

GROWTH MANAGEMENT SYSTEM OF BAYER VAPI PVT. LTD.

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ABSTRACT

Growth Management System is being introduced in Bayer Vapi Pvt. Ltd. in the year 2018 which helps in evaluating and rating the performance of blue collar employees on the basis of key performance parameters set with indicators. This system gives clarity on the expectations from these employees and focuses on their positive efforts, and those employed with the organization for three months and above will be a part of this system, but will not include those who are leaving this organization or serving their notice of leave. This paper presents the overall study of Growth Management System as a tool of performance measurement by adopting the Performance Management System as a strong foundation for the study. This study objectively aims to get a real glimpse of this system with the help of views or perceptions of both the managerial level and senior technical level employees of this company which comprises of Functional Heads, Plant Managers and Plant Engineers, and Shift In charge employees of the company. The methodology used for this study is a mix of primary and secondary research tools. This study concludes on the note of capturing the positive feedback with respect to the implementation of this system and serving the purpose of employee development, thus being resulting into the increased motivation and satisfaction.

Keywords: Growth Management System, performance measurement, employee development

1. ABOUT THE COMPANY

In 1990, Mitsu Industries Ltd. was established for manufacturing intermediates and agrochemicals in GIDC, Vapi and manufacturing started with the help of two plants and a small team. With in-house research and development, it produced some of the most complex molecules of crop protection chemicals. In the year 1991, the Bilakhia brothers stepped ahead with the vision to emerge as a market leader in agro chemical industry and started to manufacture Permethrin. Within a span of 8 years the company ranked among the top three producers in the world and became much strong in the chemical sector and was equipped with the best manufacturing facilities of the world. In 1999, Mitsu entered into a joint venture with Hoechst Schering AgrEvo and Bilag Industries Pvt. Ltd. was formed with two shareholders, viz. Hoechst Schering AgrEvo GmbH and the Bilakhia Group. In 2000, Hoechst Schering AgrEvo GmbH underwent a merger with Rhone Poulenc (inception of Aventis Crop Science) and Bilag, which was a part of Aventis Crop Science SA. In 2002, Aventis Crop Science was acquired by Bayer, and Bilag became a part of Bayer and thereafter in 2013, Bilag was renamed as Bayer Vapi Private Limited. Bayer Vapi Pvt. Ltd. is the single largest manufacturer of Synthetic Pyrethroids in the industry today. It manufactures Imidacloprid and Ethofumesate (Herbicide) and also various pyrethroids as insecticides for agriculture and environmental science. Products are manufactured by Bayer Vapi Pvt. Ltd. across two categories: Active Ingredients and Intermediates for which it has 11 manufacturing plants. The company covers all main elements of the charter with their QHSE (Quality, Health, Safety & Environmental Protection) management systems and activities.

2. ABOUT THE TOPIC

Growth Management System is the system which has been introduced at Bayer Vapi Pvt. Ltd. in the year 2018 and it has been designed by the Bangalore based software company JS Malhan (JSM). In 2018, it was for the very first time that the performance of blue collar employees was evaluated and rated with the help of this system and also various performance parameters with some important indicators were defined and set.

The objectives of Growth Management System (GMS) are as follows:-

- Establish a performance oriented culture.
- Acts as a performance assessment system.
- A feedback system focusing on the development processes.
- Gives directions to the employees on how to achieve the meaningful goals.
- Closely monitor the performance and progress of individuals.
- Reward and motivate the high performers.

2.1 Overall GMS process

GMS process is divided into the following stages:-

1. Communication of goals:

First of all, the goals to be achieved are communicated by the Plant/Function Heads to the blue collar employees or workmen. These goals are communicated to the employees by head/manager of a particular department for around two months.

2. Goal setting process:

Following are the main sequential steps for Goal setting process:-

- a) Human Resource (HR) department finalizes the timelines and send communication for the commencement of Goal setting process.
- b) Group Goals are set by the Plant Manager/Function Head for the workmen and displayed on the notice board.
- c) The workman will provide his sign on the sheet as acknowledgement and this signed sheet of workman will be sent by the immediate supervisor to HR department.
- d) HR department will review the status of goal setting exercise and generate the status report for the management on compliance with the timelines.

3. Interim Review (Mid-year Review):

Following are the main sequential steps for Interim Review:-

- a) HR department initiate the mid-year review process and send the communication to the immediate supervisor.
- b) One-to-one discussions take place between the workman and immediate supervisor along with the performance feedback during the half year and course correction also takes place if needed.
- c) The immediate supervisor then enters the feedback for mid-year review in this system or tool.

4. Annual Review (Year-end Review):

Following are the main sequential steps for Annual Review:-

- a) HR department initiate the year-end review and send communication along with the relevant data like attendance, warning letters, etc. to the immediate supervisors.
- b) One-to-one discussions take place along with the performance feedback between immediate supervisor and workman during the year (year-end).
- c) The immediate supervisor assigns the rating against each element in goal sheet and takes the average of all Ratings to determine the final Performance Rating.
- d) The plant manager/functional head review the Ratings of workmen in their own plant/function and send to the HR department.
- e) The immediate supervisor communicates the individual final performance rating to the reporting workmen; as a result, the workmen receive the final performance rating.
- f) The workman can raise and address the appeal if he is dissatisfied with the given Rating and he can refer to the grievance redressal process. He then provides the sign-off on the assigned rating.
- g) Finally, the immediate supervisor enters the year-end review in this system or tool along with the Employee Development Needs.

2.2 Table 1: Performance Parameters with Indicators

KRA	KPIs
Business Objectives	
1. Safety	Loss Time Reportable Injuries (LTRI), Loss Of Primary Containment (LOPC), Accidents, Near Miss Reporting
2. Process Adherence	Standard Operating Procedure (SOP) + Yield + Quantity
3. Housekeeping	Ensures clean workplace area
4. Behavior	Interpersonal relations, discipline, HR actions

Source: Bayer Vapi Pvt. Ltd.

2.3 Performance Rating Scale

1. Outstanding (Unique): An employee whose performance is excellent and he is a role model for his behavior and work.
2. Strong: An employee who is very good in his performance and he is very much consistent and he knows what he is doing.
3. Developing: An employee who is good in his performance and is still improving and working upon increasing his efficiency.
4. Lacking: An employee who is not so efficient in his performance and needs to be constantly monitored and requires the major improvements on certain areas.

3. LITERATURE REVIEW

(*Civil Service Rules, 1997*) The aim of this study is to understand that the performance management system is intended to:

- a) “Relate *performance objectives to the goals and objectives of an organization*” so that all employees should understand how their jobs are important contribute to the overall success of the organization.
- b) “Provide *planning and evaluation*” for the performance expectations and developmental needs of the employees as they are related to the overall organizational effectiveness.
- c) “Foster *accountability*” to assure that the responsibilities of employees with respect to their jobs is well defined and is met.
- d) “Foster *employee-supervisor discussions*” about organizational goals and objectives, continuous improvements in methods of doing the work, individual job expectations, job performance, and employee development needs.

(*Simeka Management Consulting, 2004:12*) This study examines that a Performance Management System (PMS) is an authoritative framework for managing the performance of an employee which includes a policy framework and also a framework being related to all aspects and elements in the performance cycle including performance planning and agreement, performance monitoring, review and control, performance appraisal and moderating, and managing the outcome of performance appraisals. (*Amos et al., 2008: 286*) In this paper, the author tries to examine that to be precise, a PMS gives guidelines on how everything should be done in the performance management, right from the goal setting and deciding on how to measure the achievements till the process of providing the regular assessment. A PMS is also a process that begins by translating the overall objectives of an organization into clear individual objectives which will be set as targets for the employees on a quarterly or on an annual basis.

(*Helm et al., 2007*) This paper aims that the Performance Management System (PMS) is very important for the performance of an organization because of the following reasons:

- a) It enables the organization to achieve its goals and vision and accomplish its objectives properly.
- b) It is very much essential to develop a performance oriented culture within the organization.
- c) It aligns the goals of performance of the employees with the strategic goals of an organization.
- d) It ensures that each employee is having the clarity regarding the performance expectations set by an organization.
- e) It improves the performance of each employee and identifies the talented people for promotion and it also emphasizes to link the salary and performance.

4. PROBLEM STATEMENT

Earlier, for measuring the individual performance during the entire year the company was not having any mechanism. As a result, the good performers were also rewarded the same as the average or poor performers. Hence a systematic process to evaluate the individual performance was required and thus the company introduced the Growth Management System. Therefore, the study has been undertaken to understand about the implementation of the Growth Management System (GMS) by using the Performance Management System as a concrete base for the research objectives.

5. OBJECTIVES

- ❖ To study the mechanism of the Growth Management System as a tool of performance measurement.
- ❖ To identify the various components of Growth Management System that help in the improvement of employees' performance.
- ❖ To measure the agreement of the employees towards the outcomes achieved through Growth Management System.

6. HYPOTHESIS

1. H0:- Leadership and interpersonal skills doesn't get strengthened due to improvement of manager-employee relationship.
H1:- Leadership and interpersonal skills does get strengthened due to improvement of manager-employee relationship.
2. H0:- Positive or negative behavior does not get captured due to the open and complete communication.
H1:- Positive or negative behavior does get captured due to the open and complete communication.

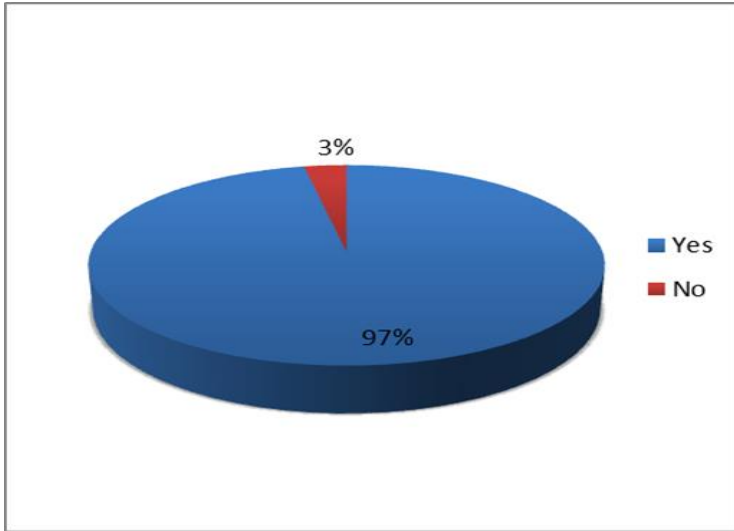
7. RESEARCH METHODOLOGY

Particulars	Description
Research Design	Descriptive research
Data Collection Method	Primary Data and Secondary Data
Primary Data	Online Structured Questionnaire (Microsoft Word Form)
Secondary Data	Organizational website, articles, internet, books and other references.
Sampling method	Non-random sampling:- Convenience sampling
Sampling Frame	Functional Heads, Plant Managers and Plant Engineers, and Shift In charge employees of the company
Sample size	80
Tools used for analysis	Charts and graphs, Chi-Square Tests, Cross tabulation

8. DATA ANALYSIS AND INTERPRETATION

8.1 Charts and graphs

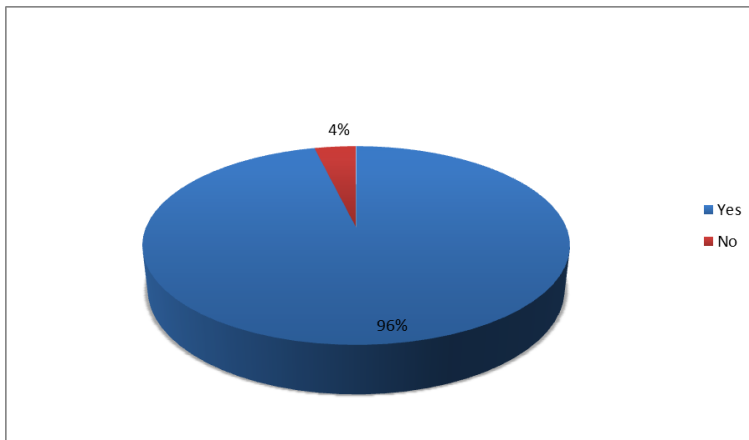
Chart 1. Fair Performance Ratings as based on the facts



This chart represents that about 97% of the respondents agree that the Performance Ratings awarded through this system are fair as based on the facts as these ratings help in monitoring the individual's performance and progress in the organization while 3% of the respondents disagree on the same.

Source: Calculation from collected Primary Data

Chart 2. Supporting the respondents to gain more insights into their strengths and areas of development

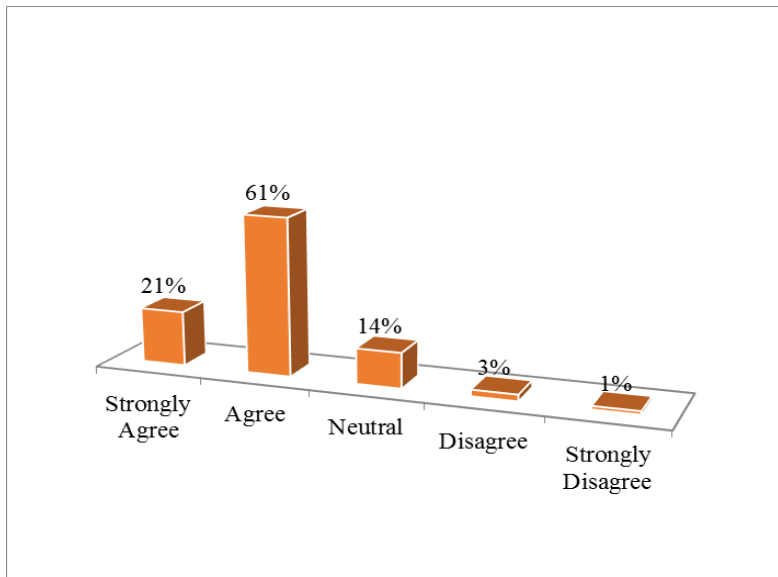


This chart illustrates that about 96% of respondents agree that this system supports the employees to gain more insights into their strengths and areas of development because it provides feedback on an ongoing basis and also the feedback is being provided on the areas of development while 4% of respondents completely disagree on this angle of the system.

3. Creating a participative environment

Source: Calculation from collected Primary Data

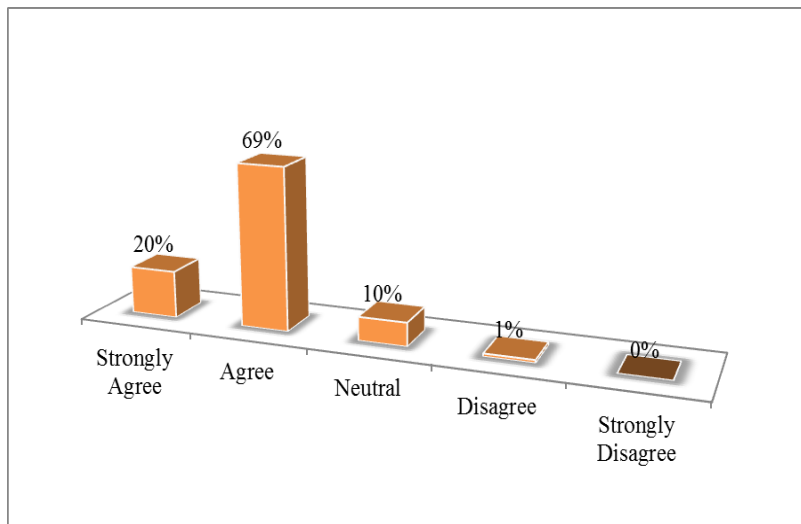
Chart 3. Creating a participative environment



This chart shows that about 21% of respondents strongly agree that the implementation of this system in the company create a participative environment with which it focuses on positive achievements and efforts and building a strong base for participation of each individual while 61% agree for the same, 14% are of the neutral opinion, 3% of them disagree on it and only 1% of respondents strongly disagree on the same.

Source: Calculation from collected Primary Data

Chart 4. Identifying the training needs



This chart represents that about 20% of respondents strongly agree that this system identifies the training needs of employees as this system undertakes the annual review along with the Employee Development Needs for this purpose and also the communication of performance rating can be linked to training and development, 69% of respondents agree for the same, 10% are of the neutral opinion, only 1% of them disagree on it and no respondent strongly disagree on the same.

Source: Calculation from collected Primary Data

8.2 Hypothesis Testing

For the hypotheses which are stated in **HYPOTHESIS** part, both the “variable” and “outcome” for the respective hypothesis have been framed which can be referred to in this part and statistical tests have been applied.

- Variable: Improvement of manager-employee relationship
Outcome: Strengthening of leadership and interpersonal skills

Table 2: Cross tabulation

	Improvement of manager-employee relationship		Total
	YES	NO	
Strengthening of leadership and interpersonal skills	74	2	76
	3	1	4
Total	77	3	80

Source: Calculation from SPSS Software

Interpretation: Out of 80 respondents, 76 have agreed that leadership and interpersonal skills gets strengthened due to improvement of manager-employee relationship.

Table 3: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.268 ^a	1	.022		
Continuity Correction	.893	1	.345		
Likelihood Ratio	2.591	1	.107		
Fisher's Exact Test				.144	.144
Linear-by-Linear Association	5.202	1	.023		
N of Valid Cases	80				

Source: Calculation from SPSS Software

Interpretation: As the sig-value is more than 0.05 statistically we fail to reject null hypothesis, which means that the leadership and interpersonal skills doesn't get strengthen due to improvement of manager-employee relationship.

2. Variable: Open and complete communication.
Outcome: Capturing the positive or negative behavior.

Table 4: Cross tabulation

	Open and complete communication			Total
	Neutral	Agree	Strongly Agree	
Capturing of the positive or negative behavior YES	6	53	19	78
NO	1	1	0	2
Total	7	54	19	80

Source: Calculation from SPSS Software

Interpretation: Out of 80 respondents, 78 have agreed that positive or negative behavior gets captured due to the open and complete communication.

Table 5: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.569 ^a	2	.102
Likelihood Ratio	3.004	2	.223
Linear-by-Linear Association	2.829	1	.093
N of Valid Cases	80		

Source: Calculation from SPSS Software

Interpretation: As the sig-value is more than 0.05 statistically we fail to reject the null hypothesis, which means that the positive or negative behavior does not get captured due to the open and complete communication.

9. FINDINGS

- ❖ About 95% of the respondents believe that Growth Management System helps in strengthening the leadership and interpersonal skills of employees at their best level as it serves as a feedback system focusing on the development processes.
- ❖ About 92% of respondents agree that this system helps in creating a healthy competition in the particular department and it continuously focuses on establishing the performance oriented culture.
- ❖ About 55% of respondents agree that Growth Management System has focused on the increased communication as this system concentrates on proper communication of goals and performance rating and also maintaining the communication balance while 35% of respondents agree that this system has focused on behavior as behavior reflects the discipline and inter-personal relations and 10% believe that suggestions is the focus point of this system as suggestions are an important part of the participative environment in the company.
- ❖ About 68% of respondents believe that this system being introduced as a new process of performance evaluation on the shop floor has been accepted by the blue collar employees because this system has been developed as such that it can judge the individual performance with the help of performance parameters and can provide the rewards and recognition to these employees.
- ❖ About 96% of respondents believe that this system aims at strengthening the manager-employee relationship through mutuality, confidence and trust as this system continuously support and encourage the employee inputs on areas of improvement.
- ❖ About 97% of respondents believe that this system provides them the opportunity to capture the positive/adverse act or behavior on regular course of time.
- ❖ About 54% of respondents believe that performance review discussions is the most challenging side of this system as it involves one-to-one discussions with performance feedback, while 10% believe about the communication of goals being the most challenging side of this system. 25% of them believe that high expectations is the most challenging side as this system recognizes and motivates the high performers, 11% of respondents are of the opinion about the contribution statements being the most challenging side of this system.
- ❖ About 67% of respondents agree that this system encourages the open and complete communication between manager and employee through performance review discussions as in both the interim review and annual review the managers and employees are conducting one-to-one discussions with feedback regarding the performance while 24% of respondents strongly agree for the same, 9% are of the neutral opinion and no respondent either disagree or strongly disagree on the same.
- ❖ About 97% of respondents agree that Growth Management System is in line with the company's vision 2023 as it mainly focuses on the future development of employees.

10. CONCLUSION

Growth Management System (GMS) implemented by Bayer Vapi Pvt. Ltd. is designed in such a way that the management level employees which consists of both the managerial level and senior technical level shall be able to evaluate the performance of blue collar employees and analyze their contribution to the organization periodically so, the performance appraisals are being used as a significant tool. Because of the implementation of this system, the blue collar employees who once might have found that they have no or little growth in the organization can now be more motivated and boosted by their management level

employees, thus it serves the purpose of employee development. This study was undertaken to understand about the overall viewpoint with respect to the implementation of the Growth Management System which has reflected the positive feedback from both the organizational and employees' perspective as its implementation has resulted into the increased satisfaction of the employees and its readily acceptance as a new process of the performance evaluation.

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