Safety** - It involves maintaining green environment to employees. In addition, various facilities are provided by company such as safe drinking water, shoes, helpmates and

   A) Medical schemes for staff, executives and Managers. Company provides special medical scheme. For workmen company provides medical allowance additional in their wages.

   B) Hospitalization- This scheme is useful for employees and workmen. The company paid the hospitalization expenditure to employee and its dependants only in case of managers and executives. In case of workmen, hospitalization scheme is useful only for workmen and their spouse.

   C) Group Insurance- This scheme is provided by company to only managers and executives. The limit of this scheme is 24, 00,000. The employee gets lump sum amount in this scheme.

   D) DBF (Death Benevolent Fund) - This fund is beneficial for all managers, executives and workmen. Under this scheme, all employees works extra one day in a year and employer posts similar amount in the funds is a DBF.

   * **ii) Welfare Facilities** - Company provides various types of welfare facilities such as subsidized canteen facility. It involves breakfast at one times, tea or coffee at two times and afternoon meals at two times in only at 1 Rs. This 1 Rs. taken by company at employee’s salary or wages and remaining expenditure suffered by Company at its own
fund. This facility is available for all managerial staffs, executives and workers. Also company arranges welfare and cultural activities in a calendar year for employees and their family. CG celebrates CG day which is the important day for all CG employees on 15 Oct per year. On this day, company arranges various programmes for employees and gives awards in the forms of cash prize and Certificates, trophies.

**iii) Reward and Recognition Policy**- As per this policy provides reward and recognition to all employees. Company provides 5 types of awards. It involves spot Award, Certificate of Excellence, Quarterly Awards, Annual Awards, and CEO’s Awards. Other than, individual and team are given awards for projects in various forms- cash, certificate and gift. This is a global system at all branches of CG in India and abroad.

**iv) Incentive Scheme**- This scheme gives to only for workmen. The benefit of this scheme is achieved by workmen after completion the goals and targets of organizational, divisional and individual. There are also some financial and non-financial parameters of incentives such as particular in attendance, productivity achievement.

**v) Educational Assistance**- This scheme provides facility to workmen’s children for their higher education such as diploma in medical and engineering etc.

4.4.9 **Human Resource Development Practices in Crompton Greaves** –

Crompton Greaves implements all above HRD Policies in Practices. Other than some HRD Practices are as follows-

**1)Performance Appraisal**-Company implements this HRD Policies in practices. Apart from, Company makes working at CG an enjoyable experience by providing the right balance between work and fun. Their initiatives like 360° degrees appraisal system and skip level feedback encourage a free flow of communication at all levels. An open-minded approach in all endeavours is aimed at bringing out the best employees.Company has created a very fair and a transparent atmosphere that decides employee’s position only on the basis of merits and not by extraneous factors.
(2) **Working Environment**- Company strives to provide a stimulating environment backed with high levels of empowerment and recognition. In this energized atmosphere, share successes while setting new standards of excellence.

(3) **Welfare and Health Facilities**- CG encourages its employees to embrace a healthy lifestyle, both at work and at home. In addition, a comprehensive health and wellness program helps the company to attract and retain a talented workforce.

*Medical check-up* - Company undertake a medical check-up of all employees. Preventive and early detection provide the basis for a healthy workplace.

*Sports* - CG also has a cricket club and employees are encouraged to participate in cricket tournaments.

*Gym & Recreational Centre* – It gives employees an opportunity to unwind, relax their minds and bodies, and feel rejuvenated. It features a Gymnasium and a Games Room, with table tennis and carom boards, as well as a Reading Room.

**4.4.10 Motivational Techniques in Crompton Greaves:**

Crompton Greaves applies various techniques of motivation to their employees to perform their best. Such as A word of appreciation, Cash Prize, Promotion and Additional Increment, Job satisfaction, Job Security, Job Promotion, Compensation Package, Reward and Recognition, Subsidized Canteen, Cash Prize, Scholarships to Children and Sports and Cultural Activities and other than Set Clear Performance Expectations as per Maslow’s hierarchy theory, Herzberg’s and goal setting theory of motivation.
4.5 Glaxo Company: Organisational Details-

1. Name of the Company : Glaxo SmithKline Pharmaceuticals Ltd.
2. Year of the Establishment : In the year 1983
3. Location of the Unit : A-10, MIDC, Ambad, Nashik, 422010, Maharashtra

4.5.1. Historical Background-

In 1924, the company was incorporated in India on 13th November under the name of H.J.Foster& Co. Limited as an Agency House for distributing the well-known Baby Food Glaxo of the U.K Company, Joseph Nathan & Co. Two years later, the company became a wholly-owned subsidiary of Joseph Nathan & Co. In 1950, on 1st March, the company changed its name to Glaxo Laboratories (1) Ltd. 1962, the company took over the business of the Indian branch of Allen & Hanburys Ltd., U.K., In October 2001, Smith line Beecham Pharmaceutical (India) Ltd was merged with Glaxo India Ltd to become GlaxoSmithKline Pharmaceuticals Ltd.

4.5.2. Plant Details- They have two manufacturing units in India, located at Nashik and Thane. Nashik site commenced manufacture and supply of Albendazole tablets to WHO for the Lymphatic Filariasis eradication programme.
4.5.3. Manufacturing and Product Details-

Capacity expansion projects of Ampoules and Eltroxin started at the Nashik site. Over a period, the site has developed capabilities of supplying to Government Tenders which are in generic drug form and highly customized packs.

Prescription medicines, prescribed vaccines and consumer health care products.

4.5.4. Customers and Market Share-

Customers - Consumer healthcare division that produces and markets oral healthcare and nutritional products, drinks and over-the-counter medicines, including Sensodyne, Boost, Horlicks, Lucozade and Ribena. GSK leads in several therapeutic segments - Dermatology, Vaccines, Anti-Parasitic.

4.5.5. Financial Highlights

(1) Turnover - Rs. 2275 Crore

(2) Financial Performance Highlights-

Sales and other earnings of the company are given in Table 4.6
Table 4.6
Glaxo: Financial Highlights

<table>
<thead>
<tr>
<th>Year</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1752</td>
<td>1912</td>
<td>2155</td>
<td>2391</td>
<td>2669</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>679.90</td>
<td>758.48</td>
<td>867.27</td>
<td>921.6</td>
<td>994.7</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>448.36</td>
<td>504.89</td>
<td>581.38</td>
<td>631.36</td>
<td>677.19</td>
</tr>
<tr>
<td>EPS(Earnings per share)</td>
<td>68.7</td>
<td>60.48</td>
<td>66.55</td>
<td>50.84</td>
<td>68.15</td>
</tr>
<tr>
<td>Dividend (EPS)</td>
<td>22.00</td>
<td>30.00</td>
<td>40.00</td>
<td>45.00</td>
<td>50.00</td>
</tr>
</tbody>
</table>

Source: Annual Report of GSK from 2008-2012

Sales volume increases from 2008 to 2012. In 2008, it was only Rs. 1752Lakh and in 2012 it increased to Rs. 2669 Lakh at an average annual rate of 11.1per cent through there were year to year fluctuations during the period. Profit before tax increased by 46.3 percent from Rs. 679.90 in 2008 to Rs. 994.7 Lakh in 2012. Profit after tax increased by 51 percent from Rs. 448.36 Lakhs in 2008 to Rs. 677.19 Lakhs in 2012.

Net profit for the year in 2012 increased by 0.11per cent as per compared the previous year of the 2008. The Earning per share (EPS) in 2012-13 is 68.15 per cent as compared to previous year 2008-09. Overall, the EPS slightly increase over the year.
4.5.6 Human Resources employed in Glaxo: Total strength of the employees are 691.

4.5.7 Human Resource Development in Glaxo:

In the Human Resources development process, Company continued to focus on the three strategic pillars of Capability Building, Talent Management and Employee Engagement.

Talent Management focuses on taking a structured approach emphasizing on creating a talent pipeline at the leadership, the middle management and at the fresh management graduate intake level. A carefully planned Learning and Development calendar creates and implements to provide the necessary leadership and skill building capability to employees. Company arrange the Employee Assistance Programme. In programme, wellness and wellbeing Services provides to those employees who needed it. HR surveys conducts to gauge service levels and bring in better customer service to employees.

In the during year, on the Industrial Relations front Company’s Unions have extended its support and cooperation in attaining Company’s business objectives. On the sales training front over 440 man days of classroom training have been invested to enhance the Disease - Product Knowledge - Selling Skills. Additionally, internet based learning solutions was widely adopted to promote continuous distance learning.

4.5.8 Human Resource Development Policies in Glaxo:

1) Recruitment and Selection: Glaxo (GSK) uses multiple methods for recruiting employees such as private employment exchanges, campus recruitment, advertisement, professional associations etc. In the process of selection of GSK has a standardized, which includes a personal interview and a formal signed job offer in writing. No GSK company has or is offering any unsolicited job offers to persons directly in India through email. In Selection and assessment process, it is designed to give talented and ambitious students the chance to demonstrate their potential to be their leaders of the future. They
are interested in personality as in their qualifications. Company is not just seeking performance, but also integrity, initiative, and a passionate commitment to the people work with—whether they're at the next desk or on the other side of the world. In the course of the selection process, one can expect to be interviewed—either by telephone or in person (on campus or at a GSK facility).

2) Training and Development- GSK’s strategies for training and development are to develop teach oriented company, to adapt corporate values and rules. GSK uses different modes of training for employees’ development, like in-house, training, job rotation etc. They use apprenticeship training, vestibule, role play, business game, seminars and lectures etc. Different types of need-based trainings are given to the employees time to time.

3) Performance Appraisal Glaxo Smithkline determines some criteria for apprising employees performance such as Leadership skill, team spirit, habits and manners, honesty, commitment to do a perfect job, Trustworthiness, punctuality, Innovation ideas and suggestions, Confidentiality of information, computer skill, relationship with others, Goals and Targets etc.

Glaxo Smithkline uses two types of methods of performance appraisal first are used for managerial level and non-managerial level i.e. MBO, Performance management, Grading method. Other than the following methods of performance appraisal are for managerial level. GSK values the "Pay for Performance" approach, which makes it critical to have a sound process for measuring performance. The tools included in GSK's PDP (Performance and Development Planning) program is designed to define, measure, review and reward employee performance. The process consists of setting objectives and performance measures, identifying leadership, Essentials and behaviours for each essential and periodically reviewing progress.

PDP–In PDP, another important component of is the Development Plan. This plan includes the identification and review of developmental objectives related both to
current role and to career aspirations. This plan has been used in ‘Talent Review’ meetings for the top GSK managers globally every year.

Talent Review is another form of appraises the performance of top-level i.e. executive employee. The purpose of Talent Review is to focus on the development of leaders to meet future business challenges and to make key talent more visible across GSK. The process also ensures that organizational changes are anticipated and successors identified. Both PDP & Talent Review are designed to help retain key talent.

**Evaluation Period:** The evaluation period of GSK is from 01 January to 31 December in case of all employees other than workers. For workers the evaluation period is from 01 July-30 June. Within the month of February the employees set their objectives for performance appraisal system.

(4) **Leave Policy**- The Company provides various types of leaves such as sick or medical leave, casual leave, maternity and paternity leave etc. The Company pay employees for time lost from work for up to one day for relatives beyond the definition of immediate family.

In addition, the company may allow an unpaid leave of absence for up to two weeks to be taken in connection with the death of a relative or close friend. Such absences must have the prior approval of the employee’s supervisor and management.

(5) **Travel and Entertainment for GSK Staff**–Company provides standards and limitations around company-reimbursed travel, meeting, and entertainment expenses as they can represent a significant cost to GSK. The company will reimburse the reasonable costs of business travel for staff provided the travel is for purposes that are principally business related. To that effect, the invitation of spouses to travel to the location of a business meeting at the company’s expense is generally incompatible with the business purpose of the meeting and is not permitted without the prior written approval of the responsible members.
(6) **Benefits to Employees**-

GSK provides the following benefits to the employees-

*Health & Life Plans* - Health & Life plans include: Healthcare and other insurance coverage (medical, dental, life, vision, and long-term disability insurance, GSK prescription drugs covered at 100 per cent). A confidential employee assistance program, Family support services to help planning for and finding care for their dependents – children and elderly relatives. Paid vacation (typically three weeks per year) and 13 paid holidays, as well as paid time off for incidental and unforeseen needs, and short-term disability coverage. Company’s Reimbursement program help to employees in their post-secondary education expenses, adoption assistance, and wellness programs. Corporate discounts on many products and services, from eye care to long-term care insurance, theme parks, retail operations, as well as auto and home insurance.

Total Reward is design to attract, retain, motivate and develop the best people to do their best work. Total Reward is depending upon two key philosophies: pay for performance and sharing in success. The link between individual performance and the success of GSK is at the heart of Total Reward. Total Reward at GSK consists of:

1) Pay - Salary, bonus/incentive compensation, and recognition awards.
2) Shares & Savings - 401(k) retirement savings plan, stock ownership account, cash balance pension plan, financial planning and education, and long-term incentives for eligible employees.
3) Health & Life – It includes Healthcare and other insurance coverage’s, an employee assistance program, dependent care resources, time off with pay, reimbursement programs, and corporate discounts.

4.5.9 **Human Resource Development Practices in Glaxo:**

GlaxoSmithkline implements above all HRD Policies. Here are a few of the ways GSK works with its employees to help them achieve their full potential, although not all
of these initiatives are available in every country in which GSK operates. Glaxo implements all HRD Policies in practices. Other than are as followings-

1) **The GSK Experience** Career development of employees starts on the first day. This includes career and personal development planning and "The GSK Experience", an interactive, global induction programme they provide in the UK and US.

2) **Performance and Development Planning** Their global Performance and Development Planning process (PDP) is there to help employees at all stages of their career. PDP is a powerful tool for matching personal success to the success of the business. Throughout the year, both the employees and their manager worked together on this process to set employees challenging objectives and identified career development need.

3) **Career Innovation Zone** Career Innovation Zone is an online resource that employees can access freely at anytime from work or home. It offers a wealth of interactive tools and tips to help them work out the potential career directions and choices that would be right for them.

4) **My Learning** Employees also have access to my Learning; its online course catalogue. My Learning allows employees to work with their manager to create a customized learning plan and to take advantage of the wide variety of instructor-led and eLearning courses, including a number of customized Leadership Development offerings.

5) **Coaching and feedback** GSK foster a culture of ongoing coaching and feedback for all employees. A variety of formal and informal resources are available to help employees, including a 360°-degree feedback process and external coaching. Employees encouraged taking part in either a formal or informal mentoring relationship.

6) **On-the-job development** is part of the way GSK works. Opportunities for "stretch assignments, secondments, and access to their cross business job posting database are a few of the resources available to employees.
7) **Work-life balance**- This approach is to support flexible working arrangements wherever they can make life better for their employees, while ensuring business needs are met. The Flexible Working Policy, which applies to all their staff, covers a variety of working patterns, including home working, part-time working, annualized hours and term-time working.

**4.5.10 Motivational Techniques as applied in Glaxo:**

A Glaxo provides various techniques of motivation to their employees to perform their best. Such as Various programmes for family, A word of appreciation, Cash Prize, Promotion and Additional Increment, Job satisfaction, Job Security, Achievement as per Herzberg’s, ERG theory of motivation and Goals accomplishment as per Goal setting theory of motivation. Compensation Package, Reward and Recognition to perform their best. Other than Healthcare and other insurance coverage, Paid vacation, Reimbursement programs, Corporate discounts on many products and services, from eye care to long-term care insurance, theme parks, retail operations, as well as auto and home insurance, Provide Employees with the Opportunity to Fully Use their Skills, Enrich Jobs, Inclusion of employees in operational decisions etc.

It is observed that all the sample companies pursued at least one distinctive policy with a single exception of Bosch Company that pursues two distinctive policies not adopted by remaining sample companies. Chapter 5 presents the data analysis and interpretations of responses of Managers surveyed followed by supervisors’ feedback in chapter 6 and of workers in chapter 7 to note the how their companies HRD Policies and Practices impact on their motivation and performance.
## 4.6 Highlights of Sample Companies:

A comparative position of five sample companies is presented in table 4.7 with some specific parameters.

**Table 4.7**  
Companies- At –Glance

<table>
<thead>
<tr>
<th>Company</th>
<th>Jyoti Structure-</th>
<th>CEAT</th>
<th>Bosch</th>
<th>Crompton Greaves</th>
<th>Glaxo</th>
</tr>
</thead>
</table>
| 2. Historical Review | 1) As a Private Ltd. Company in 1974  
2) 1979 initiated commercial operations, first manufacturing at Nashik  
3) 1989, transformed into pub. Ltd. shares listed on BSE  
4) 1988, bagged first turnkey contract from MSEB  
5) 1997, Company commissioned own R&D Tower Testing Centre at Ghoti  
6) Established a joint venture company named JSA which is based out of Johannesburg | 1) 1960, the first tyre rolled out  
2) 1972, they set up a R&D unit  
3) 1981, Deccan Fibre Glass Ltd was amalgamated with the company  
4) 1982, the RPG Group acquired the company  
5) The company promoted a joint venture company in collaboration with CEAT Cari of Italy  
6) 1993, the company collaboration with Yokohama Rubber Company of Japan for the manufacture of Tyres at Nashik | 1) In 1951, BOSCH began its journey in India with (MICO)  
2) Expanded with three subsidiaries –  
3) It has grown over the years to 11 manufacturin g sites and 4 development centers  
4) Till 2006 the BOSCH Group held 60.5 per cent of the share capital in MICO which was raised to 70 per cent MICO to BOSCH in 2007  
5) BOSCH also has in India, the largest development centre, outside Germany. | 1) 1878, Crompton Greaves goes back to when Col. R.E.B. Crompton founded the Company  
2) 1927-merged with F.A Parkinson in the to form Crompton Parkinson Ltd. (CPL)  
3) Owned Indian subsidiary viz. CPW L in Bombay  
4) 1947- the company was taken over by Karamchand and Thapar  
5) Crompton Greaves is headquartered Worli, Mumbai  
6) In September 2012, HSBC Global Investment Funds | 1) 1924, the company was incorporated in India under the name of H.J.Foster & Co. Ltd.  
2) 1950, company changed its name to Glaxo Laboratories (1)  
3) 1962, the company took over the business of the Indian branch of Allen &Hanburys Ltd., U.K.,  
4) In October 2001, Smith line Beecham Pharmaceutical (India) Ltd was merged with Glaxo India Ltd to become GlaxoSmithKline Pharmaceuticals Ltd. |
<table>
<thead>
<tr>
<th>3. Plant Details</th>
<th>The company has established manufacturing two plants at Nashik and Raipur</th>
<th>Company is head quartered in Mumbai. It has manufacturing plants in Mumbai, Nashik and Halol near Baroda</th>
<th>The Company is headquartered in Bangalore Nanganathapur (near Bangalore), Nashik, Jaipur and Goa.</th>
<th>Gujarat, Maharashtra, Goa, Madhya Pradesh and Karnataka</th>
<th>They have two manufacturing units in India, located at Nashik and Thane</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Manufacturing and Product Details</td>
<td>1) Nashik - Annual Capacity: 56,000 MT 2) Manufacturing capacity of 1, 10,000 MT per annum (India) supplied over a million tons of structures to various utilities across globe 3) Turn-key solutions in the field of power transmission at Nashik</td>
<td>1) 4 manufacturing plants - 3 in India and 1 in Sri Lanka 2) 10 outsourcing units for tyres, tubes and flaps 3) Dedicated 2-3-wheeler plants controlled. Heavy-duty Trucks, Buses, Light Commercial Vehicles, &amp; other heavy motor vehicles, and light vehicles</td>
<td>1) Auto-Technology Business divisions: 5 2) Industrial Technology Business divisions: 3 Packaging Machines, Spl. Purpose Machines, Solar Energy 3) Consumer Goods and Technology Main products manufactured at Nashik are nozzles and Nozzle Holder Assemblies</td>
<td>1) Manufacturing - It only assembles the auto parts on the production flow line 2) Production details- 22 manufacturing divisions spread across in Gujarat, Maharashtra, Goa, Madhya Pradesh and Karnataka Products: Transformers, switchgears and heavy electrical equipment.</td>
<td>1) Capacity expansion projects of Ampoules and Ertroxin started at the Nashik site. 2) Over a period, the site has developed capabilities of supplying to Government Tenders which are in generic drug form and highly customized packs Prescription medicines, prescribed vaccines and consumer health care products.</td>
</tr>
<tr>
<td>5. Customers and Market Share</td>
<td>1) Relationships with clients from over 40 countries across the globe 2) Jyoti Structures Company's clients include NTPC and Maharashtra State Electricity Board</td>
<td>1) Heavy-duty Trucks and Buses, Light Commercial Vehicles, Earthmovers, Forklifts, Tractors, Trailers, Cars, SUVs, Motorcycles and Scooters and Auto-rickshaws.</td>
<td>1) The plant received good acceptance by customers in Europe, USA and South East Asia. At present the export business is about 25 per cent of the plant output 2) Market Share-Robert Bosch-Diesel Systems (RB-DS) business is a market leader for its</td>
<td>22 manufacturing divisions spread across in Gujarat, Maharashtra, Goa, Madhya Pradesh and Karnataka Supported by well knitted marketing and service network. Four regional sales offices located in Delhi, Kolkata, Mumbai and Bengaluru</td>
<td>Consumer healthcare division that produces and markets oral healthcare and nutritional products, drinks and over-the-counter medicines, including Sensodyne, Boost, Horlicks, Lucozade and Ribena</td>
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<tr>
<td>6. Human Resource Development</td>
<td>major products</td>
<td>Chennai</td>
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<td>1) Committed to provide a workplace that is safe, hygienic and humane which upholds the dignity of employees 2) ‘Gurukul’ training centre of the Company conducts various training programmes for proper Human Resource Dev. program</td>
<td>1) Special emphasis on development of Leadership capabilities at the Middle and Senior Management levels. Measures have been taken to integrate more women in the organization and to create an inclusive environment 2) Low Performance Monitoring policy 3) “Significant Achievement Award” in HR-Excellence 4) Training Plan 5) Facilitates Skills Development</td>
<td>1) Compensation based on professionalism and performance 2) Company’s 5 Values - 3) Conducts Training and development programme- The focus is skill-based training with need-based training in behavioral skills 4) ‘Gurukul’ the CG Mgm. Development Centre 5) Strategic pillars : Capability Building, Talent Management and Employee Dev.</td>
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<table>
<thead>
<tr>
<th>Recruiting and Selection</th>
<th>Training and Development</th>
<th>Performance Appraisal System</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Recruiting and Selection- Policy- follows various methods for recruitment</td>
<td>2) Training and Development- (Learning and Development L&amp;D) Classroom Programs, E-learning, and Bodhi Tree</td>
<td>3) Performance Appraisal - SAS, Review and Employee</td>
</tr>
<tr>
<td>1) Recruiting and Selection Policy-</td>
<td>2) Training and Development - Own Vocational Training</td>
<td>3) Performance Appraisal System - based on mainly 3 goals - Organizational goals, Divisional goals and</td>
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</tr>
</tbody>
</table>

- Human Resource Development
- Employee Assistance Programme - Wellness and Wellbeing Services provided
- Strategic pillars : Capability Building, Talent Management and Employee Development
- A carefully planned Learning and Development calendar created and implemented to provide the necessary leadership and skill building capability to employees
- Under the Employee Assistance Programme - Wellness and Wellbeing Services provided
- Arranges classroom training - to provide the Disease - Product Knowledge - Selling Skills
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<tr>
<th>Motivational Techniques</th>
<th>Recreational Centre</th>
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</thead>
<tbody>
<tr>
<td>1) Company gym and fitness studio, Social club, Works committee, Material Incentives, Staff Shop- at discounted prices or close to manufacturing price 2) Other various incentives- employee’s level</td>
<td>Additional Increment, Job satisfaction, Job Security, Job Promotion, Cash Prize Compensation Package, Reward and Recognition, Subsidized Canteen, Cash Prize, Set Clear Performance Expectations</td>
</tr>
<tr>
<td>“Surprise gift”, eco friendly programmes, “Star of the month” Cash Prize, Reward and Recognition, , Scholarships to Children and Sports and Cultural Activities, Awards, educational assistance</td>
<td>1) Various programmes for family, A word of appreciation, Cash Prize, Promotion and Additional Increment, Job satisfaction, Job Security, Compensation Package, Reward and Recognition to perform their best 2) Healthcare and other insurance coverage, Paid vacation, Reimbursement programs, Corporate discounts on many products and services, from eye care to long-term care insurance, theme parks, retail operations, as well as auto and home insurance</td>
</tr>
<tr>
<td>5) Coaching and feedback- including a 360°- degree feedback process and external coaching 6) On-the-job development 7) Work-life balance- flexible working arrangements</td>
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</tbody>
</table>
References-

Chapter 5
Impact of HRD Policy on Motivation and Performance of Managers in Selected Sample Companies