### 3.1 INTRODUCTION

“I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or pettier than a business, however large, governed without honesty and without brotherhood.”

– **William Hesketh Lever**

In this chapter, an attempt has been made to present the origin, development and the present state of the concept of quality of work life in BHEL and HUL companies. The fundamental, social, economic, political and technological permutations taking place today inevitably affect the attitudes of two main groups of people with whom an organization has to deal; its customers and its employees. Nowadays both are demanding. The ‘professional customer’ of today expects a high standard of individual service as well as good quality products and competitive prices; today’s employees expect not only to earn a decent living, but also to get some personal satisfaction out of their job. They are concerned about the quality of their working experience, just as customers are concerned about the quality of the service.

Organizations are of the people and function through the people. Without people, organizations cannot exist. The resources: men, materials and other equipment collected cannot fulfill the objective of an organization. They need to be united into a team. It is through the combined efforts of people that material and monetary resources are effectively utilized for the attainment of common objectives.

Human resource plays the most critical and significant role in achieving organizational goals and objectives. Human capital is recognized as the organization’s ‘lifeblood’, which needs to be developed continuously in keeping pace with the development in all other areas of today’s dynamic world.
HRM is based on the fundamental premise that people are the core resource of an organization and it is the responsibility of the entire organization to develop and utilize them for their effective realization of individual and organizational goals. Quality of work life is one of the most important elements of HRM, which leads to better conducive atmosphere for employees. Good quality of work life leads to an atmosphere of good interpersonal relations and highly motivated employees who strive for their development. Humanization of work environment that will improve the life of workers on the job called Quality of Work Life. It is a new labour relation scheme. The favorableness or unfavorableness of a job environment for people is called Quality of Work life.

3.2 Definitions of Quality of Work Life

According to Harrison, “QWL is the degree to which work in an organization contributes to material and psychological well-being of its members”. Cohen and Rosenthal (1980) describe it as “internationally designed effort to bring about increased labour management cooperation to jointly solve the problem of improving organization performance and employee satisfaction”.

J. Richard and J. Lloy define QWL as “the degree to which members of a work organization are able to satisfy important personal needs through their experience in the organization”. According to Takezawa, “What constitutes a high quality of working life may vary in relation to both the worker’s aspirations and the objective reality of his work and society. It is ultimately defined by the worker himself”.
3.2.1 Relevance of Quality of Work Life in India

Within the Indian context, De (1976) has rightly pointed out “QWL is an indicator of how free the society is from exploitation, injustice, inequality, oppression, and restrictions of the continuity of growth of man, leading to his development to the fullest”. One of the reasons for growing importance of QWL could be realization on the part of employees about their rights and growing unionism. Workers are not illiterate now and they do not completely depend upon the mercy of management for their existence. Most of the labour level workers also have primary education. They are more united now than ever. Each worker tends to join some unions or the other for their own protection and well-being. Unions put in all their efforts to educate its members to realize their rights and to make them understand what they can expect from management in return for what they contribute. It is not only monetary benefits. Other elements like physical working conditions, job restructuring and job redesign, career development, etc. are gaining importance rapidly. As such, the workers expect the management to improve all these facilities thereby improving all these facilities, which in turn improve QWL. Every organization is an interdependent social and technical system. Socio technical system requires social and technical systems to be jointly optimized. It is from this notion of socio-technical system that quality of work life has emerged. Management also has different views regarding QWL. Some have come to a stage, where they see human resource as a critical factor in the developmental process and thus strive to take all steps to improve it. Meanwhile other organizations still do not realize the importance of human resource. The Government intervention in this regard is minimal. However, things are changing for better, especially after former Prime Minister Mr. Rajiv Gandhi set up Human Resource Ministry in 1984 – 85. The Ministry is taking active steps to implement some of the human resource development programmes and
QWL improvement programmes. What is most important in India at this stage is developing consciousness among all sections of industry, i.e. workers, unions and management that results in better quality of work life in the organisation.

3.3 Quality of Work Life in BHEL JHANSI

3.3.1 Policy, Methods, Measures etc. adopted by BHEL for Quality of Work Life

The Industrial Relations scenario in various Manufacturing Units and Business Sector Offices of the Company remained harmonious and peaceful during the year 2013-14. The man days lost was almost negligible during the year. The thrust on participative culture and communication continued during the year. The apex level bipartite forum, namely “The Joint Committee for BHEL” met twice. There were 70 meetings of the Plant Councils and 486 meetings of the Shop Councils. In addition, frequent meetings were also held with the representatives of Executives and Supervisors of the various Manufacturing Units including the Business Sector/Offices. The focus of discussions in the various areas centered on improvement of the overall performance of the company by increasing the productivity of the employees, cost reduction, quality and sequential delivery in order to meet customer commitments.

The Indian great leader Smt. Indira Gandhi had established this Jhansi BHEL unit. the Jhansi BHEL is known for their five S’s such as Sort, Strengthen, Sweep, Standardize, and self-discipline. BHEL Jhansi is established on NH-26 and it is about 14 km away from the Jhansi city.

This plant of BHEL is well equipped with the most modern manufacturing processing and testing equipment’s for the manufacture of power, transformer and instrument transformers, Diesel locomotives engines and AC / DC locomotives engines. It consists of two manufacturing unit, transformer and locomotive unit. 

There is independent building of human asset advancement in the Jhansi unit. This building has one boardroom, which is utilized for workshops and gatherings of the administrators, three classrooms, which are utilized for related activity classes, and two workplaces. One of the workplaces has all the pertinent documents, records, reports and registers while other one has little library with books on preparing and
improvement and a feature library with tapes on generation, administration, promoting, PC's and faculty elements of BHEL Jhansi.

**Strength and Opportunity:**

**Strengths:**

Engineering base of BHEL is very sound and it has ability to assimilate

It can access contemporary technologies in collaboration with world class technological organizations.

It can renovate and establish new power generating stations

It can manufacture and procure to supply spares.

Largest domestic business unit and it has influence in the market

Labour costs is very low

Labour turnover rate is low

Financial position of this organization is very sound and profit making unit.

Debt equity ratio is also very low and company is able to raise capital

Heart of India, Rank 1st. Zeal to Excel.

Team Sprit.

A World Class Engineering Enterprise.

**Opportunities:**

India is a developing country and thus huge demand of power generation therefore BHEL has enough opportunity to grow

Power plants are old enough, so they required more spare parts and services. BHEL is a world class organization and it has potential to export

All most 20,000 employees are required in all major units of BHEL

Private goals can achieve that lead to budget growth and employment growth.

They are occupied with orders till 2020
Work Culture of BHEL: Teamwork makes the dreams work!! Our work culture encourages transparent channels of communication, open work environment, teamwork, and respect for new ideas and thoughts. New inductees are always encouraged to voice their ideas by their seniors. Peers facilitate the strength through their undying support and encouragement. BHEL is the place where there is an occasion to celebrate every single day. Employees are treated like family members and it is made sure that support is extended to all those who require it.

The employees are categorized into three groups

1. Executive Cadre.
2. Supervisory Cadre
3. Workmen Cadre.

Structure

The structure of the HRD department of the BHEL, Jhansi is given below in the chart:

Figure-1

Deputy General Manager
(Personnel & Administration)

L1

Senior Manager
(Personnel & Administration)

L2

Senior personnel officer

L3

Artisan grade II

L4

Source: (Rai & Sijariya 2012)
The various levels are mentioned above. Their responsibilities and authorities are as under:-

I) L1 (Head of Department)

L1 is head of the department which works as line manager to achieve the overall objective of organization.

II) L2 (In charge, HRD)

He will have total responsibility and authority for planning, designing, organizing and conducting the HRD programs. He will monitor over all HRD activities and will make budgetary provisions for the activities undertaken.

HRD in charge takes over all responsibility and has authority of planning, designing, organizing and conducting of human resource development programs. He also monitor all the activities of human resource development and also responsible for making budgetary provisions to undertake activities.

II) L3 (Program Coordinator)

The program coordinator identifies the training needs and coordinate all in house and out house human resource development activities. He also monitors the training budget and also maintains all HRD related records. The program coordinator has authority to raising purchase indents for issuing office order regarding training programs. He can issue the no dues certificates to all regular employees.

IV) L4 (Office Coordinator)

The office coordinator maintains the files and registers of office which is required of the training need and also maintains training records. These records are used for the preparation of reports and to manage overall clerical activities. The coordinator has authority for raising purchase intends and can issue no dues certificate to the trade and technician apprentices.

3.3.2 Human Resource Policies: Measures of BHEL

BHEL, one of India’s leading Maharatna PSU, caters to the core sectors of Indian economy viz Power Generation and Transmission, Industry, Transportation, Oil &
Gas, Renewable Energy, with an unmatched expertise. With its vast spread across the country and massive expanse in International Operations, we provide our employees every opportunity to develop their competencies and hone their talents. As a world-class organization with capabilities matching those of the world’s best and a continuously expanding order book, BHEL certainly is the place, where careers are made.

With a vision to become a world-class enterprise, committed to enhancing the stakeholder value, BHEL is on its path to give shape to its aspirations and fulfill the expectations of the country to become a global player.

The objective of HRD department is all-round development of employees in terms of knowledge, skills and behavior. This development is desired in order to improve the work efficiency and effective of the employees.

Various measures what employees enjoys while working at BHEL:

- **Exciting career opportunities**

  BHEL offers exciting career opportunities with dynamic exposure to the latest developments in each field, be it Engineering, Finance or HR. As one grows in the organization, employee is entrusted with greater responsibilities and avenues of growth are extended to him at all junctures.

- **Avenues of Growth**

  At BHEL, one gets multiple opportunities to work on novel ideas all the time, with tremendous backing and support from the seniors and the enthusiasm of the peers and juniors. The distinct culture and the openness in communication channels that prevail within the organization, make the work environment friendly and conducive for inspiring great ideas. Fresher Inductees are roped into the organizational activities right from the beginning, to give them the right head start and direction. Each employee is exposed to average 15 days of training each year to upgrade his capabilities and keep the organization ahead.
in every field. Avenues of growth are such that the employees who joined BHEL’s Executive cadre at induction level have not only risen to Top Management positions in the Company but are also holding key positions outside.

- **Equal opportunities for all**

  BHEL facilitates equal opportunities to all its employees. It not only provides employees a conducive work environment to learn and grow but also an encouraging and open work culture that upholds inclusiveness, teamwork and creativity.

- **Healthy work-life balance**

  In BHEL, the importance of work-life balance is recognized and that encourage maintaining a healthy balance between work and personal life.

### 3.3.3 Various policies that plays role in the development of quality of work life

There are various institutes govern by the BHEL on all India basis. These institutes are situated at different places of the country. These institutes are responsible for the development of every unit of BHEL in India. Their varieties of programmes are shown with the given pictorial diagram.
Establishment of Human resource institute:

Human resource institute of BHEL is situated in Noida, Advance Technical Education center at Hyderabad and Human Resource Development Centre. The main aim of these institutions is to achieve their HRD mission. Mission statement is “to promote and inculcate a value based utilizing the fullest potential of human resources for achieving the BHEL mission” (BHEL annual report 2013-14). HRDI organized long term training programs with short term need based programs to develop human resources and improve their potential.
Important programs organized by BHEL are as follows:

1. Strategic Management Initiative for Leadership Effectiveness (SMILE),
2. Advanced Management Programme (AMP),
3. General Management Programme (GMP),
4. Strategic Management Programme (SMP), Middle
5. Management Programme (MMP), Young Managers
6. Programme (YMP) and Self Starter Programme (SSP).

Some other nation wise policies of BHEL are as follows

**Career development:**
The policy of BHEL is focus on the competencies, potential and performance of each and every person in the organization.
The representation of SCs, STs and OBC Candidates as on 01/01/2014.

<table>
<thead>
<tr>
<th>Groups</th>
<th>Total No. of Employees</th>
<th>SCs</th>
<th>STs</th>
<th>OBCs</th>
<th>Other</th>
<th>By Direct Recruitment</th>
<th>By Promotion</th>
<th>By Deputation/Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Group A</td>
<td>14729</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>353</td>
<td>53</td>
<td>25</td>
</tr>
<tr>
<td>Group B</td>
<td>9761</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Group C</td>
<td>21960</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Group D (Excl. SW)</td>
<td>874</td>
<td>116</td>
<td>23</td>
<td>301</td>
<td>366</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Group D (SW)</td>
<td>125</td>
<td>113</td>
<td>2</td>
<td>1</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>47449</td>
<td>9400</td>
<td>2959</td>
<td>12459</td>
<td>22731</td>
<td>354</td>
<td>53</td>
<td>25</td>
</tr>
</tbody>
</table>

*In BHEL, no appointments are made at induction level by promotion*
Facilities for woman at workplace:

Sexual harassment cell is established for the prevention and redressal of complaints of women’s. The sexual harassment act came into force from 9\textsuperscript{th} December 2013 with notification of rules by government of India, ministry of women and child development.

The provisions of act are followed very strictly. A committee in the all units has been constituted according to this act and their constitution and contact details are shown on the websites. This unit has conducted 18 workshops and awareness programs. A number of complaints were received during the year 2013-14 and their status is given below.

(Source: annual report 2013-14)
Table No. 3.1
(Source: BHEL annual report 2013-14)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of complaints received during the year 2013-14</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Number of complaints disposed off during the year 2013-14</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Number of cases pending for more than ninety days</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Number of workshops or awareness programme against sexual harassment carried our</td>
<td>18</td>
</tr>
<tr>
<td>5</td>
<td>Nature of action taken by the employer on recommendations of ICC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Punishment was imposed on the respondent by reducing his pay by one stage for 1 year with cumulative effect.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A letter of advice was given to the male employee respondent and request for transfer of aggrieved woman was accepted.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>She was posted to the dept. shewas comfortable in.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The reporting relationship of the aggrieved woman was changed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The respondent was transferred to another unit</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The Committee on conducting the inquiry came to the conclusion that no incident of Sexual Harassment had occurred as alleged by the complainant.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>The respondent was watched &amp; it was decided that he needs counseling. The Committee closed the complaint temporarily &amp; decided to take disciplinary action if he repeats his abnormal behaviour in future.</td>
<td>Case is temporarily closed</td>
</tr>
<tr>
<td>8</td>
<td>Inspite of many meetings conducted by members of ICC, the Committee could not arrive at any conclusion.</td>
<td>Case is pending</td>
</tr>
</tbody>
</table>

**Occupational Health & Safety**

Participative Management Culture has been the hallmark of BHEL’s Industrial Relations policy since beginning. In BHEL, the workers participation scheme is at 3 levels viz. Shop Floor level, Plant level and the Apex level. The Apex level bipartite forum named “The Joint Committee for BHEL”, functioning since 1973, has been the
mainstay of smooth and cordial industrial relations in the company. Dedicated Safety and Occupational Health Centers are being run in the Factory premises taking care of safety and health issues at the work place. Some of the initiatives taken in factories to build and maintain safety and health culture at work place are:

• Periodic Health and Safety awareness campaigns
• Regular health and safety related training programmes at HRD Centre
• Display of posters and safety instructions
• Safety pledge & Tool box meetings
• Regular Plant Safety Inspections by Safety Officers / Supervisors and by a team of Shop executives & Safety Stewards
• Personal Protective Equipment
• Mock Drills in identified hazardous areas once in 6 months
• Publication of in-house magazines and hand books on various safety topics
• Work Permit system for carrying out critical activities
• Liaison with statutory authorities
• Internal audits & 3rd party audits
• Job Safety Analysis for identified activities
• Monthly departmental Safety Committee meetings and plant safety committee meeting
• Periodic safety drills
• Maintaining register of employees
• Scheduling preventive maintenance of Periodic Maintenance & Testing of material handling equipment (including cranes, hoists, lifting tackles, forklifts, pallets); all pressure vessels/ air receivers, power presses
• Material Safety Data Sheet (MSDS) is available for all the hazardous chemicals and safe work procedures are followed
• Operation control procedures are developed and issued to the concerned for implementation
• Monitoring of quality of food & water
• Well Person screening scheme is initiated for the health screening of all employees over 40 years age
• Regular awareness programs on general safety & road safety for school children

Further, Annual Safety Heads Meet was conducted at BHEL Trichy on 28th - 29th
May 2013 for sharing of experience amongst the people directly responsible for ensuring safety at their respective workplaces.

Employee's Well-being

BHEL has been a front runner in the area of human resource management and have documented the HRM policies and rules in the form of a Codified Personnel Manual to ensure transparency and uniformity of implementation.

1. The total number of regular employees as on 31.03.2014: 47,525
2. Total number of employees hired on temporary/contractual basis: BHEL does not hire employees on temporary/casual basis. However, BHEL awards job/works contracts to Contractors at its various Units/Divisions/Departments as per organizational needs. The no. of workers with Contractors varies from time to time.
3. Number of permanent women employees as on 31.03.2014: 2640
4. Number of permanent employees with disabilities as on 31.03.2014: 954
5. BHEL has 30 participating unions in respect of Workmen. There are two employees associations one for Executives and one for Supervisors in BHEL.
6. The percentage of permanent employees who are member of recognised employee association is not available.
7. In 2013-14, company received 8 complaints of sexual harassment out of which 6 have been disposed off satisfactorily. Further, no complaint of child labour/forced labour/involuntary labour/discriminatory employment has been received.
8. During the year 2013-14, total number of training man-days per employee is 5. Various multi-skilling/skills up-gradation programmes, totaling approximately 4,900 programme days, were conducted by covering approx. 19,473 artisans. Approx. 12,995 vocational trainees (3,78,683 man-days) and 23,142 act apprentices (9,72,486 man-days) were trained in different units. HSE & Safety is a part of our induction training for all categories of employees. In addition, separate programmes are regularly conducted for other employees on HSE & Safety in Units/Regions.

Employee benefits:

Provident Fund and Employees’ Family Pension Scheme contributions are accounted for on accrual basis. Liability for Earned Leave, Half Pay Leave, Gratuity, Travel claims on retirement and Post-Retirement Medical Benefits are accounted for in accordance with actuarial valuation. Compensation under Voluntary Retirement
Scheme is charged off in the year of incurrence on a pro-rata monthly basis. Provident fund and Employees’ Family pension scheme contributions are accounted for on accrual basis. Liability for Earned leave, half pay leave, Gratuity are accounted for in accordance with actuarial valuation. Liability towards contributory medical scheme is accounted based on the salary at the commencement of the calendar year.

**Promotion:**
Corporate office of BHEL issues the policy of promotion and their policies are clear, concise and made to avoid any type of diverse promotions. All the promotions are take place in April or May months of every year. It is declare by the corporate personnel department. For the promotions, merit constitutes to be in main criteria. The performance and the service of employee evaluated. The consideration for the promotions will be based on one’s performance and duration of service which is calculated from the employees educational attainments.

**Provident fund:**
The provident fund is compulsory for the new entrants of BHEL. The provident fund scheme starts according to the provident fund act in which from the beginning month when an employee completes 120 days of continuous service. The employee contributes at the rate of 8.33% of pay plus DA to the contributory provident fund and company makes equal contribution also. The employees are entitled to get full company contribution after completion of minimum seven years of period. In case of contract basis officers, they will get full amount of company’s contribution, irrespective of their period of contribution at the termination of their services.

**Gratuity:**
The BHEL follow gratuity rules. Under such rules, all the employees drawing Rs. 10,000 and above are entitle of gratuity. The employee of BHEL will be the entitle of getting gratuity in case of his or her death even before the eligible period. The maximum ceiling limit under the gratuity scheme is Rs. 30,000 on the total amount of gratuity payable to an employee. Gratuity will be payable to the employee on the termination of his employment after employee had rendered continuous service of not less than five years (a) on his superannuation (b) on his retirement (c)on his death or
disablement due to accident or disease. Gratuity pays equal to 15 days wages for every year of service which is subject to a maximum of 20 months wages or Rs. 30,000 whichever is less, is payable to an employee.

**Medical facilities:**

BHEL provide free medical aid to all employees. It has a fully equipped hospital with it township. Their hospitals are modernized and full of specialized doctors. There is surgeon, physician, Ophthalmologist, gynecologist and dental surgeon. Every employee of BHEL can avail the facility of all doctors. Various employees who are not living in their township and residing in other part of cities can consult with any other medical practitioner. There expenses will be reimbursed by the company as per the rules.

**Staff Benefit Fund:**

A staff benefit fund scheme has started by the company. All the employees below the officer level are eligible to become members of the staff benefit fund and members are required to contribute only 0.25 paise per month. This fund is managed by a committee. This is committee sanction the fund to their members for their children education, sickness of their member’s natural calamity, etc.

**Death relief fund:**

In 1972, BHEL has started a new fund called death relief fund. All the employees of BHEL from the top to the lower in the hierarchy of employees are eligible to become member of death relief fund. One rupee is deducted from his salary and thereafter one rupee is deducted from his salary and there after one rupee is deducted from every member of the fund. If any member of this fund scheme dies or his family member dies, he may be given immediately Rs. 31,000/- by this. This contribution of rupee one is nothing in present time but its contribution give a substantial relief to the employees or to their family members. This is one of the best welfare schemes of BHEL. It is so important because it reach to the claimant in the quick time when he require.
Group Insurance Scheme:
Most pleasures scheme of BHEL is a group insurance scheme which provides financial security to the family of employees in case of death. Under this scheme the life of every full time employee is insured under the group insurance scheme of LIC. Employee gets the insured amount and their premium is paid by the company. The company bear entire premium and the employee need not to make any contribution towards premium. All employees are covered under the group insurance scheme of LIC.

Housing Facilities:
Every regular employee, who have completed 5 years or more of their services are entitle of getting grant of advance for construction or acquisition of a house or flat. The advance is restricted to 75 months’ pay plus DA or Rs. 1, 00,000 or 80% of the cost of house which everless is. Simple interest is levied on the amount of advance at the rate of notified from time to time. The advance should recover in the maximum duration of 25 years.

Leave and travel Concession:
Every employee of BHEL is entitled of leave and travel concession irrespective to his/her pay and pay scale. It is necessary for every employee to declare his/her home town to which he/she will travel every year for religious obligations and where parents or kith and kin’s are residing. Employee can visit to their declared town in two lock years and he/she is eligible to get leave travel concession irrespective of its distance.

Advances:
The BHEL is making a provision to grant advance for car purchasing. Company is providing advances for motor cycle, scooter and bicycles etc.
**Educational facilities:**

There are pre-primary, primary, middle and higher secondary schools. Which provide good quality education to the children’s of BHEL employees. Most of the children of employees are studying in these schools. There are both Hindi and English medium schools. Schools are running with central school regulation and rules. For higher studies employees may be sponsored by the company on the basis of company rules. Company provides study leaves subject to eligibility criteria. Company sponsored students execute a bond the period and amount of which depend upon the period and place of study or training. The bond is normally of 3 years or Rs. 10,000 in lieu of minimum service for grant of either is normally 3 years.

**Workers Participation in Management:**

Workers participation in management is an socialistic and democratic culture in any organization which is most common ideas in developed and developing countries. It is use to reduce the discrimination and inequalities among the people. BHEL applies this concept among the employees. By applying such kind of tactics, company can attain the goal of optimization of production of goods and services therefore company creating democratic atmosphere at the production place because the goal of optimal production can be achieved with the combination of both Workers and Management. so, to create good and cordial human relationship among workers and management can be create by applying democratic approach among employees. This human engineering approach is called participative management. The development of this system is possible only on the basis of equality and mutual respect for specific and rightful role of both labour and management in the organization.

This participative management has been debated among researchers in the past many years very extensively and found that the role of workers is very vital in participative management. In other words workers are given opportunities to participate in the decision of the salary and wages, their working conditions, their vary jobs and this participation creates harmonious atmosphere in industries which is responsible for the improvement in production and optimum utilization of resources. Such tactics create a
type of sense of belongings among the employees and create greater efficiency and job satisfaction among employees.

3.4 Quality of Work Life in HUL Orai
3.4.1 Policy, Methods, Measures etc. adopted by HUL for Quality of Work Life

The mission that inspires HUL's over 15,000 employees is to "add vitality to life". With 35 Power Brands, HUL meets every day needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life.

It is a mission HUL shares with its parent company, Unilever, which holds 52.10% of the equity. A Fortune 500 transnational, Unilever sells Foods and Home and Personal Care brands in about 100 countries worldwide.

Board Composition

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of Report 2013-2014, the Board consists of eight Directors comprising one Non-Executive Chairman, four Independent Directors and three Executive Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The positions of the Chairman of the Board and the Chief Executive Officer of the Company are held by separate individuals, where the Chairman of the Board is a Non-Executive Director.

Achievements of Hindustan Unilever Limited

1. Winning with Brands and Innovation

• HUL ranked 12th in The World’s Most Innovative Companies “The Super 50” list by Forbes.
• Eighteen HUL brands featured in the ‘100 Most Trusted Brands’ list by Brand Equity.
• Seven HUL brands feature in the top 100 list of the Brand Trust Report 2013 published by Trust Research Advisory.
• At the Emvies Media Awards, six HUL brands including Axe, BRU Gold, Ponds, Kissan, Knorr and Surf Excel won awards across 10 award categories across Digital, Outdoor, Print and TV media.
• The ‘Superfast Handwash’ campaign for HUL’s Lifebuoy, created by Lowe Lintas and Partners India won the Bronze Global Effie for 2012.
• HUL lifted Gold, two Silvers and the Grand Prix awards at Spikes Asia 2012 for Kissan tomato Ketchup’s Kissanpur, Rin’s Chamakte Raho and BRU Gold’s print media campaign.
• HUL won the second prize at the Elle Beauty Awards as well as the first position in the makeup category. Lakme won in nine categories in the awards.
• HUL picked up 5 awards at the Effie’s. Vaseline won Silver in the Cosmetics and Toiletries Category.
  • HUL brands picked up 40 packaging awards at INDIASTAR 2012.

2. Winning in the Marketplace

• HUL won the award for Best Audit Governance at the Asian Centre for Corporate Governance and Sustainability awards 2013.
• HUL & Star Bazaar bagged the “Silver” award at the 13th ECR Asia Pacific Conference.

HUL bagged the Corporate Affairs Leadership Award 2013.
• HUL was recognized at the Investor Relations Global Rankings (IRGR) 2012 in three categories:
  • Best Online Annual Report in India (HUL was the only Indian company which also came in among the Top 10 companies across the globe)
  • Best Financial Disclosures in India
  • Top Corporate Governance in India (HUL also ranked No. 1 globally across all Consumer Goods participant companies this year)
3. Winning through Continuous Improvement

• HUL’s Chhindwara Unit won the National Safety Award for outstanding performance in Industrial Safety.
• HUL’s Haridwar factory won the Super Platinum Award at Frost & Sullivan’s India Manufacturing Excellence Awards (IMEA).

4. Winning with People

• HUL emerged the No. 1 Employer of Choice in India according to the Nielsen Campus Track B-School Survey 2013.
• HUL was named the Bloomberg Dream Employer of the Year 2013.
• Nitin Paranjpe received Forbes India’s Best CEO Award.
• Sridhar Ramamurthy recognized as the Best Performing CFO at the CNBC-TV18 CFO Awards.
• HUL was recognized for its ‘Best in Class Reward Practices’ by Aon Hewitt.
• HUL was declared the Top Indian FMCG Company 2011 at the Dun & Bradstreet – Rolta Corporate Awards.
• HUL was recognized for its Talent practices at the Thought Leaders and Corporate Excellence Awards 2012.

5. Sustainability

• HUL factories in Amli and Haldia won at the Frost & Sullivan’s Green Manufacturing Excellence Awards 2012.
• HUL’s Orai Factory was selected as the winner of the prestigious ‘Srishti Good Green Governance Award 2011 in the “Process Non-metallic” category.
• HUL’s Khamgaon unit won the 2nd prize at the prestigious “Vasundhara Award - 2012” from Maharashtra Pollution Control Board (MPCB) for its exemplary work carried out towards protection of environment in the state of Maharashtra under the large scale Industry category.
• HUL won the Golden Peacock Occupational Health and Safety Award 2012.
• HUL received the Paryavaran Parirakshak Puraskar from the Ramky Foundation for contribution towards environmental protection.
• HUL won the first prize at FICCI Water Awards 2012 under the category of ‘community initiatives by industry’ for Gundar Basin Project, a water conservation initiative.
• HUL’s Orai Factory received the Gold Prize at the prestigious Greentech Environment Awards 2012 in the FMCG category for outstanding achievements in environment protection.
• HUL’s Sumerpur factory declared winner of Gold Award in FMCG sector for outstanding achievement in Safety Management at the Greentech Safety Awards.
• HUL’s Kandla factory won prestigious Gujarat State Safety Council Award for implementing Best Safety Systems.

3.4.2 Human Resource policies: Measures of HUL

Human resource policies of Hindustan Lever Limited are focused on strengthening four key areas.

❖ Building a robust and diverse talent pipeline.
❖ Enhancing individual and organizational capabilities for future readiness.
❖ Driving greater employee engagement.
❖ Strengthening employee relations further through progressive people practices at the shop-floor.

HUL employer brand had been built with high levels of rigour and thoroughness through a large number of student interactions and qualitative and quantitative analysis of the responses. HUL is widely acclaimed for its people development practices and has reinforced its position in this area. This, coupled with the ability to attract best talent, gives a competitive edge to the organisation. HUL for the fourth consecutive year retained its position as the Dream Employer with students of top business schools. HU voted as the No. 1 Employer for Mid-Career recruits in a survey conducted amongst active job candidates in the FMCG sector.

HUL Company has a vision to improve its Gender Balance and the roadmap involves a four-pronged approach:
A. Increasing the number of female talent through proactive market mapping.
B. Staying connected with our stakeholders through digital recruitment campaigns.
C. Creating a culture of inclusion.
D. Leveraging visible leadership role models.

The enablers for these could be as varied as flexi time to agile working to customized solutions for women who come back from maternity breaks. ‘Career by Choice’, a unique re-hire programme, provides a platform for women looking for real opportunities to work flexibly and part time for live business projects. With these enablers and focused plans, HUL Company has witnessed 8% shift in the Gender Balance Ratio over the last two years.

The initial part of the journey for Talent and Organisation Assessment was undertaken successfully. HUL now institutionalized the next phase of the Talent and Organisation Assessment charters, which will take-off during 2013 and chart out the best practices for each stream. The aim is to meet the requirements of the current talent pool and to enhance the Company’s future readiness.

In addition to building core capabilities in marketing, sales and distribution, HUL is investing in areas of beauty, foods, digital, e-commerce, frontline capabilities and crafting brands for life, to win in the future. Company has developed comprehensive plans in each of these key areas that customized to suit the present and future business needs. In addition to building capabilities, Company has also identified two key behaviors, Bias for Action, Consumer, and Customer Centricity that will supplement the capabilities to achieve business goals. In order to drive Bias for Action, HUL has developed Project Sunset which is an online platform for speedy resolutions of issues within the Company and has a satisfaction score of over 88% from internal employees. To drive Consumer and Customer Centricity, your Company has undertaken a number of activities to regularly communicate with and reach out to its consumers and has a well-defined programme to capture insights from its consumers.

HUL undertook intensive training programmes through a combination of face-to-face and virtual learning approaches. Over 41,600 e-learning registrations took place indicating that the spirit of ‘learn where you are’ is imbibed in employees of the
Company. HUL is also investing in building capabilities in digital and social media to find new platforms for brands to engage more effectively with Indian consumers.

The Global People Survey is a part of the Unilever Employee Insight Programme, which aims to give a voice to the Company’s people and provides a vehicle to make their views heard. The Survey also provides regular, meaningful and actionable feedback to the leaders in the organisation. It has questions spread across several dimensions in the areas such as Strategic Leadership, Immediate Boss Effectiveness and Engagement.

HUL has been investing in progressive employee relations practices to ensure that it invests in capability at the grass root level. ‘Sparkle’ is a centrally hosted intranet based tool that supports skill mapping, skill assessment, performance assessment, gap analysis and enables training plan identification, which is customized to each workman basis priority areas. Sparkle has been a pioneering tool in the area of workers capability development that promotes higher transparency and focused training intervention linked to individual and business needs. The tool has delivered results for over two years now and your Company has successfully completed appraisals, thereby identifying top performers and completing skill gap analysis of over 10,000 workmen online. ‘Sparkle’ has been recognized as a best practice and adopted for a global roll-out. Business Linked Engagement and TPM Edge programmes continued with full focus and rigour during the year and delivered significant improvement in factory operations.

3.4.3 Various policies that plays role in the development of quality of work life

1. Fairness in the Work Place

**Implementation of UN guiding principles on business and human rights**

HUL Code of Business Principles upholds the principles of human rights and fair treatment. The Code provides that company conduct their operations with honesty, integrity and openness and with respect for human rights and interests of employees. They seek to uphold and promote human rights in three ways:

- In operations, by upholding values and standards
In relationships with suppliers, and

By working through external initiatives such as the United Nations Global Compact

The Unilever’s Supplier Code reinforces the principles of Human Rights and Labour Rights for all our suppliers. In accordance with the Company policy, all suppliers are expected to respect the principles of the Supplier Code and adopt practices that are consistent with that of the Company.

HUL human rights practices assure respect for the right of employees to freedom of association and recognition of employees’ rights to collective bargaining, where permissible by law. All sites in HUL are under collective bargaining agreements. There Code of Business Principles confirms to International Labour Organization (ILO) principles.

**Source 100% of procurement spend in line with our responsible sourcing policy**

New Responsible Sourcing Policy sets mandatory requirements on human and labour rights in business relationships with HUL and defines a ‘continuous improvement ladder’. HUL used this to engage with all their suppliers to work towards achieving leading practices. Company ambition is to promote adherence to higher standards in all the industries they operate, including the non-agricultural sector.

**Create framework for fair compensation**

Compensation in India is based on guidelines issued by Collective Bargaining Agreements (CBA). All factory sites and offices are covered under CBA. HUL ensure that their salaries adhere to the mandatory statutory limits and are at par with various external industry benchmarks. This allows them to provide compensation that is fair, just and more importantly retain our talent. All supply chain units pay wages, which are well above the statutory minimum wages as prescribed by the law. As a part of the standard wage structure, there is also an element called Variable Dearness Allowance.

**2. Opportunities for Women**

**Build a gender-balanced organisation with a focus on management**

HUL had taken many initiatives to build gender-balanced organisation. Some of these are Ŷ Career by Choice programme: A unique career comeback programme that provides a platform for women looking for opportunities to work flexibly. In 2014,
there were 27 women talent or employees associated with us under this programme across functions. Ơ Career Break Policy: The facility of a career break is available to all managers of the Company. Such break can be availed for duration of up to five years in total for many reasons including maternity, higher study, sabbatical, adoption etc.

**Gender Balance Network**

HUL have a network comprising of senior leaders across functions who work towards creating an inclusive and diverse organizational culture.

**Agile Working**

HUL offer a host of policies and practices, which help employees, work flexibly, anytime, anywhere. Work from home, flexi-hours and part time / reduced hours (including a job share policy) are some of the initiatives. These policies are supported with our technology and office infrastructure.

**Workplace facilities**

HUL Head Office at Mumbai has cafe, Unilever shop, bank, florist, gymnasium, squash court etc besides the day care facility. There is also an escorted drop facility for woman employees working late evenings. In 2014, over 100 women availed this facility.

HUL recognize leaders who create a simpler, respectful and flexible organisation. Men and women leaders from various functions like R&D, Supply Chain, Marketing, Sales, Finance, IT are recognized for creating a trusting and supportive work environment for the team, adopting agile and virtual ways of working and leading inclusively. HUL work with various organisations, which do pioneering work in the space of diversity and inclusion and provide support to them for implementing large-scale initiatives and conducting research.

**Women on shop floor**

In 2014, over 50 women were recruited to work on shop floors in HUL factories. 100 female employees now work on our shop floors. The recruited women candidates are inducted and trained to enhance the required skill sets for working in factories. They
are trained on aspects related to quality, gender sensitization, industrial skills etc. After completion of training, they are posted in various departments including Quality Assurance, Commercial Operations, and Safety.

**Promote safety for women in communities where we operate**

Company has a policy on affirmative action and a policy on prevention of sexual harassment to ensure a harassment free workspace for our employees. Sexual harassment cases are dealt under the Code of Business Principles. All employees and employees from other subsidiaries are communicated on the various aspects of prevention of sexual harassment at work through e-mailer articles and other means of communication regularly.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (the Act) and rules were made effective from 9th December 2013. The Act requires companies to constitute Internal Complaints Committee (ICC), consisting of at least one external member and 50% women members. As per the requirement of the said Act, HUL has constituted Internal Complaints Committees (ICC). The Company has designated the external independent member as a chairperson for each of the committee.

**3. Enhance access to training and skills**

HUL follow a holistic 70:20:10 capability building approach across functions, under which 70% of all capability is built on the job, 20% through coaching and short-term projects and 10% through classroom learning. HUL learning practices are best in class with over 38,000 person-days invested in classroom and on-the-job training for blue-collar employees and 27,000 person-days for training white-collar employees in 2014. Employees in India completed over 31,000 e-learning courses. HUL have undertaken a host of programmes in the space of capability building on the shop floor. The Shop floor Skill Up gradation programme — ‘Sparkle’ is a centrally hosted intranet based tool that supports skill mapping, skill assessment, performance assessment and gap analysis for the shop floor employees. ‘Stepping into One’ (SIO) is a capability intervention that supports in building talent pipeline for all shop floor employees and enables them to become potential executives.
4. Expand opportunities in value chain

Project Shakti empowered 70,000 Shakti Entrepreneurs (Shakti Ammas) who reached out to over 4 million households across 1,65,000 villages, by the end of 2014. 48,000 Shaktimaans, who are typically the husbands or brothers of the Shakti Ammas, complement these Shakti Ammas. They sell HUL products on bicycles in surrounding villages, covering a larger area than Shakti Ammas can cover on foot. To increase our rural coverage and streamline our supply chain network, we have used a low cost mobile IT solution called Shakti Mobile. Shakti Mobile is a mini-enterprise resource planning (ERP) package run on an entry-level smart phone. The application, available in eight Indian languages, allows our Shakti Ammas to take and bill orders and manage inventory. The application also has updates on ongoing promotional and discount offers. The Institute of Competitiveness in India recognized our Shakti initiative for 'creating shared value' and awarded us the prestigious 'Porter Prize ‘in 2014. The Porter Prize is named after the renowned thinker, Harvard faculty member and father of modern strategic thinking – Professor Michael E Porter.

5. Creating a Performance Culture

Employee Engagement

HUL Global People Survey (GPS) measures the level of engagement of all employees. Employee Engagement for India showed a 10% improvement from 2010. A very high percentage of employees said that they were proud to work for HUL. Employee engagement scores at HUL are now among the best-in-class in Unilever and comparable to the best companies globally.

Safety at the workplace

HUL mission is to protect and enhance the well-being of our employees, visitors and partners. Safe working is ‘non-negotiable’ and we demonstrate this through thoughtful consideration of risks and opportunities. By balancing proactive and reactive measures, Occupational Health is considered one of the prime responsibilities of the entire line management. Our CEO heads the Central Safety, Health &
Environment Committee, which reviews the health and safety performance of the Company.

A Gender Balanced Workplace
HUL aims to become a gender-balanced organisation. The company has its roadmap and creating enablers to ensure a culture of inclusion. ‘Career by Choice’, a re-hire programme that provides a platform for women looking for real opportunities to work flexibly and part time on live business projects, is one such enabler. With these enablers, your Company has seen an 8% shift in the Gender Balance Ratio over the last two years.

6. Employee Relations
The objective of Employee Relations is to drive engagement through progressive people practices on shop floors. In the GPS survey, engagement scores showed very positive results.
A host of programmes have been undertaken in the space of capability building on the shop floor like Shop floor Skill Up gradation Program. ‘Sparkle’, a centrally hosted intranet based tool, supports skill mapping, skill assessment, performance assessment and gap analysis. It enables training plan identification. Stepping into One (SIO), a capability intervention, supports building the talent pipeline for all shop floor employees into potential administrative or supervisory roles.

7. Retirement/post-retirement benefits
Contributions to defined contribution schemes such as provident fund, employees’ state insurance, labour welfare fund, superannuation fund, are charged to the statement of profit and loss as incurred. In respect of certain employees, provident fund contributions are made to a trust administered by the company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and the company shall make Miscellaneous Provisions Act, 1952 and shortfall, if any, good. The remaining contributions made to a government administered provident
fund towards which the company has no further defined obligations beyond its monthly contributions. The company also provides for retirement/post-retirement benefits in the form of gratuity, pensions, leave encashment and medical. Such defined benefits are provided for based on valuations, as at the balance sheet date, made by independent actuaries. Termination benefits are recognized as an expense as and when incurred.