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# EMPLOYEE RELATIONS

DIFFERENTIATING YET PRACTICAL PRACTICES



IR Conclave  
2020

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Prashant Girbane  
Director General

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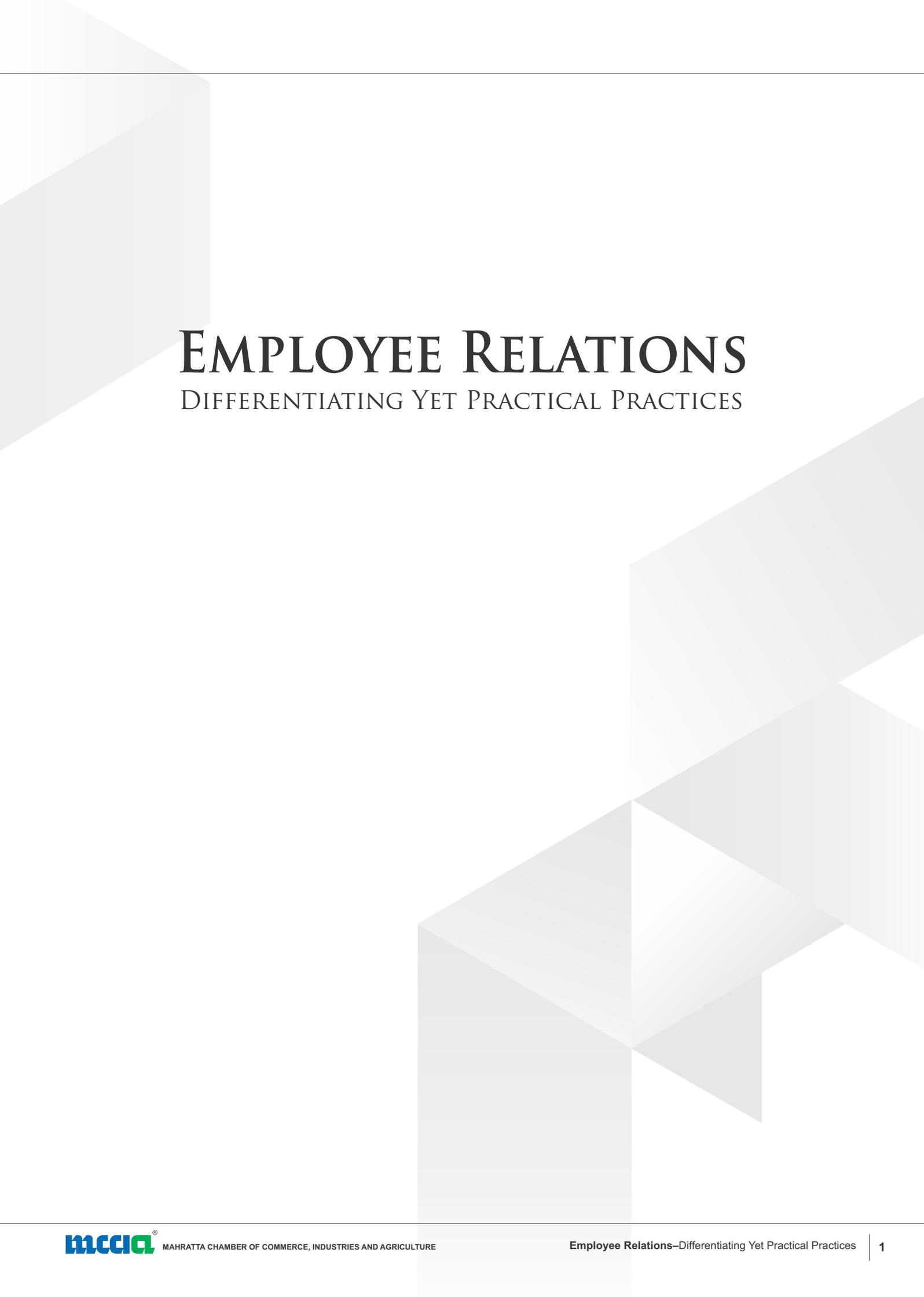
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# EMPLOYEE RELATIONS

## DIFFERENTIATING YET PRACTICAL PRACTICES



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## Employee Relations: A Compassionate Way Forward

- Mr Pradeep Bhargava  
President, MCCA

As we fly through and past Industry 4.0, it has become all the more important to stay “grounded”. There is a business case for a socially responsible business with a certain pay back. This responsibility is not only about using our planet's resources mindfully, it is also about treating our human resources with dignity and more. We have “developed” by leaps and bounds. It is time now to include “others” in that development. Doing this in a dynamic environment is an added challenge.

### Industry 4.0 isn't lurking around the corner. It is here.

It is often said that Industry 4.0 is going to hit us. I believe it is already upon us. I see Industry 4.0 as “machine decides, and human approves.”

This has an obvious direct impact on employment or lack thereof. When we moved from industry 1.0 to 2.0 and so on, primary jobs were displaced. The ATM made bank tellers redundant. However, secondary and tertiary jobs more than compensated for the change. Yet today, only a fraction of new jobs will be created to compensate for the job losses that Industry 4.0 is bringing. Not only will the number of people required be lower, the shelf life of their skills will also reduce drastically.

The indirect impact of Industry 4.0 is that HR's role has to change. HR will have to help people unlearn and relearn, which also means they have to be two steps ahead of the expected changes. Conventional yardsticks to measure performance such as the bell curve, 9 box grid, reviews, and assessment will all have to change.

Industry 4.0 also makes the concepts of blue-collar and white-collar redundant. All workers on the assembly line will likely be programmers. This will lead to a breakdown of hierarchy. As is natural, current white-collared employees are likely to feel threatened and their expectations will have to be managed with foresight and sensitivity. Also, in some sense we have to think of our current blue-collared workforce as our future employees, irrespective of the colour of the collar.

### Compassion is the only way forward.

My experience identifies four key dimensions for the industry to improve. All these dimensions interact and cannot be worked upon in silos.

#### 1. Temporary Labour Deployment

It would be an understatement to say that the industry does not do enough for its temporary/contract labour as it does for its white-collared workers. The limited flexibility in handling permanent blue-collar workforce, with present laws, drives industry into hiring temporary /contract labour. However, we cannot escape the fact that our approach is also partly caused by our indifference. What else can explain the fact that the company which boasts of “crorepati” executives in its balance sheet starts complaining about “losing competitiveness” with the slightest increase in minimum wages? Industries are losers if they only rely on contract labour and miss out on the advantages of skilled and motivated workforce. My biggest regret in more than four decades in Corporate India is inadequate attention to temporary workforce welfare. This implies not only fair compensation but also dignified working condition and similar upskilling and reskilling opportunities.



## 2. Transforming Performance—Compensation Equation

On the other hand, due to the historical developments of the trade union movement and composite wage settlement framework, incentive and disincentive systems are not very effective. Take the common observation that whether an executive may or may not get an increment, a unionised worker always gets a hike irrespective of performance. We have to strive towards equity in this aspect, where rewards are linked to performance with no unconditional assurances.

## 3. Skilling and Upskilling

The most accessible scope for improvement lies in how we skill and upskill our labour force. While there is constant focus on 'development' and career advancement of white-collared employees through training programs etc., there is not sufficient investment in our blue-collared workforce whose aspirations and potentials is often ignored. This is where the industry needs to focus now.

## 4. Flexibility in our Operations, in our Thinking

Flexibility is the need of the hour for these current times of flux, but it cannot be abused.

Enlightened trade union leaders admit, in private, that seeking permanence for their workforce is not workable today. They can fathom the uncertainty of business continuity, but are rightly seeking fair wages and wholesome social security while in employment. Many employers continue to deny even minimum wages, basic social security and exploit the supply-demand situation. Employers should have flexibility in terms of 'how many' and for 'how long', but not in terms of how they can treat their workforce.

## Beyond CSR

Corporate India has looked at statutory spend on Corporate Social Responsibility almost like an obligation imposed by the government. Do they realise that corporates are not "giving" anything but in fact "paying back" for what they have got from the society at large. Industry draws immense benefits and takes undue share of resources (water, land, etc.), which could have gone to society at large. The primary motivation of business is to generate value for its shareholder. Paying back to other stakeholders is the other side of the coin.

Socially Responsible Business is beyond Corporate Social Responsibility. In any case, compliance to the law of the land is not a favour to anybody—it is a solemn responsibility. But business, in my opinion, should look at their social responsibility in every act of theirs and not in just CSR spend. A washing machine/detergent manufacturers making a product which consumes less water, is a socially responsible gesture to take care of the environment. Making affordable (and still making profits) medicine and medical devices is socially responsible act of business. You can still do "well" while doing "good" for society and environment. This should be a guiding mantra.

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***Mr Pradeep Bhargava is an industry veteran with experience in multiple public and private sector organisations. An alumnus of IIM Ahmedabad and Indian Institute of Science, Bangalore, he has also worked with international organisations such as the UNDP and the World Bank. Mr Bhargava's contribution is not restricted to the success of the organisation he has worked with but has also brought to life his ideal of conducting successful business with social responsibility.***

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## Employee Relations: Headed in the Right Direction

- Mr Prashant Girbane  
Director-General, MCCA

An increasingly globalised world environment makes “Human Relations” an extremely critical aspect of managing a business—more than it has ever been before. The movement of factories, capital and people across different geographies makes it imperative for us to study the interplay of these factors. Besides, the advent of technology impacts the empowerment of people across organisational hierarchy. The wave of automation, digitisation and Industry 4.0 across different countries compels us to understand how the conventional matrix of Industrial Relations is changing.

Also, industrial hubs like Pune have been attracting a steady stream of Multi-National Companies which bring new aspects of Industrial Relations with them. These are important constituents in the global value chain and have to be assimilated into our ER practices.

Fortunately, the government has not been oblivious to the changes that are necessary to the archaic regulatory framework. Recent months have seen a changing regulatory framework making the protection of employment, as against employees, a priority. This expands the social security net to cover contract workers too. Faster implementation is the task, going forward.

Several companies have engaged with their workers and

provided exemplary working conditions, going way beyond those required by the prevailing laws. In fact, a few steps by the management in consultation with the workers ensure a tremendous multiplier effect as can be seen in several initiatives, including Corporate Social Responsibility.

Over the last few decades, we have seen so many examples where the management and employees understand the business dynamics with the same intensity and adapt to the changing scenario with the required agility. We have also seen a renewed emphasis on attracting fresh talent with the required skill sets. This is along with efforts to re-train the existing workers and staff so that the organisations continue to operate in the





rapidly changing business scenario. With better communication and embracing change wholeheartedly, management and workers would certainly enjoy even greater harmony.

I am happy to present this compendium of some of the best practices in employee relations pursued by companies in Pune on the occasion of MCCIA's Industrial Relations Conclave, 2020. I am sure these will become a reference point for many of our members who are keen to adopt some of the global practices in industrial relations.

I wish to express my gratitude to the team from Symbiosis Centre for Management and Human Resource Development (SCMHRD), led by Dr Pratima Sheorey, director, SCMHRD, who executed this project seamlessly. I am delighted to highlight the best synergies of the industry-academia relationship.

Special thanks to Ms Anjali Byce, chairperson, HR and ER Committee, MCCIA who brought to light the need to compile the best practices in a manner accessible to all who are working towards enriching the concept of industrial and employee relations.

Thank you to my colleagues from MCCIA, Ms Anuja Deshpande and Ms Satavisha Natu, who have actively participated in taking this initiative to its logical conclusion.

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***Mr Prashant Girbane has been a consultant, a teacher and now Director General at MCCIA. A chemical engineer (UDCT) and an MBA (IIM-A) by education, Mr Girbane's global experience in capital markets and e-governance also includes governmental, multilateral and corporate entities such as the UNDP, UK government departments and Swiss Banks.***

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## Employee Relations: Practices that Work

- Ms Anjali Byce

Chairperson,  
MCCIA HR and ER Committee,  
and CHRO Sterlite Technologies Ltd.

*M*odern global economy has automation at its foundation. This will continue to be so in the foreseeable future too. Automation notwithstanding though, the operator behind the machine will continue to be important. An organisation's success will significantly depend on leveraging tech-enabled, capable and experienced workforce. Consequently, despite automation entering the workplace, its success will rest on the fulcrum of employee capability and experience.

India is no exception to this trend. The ER scenario is rapidly evolving with a magnified focus on skilling and engagement of the workforce.

The government is committed to helping investors, accelerating growth and promoting 'Make in India'. It has undertaken a forward-looking and progressive step of putting in place a critical building block—new labour legislation. This will result in the merger of 44 labour laws into four labour codes that are contextually more relevant, bring transparency, accountability and strengthen the safety, security, health, and social security for every worker.

Automation underpins the government's initiatives on e-governance, ease of compliance and enhanced creation of employment opportunities by organisations. Additionally, two mega pension schemes were launched for old age protection and social security of unorganised workers.

While the government has undertaken multiple reforms, organisations that master the art of employee relations, engagement and experience, will have the secret sauce of success.

Many books have been written on Human Resource best practices, but very few, if any, have focussed on differentiating practices in the Employee Relations space, specifically for associates on the shop floor. Therefore, we decided to put together a book that would provide a quick overview of such best practices.





The book covers practical differentiating practices of organisations across sectors and includes a mix of large companies and MSME's. The goal is to create a 'multiplier force' by enabling more organisations to learn and implement best practices in their organisations. I hope this book will help and inspire readers to put some suggestions into practice in their organisations.

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*Ms Anjali Byce is a certified coach and an HR professional with experience across a breadth of large and small organisations and a depth of departments in those organisations. Her thrust has been in driving change through multiple business transformation programs such as the implementation of a culture-based HR strategy, capability building, Six Sigma, and diversity initiatives.*

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## Employee Relation In harmony with Changing Times

- Dr Pratima Sheorey  
Director, SCMHRD Pune

Most of those who have worked and shaped careers in the last 20 years would agree that the curriculum we started out with and what the industry demands of our students is very different. From DoorDarshan being the sole window into the televised world to TikTok enabling even the most media-dark regions in our country to share their perspectives, from a Barkha Dutt back in 1999 reporting about the situation on the ground during the Kargill war to Facebook and WhatsApp making everyone a reporter and giving us a glimpse into the civil strife around the world, there has been a sea of change. In this sea of change, the tides sweep away anyone who cannot hold their ground. The Industry 4.0 revolution has been very interesting since the 'winners' or those who have thrived in it are less resisting and more embracing of the change. It is in that spirit that this compendium was conceptualised to celebrate and learn from those who have not only survived but thrived in this dynamic world.

SCMHRD is proud to have the opportunity to create this compendium with MCCIA on the best practices in Industrial Relations. Often, in the age of disruption, the debate has always almost exclusively centered around

knowledge workers without touching, in a meaningful way, on those whose hands run our modern lifestyle—the entire industrial relations ecosystem. We have always viewed our long term settlements, wage disputes and the sort with a zero-sum game mentality. Over time we all have gradually come to the realisation that in order for businesses to prosper, their factories and those who run those factories must prosper. After all, it is only human beings running the show. As you go through these chapters, it will become very clear that empathy, trust and investing in the right people initiatives keep repeating as the common themes for organisations that have mastered the art of Industrial Relations.

I hope this book acts as a guide for those who are looking for a new way of doing things and in some ways is only the tip of the iceberg as far as what Industrial Relations in India can become. In Symbiosis we believe in “*Vasudhaiva Kutumbakam*”—“The world is one family”. In that spirit, let the future be one of harmony, prosperity and mutual success. I would like to thank MCCIA, Ms Anjali Byce, Dr Vinita Sinha who spearheaded the initiative, my student team and those who were willing to sit down and share their insights with us. I wish the readers a very pleasant read ahead.



# EMPLOYEE RELATIONS

## DIFFERENTIATING YET PRACTICAL PRACTICES

ER practices have to go beyond the standard to be meaningful to the employees. The following section is a snapshot of an ER practices survey. By no means, is this an exhaustive list of practices employed by the said company. Stand-out practices have been highlighted to open up discussions about the many possibilities.





## Cummins India Ltd

### Industry

Automotive, heavy equipment

### Established in

1919, in India since 1962

### Geographies

190 countries

### Employee Strength

Over 58,600 (global)

Over 9,000 (India)

<https://www.cumminsindia.com/>



## Inclusion

### ER Philosophy

**A healthy and transparent relationship between the employee, unions and the organisation.**

Almost every ER practice at Cummins works towards inclusion, whether it is across gender, geography, or class. In doing so, it ensures that its core values spread evenly through the organisation and run deep too.

### Enabling upward mobility:

New employees at Cummins undergo technical as well as behavioural training. Over time, employees can take advantage of its tie-ups with educational institutions such as TISS, Mumbai for IR, and BITS, Pilani for technical training. Further, employees can claim tuition waiver for courses they undertake from a pre-determined list of institutes.

More importantly, the Cummins Core Curriculum is mandatory for contract labourers too. This includes training in





topics such as diversity, ethics, sexual harassment, and safety. Gaps in skill-sets are tracked through a skill matrix. This matrix enables the development and progress of each employee. Multi-skilling is encouraged through job rotation across Cummins plants.

**Employee engagement:**

Cummins begins to inculcate its core values right from the word go, from the employee's first day—including its contract workforce. This builds a unique sense of belonging even in supposedly temporary employees while making a fair, performance-driven, equitable organisation.

As a part of further employee engagement, young mothers are encouraged with special workshops such as nutrition and food habits, and yoga and meditation sessions. It is no wonder that Cummins boasts of 35% female employees in its workforce.

Fun is brought into the workplace with the celebration of national and regional festivals and events such as sports day and intra-factory competitions. Employees' families are also engaged through various programmes such as plant visits and career counselling for the children in the family.

**Collaborated management:** A pre-approval strategy for long-term settlements allows for a transparent process. This fair system culminated in increased wages even when the company wasn't doing well. Both unionised and non-unionised plants are treated at par. In the case of a lockout, continuous engagement and conversation become the key to building strong communication and trustworthy relationships. Cummins encourages Union Development Programmes too.

Also, a constantly evolving system uses the STAR model. Each employee is made responsible for a particular aspect of their group, such as safety, innovation, and quality. This brings forth a sense of belonging.



“When there is 100% transparency between all parties, it creates a harmonious environment for businesses to thrive in.”

**Vikas Thapa**

Vice President, Human Resources



**Future-readiness:** Cummins believes that the future is an extension of the present. It is already moving from manual training to automotive and AI-based training, resulting in upskilled employees. Third-generation labour initiatives are also receiving attention.

**A stand-out practice:** Employees can access toll-free helplines for personal counselling and mental health issues.



## IBM India Pvt Ltd

### Industry

Information Technology

### Established in

1911, in India since 1951

### Geographies

Over 170 countries



## Taking employees in confidence

### ER Philosophy

**Creating wow employee experience through technology.**

IBM's faith in its employees shines through in how seriously it takes one of its core values—trust. The company's confidence in its employees is naked to the eye in each ER practice. In turn, an honour system entrusts employees to act in the best interests of the company.

**Enabling upward mobility:** Employees are groomed even before they join the company through university outreach programmes. These programmes skill students while they are still in college. Even non-engineering students are identified and trained online.

IBM's methods to seek new recruits also keep up with the times by using the internet and social media platforms. While the hiring process extensively uses AI and automation, it also relies heavily on employee referrals. Employees are rewarded for successful hires recommended by them.

<https://www.ibm.com/in-en>





**Celebrating successes (and failures!):** Managers do not wait for award ceremonies to record employee achievements. Rewards are given as and when managers so demand. Moreover, quarterly manager-employee meetings determine progress and identify support needed. These structured processes align closely with the corporate culture, thereby accelerating direction, sense of responsibility and ownership for goals by employees. This sense of belonging also allows IBM to encourage a culture of innovation by creating a culture of tolerance and risk-taking.

**Employee engagement:** Each office location has an IBM club which entertains and funds requests for activities and celebrations. This entire programme is run by employees who are volunteers. Friends and families of employees are encouraged to participate in these events too. These clubs are examples of successful 'employee volunteerism'.

**Collaborated management:** “Speak up and talk it over,” is a guiding philosophy of IBM's open communication, which allows for candid opinions. Though the lines of communication are open, the identity of the person is safeguarded, if the situation calls for such privacy. Corrective actions are enforced at the earliest too.

**Future-readiness:** IBM's skilling, upskilling, reskilling and training are all done online through best-in-class content and training methodologies. Their new-collared workforce—rather than blue-collared or white-collared—is exposed to cutting-edge areas such as AI, cognitive systems, analytics and cloud management.

**Stand-out practices:** Only a company that genuinely trusts its employees would allow unlimited sick leaves. Similarly, IBM doesn't have an attendance mechanism. The freedom accorded is motivation enough for employees to act in the best interest of the company.

Also, way back in the 1940s, the company had an internal equal opportunity policy committing itself against discrimination on any grounds. All employees are expected to demonstrate these values of openness and inclusiveness. As a step towards curbing sexual harassment, the company has regular, mandatory training programmes across the organisation on POSH (Prevention of Sexual Harassment). As mandated by law, they also have a very active internal committee that enforces disciplinary actions, as required.

It is such policies that had IBM ranked as one of the top companies to work for by LinkedIn, across multiple countries, including India. It is also listed as one of the top ten companies for global diversity by Diversity, Inc.

“We promote inclusiveness at the highest level. Every employee is expected to demonstrate openness and inclusive culture as well as respect for others.”

**Augustus S Azariah**

Associate Director, Human Resources





# JW MARRIOTT

PUNE

## Industry

Hospitality

## Established in

1927, in India since 2002

## Geographies

110 countries

## Employee Strength

1,76,000 (global)

16,000 (India)



## Clarity in communication

### ER Philosophy

Happy employees will lead to happy customers. A merit-based culture with relatively flat organisational hierarchy leads to growth and satisfaction of employees.

<https://www.marriott.com/hotel-search/india.hotels/>

"Take care of associates, and they will take care of the customers," this philosophy of the founders has made Marriott International a great place to work for over 85 years. Namit Kharbanda, Director HR says, "If you invest in your employees development and growth, business and customer experience is a natural outcome" This 'people first' culture has consistently earned awards and recognition around the globe including rank # 31 on Fortune's "100 Best Companies to Work For" list in 2019.

**Enabling upward mobility:** The Marriott Development Academy provides career opportunities to all employees. This academy can be used to chart a career path from associate level to leadership positions. Inter-hotel transfers are also encouraged to gain experience across geographies. Marriott Global Services'





internal job portal has allowed 25% associates to move to executive levels annually.

A 2-day orientation programme for every new employee includes expectation setting, policy awareness, and department-wise business orientation which intends to imbibe culture right from the beginning. A daily JW rehearsal ensures all employees are apprised of service rules, which are also prominently displayed across all workspaces.

**Celebrating successes:** At the very outset, leadership is held accountable for the associates' performances. A robust, balanced scorecard methodology with a one-page format keeps the promotion process crisp. Real-time performance management for managers is done through an app, facilitating dynamic feedback between the manager and the general manager.

Bonuses are determined by the wage settlement and are linked to the balanced scorecard. Promotions at Marriott are entirely merit-based. Marriott-wide recognitions are also handed out in the form of a D & I prize. CSR awards, on the other hand, encourage healthy social practices in the organisation. Further, every unit is empowered to provide recognition for good performance.

Associates compete for ACE awards, where one winner per category is announced by the Business Council that is comprised of "Take Care" officials (read under 'Employee engagement'). HR maintains a separate balanced scorecard matrix for these decisions that are different from the business balanced scorecard.

**Employee engagement:** Marriott ensures the satisfaction and happiness of its employees because they believe that happy employees will pass the satisfaction in the form of excellent service to their customers. There is a consistent effort to reduce



"Embracing differences and putting people first is part of our culture of inclusion and the way we do business. Our core strength lies in our ability to support diversity and inclusion by creating opportunities for our associates, guests, owners, franchisees and suppliers."

**Rini Verma**

Human Resources Manager



hierarchy. In one such effort, all employees, right up to the management, are called "Marriott associates".

A certified "Take Care" Champion, from a structured internal programme called, "Take Care Certification", is made responsible for ideas and feedback in their department.

An annual associate appreciation week across sites boosts employee engagement. This programme is also used to appreciate the contribution of associates' towards making Marriott what it is today. In addition, a marathon day encourages every employee to run for a cause.

**A stand-out practice:** Awards for "Diversity and Inclusion" and "CSR" have resulted in a healthy mix of employees from various backgrounds, special abilities, and genders.

Industry

Pharmaceutical

Established in

1968

Geographies

Over 100 countries

Employee Strength

Almost 18,000

<https://www.lupin.com/>



## Creativity in ER

### ER Philosophy

Employees are partners in progress who are encouraged to generate new ideas, explore fresh avenues and offer solutions that add exceptional value.

Safety is central to any manufacturing unit, and even more so in the pharmaceutical industry. Three Lupin manufacturing sites have received the highest safety rating by a pharmaceutical organisation from ISRS, 8th Edition.

**Enabling upward mobility:** A tie-up with S P Jain College in Mumbai allows sales and marketing personnel to pursue an MBA while they continue to work. Similar tie-ups exist with BITS Pilani for manufacturing and with Symbiosis International University and Manipal University for research and PhD programmes.

A day-long induction programme for the workforce and associates briefs participants about company policies and provides training on technicalities of their



job. A special emphasis is made on safety training. Further, periodic workshops on various skills and competencies ensures re-skilling and up-skilling

In the manufacturing function, Lupin's career progression program, "Expanding Horizon" allows for high potential employees to move across positions depending on skills needed and vacancy.

**Celebrating successes:** Lupin's structured performance management system provides for annual increments and incentives. As Lupin considers its employees as "Partners in Progress" it rewards them with stock options across all grades based on their performance. This is in addition to the recognition of individuals and groups for their achievements in 6-monthly town halls. Winning groups are also sponsored for a one-day picnic.

Innovation is of utmost importance in this industry. Lupin's research department provides "First to File" awards to teams that innovate.

Contract labourers too, are engaged through participation in safety slogan writing competitions. They are also awarded for the quality of work and attendance.

**Employee engagement:** BRAVO is a recognition programme through which any employee can appreciate another for demonstration of one of Lupin's core values—integrity, teamwork, respect and care, passion for excellence, entrepreneurial spirit and customer focus.

From individual celebrations to team events, Lupin doesn't miss an opportunity to celebrate and have employees participate. Activities such as cake cutting and fun games for employees on their birthdays make them feel special. Other than events such as kids' day out and annual day, a cross-functional team organises Lupin Premier League in sports and a literary team publishes newsletters.

Along with frequent outreach programs, Lupin hopes to attract more women to join through benefits such as six months' maternity benefits. The "Lupin Women's Network" runs on a hub and spoke model, in which 20% of the initiatives for women are conducted by the central hub, while the rest are run by regional hubs. Combining its women-oriented policy with its attitude towards safety, Lupin conducts self-defence workshops for its women workforce.

**Collaborated management:** To aid a diverse, cross-generational R&D department, which includes academicians, purists and specialised talent, the younger workforce is provided with "People Management" workshops to hone their people skills. Effective communication between employees and the



"A stringent regulatory environment, an increase in imitation products and not enough patents to work on makes finding, attracting and retaining talent with right skills and knowledge a challenge that we have to gear up for."

- **Arnabi Marjit**

HR Head, R & D, Biotech



management is a vital element to creating a positive work environment. Effective channels through which employees can communicate with the management, provides employees with the ability to trust leadership, have a good understanding of what is expected of them and plays an essential role in improving employee satisfaction. Next Levels are forum provided to employees to have meetings with their skip level managers. Next Levels are an opportunity to voice out matters that are essential to employees, however with complete confidentiality.

**Future-readiness:** The research department's "Eureka" and manufacturing's "Idea Factory" are forums for employees to think of the next innovation. These innovations are audited by the finance team and appear on the open-to-all internal knowledge management portal. An annual gala event is an occasion to award some of these ideas.

Industry 4.0 will require companies to enter education. Lupin does this through a unique programme by providing further education, including lodging and boarding, to 12th pass-outs across the country. On graduation, they receive their degree in a graduation ceremony and are offered a full-time role at Lupin.



SKF India Ltd

### Industry

Manufacturing



### Established in

1907, India operations from 1923



### Geographies

130 countries



### Employee Strength

43,000 (Global)

2,700 (India)



## Transparency

### ER Philosophy

Union and workers are partners in business. Culture of high trust and transparency is essential between management and unions-workers. Decisions are taken after consensus from all stakeholders.

When a company is committed to being transparent in its transactions with every stakeholder, including employees, its other values are deeply inculcated automatically. SKF's transparent ER policies allow focus on high ethics, empowerment, and teamwork, which makes it a model employer in the manufacturing industry.

**Enabling upward mobility:** A Team Leader/Circle-Leader model is used to customise career paths for individuals. The selection process includes both skill level and behavioural evaluation of the employee. The trained employees can choose and grow in customised roles in the organisation, including skill trainer and subject-matter expert. Future leaders are groomed through specialised programmes

<https://www.skf.com/in>



across different levels. Here participants are assigned real-time business challenges as a part of their development journey.

Any interested worker can undergo training in a particular skill after expressing their interest to the manager. On demonstration of the skill, post-training, the worker becomes eligible for incentives.

To ensure a steady flow of quality talent, SKF recruits NEEM trainees that are taken through a rigorous development process with continuous performance reviews. On successful completion, trainees become eligible to go through the selection process for full-time employment. For new recruits, senior operators act as mentors in a 12-day induction program. The induction takes place in a dedicated training centre and all recruits undergo experiential training through simulations before they can work on the shop floor.

**Celebrating successes:** Quarterly Kaizen competition winners are sent to national and international level competitions. Moreover, a culture of innovation is promoted by insisting that half the participants in these competitions are new.

Employee engagement levels are maximised by hosting sports competitions and promoting the participation of staff in CSR activities. Further, long-term employees are felicitated with Long Service Awards before their family and staff.

Incentives at SKF are based on metrics that an employee can influence directly and are not linked to machine efficiencies alone. They can be tracked easily and are implemented transparently. The daily shop floor report is simple to follow and the daily production results are transparently shared with employees and the union. This approach enables open communication about performance while empowering employees to make real-time decisions and actions to enhance factory results.

**Employee engagement:** Other than an open-door policy, factory managers engage in weekly meetings with groups of workers to build and maintain a relationship with them. Since workers are considered partners, changes in the company and industry are frequently and transparently communicated to the unions and the workers. This builds a personal connection with every employee and provides visibility to opportunities for improvements.



“When you believe in bringing everyone together and creating consensus, you can rest assured that conflicts will be far and few.”

**Jacob Verghese**

General Manager, HR, SKF Pune Plant



**Collaborated management:** SKF engages with the unions frequently and at different levels. The union is not only involved in decisions such as safety and grievance redressal, but also in aspects such as sales projections and improving customer focus. More specifically, a 2-day workshop in collaboration with the union becomes an avenue to discuss future trends in the industry and the implications for the company. The company also has monthly union meetings to discuss business and how it may affect the workers and SKF.

### Industry

Digital technology

### Established in

1988

### Geographies

Over 100 countries

### Employee Strength

3,500



## A lively workplace

### ER Philosophy

**Creating a great culture and an enabling environment for employees**

Employees of over 30 nationalities work together at Sterlite Technologies Ltd (STL) owing to the enabling environment around them. Engagement programmes are built into the company's DNA—from the offer to the employee's integration and win back. Diversity, equality and inclusion are embedded in STL's practices, which is reflected in its gender-neutral policies (including POSH).

**Enabling upward mobility:** Competency assessments map employees to unique roles. All employees have access to their competency reports which facilitates the choice of a career path within the organisation along with designing individual development plans. Besides, internal movements are encouraged through internal job postings. This year alone, the job rotations are at over 30%. Employees are also encouraged to take up more substantial responsibilities through a role-based promotion policy.

<https://www.stl.tech/>





A skill-matrix based approach to training the workforce at the shop floor allows for skill levels to be assessed every quarter. This leads to monthly training programs. Dedicated training rooms provide access to equipment that run simulations. This interactive, real-time practice goes a long way in upskilling and building confidence. This practice enables associates to fail fast and succeed early while upskilling and reskilling themselves to stay relevant.

**Celebrating successes (and failures!):** A strong manufacturing and operations excellence team constantly drives improvement projects at the production floor along with associates. Even contractual labourers are known as associates and are trained in concepts such as Lean, 5S, and Kaizen. They are encouraged to submit their ideas towards continuous improvement and live the value of “hunger to learn”. Further, the best Kaizen is awarded every month.

An exciting reward and recognition platform linked to STL's four core values ensures employees are recognised for their efforts. Managers are empowered to give away SPOT awards to employees so that recognition is as close to performance as possible. Every head of department also finalises the “Star” team and the “Star” individual from his/her team. Moreover, every quarter the group CEO rewards the best performing teams for their contribution to the organisation.

**Employee engagement:** Not just football or cricket, biking can be a team game too—a team that works towards a social cause. Groups from Sterlite's Biking Club take long rides, sometimes over 200 kilometres, to spread awareness about social causes. Such differentiating practices that allow unique 'interest forums' empower employees to pursue hobbies and passions along with their profession.



“When you give people a culture they can thrive in, they will put in 110% of their effort.”

**Sanjeet Gujral**  
HR Head, Connectivity Solutions



At a personal level, managers express gratitude to the families of employees being promoted. Family members are invited and recognised for their support and thanked along with the employee for their contribution at award ceremonies.

**Collaborated management:** Employees have various forums at both company and group levels to voice their concerns. These forums also inform employees about fundamental changes or significant decisions.

## Industry

Automotive

## Established in

1945

## Geographies

175 countries

## Employee Strength

Over 81,000

<https://www.tatamotors.com/>



## Trust

### ER Philosophy

Through mutual trust and growth of every employee, a healthy IR environment exists.

A manufacturing company is what its workers on the shop floor are. Tata Motors knows that its success depends on its workers' welfare, and its ER framework is based on that very guideline.

**Enabling upward mobility:** A successful initiative is one which has to be paused because it reached saturation. Tata Motors' SVCV (skill, versatility, and cross-versatility), an in-house programme that allowed shop floor employees to upskill and cross-skill themselves has halted with each employee picking up 5-6 skills.

The company's "Do It First Time Right" initiative identifies parameters for training and upskilling for blue-collared employees. Based on the identified parameters, appropriate elements are prioritised and employees are trained accordingly.





**Celebrating successes (and Failures!):** The "Most Successful Failure" award encourages innovation even at the shop floor level. The process is recognised for the effort towards achieving its ambition. Of course, this is other than annual awards such as "Man of the Month", "Man of the Year", and "TATA MOTORS Man of the year". At award ceremonies, peers introduce winners with a personal anecdote. It is these little things that create a sense of belonging. Also, innovation by associates and trade unions is encouraged through innovation forums, where the best-implemented innovation is recognised. In addition, bonus pay-out that is linked to the plant's balanced scorecard is one of the reward strategies followed by Tata Motors.

**Employee engagement:** Tata Motors scores high on employee engagement as ascertained through Gallup surveys—which studies various aspects of work such as salary, quality of work, and working conditions. The company also engages the family of the employees through recognition of employees' children for their academic achievements.

**Collaborated management:** HR managers engage with shop floor supervisors through 'Initial Signal'—a regularly-used, transparent mechanism to preemptively handle any potential disputes, strikes or lockouts. The managers assess if they are addressing and responding to issues appropriately. Transparent communication with shop floor supervisors allows the latter to report all concerns. Any disputes are discussed across-the-table in shop floor/factory/plant level committees on a need-for-attention basis.

**Future-readiness:** In preparing for Industry 4.0, the union leaders themselves are included in understanding the next wave of digitisation. This makes the union, and thereby the workers, a stakeholder in the change.

"Our relationship with the union goes beyond numbers. We connect at an emotional and personal level with our employees."

**Sitaram Kandi**  
Vice President, Corporate HR



**Industry**

Engineering, Energy & Environment Solutions

**Established in**

1966

**Geographies**

86 countries

**Employee Strength**

Over 5,000



<https://www.thermaxglobal.com/>

**Connectedness with employees**

**ER Philosophy**

Our shop floor employees understand the needs of the company and effectively participate in the areas of Quality, Cost, Delivery, Safety and People. This comes through regular weekly meetings between supervisors and shop floor employees discussing target v/s plans for the month.

Since its inception, Thermax has been known for cordial relations and friendly policies towards employees. The very attitude of thinking about people comes from leadership who have laid the foundation for personnel philosophy.



**Enabling upward mobility:** Thermax believes in offering opportunities to employees at all levels to enhance their skills and capabilities for career advancement. The ITI trained employees at Vadodara Factory are sponsored for a diploma course with Gujarat Technical University. The classes for the same are held after duty hours.

Similarly the company runs a program for Diploma Engineers for a Degree course in partnership with BITS Pilani. On a need basis the company also runs higher education program in management through a tie up with IMT Ghaziabad.

For identified young talent the company also runs an internal Leadership Development “Early Managers”.

**Engaging Employees:** Thermax has created a culture of communication ensuring at least three town hall meetings with employees on shop floor addressed by the Business Head and HR Head. This ensures that the last employee is aligned to company's plans, challenges and thereby is in a better position to appreciate market dynamics that impact the company.

Leveraging technology the company has created a portal “AIM” (All Ideas Matter) where employees can give their suggestions. They are monitored for implementation through a workflow. This process gives an opportunity to employees to participate and encourages their ingenuity. The employees on the shop floor, of course, have their own suggestion scheme.

**Collaborative management:** When "Personnel Philosophy" drives "Personnel Policy", the result is a happier employee and a healthier organisation. When HR treats IR as catering to employee needs rather than just trade union management, there is a sense of spontaneity in relationship. The belief is managers add value and workers create value. These tenets drive manager-worker relationships at Thermax.



“The first implication of Industry 4.0 is managing the move towards democratisation from compartmentalisation. We have to be ready to treat robots, AI and VI as our partners in the future.”

**Sharad Gangal**  
Executive Vice President,  
HR, IR, Administration



**Creating Self-awareness:**

A unique program 'DISHA' was designed to create a sense of self-awareness among the shop floor employees for attitudinal change. This was highly appreciated by the employees and on request of employees it was extended to factories other than Chinchwad too.

**Future-readiness:** Thermax has set up a highly automated factory at SriCity in Andhra Pradesh and shop floor employees were recruited 6 months in advance to undergo simulated training on highly automated modern machines. Furthermore, the employees were involved in training on the original equipment and they were a part of the team that installed these machines. This ensured total ownership as the factory commenced production leading to a self-accepted accountability for seamless value creation.



## ER AT A SMALLER SCALE

In our effort to understand how ER practices can be successfully designed and implemented at a smaller scale, we approached a few MSMEs which won MCCIA awards for their ER practices. Here is a snapshot of practices that stood out.

## Friction Welding Technologies Pvt Ltd

Friction Welding fosters a culture that engages employees by leaders who set an example through their behaviour. Through this guiding philosophy, the company creates an inspiring, positive and enthusiastic work culture filled with integrity, compassion and discipline.

Along with exemplary remuneration packages, fun interactions, inspirational talks by accomplished personalities, and other employee engagement activities like annual day, Friction Welding takes values such as 'equality' and 'giving' to the next level. Each day begins with a huddle where team achievements are appreciated, bottlenecks are discussed, and relevant knowledge is shared. Every Friday morning has a happy hour reserved for a little self-improvement through meditation and inspirational spiritual and technical talks.

These 'routine' days are punctuated by unique seasonal activities. Mango season at Friction Welding is brought in through mango parties where directors, managers, administrators, operators, facility staffs all sit together on the floor and relish the deliciousness of Alphonso mangoes. Every Republic Day and Independence Day, employees are encouraged to donate things they don't need to people who need them most. This involvement with society is taken a step further by spending time with children with special needs in their schools.



Work-wise, Friction Welding believes in giving freedom. The message is "You are allowed to make mistakes, but you are not allowed to bypass ethics, integrity, system and humanity." This way, the employees know that they are trusted, and have a responsibility towards the decisions they make.

Besides, the company encourages girl education by taking full financial responsibility for the education of its blue-collar employees' girl children. As a part of this CSR activity, it actively monitors their progress, encourages them, and supports any passion or hobby they wish to pursue as long as they continue studying. Taking this commitment a step further, the support continues even if the employee leaves the company.



**Yatin Tambe**  
MD

## Orbital Electromech Eng Projects Pvt Ltd

In its twenty-five years of operations, Orbital thinks of its human resources as its main asset. The field of turnkey electrical and MEP project execution requires experienced personnel with certain skill sets. Therefore, the main challenge is to locate, source and develop these specific skill sets at various positions, right from managerial to the field level. While doing so, every team member is expected to exemplify the company's core values.

Orbital's high retention rate can be attributed to the little things. Its IR policy begins with the words used for their most valuable asset. Other than when required for statutory compliances, the employees are called stakeholders or teammates

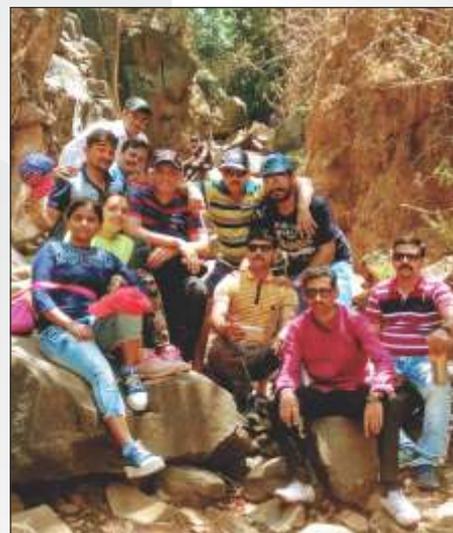
The team members who started Carreras at Orbital about 20 years ago as a wireman or an electrician, are now project leaders and manage projects worth over Rs. 25 crores. Such success stories never stop owing to a continuous learning curve and managerial and technical training. Orbital is proud of spending 1.5% of the annual turnover on training.



**Praviin Biche**  
MD



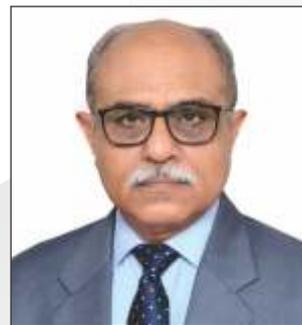
None of these successes would come about were it not for a transparent relationship between various stakeholders. The company has instilled faith in its personnel that it will support them in professional and personal capacities. It seeks growth for its employees in all aspects of life—physical, emotional-social, financial and spiritual. Towards this end, Orbital engages mentors from various spheres of life and conducts weekly stress release sessions.



## Pahwa MetalTech Pvt Ltd



At the heart of Pahwa MetalTech's IR practices is an innate belief that employees—existing or potential—are humans first. Logically, the first theme that emanates from this belief system is that of transparency. Pahwa MetalTech is open in its communication at all stages of employment, from shortlisting and interviewing to hiring, retaining and exit. The trust gained in the process is well worth the effort spent on free-flowing interactions. It also helps that they have ethical and legally compliant processes which add to the trust.



**Lalit Kumar Pahwa**  
MD and CEO

In line with their efforts to cater to the aspirations, any human would have, Pahwa MetalTech focusses heavily on coaching, skill-upgradation, and multi-skilling as an ongoing process. Employees therefore, see the employer as a contributor to their personal growth. This personal growth invariably translates to organisational growth.

## Key Levers for successful Employee Relations

### 'How' Vs 'What' of Execution

Awards such as 'Man of the week/month/year' or assessments with bonuses linked to a Balanced Scorecard are observed across the board. When celebrations go beyond birthdays and cutting cakes, a healthy bond emanates between a company's employees and its managers. 'How' the ER practice is executed matters, rather than 'what' it is. Some common values emerge from the highlighted ER practices.



**Connectedness with employees:** When a company treats its employees as an integral part of its operations and not just workers, it will result in employees that feel connected to the organisation and its ethos.

**Trust:** An employee-employer relationship is, after all, a relationship between two human beings, the very foundation of which ought to be, trust.

**Clarity in communication:** Whenever trust breaks down, openness to conversation bridges gaps and has the potential to build consensus.



**Transparency:** If trust and communication are two sides of the coin, transparency is what assigns value to that coin and can pre-empt conflict.



**Taking into confidence:** A decision that is likely to face opposition for any reason can be nipped as a bud if the concerned employees are roped in at the early stages and included in the "why"s and the "how"s of the situation.

**Inclusion:** Inclusion is as much about equal opportunity as it is keeping up with the times in the social context.

**A lively workplace:** All work and no play make employees dull. Even the most invested employees who are passionate about their work could use something to look forward to, other than work. Clubs, festivities, sports, cultural programmes are all tools that make Monday mornings brighter.

**Involved in innovation:** Employee behaviour is itself



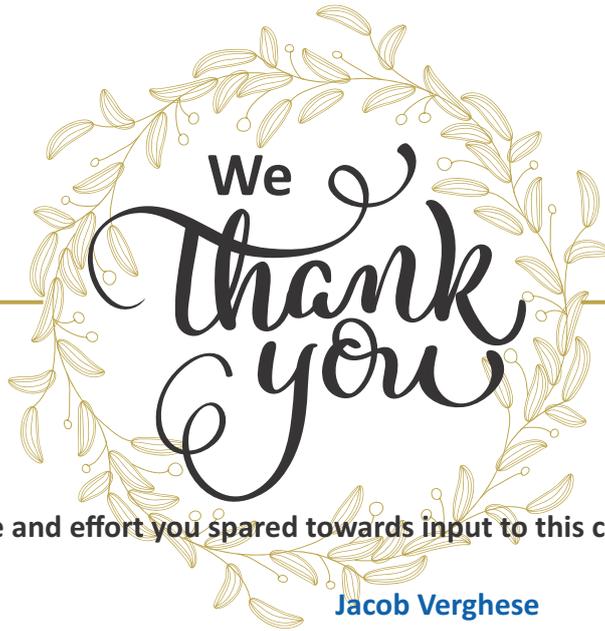
likely to give clear indications about the next wave of not only technological but also required social change. A company that has its eyes open to these changes can involve the same employees in innovating the product or service that the organisation offers, and also the organisational culture.

**Creativity in ER:** Constantly rethinking the relationship and not taking it for granted will require creative ER approaches.



**What are you doing to incorporate these at your workplace?**

Our sincerest gratitude



for the time and effort you spared towards input to this compendium.

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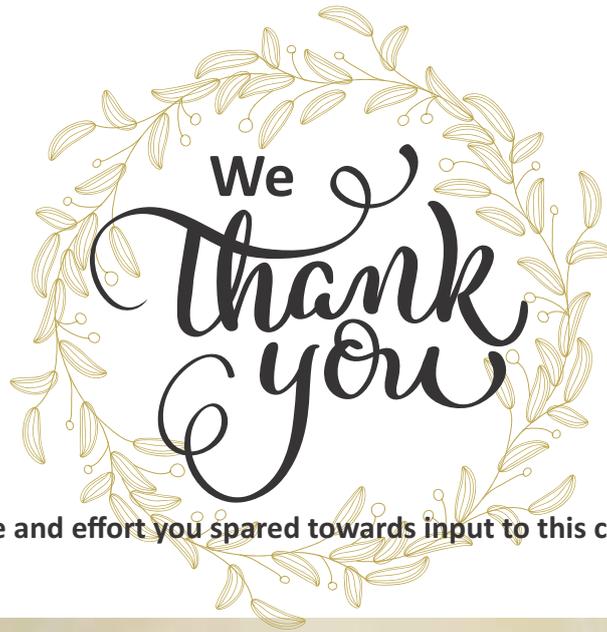
**Lalit Kumar Pahwa**

MD & CEO,  
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**Meeta Kabra**

Content writer

Our sincerest gratitude



for the time and effort you spared towards input to this compendium.



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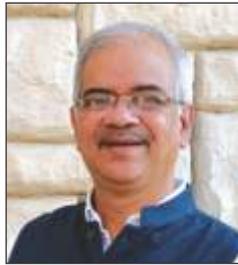
- Abhinav Lenka
- Aditya Kovvali
- Akash Sharma
- Ishan Ratho
- P Pawan
- Pallavi R
- Raksha Viswanatha
- Saptarshi Kar
- Soumya Vaish
- Vipul Chainani

## MCCIA HR and ER Committee



**Anjali Byce**

Chairperson MCCIA HR IR Committee,  
CHRO Sterlite Technologies Ltd



**Sharad Gangal**

EVP HR IR  
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**Kuldip Joshi**

Management Thinker  
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**Adv Srinivas Inamati**

Director Deccan Management  
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**Mangesh Kulkarni**

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**Jacob Verghese**

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**Anuja Deshpande**

Deputy Director  
MCCIA



**Satavisha Natu**

Deputy Director  
MCCIA

## Glimpses of MCCIA HR and ER Committee Initiatives



Interactive meeting with  
**Santosh Kumar Gangwar**,  
Minister of State (IC) Labour and Employment



Meeting with Minister of State (IC) Labour and  
Employment **Santosh Kumar Gangwar**



People Mantra 28.8.2019  
Panel discussion on Code on Wages  
**Anjali Byce, Adv Shrinivas Inamati**, Dy Commissioner  
Labour, **Vikas Panvelkar** and **Jacob Vergese**



**Dr Sameer Sharma**,  
IAS DG & CEO IICA  
Addressing the audience



Knowledge sharing session by  
**Basuri Dutta**, Practice Head Great Place to Work



**Anuja Deshpande** Felicitating RPF Commissioner  
**Atul Kotkar**  
27.11.2019

## About



Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA) is an eighty-five-year-old business promotion organisation. With over 3000 members, MCCIA is certified as a Diamond Accredited Organisation by NABET. The chamber strives to provide a conducive platform to learn and mentor, share and discuss everything related to running a business. Our members are spread across the spectrum, including engineering, information technology, biotechnology, environment technology, agriculture and food processing, educational institutions, research organisations, and financial services.

The Chamber is known for its dynamism in India and abroad. In the last two decades, we have aggressively promoted the Pune region as an attractive destination for investments, a global source of quality products, and a premier marketing centre. The organisation operates through its eighteen committees and additional functional areas by interacting with experts, ministers, government officials and regulatory authorities, educational institutions, foreign diplomats and business delegations.

### About HR and ER Committee

The HR-ER committee interacts with government agencies, industry professionals, and academia with a goal to build socially responsible businesses. Through its forum and programs, the committee creates awareness and spreads knowledge about a variety of HR and ER practices, including future skills and capabilities, inclusion, and labour law reforms. The committee strives to enable implementation of best HR and ER practices across the industry.

### **About the book**

Through this book, MCCIA's HR-ER committee endeavours to create a ready reckoner of differentiating practices across industries.

Employee-friendly practices that motivate and channelise employee behaviour is key to the sustained success of any organisation. I hope that this book will inspire HR and ER professionals to implement some of the practices in their organisations.

### **- Ms Anjali Byce**

Chairperson,  
MCCIA HR and ER Committee,  
and CHRO Sterlite Technologies Ltd.



**MAHRATTA CHAMBER OF COMMERCE,  
INDUSTRIES AND AGRICULTURE**