CHAPTER – IV
HRD PRACTICES IN ITC

This chapter is an attempt to focus the HRD Practices in ITC Limited with a detailed discussion on related Mainly Training and Development, Performance Appraisal, Potential Appraisal and Career Planning and Development are discussed in detail in the following pages of this chapter.

4.0 INTRODUCTION

The purpose of the Human Resources initiative was to develop strategic, integrated and competency- based HR management to enable the organization to meet its new mission, values and goals in a results-based manner. A core component of the HR work was to support the development of the new organization structure to reflect ITC's strategic objectives and lines of business. HR also led the internal communications strategy (which included a regular internal newsletter) to help manage staff concerns about the change process and bring them on board with the reforms.

To improve performance and further develop the organization's human resources, ITC developed a competency framework which identifies seven competencies essential to the ongoing success and development of the organization and its staff. Acting as a management tool the framework will establish the personal and management skill requirements of staff at each level and provides a framework for core HR activities such as recruitment, staff appraisal and career development.

ITC began the development of a People Strategy. This underpins ITC's commitment to attract, develop, support and retaining the best staff. In addition, it provides strategic direction to guide and align people management efforts throughout the organization. The strategy has five primary goals:

- Source, attract and recruit world-class talent
- Promote excellence in the fields of leadership and people management
- Encourage and support staff in their continuing professional development
- Provide staff with a diverse and supportive working environment

- Develop efficient, transparent and responsive HR processes to support ITC business delivery. The strategy includes clearly defined, proactive HR policies and fair, open and transparent processes, each with measurable success criteria.

4.1 HRD PRACTICES IN ITC

ITC is one of India's foremost private sector companies and a diversified conglomerate with interests in Consumer Goods, Hotels, Paperboards and Packaging, Agri Business and Information Technology. With a market capitalization of around US$ 35 billion and a turnover of nearly US$ 7 billion, ITC has been rated among the World's Best Big Companies, Asia's 'Fab 50' and among India's Most Valuable Companies by Business Today. It has been ranked as the world's 6th largest 'sustainable value creator' among consumer goods companies globally, according to a report by the Boston Consulting Group (BCG).

These achievements are an extension of ITC's continuing story of transformation, from a single product company to a diversified conglomerate with multiple drivers of growth. ITC is today the leading FMCG marketer in India, the second largest Hotel chain, the leader by a distinct margin in the Paperboard and Packaging industry, and the foremost Agri business player in the country. ITC's wholly owned subsidiary, ITC Infotech India Limited is one of India's fast growing IT companies in the mid-tier segment.

ITC's exemplary performance along the Triple Bottom Line is powered by its overarching vision, its robust corporate strategies and its relentless pursuit to create enduring and sustainable value chains. This is fundamentally inspired by a larger national purpose to build societal capital.

Indeed, ITC's achievements in the environmental and social dimensions have been remarkable. ITC has been Carbon Positive for 7 consecutive years, sequestering twice its emissions; Water Positive for 10 years, having created freshwater potential that is more than twice its consumption; and has remained Solid Waste Recycling Positive for over 5 years now. These achievements remain unparalleled globally, with

ITC being the only enterprise in the world of its dimensions to have accomplished and sustained these environmental distinctions.

ITC approach to human resource is premised on the fundamental belief of fostering meritocracy in the organization, which promotes diversity and offers equality of opportunity to all employees. We do not engage in or support direct or indirect discrimination in recruitment, compensation, access to training, promotion, termination or retirement based on caste, religion, disability, gender, age, race, colour, ancestry, marital status or affiliation with a political, religious, union organization or minority group.

4.1.1 ITC's corporate strategies are:

- Create multiple drivers of growth by developing a portfolio of world class businesses that best matches organizational capability with opportunities in domestic and export markets.
- Continue to focus on the chosen portfolio of FMCG, Hotels, Paper, Paperboards & Packaging, Agri Business and Information Technology.
- Benchmark the health of each business comprehensively across the criteria of Market Standing, Profitability and Internal Vitality.
- Ensure that each of its businesses is world class and internationally competitive.
- Enhance the competitive power of the portfolio through synergies derived by blending the diverse skills and capabilities residing in ITC's various businesses.
- Create distributed leadership within the organization by nurturing talented and focused top management teams for each of the businesses.
- Continuously strengthen and refine Corporate Governance processes and systems to catalyze the entrepreneurial energies of management by striking the golden balance between executive freedom and the need for effective control and accountability.

4.1.2 ITC'S INITIATIVES

- Recognizing that business enterprises are economic organs of society and draw on societal resources, it is ITC's belief that a company's performance must be measured by its Triple Bottom Line contribution to building economic, societal and environmental capital. ITC is therefore, committed to creating larger 'stakeholder value' by aligning its performance to such Triple Bottom Line objectives. As an Indian enterprise, ITC believes that this approach can unleash strong drivers, making growth more inclusive and equitable and also ensures long-term business sustainability and competitiveness.

- ITC has implemented an extensive social Investments programme in geographies where the Company has strategic business interests and presence. To ensure long term sustainability of these investments, and to enable replicability and scalability, these programmes have been aligned and integrated with the business value chains of the Company.

- The programmes strive to empower stakeholder communities to conserve and manage their natural resources, create sustainable on and off farm livelihood sources and improve social infrastructure in order to support creation of sustainable livelihoods on a significant scale backed by an empowered stakeholder community.

- ITC continues to progress our strategic agenda of remaining globally competitive and creating engines for sustainable growth by nurturing quality talent and blending proven skills and capabilities drawn from different parts of the ITC Group. Each business focuses on engaging with employees on a regular basis as well as based on specific requirements through communication meetings, workplace interactions, mentoring and suggestion schemes, employee/manager surveys and talent recognition programmes.

- ITC has strived to attract and retain talent through various initiatives that focus on providing personal development and growth, a work culture that ensures high levels of performance, world-class learning and a conducive work environment.

- ITC has further strengthened the organizational vitality and competitiveness through various efforts including:

- Developing agility and creativity to speedily embrace change.
- Developing leaders from a pool of talented, passionate and diverse individuals.
- Creating an environment where employees are inspired, engaged and aligned with the Company's Vision, Mission and Core Values.

ITC's human resource management systems and processes are designed to enhance employee engagement, organizational capability and vitality so as to ensure that each of the Businesses is world-class, positioned for competitive superiority and capable of achieving the Company's ambitious plans for growth. ITC's robust strategy of organization, climate of professionalism and time-tested caring culture constitute the framework for effectively channelizing corporate vitality. ITC has made significant investments in developing talent across the organizational spectrum – from frontline management to business leadership, all geared to galvanize the Company to become more agile and stay ahead of change.

ITCs Talent Management strategy is focused on building a 'future-ready' talent bank in the organization to ensure a pipeline of high quality managerial talent, specialists and business leadership. This is premised on attraction, development and retention of high-quality talent. ITC's talent brand – Building winning businesses. Building business leaders. Creating value for India – reflects its commitment to nurturing world-class talent and providing them the opportunity to develop as leaders and contributors to a larger purpose. Our talent engagement approach is based on:

- Attracting and nurturing quality talent supported by significant investments in learning and development, a culture of care and concern supported by systems and processes that encourage engagement and involvement.
- Creating a responsive, stakeholder- centric and market focused culture that enhances organizational capability and vitality.

ITC recruit quality talent from premier campuses across the country through an objective and robust selection process. New employees are assigned to various businesses of the Company and are deployed across the country. ITC strategy of

organization is based on the principle of distributed leadership in order to unleash the entrepreneurial energies of our human resources. The strategy of organization and its on-going emphasis on developing and supporting distributed leadership has ensured that each of ITC Company's businesses are managed by a team of competent, passionate and inspiring leaders.

ITC encourages local employment in the workforce in manufacturing and hotels, depending on the availability of requisite skills. In some of their Units, they also partner with local Industrial Training Institutes to provide vital inputs to the management of these institutions. A large number of youth are also provided apprenticeship opportunities in their manufacturing Units.

ITC Human Resource Management Systems and processes aim at creating a responsive, customer-centric and market focused culture that enhances organizational capability and vitality. Their unique employee value proposition backed by strong corporate equity enabled sustained engagement in challenging times.

4.2 Training and Development

An ever changing, highly competitive global landscape necessitates the development of a strong, customer responsive world-class company empowered by its vision, values and vitality. ITC has consistently fostered a culture that rewards continuous training, collaboration and development across the organization to be future-ready and to meet the challenges posed by ever- changing market realities.

ITC's Training & Development vision reinforces this agenda by seeking to build ITC's talent and leadership pipeline and enhance organizational capability to compete, win in the marketplace and create enduring value for their stakeholders and society. ITC's Training & Development initiatives include core programmes straddling various dimensions of Leadership, Capability Enhancement and Skill(s) Development along with customized programmes that address diverse capability-building needs at various levels of the organization. These programmes cover not just functional competencies but behavioral inputs as well, to ensure comprehensive development of our human resources. Focused programmes aimed at ensuring meaningful induction of talent into the organization, initiatives to address current and

future capability requirements of the organization, platforms to understand what the future holds for us in terms of technology and process advancement and development inputs to enhance managerial and leadership capability of our resources are the mainstay of their Training & Development agenda.

ITC is a board-managed professional company, committed to creating enduring value for the shareholder and for the nation. It has a rich organizational culture rooted in its core values of respect for people and belief in empowerment. Its philosophy of all-round value creation is backed by strong corporate governance policies and systems. Assistants under training, commonly known as AUTs are students of premier engineering and management institutes who choose to pursue their careers with ITC, straight after they graduate from their institution. AUTs are inducted into the ITC system with the objective of nurturing and grooming them to be the leaders of tomorrow. From the day an AUT joins ITC, the Company ensures that necessary inputs are provided in terms of managerial development, cross functional and cross business exposure and in-depth functional exposure in order to develop domain expertise, to equip them with the knowledge and skills required to perform their roles, as well as to lay the foundation for their growth and development as business leaders. AUTs undergo training for a period of one year after which they are confirmed as Assistant Managers. ITC believes in facilitating continuous learning and leverage their state-of-the-art training facilities to enhance their employees' competencies.

ITC training and development centre is named Epicenter. This Epicenter is where the trainees sharpen their skill sets, foster innovation and encourage freedom of thought. It symbolizes their need to excel in every sphere of functioning through knowledge building and skill enhancement. Technical training typically includes basic skills for new recruits such as programming language skills, OS principles, SE principles and specific technology expertise related to various technology areas. Along with technical training, they also provide a comprehensive certification program where employees can choose from a multitude of technology areas.

Behavioral training includes soft skills development sessions for the employees. These workshops include training in leadership skills, customer delight,

communication skills, time management, creativity and innovation, team building exercises etc. It is also very important that their employees have a domain understanding of the business areas they work in. In this regard, they focus on training programs leading to certification.

ITCs also have a robust e-learning platform titled 'PROP-EL' for their growing and global workforce. Employees across the globe are able to access this system and undertake training in a variety of subjects at their own time and pace. They can also participate in assessments of their capabilities online. ITCs have introduced a number of safety measures in their Units and have achieved international benchmarks in safety standard. They have witnessed an increase in the state of road accidents amongst their young employees. ITCs have designed and implemented specific programmes to address the issue of road accidents, which have begun to show tangible benefits.

4.2.1 AUT Induction

AUTs, after they join ITC, are taken through a two-week corporate induction programme wherein various Business Heads introduce them to their businesses. The induction programme is also aimed at facilitating a smooth transition from campus to the corporate world as well as to provide an opportunity to interact with business leaders. On the whole the programme aims at giving an AUT an understanding of what defines ITC, how ITC works and the lives ITC touches!!!

Once AUTs join their respective businesses, they go through a division and function specific detailed induction programme which provides them a thorough overview of the business model of the division, introduces them to various functions within the business and gives them an extensively detailed insight into their own function. The induction programme is supported by projects and stints which help grasp the various nuances of the business and at the same time contribute to the growth of the Company.

4.2.2 Mind over Matter

As a precursor to the internship, a two-day orientation program called 'Mind Over Matter' is organized for the technical interns. This programme is intended to

provide insights that enable the interns apply their academic learning more effectively to real life work challenges. The programme also aims at enhancing their interpersonal skills for greater interpersonal effectiveness and to strengthen their diagnostic and problem solving skills. In the ultimate analysis this programme focuses on how summer internships can be made more meaningful both for the student and the organization.

4.3 TRAINING METHODS FOLLOWED IN ITC
4.3.1 ON- THE-JOB TRAINING METHODS

This type of training, the individual is placed on a regular job and taught the skills necessary to perform the job. On-the job training has the advantage of giving firsthand knowledge and experience udder the actual working conditions.

- Job instruction
- Coaching

4.3.2 OFF-THE-JOB TRAINING METHODS

During this type of training, the trainee is separated from the job situation and his attention his focused upon learning the material to his future job performance. Since the trainee distracted by job requirement, he can place his entire concentration on learning the job rather than spending his time in performing.

- Vestibule Training method
- Role Playing Method
- Movies/videos/computer-based training
- Discussion

4.3.3 Training Procedure Followed In ITC

The following training procedure is an essential adoption of the job instruction training course, which has been proved to have great values. The important steps in the training procedure are:

1. Preparing The Instructor

The instructor must know both the job to be taught and how to teach it. The job must be divided into logical parts so that each can be taught at a proper time

without the trainee-losing plan. For each part, one should have in mind the desired technique of instruction, that is, whether a particular point is best taught by illustration, demonstration or explanation.

A series and committed instruction must:
- ➢ Know the job or subject he is attempting to teach.
- ➢ Have the aptitude and ability to teach and willingness towards the profession.
- ➢ Have a pleasing personality and capacity for leadership.

2. Preparing The Trainee

As in interviewing, the first step in training is to attempt to place the trainee at ease. Most people are somewhat nervous when approaching an unfamiliar task. Though the instructor may have executed this training procedure, many times he or she never forgets its newness to the trainee. The quality of empathy is a mark of the good instructor.

3. Getting Ready To Teach

This stage of the program is class hour teaching involving the following activities:
- ➢ Planning the program
- ➢ Preparing the instructor's outline.
- ➢ Not to try to cover too much material
- ➢ Keep the session moving along logically
- ➢ To discuss each item in depth
- ➢ To repeat, but in different words.
- ➢ To take care, the material form standardized texts when it is available.
- ➢ To teach about the standard for the trainee like quality, quantity, waste or scrap ability to work without supervision, knowledge or procedure, safety rules, human relations etc.

4. Presenting The Operation

There are various alternative ways of presenting the operation viz, **explanation; demonstration** etc. An instructor mostly uses these methods of

explanation In addition, one may illustrate various points through the use of pictures, charts, diagrams and other training aids.

5. Try out the Trainee's Performance

As a Continuation of the presentation sequence given above, the trainee should be asked to start the job or operative procedure, some instructor prefers that the trainee explain each step before doing it, particularly if the operating involves any danger. The trainee, through respective practice will acquire more skill.

6. Follow Up

The final step in most training procedures is that of the follow-up. When people are involved in any problem or procedure, it is unwise to assume that things are always constraint. Follow-up can be adapted to a variable reinforcement schedule as suggested in the discussion of learning principles, every training program should have a follow-up; otherwise the training programs in the future can't be improved.

After making the above steps the trainer has to take the following steps.

1. Training Needs Identification

The training need for all employees is identified either by the respective HOD's or by the top management of **ITC** during the performance appraisal process or updating the skill / competency matrix.

2. Preparing A Training Plan

Based on the above input the training plan is prepared by the **HR Manager** once in a year and gets it approved by himself .While preparing the training plan the backlog from the previous year training plan is also added. The training plan is reviewed and updated in the **HRM.**

3. Preparing A Training Calendar

The participant list is categorized into batches and based on the training period the calendar is prepared **Batch Wise** by the HR Manager and circulated to the participants for information. In case of any changes the same is modified and intimated to the concerned personnel.

4. Execution Of Training As Per The Training Calendar

For the internal training programs the trainers are selected from the list of trainers, In case of external training programs the profile of the trainer is received and reviewed by the HR Manager. The HR manager or the trainer and arranges the venue & the course material required for the program. The dates are finalized based on the availability of the trained and the same is communicated to the participants. In case of any change in the program the same is communicated to both the trainers and the participants.

5. Training Feedback From The Employees

On completion of the training program all the employees fill up the feedback form and hand over to HR Manager.

6. Evaluation Of The Training Imparted

After the target date mentioned in the feedback form, the HR Manager evaluates the effectiveness of the training imparted through the respective HOD. If the results are satisfactory then the employee's skill matrix is updated else the employee is recommended for re-training.

4.4 TRAINING FOR DIFFERENT EMPLOYEES

Employees at different levels required training. Unskilled required training in improved methods of handling machines and materials to reduce the cost production and waste and to do the job in the most economical way. Such employees are given training on the job itself and the training is imported by their immediate superior officers, foreman. The training period ranges from 3 weeks to 6 weeks.

Semi skilled workers

Requires training to cope with the requirements of an industry arising out of the adoption of mechanization, rationalization and technical process. These employees are given training in their own sections of dependants or in segregated training shops where machines and other facilities are usually available.
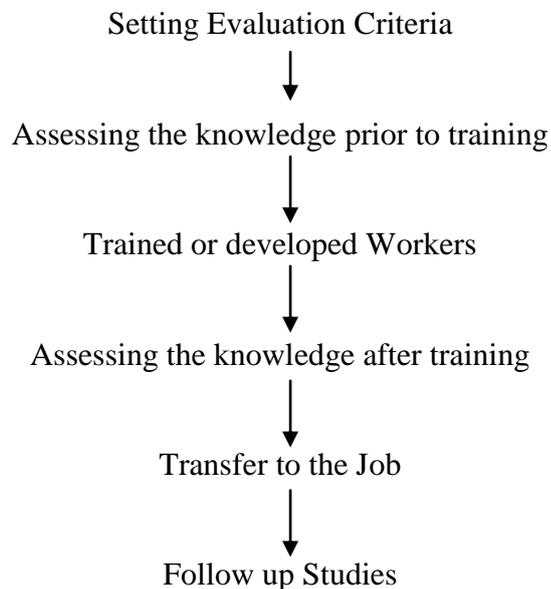
Skilled Workers

Skilled workers are given training through the system of apprentice ship which varies in duration from a year to 3 or 5 years. It is also known as tradesman or craftsman training and is particularly useful for such trades in industry which require highly sophisticated skills as in carpentry, drilling boring, planning and host of other industrial job and operations.

Other employees

Besides the above types of employees other typists, stenographers, accounts clerk and those who handled computers need training in their particular fields but such training is usually provided outside an industry.

TRAINING PROCESS

The steps to be followed in **ITC** in conducting the training process would be:

Setting Evaluation Criteria

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Assessing the knowledge prior to training

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Trained or developed Workers

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Assessing the knowledge after training

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Transfer to the Job

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Follow up Studies

Management development Methods Used in ITC

On The Job Experience

- Coaching
- Multiple Of Management
- Under Study

Formal training

- Incident method
- Conference
- In basket method
- Sensitivity training

4.5 PERFORMANCE APPRAISAL

The cornerstone of the performance management system is the Appraisal System in ITC. The individual agrees to perform objectives at the beginning of the year with his/her superiors. These objectives naturally flow from the objectives of the unit/business. At the end of the year the individual's performance is assessed against the objectives set. The appraisal attaches as much importance to "how" results are achieved as to the results themselves. The rating is determined by the managers and endorsed by his boss. Therefore, two individuals are involved in assessing a manager's performance.

The appraisal process also gives the individual an opportunity to share in a formal manner of his/her own career aspirations and what the individual needs from the organization to enhance his/her own development. Based on an assessment of development needs, a development plan is drawn up for each manager. Remuneration changes are made once every year based on the performance rating of the individual. The entire process is transparent and objective.

ITC's remuneration strategy is anchored in three basic principles: market-led, performance leveraged and the capacity to pay. Remuneration is benchmarked with identified comparator organizations and reviewed periodically. Apart from the monetary component which comprises Consolidated Salary and Supplementary Allowance, managers are provided with quality accommodation, medical assistance for self and family, leave travel assistance, etc.

At middle and senior levels, managers are provided with company maintained cars and the facility of a club membership for business purposes. All managers are members of ITC's Retirement Funds, the Pension Scheme being one the most

attractive in the country. Other benefits include the facility of holiday homes, assistance for further education/self development etc.

4.5.1 THE PERFORMANCE APPRAISAL PROCESS IN ITC

Step 1: Establishment of performance standards as per their service industry. For this one should be derived from company's strategic goals and job analysis and job description.

Step 2: Communication of performance standards to employee who are working in the service industry.

Step 3: Measure performance by using information from, personal observation, statistical reports, oral reports, written reports, comparison of actual performance with standards in service industry.

Step 4: Discuss appraisal system with employee and identification of corrective action where necessary in service industry. The service industry can use three approaches performance appraisal Methods like **Absolute standards, Relative standards, and Objectives standard.**

1. ABSOLUTE STANDARDS means employee's performance is measured against established standards. Evaluation is independent of any other employee.
Absolute Standards includes –

Essay Appraisal: Appraiser writes narrative describing employee performance & suggestions.

Critical Incident Appraisal: Based on key behavior incident illustrating effective or ineffective job performance.

Checklist Appraisal: Appraiser checks off behaviors that apply to the employee.

Adjective Rating Scale Appraisal: Appraiser rates employee on a number of job-related factors.

Forced-Choice Appraisal: Appraisers choose from sets of statements which appear to be equally favorable, the statement which best describes the employee.

Behaviorally Anchored Rating Scales (BARS): Appraiser rates employee on factors, which are defined by behavioural descriptions illustrating various dimensions along each rating scale.

2. RELATIVE STANDARDS method means employees are evaluated by comparing their performance to the performance of other employees. This method includes -
Group Order Ranking: Employees are placed in a classification reflecting their relative performance, such as "top one-fifth."
Individual Ranking: Employees are ranked from highest to lowest.
Paired Comparison: Each individual is compared with one another. Final ranking is based on number of times the individual is preferred member in a pair.

3. Service standards method means 'Achieved Outcome Method' i.e. Management by Objectives (MBO) should be used for performance appraisal. This method includes mutual objective setting and evaluation based on the attainment of the specific objectives.

Common elements in an MBO program are: goal specification, participative decision making, an explicit time period, performance feedback etc. effectively increases employee performance and organizational productivity in service industry. Performance management in service industry is assessment of employee performance, discussing its results with employees, and suggesting and working out way for improvement in performance in service industry. Management by objectives (MBO) is very much necessary in the service industry because service industry rendering tailor made services to the clients. MBO works in an environment which is open and provides platform for discussion between superior, subordinate and employees on equal footing.

4.6 POTENTIAL APPRAISAL

Potential appraisal is a very important tool in any workplace. It helps in evaluating the behaviour of the employees in the workplace. It includes both the

qualitative aspects of the job performance. It evaluates a person systematically including his on the job potential and his potential for development. It is a continuous process and its responsibility is totally on the supervisor. The supervisor makes sure that the work is in its place, he or she keeps a check on employees as to how the task assigned to them is performed. The supervisor tries to find out the weak points and try to cope up with the challenging situations. This process in an organization faces certain limitations like Halo effect, Error of comparison, Personal Bias, Leniency and incompetence of Appraiser. To make the process most effective the organizations should set clear defined standards, mutual understanding, selection of the right appraisal tool and constant review and feedback.

4.6.1 Process of Appraisal: The Potential appraisal systems were formally communicated to the employees. Employees were well aware of the parameters of Potential and also were satisfied with the systems. The Potential appraisal system is based on the assessment sheet. The parameters of the sheet include: knowledge of work, planning organizations, delegating work, initiative & drive, personal efficiency, dependability, leadership, co- operation, honesty integrity, quality of work, punctuality, six sigma contributions. The parameters were assessed on a scale of outstanding, above average, average, below average. The potential is appraised by both appraiser and appraisees, Head of department, Personnel Manager and General Manager. The sheet would contain information from all of the above. Appraisals are conducted yearly, in the month of February and March.

The process takes two weeks to complete. The appraisal depends on mainly the strength and weakness of employee and means to enhance quality of work of employee. The award system for appraisal is also in place. The head of department will decide the most deserving candidate for award. Potential Appraisal is found to be a two way process in the hotel, with the employer and the employee being equally involved in assessment. The process is designed to facilitate discussion and mapping of future goals and growth plans. The implementation of the Potential appraisal process determines promotions, increments, training and development needs and best employee awards. The process differs across different levels; a combination of methods is will be used. It is clearly an annual process. In case of severe deviations from the expected standard, the employee will be given a warning letter, terminated,

increments are withheld, promotion withheld and in some situations employee is referred for further training and development.

4.6.2 Balanced Score Card: ITC successfully uses Balanced Score Card method for its appraisal. Balanced scorecard was prepared on FIVE parameters, which are as follows:

1. Customer perspective
2. Financial perspective
3. Internal perspective
4. Employee's perspective
5. Social perspective.

The innovative aspect is the fifth parameter of the social perspective, which is added to the Scorecard at ITC. The Balanced Scorecard is strategically oriented, and all the functional heads have a series of meetings with the HR department and the top management team. The BSC is supported by the career review form to further assess the employees.

4.6.3 Career Review Form: This form assesses the subjective aspect of measuring a person's performance which is fixed at 30%. The objective of the career review form is to encapsulate the Big Five (The five Perspectives). The key competencies and the feedback which needs to be given to the senior managers. Secondly, to allow inputs taken on key parameters and assessing the potential for future growth. It is done in cohesion with the Balanced Scorecard. It comprises of five sections. Section A-The big Five/Self-Assessment
* Revisiting the Big Five
* Providing background against which the employee performed
* Providing a framework to prepare for appraisal discussions Filled by: Assesses
A1: Specify Departmental Objectives
A2: State Big five at the beginning of the year and achievements
A3: Factors which aided/hindered performance

4.6.4 Future Outlook: The Company has adopts various Positive engagement and Potential oriented objectives, however the future growth of the company will be

determined by the enhancement of additional strategies. The drivers of engagement are the key focus of the company; the workforce has to reflect uniform positive levels of engagement. The focus on the drivers of engagement namely Career, Community, Congruence, Compensation, Content, Coping will further involve each employee. The process of appraisal will be blended with the requirement of the work. The appraisal process may align with the following aspects: process being Trait based, Behavior based, Knowledge or skill based, Result based.

Focus of the organization is on increasing job understanding, remedial Potential improvement, career development, employees efforts focused on specific tasks, increasing output, HRP, linking pay and performance, improving team work. Peer rating being an important part of the process, building a system of peer assessment to add value to the feedback collected by reviewers. Rating by customers, suppliers, outside experts and clients provides an important insight into the study of appraisals. The measurement of the results to strengthen the existing processes and further additional three elements: dimension, measures and standards to the appraisal. Usage of forms which are more qualitative than quantitative, as using qualitative forms can cloud judgment and impact decision making.

4.7 CAREER PLANNING AND DEVELOPMENT

ITC believes the responsibility for career development that rests both with the individual and the organization. While the organization provides opportunities for learning and growth, it is the individual's responsibility to ensure he/she enhances his/hers competencies to shoulder higher responsibilities. Career development therefore is a two-way process. Above all, the key factor determining career growth is meritocracy and performance.

The Company believes that as the competitive scenario gets more intense, specialism will increasingly become a source of unique competitive advantage. Certain specialism's are enhanced by extended and in-depth application and 'longevity' in a position. This requires a unique approach to career management of such 'specialists.'

Some of the specialist positions are Company Solicitor, Scientist, Leaf Blender, Product Development Specialist, Process Specialist, Instrumentation Specialist, Agronomist, Commodity Trader, Forex Manager, Corporate Communications Specialist etc.

4.8 HUMAN RESOURCES

With over 31,000 employees across the group, scores of manufacturing facilities and operations spread all over the country, the Human Resources function in ITC offers very challenging career opportunities. With a legacy of over a hundred years, management of the human resource relies heavily on the wealth of experience of the past and simultaneously constantly reinvents itself to remain contemporary and contribute to the achievement of their strategic objectives.

ITC's Human Resource policies and strategies seek to ensure that HR Systems and processes focus on building a customer focused organization that further enhances the organizational capability to compete and win the market. People are ITC's unique source of competitive advantage and HR Systems and processes ensure that the potential of our human resources is leveraged to enhance the wealth generating capability of the enterprise and in building a winning organization.

ITC provides you an opportunity to experience the diversity present within the Human Resources function ranging from Employee Relations and Employee Engagement - Negotiations, Employee Welfare, Building Alignment, Productivity Enhancement, Process Excellence to Salary and Wage Administration, Statutory Compliance, Corporate Social Development initiatives. The diversity of ITC's businesses also ensures that one experiences the varied dynamics of the function that comes into play in different business scenarios.

A typical career in HR entails significant experience in each of the areas mentioned above, which helps one develop as a holistic HR Manager. A career in ITC will lead one from being a part of a unit to heading a unit/region, to heading various functions within HR and finally to heading the function at the divisional or corporate level. One will be encouraged to be a part of various cross functional teams, an

experience that will enable one understand how different functions work synergistically to produce business outcomes.

4.9 FINANCE

ITC operates a Caderised Finance function that serves all its businesses. The Finance function in ITC proactively partners the various businesses of ITC. The functional role is a dynamic amalgam of 3 distinct dimensions, namely, that of a Value Strategist, a Risk & Opportunity Manager and Service & Solution Provider. ITC's multi-business context provides opportunities for working in a wide range of business environments, enabling growth through professional development. A career in Finance offers you a range of challenging assignments across operational accounting, business planning and analytics, strategy evaluation, risk management, treasury management and commercial negotiations.

Post induction, candidates could be positioned either in one of the Company's varied businesses or Corporate Headquarters or in the Company's Internal Audit function. The posting could be anywhere in India depending upon the need, as the Company has units and business headquarters in metros, smaller towns and up country locations. During the course of one's career, the individual moves across several such locations. In the business finance role, employees will be placed and rotated through operational roles both in the field (at manufacturing units/marketing offices) and Head Office. Opportunities for working on specific projects and in cross functional teams are also available so as to provide business exposure and to enable application of conceptual knowledge to business situations and hone leadership capability.

In ITC's Internal Audit, unlike in traditional audits, managers work in a live business environment and contribute to the effectiveness of management systems in a fast changing, dynamic set-up. This period entails considerable travel and gives the individual a first-hand opportunity to gain a comprehensive understanding of the Company's business systems and strategies at work. After this stint the manager is positioned in one of the Company's businesses at any of the operating units spread across the country. One's career in finance usually commences with being a member of the operational unit team or audit team with specific independent responsibilities.

Based on performance and merit, one will in course of time, be entrusted with the leadership responsibility of heading the function in a unit or business area with a team reporting to one problems and opportunities.

4.10 MARKETING

A diversified company with over 21 FMCG product categories, 77 sub product categories, largest FMCG sales and distribution network (1 lakh+ markets, 2 million+ outlets), home grown world-class brands, ever expanding product portfolio, all this and more makes ITC the place to be in for a Marketing professional. ITC's aggressive pace of growth can be gauged by the fact that in 2001 ITC had a single FMCG product, less than 100 SKUs, 2 channels of distribution and 6 factories/OCMs as compared to 2011 where there are 21 FMCG product categories, with over 1200 SKUs, 7 channels of distribution, more than 70 factories /OCMs. The phenomenal growth story of ITC throws open a world of challenges and opportunities as well as an opportunity for one to be a part of this evolving story be it sales and distribution, brands, market research, new product development, business to business marketing, rural marketing amongst others.

ITC's Trade Marketing and Distribution (TM&D) vertical is the sales and distribution arm whose strategic objective is to provide sharper focus to ITC's FMCG businesses and evolve Trade Marketing & Distribution into a benchmark ecosystem, thereby delivering on the organization's vision of becoming the No. 1 FMCG Company in India. ITC's TM&D vertical straddles one of the largest sales force networks in the country, best in class systems and processes, ever growing distribution reach, cutting edge technology, cost optimization and most importantly, a highly motivated workforce.

Bingo!, Classmate, Fiama Di Wills, Wills Lifestyle, Vivel, Sunfeast, Aashirvaad, Aim, Mangaldeep amongst others are world-class brands developed in-house and are standing testimonials to ITC's superior brand building capabilities. Brand management in ITC offers one a perspective on creation & implementation of marketing strategy, which includes all the elements of the marketing mix. It is a role where you will be given complete ownership of the brand, its financials and control over all the aspects that drive brand growth. The role also encapsulates tremendous

exposure in the fields of advertising, "Go to Market" strategies, consumer insights, market research, consumer & business analytics, media management, handling legal and environmental issues as well as continuous interaction with the sales force.

ITC's Paperboards and Specialty Paper Division (PSPD) and the Packaging and Printing Business (PPB) are leaders in creating successful brands in what is otherwise viewed as a commodity by the rest of the industry. These businesses provide you the opportunity to experience the dynamics of Business to Business marketing. A pioneer in the area of sustainability, PSPD is one of the main contributors to our company's positive achievements on Carbon, Water and Solid Waste Management. PSPD's sustainability initiatives, which have been acknowledged extensively, have enabled a very unique value offering to customers in terms of environment friendly products.

Here one will be engaged in customer engagement, relationship building, market research, product development, branding, niche advertising and promotion and will help one appreciate, identify and leverage key drivers of value - for the customer and for the business. One will be an integral part of the team that constantly drives innovation, growth and value.

4.11 SPECIALISTS

ITC recognizes the need to nurture specialism and expertise in areas that give the Company a distinct competitive advantage. In keeping with this need, the Company has put in place a unique strategy to attract retain "specialists", anchored in the following premises:

- In each function, certain specific positions require possession of unique authority over a critical aspect of the business, knowledge and skills that are unique and not common across industries and are not easily replaceable.
- There are certain positions in any organization where longevity of the individual in that position leads to acquisition of in-depth knowledge and experience which would take another individual in that position years to acquire. Therefore, there is a need to retain individuals in these key positions for as long as is possible.

In keeping with this approach, certain positions have been identified to be "specialist" in nature. These include Research Scientist, Leaf Blender, Agronomist, Legal Resource in Trade Marks, Tobacco and Health, Paper Maker, Forex Dealer, Commodity Trader, Chef, Food and Beverage specialist, etc.

The remuneration of individuals in these specialist positions is de-linked from the remuneration matrix applicable to the rest of the business and is determined by the criticality of skill, individual competence and experience.

The Company strives to encourage individuals in these specialist positions to continue in them, by rewarding and recognizing their contribution in that position, rather than have them look to the traditional routes for career progression and enhancement.

4.12 TECHNICAL

Almost 17 factories, best in class technology, state of the art facilities, diversity in roles, processes and in businesses, all this and more makes ITC a dream company for professionals pursuing a career in the Technical function. ITC recruits the best engineering minds from both premier engineering campuses across the country and directly from the market for roles in its Technical function. The objective of ITC's Technical function is to service the market with world-class products and huge investments are made continuously to remain at the cutting-edge of technology and most importantly, towards the enrichment and development of our human capital.

ITC visits premier engineering campuses (IITs, select NITs and BITS Pilani) to induct "techno-managers" into the technical function. In ITC responsibility comes early. These roles can range from operations, maintenance, engineering, project management and logistics. The role can involve heading a small department having 100-150 employees or managing a project involving substantial capital expenditure or managing the supply chain and logistics. The roles also include managing the maintenance activities for the plant or can be in the core engineering area. Therefore each role has a totally different flavour of its own and therefore its own challenges and learning opportunities.

For professionals recruited from the market roles are offered in keeping with the nature and length of their experience. The roles range from entry level roles to the ones which involves management of entire departments such as Production or Engineering.

In the technical function one will be rotated across these roles to provide one with wider exposure and overall business perspective. Based on performance and potential, one will be moved up to head a department having size of more than 500 employees as early as 2-3 years from the date of joining the Company. From there again based on merit, one will be given the opportunity of becoming the head of an entire engineering department of the factory or the production department and going forward the opportunity to head an entire factory.

4.13 SUMMARY

Finally, the HRD Practices in ITC are explained to the major extent in every field of business activities. Every department designs its own feedback forms, which the employee has to fill from time to time. Despite these efforts at times the people working in the organization for many years tend to command most of the decisions. Except for one respondent, every employee interviewed supported the open culture facilitated. Authenticity is close to openness, the employees do not feel hesitant to come out with their views and own up their mistakes, as ITC culture doesn't believe in firing people for every small mistake unless and until it is really drastic. Various cross-functional training sessions and other informal sessions are organized to facilitate better employee relations. Running the gauntlet to more effective, purpose based performance management is a high risk, high reward endeavor. Many myths may be dispelled and may traps avoided. A successful run requires significant investment, sustained commitment and the underlying belief that performance management is a core business process that can create competitive advantage when done well.

In addition, it is vital that the full set of HR available to ITC is considered holistically: at present the permanent professional staff, the contract professional staff, the consultants, and the general service staff (and the various combinations of these categories) are considered as separate and rarely considered together. In many cases

these distinctions reflect tradition or budgetary drivers rather than the strategic needs of the organization. The general service staff/Permanent Professional staff boundary is a particular issue. There are highly qualified General Service staff frustrated by their managers' attitudes towards them and their inability to progress, often working alongside permanent professional staff who are no more qualified. There is little evidence of forward planning of HRM in ITC. The evaluation could identify no policies relating to the kinds of HR skills and attributes of ITC will need in the future and how it intends to make the transition towards those capabilities.

ITC maintains a "consultants" roster, which includes key information on each individual's qualifications and experience, and from which the staff can select potential candidates when external consultancies are needed. The form for Curriculum Vitae contains minimal information compared to that required by many organizations and consultancies when mobilizing experts, which suggests that information on consultants is obtained through other channels such as recommendations and contacts. Consultants are identified through the network of the professional staff of ITC. The HRS screen the candidates to ensure that they meet the minimum qualifications.