



Our Strength, Our People

Advocates of lean production argue that a work system is truly lean only if a given bundle of practices, including worker empowerment, is implemented in the proper configuration. Ask any satisfied employee of an organization, he or she will say employee engagement is truly about culture. The TKM employee culture follows the Kaizen (Kai-Good; Zen- change) way of life and business, which is also the crux of lean manufacturing.

OUR EMPLOYEES

OUR EMPLOYEES

TOYOTA GUIDING PRINCIPLES

Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honouring mutual trust and respect between labour and management.

The Employees are one of the core strength of the company to grow as one of the largest automobile manufacture in India. 6535 employees of TKM are considered as the most important asset of the organization.

All TKM employees are groomed to follow The Toyota Way.

TKM encourages its employees to grow on both personal and professional end by providing opportunities for personal growth, foster the realization of their abilities, and compensate all individual contributions fairly. This in turn helps the employees to come up with fresh Kaizens for the improvement in the processes at the company and contributing to its growth.

THE WORKFORCE DATA:

CATEGORISATION	2012-2013			2011-2012			2010-2011		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
BY EMPLOYEE TYPE									
Total no. of employees in FTEs	6431	104	6535	6126	96	6222	4965	88	5053
Full Time Employees (Headcount)	6431	104	6535	6126	96	6222	4965	88	5053
By Region									
- Local (Karnataka)	6273	96	6369	5996	90	6086	4840	82	4922
- Other Places	158	8	166	130	6	136	125	6	131
No. Of Employees (Permanent)		6535			6257			5231	
No. Of Employees (Contract)		2065			3355			2623	
Employee Turnover (%)		1.8			3.61			2.5	
Learning days		5 days			5 days			5 days	

RECRUITMENT AND REMUNERATION

QUALITY CONTROL CIRCLE (QCC)

It is a group formed by employees that share same workspace. The circle members come together to solve problems by sharing ideas based on QC principles, QC steps and QC tools. The QCC helps in enhancing employee potential and augmenting better communication amongst the team members.

In lean manufacturing, the cultures are standardized, thus, unfavorable practices and behaviors of both the employees and the management are reduced, if not eliminated. The greatest advantage of lean manufacturing in terms of cultures adopted by companies is that lean manufacturing makes the differences between management and personnel reach to a verging point.

TKM follows a fair policy in recruiting prospective candidates to the workforce. The employees must be competent and should be able to contribute willingly to the development of the organization and also groom their persona in accordance. TKM is an equal opportunity employer and are open to gender, age, ethnicity, geography with due respect to the local laws, essential skill sets and requisite qualifications.

Since, TMC plays a key role in product development

and our business practices, the Japanese expatriates work very closely with us at TKM.

TKM's Remuneration policy states "equal pay for equal work". This illustrates the same compensation structure across the same pay scale, for men and women. The company also adheres to minimum wages regulations applicable by the Government of India.

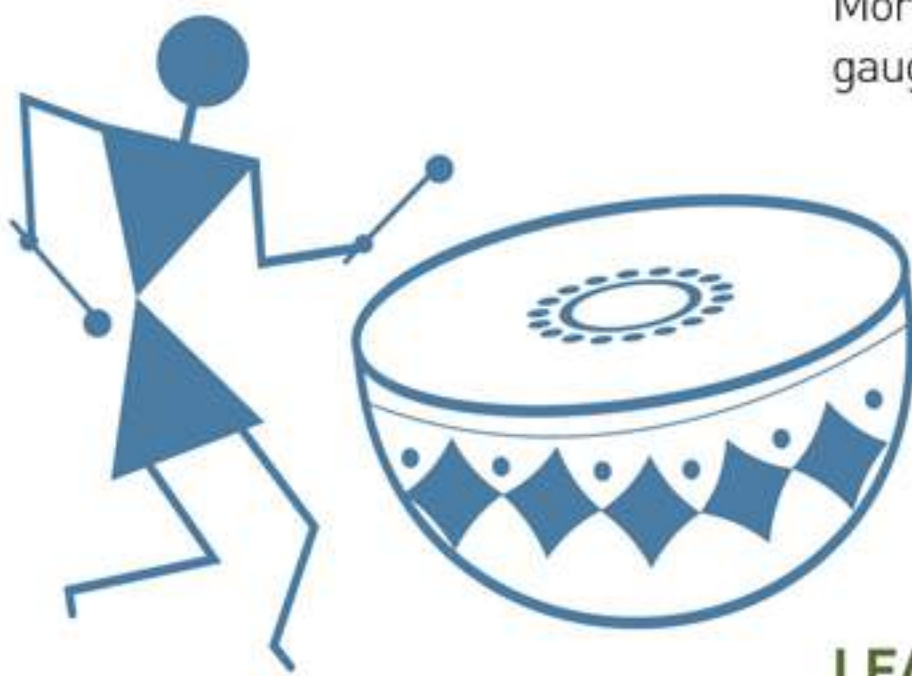
As per company's policy, employees are given 3 months of maternity paid leave (as per Maternity Act) and 3 days of paternity leave.



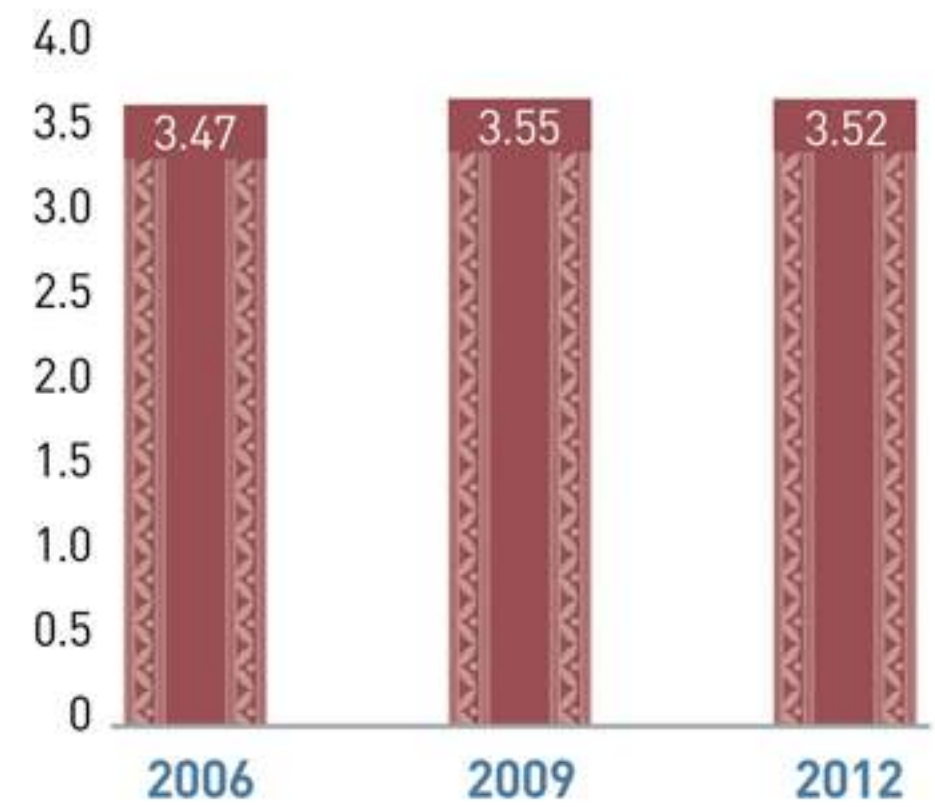
MORALE SURVEY:

The latest Morale Survey was conducted in 2012-13. Parameters assessed in this survey are opportunity to learn and grow, leadership, training and development, recognition, target setting and appraisal, facilities & services, job security, pay & benefits, peer relationship, health & safety, organization administration, role clarity, sense of belongingness, work environment, organization-vision, mission, policy, involvement & engagement, empowerment, communication, people perception measures related to motivation.

Morale Survey is conducted once in 2 years to gauge Employee satisfaction and wellbeing.



Morale Survey Result



LEARNING AND DEVELOPMENT

Training and development at TKM are focused with significant efforts for employees "Development and growth".

Right from the moment an employee is recruited - induction training on "Toyota Way" and The Code of Conduct is imparted. The induction process helps the new hires to understand to the integrated work culture of Toyota. Formal training on the organization's policies and procedures on human rights issues and their applicability are given during induction. Each employee receives training

based on the defined Training Work Life Plan, which also caters to their career needs. Standard training programmes that are essential and job related containing Global Contents are imparted to the employees as prescribed by TKM.

Creative Suggestion Scheme is an employee engagement and participatory platform exercise at TKM, which has garnered a lot of participation from employees, and the ideas suggested helps in producing more efficient automobiles enhancing product safety & efficiency and optimizing costs.



TRAINING AND CAPACITY BUILDING

Organisation's policy, practices and procedures are to impart training and awareness to its employees at all levels, including contractors & suppliers.

Periodic functional trainings are imparted by expert faculty from the Indian Institute of Management, Bangalore (IIMB), Stephen Covey Consultants, TV Rao Learning Systems, and Oscar Murphy International etc.

The employees at TKM get trained on custom-tailored training programmes for learning such as Workplace Leadership/SDP, Toyota Business Practices, New Competency Sensitization programme, Toyota Communication Skills, Cross Culture sensitization Training and focused training programmes for team leaders, group leaders, managers on making their roles more effective and efficient.

Average training hours since 2010 **5 hours**

Total learning days 2012-13 **376164 days**

Skill development & leadership quality training **2622 days**

TKM also conducted **3.5 days** of induction programme for **2952 new joiners**.

Thinking Way

- Company has designed a Training Work Life Plan for each employee.
- Training Deployment Plan is designed across the organization from mid-to-long-term perspective. (3-years).
- Broadly, training programmes are classified into Global Contents, Regional Contents and Local Contents.

Pre-Training

- Based on the Work Life plan, training need is assessed.
- Pre-work is issued to the appropriate training programmes well in advance to the participants.
- A robust Train-The-Trainer (T-3) Development process ensures that the best among the trainers are selected to deliver each content.

Training

- Content-specific Certified Trainers are the facilitators. These trainers are certified by Toyota Motor Corporation, Japan and Toyota Institute Asia Pacific, Thailand.
- Trainings are imparted in Gurukul, a dedicated training facility within the Company's premises.



TRAINEE SATISFACTION LEVEL FEEDBACK:

The feedback session is conducted for both internal and external trainees in the form of oral and written feedback at the conclusion of the training. Employees are encouraged to take up a theme / problem at their workplace and solve it. An A3 report has to be prepared and report-out of the A-3 has to be approved by the supervisor / Head of the Department.

Improvement points / reflections are incorporated in the immediate next batch by sharing the feedback with the trainer.

EMPLOYEE ENGAGEMENT

KALOSTAVA AT TKM



Team member family members participation in Rangoli competition



Fancy dress & music competition for kids



PERFORMANCE REVIEW

Performance appraisal is a key aspect in TKM's performance management system of an employee. It ensures that the assessment of the employees is done in a well-organized manner by identifying the gaps and supporting them to progress accordingly. This helps in the overall growth and optimization of personnel through periodic appraisals. Performance review provides equal importance to result and processes.

Performance Review is conducted twice in a year. At the beginning of the financial year, both employee and supervisor agree upon set key expectations and the same will be reviewed half yearly and at the end of the financial year.

100% of Permanent employees (6535) completed performance review for the year 2012-13.

These systems have also helped in employee retention to a certain extent. TKM maintains the employee morale through its performance linked incentive systems.

EMPLOYEE RETENTION:

TKM carries out an Employee Engagement Survey – 'Morale Survey' once in 2 years to gauge employee well-being, satisfaction and motivation levels. Employee counselling sessions, open house forums, People Connect, HR perception survey, communication meetings, annual communication, annual functional meets, discussion forums etc are a few other means to assess employee well-being at TKM.

The employee turnover has come down to 1.8% during the reporting period as compared to 3.61% during 2011-12.



Managing Director handing over the Long Service award to team member for completion of 10 years of service at TKM

RAJYOSTAVA AT TKM



Dignitaries present during Kannada Rajyostava celebration



Kalotsava competition winners were awarded by Dr. H S Venkatesh Murthy, during Rajyostava celebration



State's Folk dance performance

EKIDEN



Prize distribution to winning teams by Indian Cricket Team Vice- Captain Virat Kohli and Toyota India MD Mr. Hiroshi Nakagawa during Ekiden at TKM

HUMAN RIGHTS- THE LEAN FOUNDATION

Toyota Guiding Principles articulates that "Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities".

TKM practices human rights in the following manner:

- By abiding the law of the land as maybe applicable to our business.
- All our operations and business units follow TKM policies and standards.
- All our vertical heads are trained and empowered to ensure the implementation of fair labour practices.
- Periodic inspections by regulatory body officials to our operation sites to ensure compliance to labour, environment, safety, factory acts, etc., as applicable.
- Adherence to TKM's human rights policies by all service providers /suppliers /vendors operating within our premises.
- Whistle Blower Policy (WBP) and Ombudsman take care of Human Rights' violations, if any.

TKM Code of Conduct and Code of Ethics elaborates that the company's stand against violation of human rights, incidents of child labour or violation of indigenous rights. Human rights are strongly considered at operations, processes and contracts to avoid any sort of violation or discrimination against any. All the vendors and suppliers of TKM are expected to comply with the laws and regulations which bolster fairness, demonstrate and strictly follow the internationally set standards on human rights transparency and also ensure the economic use of resources.

TKM believes that human rights have to be kept in accord to maintain a healthy and functional workforce. Toyota's Guiding Principles form the backbone of the culture that it extends to the stakeholders as a whole. TKM ensures that the contract workers and all project related contracts include safety, health, and environment related human rights clauses. Irrespective of the position and grade, all the employees, service providers including security personnel and contractors are complied under the human rights policy.

We established systems in place to ensure implementation and compliance to the company policies, standards and protocols through rigorous and periodic audits by Safety, Health, Environment, Human Resources and Legal teams.

CODE OF CONDUCT AND CODE OF ETHICS

Code of Conduct organizes the basic attitudes necessary for people working at the company. Values and Ethics are communicated to all employees through emails, communication meetings, newsletter, billboards and value standees. TKM's Code of Conduct and Code of Ethics awareness is imparted to every employee during their induction.

To ensure employees adhere to the code, TKM carries out reviews / assessments at all the business units. Contractors and regional offices are reviewed twice in a year.

During the reporting period, there were no incidents of discrimination on grounds of race, colour, gender, religion, political opinion, nationality, ethnicity or economic status, Anti competitive and corruption behaviour. TKM also has strict Human rights policy against any corruption and Anti Competitive behavior. The company has not made any financial and in-kind contributions to political parties, politicians, and related institutions by country.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

TKM supports freedom of association & collective bargaining which in-turn helps the company to enhance the team work and unity amongst workforce. Management and the union work as the pillars of the company, it is from these pillars that TKM derives its strength thereby realizing all its goals.

The Joint Declaration between Union and the Management is entered into is first-of-its kind in the Indian Automobile Industry. About 63% of the employees are covered by collective bargaining agreements. During the joint discourse of collective bargaining matters pertaining to human rights & employee welfare are discussed and addressed. Every year, they enter into a Memorandum of Settlement. A minimum notice period of two weeks is provided as per law to employees in case there are any significant operational changes.

Here, both the parties participate in the common well defined goal and purpose of - every team member must put in continuous efforts with a vision of making a "Global Car".



Signing of Memorandum of Settlement

GRIEVANCE REDRESSAL MECHANISM

TKM's grievance redressal mechanism has a multi dimensional approach wherein individuals from responsible departments assemble periodically to scrutinize and address issues as maybe reported. Employee grievances include matters related to workplace issues, discrimination, harassment, etc.

Besides this, every supervisor is personally in charge of the welfare of his / her team and is required to interact with team members on a regular basis to know their grievances and report them through appropriate channels.

The following table lists the various grievance redressal mechanisms that TKM has in place:

CHANNEL	ATTENDEES	FORMAL / INFORMAL	FREQUENCY
Morning Meeting	HOD+Team mates	Formal	1 / Day
Workplace Committee Meeting	Shop Mgr+Shift DM+ECMs+ERO	Formal	1 / Month
One-to-One	Supervisor+TM	Formal	Need-based
Employee Relations Officers	ERO+TM	Formal	Need-based
ECM+Plant+HR	HR+ECMs+Plant Mgt	Formal	1 / Month
Union Weekly	HR+Prod.HOD+Union	Formal	1 / Week
Plant - HR Meeting	Plant Heads + HR Heads	Formal	1 / Week

OCCUPATIONAL HEALTH:

TKM considers employee safety as one of the prime concerns. A well placed Health and Safety Policy is practiced with a periodic training programmes.

In case of emergency, TKM has a well equipped medical facility and a clinic in the premises. Safety team conducts a thorough investigation of the area and within stipulated time the report is shared with all the shops to confirm the similar hazards and precautionary measures.

TKM has various preventive measures being taken at workplace with Ergo study, Cross function audit, KPI management & control etc.

Ergo system, a Task team is developed, consiting of leaders from each shops where they will be trained, evaluated and certified for ergo study & improvement as a continuous process.

Cross Functional Team development - The selected members will be trained on Toyota manufacturing standards and other basic risk assessment procedures. Later, the team would be auditing various hazards like men-machine interface, fire, logistics and work environment parameters confirmation. And the results are visualized in the shop and will be monitored until the measures are taken.

Hygiene, behaviour and regular, job specific exercise routines are part of TKM's programme to ensure healthy living, management of body mass index (BMI), No smoking campaign, healthy diet etc are our regular practices. TKM extends its healthy work environment culture to the family members of its employees by promoting health and welfare programmes. Counselling and annual medical

checkups are two other facilities provided to the employees to monitor their mental and physical health.

TKM attempts to resolve these by making suitable amendments to reduce the physical stress caused which is process specific. Processes are ergonomically designed to suit the lower back and upper limb area that are likely to be affected at work. TKM constantly monitors illumination, noise, dust and gas, temperature and vibration at work to ensure that they all are within the prescribed limits. Employees are made aware of seasonal and serious diseases such as dengue, H1N1, malaria and common fevers. There were no reported cases of work related fatal accidents at TKM during the reporting period.

TKM runs "quit smoking" and "quit drinking" drives for all employees to discourage such bad habits. To promote a healthy work environment, TKM periodically reviews sanitation and hygiene conditions, food and water quality.

Over 75% of total workforce is represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programmes.



Clinic Facility at TKM



Health and Safety commitment campaign at TKM

Many CSR activities have also been conducted by the clinic staff in the surrounding communities.



Dental Check-up for school children



Government School Health Check-up camps



Free Medicine distribution at community health check-up camp

HEALTH PROMOTION ACTIVITIES:

#	PROCESS	APPROACH	DEPLOYMENT	A & R OF PROCESS & RESULTS	IMPACT
1	Workplace Safety	Ensure focused commitment of employees to their jobs by creating a safe work environment by setting safety norms for all processes and ensuring strict adherence to defined standards	<ul style="list-style-type: none"> Adoption of safety & environment systems (ISO 14001) at all units, which are more stringent than statutory requirements Strict compliance to all norms Communication and reinforcement through training on safety standards to all employees at all units Mandatory usage of personal protective equipments for all employees/visitors entering production/shop floor SHE training to all new joiners Refresher training to all Safety Month celebrations through involvement of all employees at all units All renovated offices/buildings to have high levels of built-in safety arrangements 	<p>Involvement of local community as part of Safety Day celebrations</p> <p>Sharing of best practices on SHE</p>	<p>Zero fatal accidents</p> <p>Improving trends for safe man-hours at all locations</p>
2	Workplace Health	Ensure high degree of employee well being by creating and maintaining a healthy work environment	<ul style="list-style-type: none"> Annual health check-up for all employees at all locations Counselling by Company Doctor on health issues Mandatory usage of PPEs at workplace Providing healthy & nutritious food to employees 	<p>Sharing of best practices on employee health by Company Doctor</p> <p>Engaged psychologists for counselling NMS on health issues</p>	<p>Improvement in health of employees</p>
3	Workplace Ergonomics	Provide for ergonomically designed workplace to improve employee productivity, reduced fatigue & sickness levels	<ul style="list-style-type: none"> Implementation of Workplace Improvement Activities Offices have ergonomically designed workstations with lighting, sound and fresh air norms meeting or exceeding international standards Open office architecture 	<p>Improvement in workplace, lighting, sound and fresh air</p>	<p>Improvement in employee productivity</p> <p>Reduction in fatigue levels</p>



OCCUPATIONAL SAFETY

TKM is committed to providing a congenial and safe work environment, which fosters employee engagement. The organization believes in providing a pleasing and ergonomically designed workplace.

A periodic assessment and specific theme based audit is carried out under the guidance of the safety committee that involves the top management and members. Audit is focused on various hazards like men-machine interface, logistics, process, fire risk and other etc. During the audit the hazards are identified and an immediate countermeasure is taken. Shopwise task team development for timely action & sustenance confirmation is well built.

TKM's safety commitment is to ensure Zero accident at Toyota or in its group companies and stakeholders. Since accidents are due to unsafe acts and unsafe conditions, at TKM, we strongly believe the following are the three pillars of safety: Machine safety, Human safety and Safety Committee. The overall image of the safety promotion activities at Toyota Kirloskar Motor has been illustrated in the image below, showcasing:

- a) TKM Safety Strategy
- b) TKM Safety house concept



TOYOTA SAFETY POLICY

- Be the best company of safety and health
- Safety first, and make the work place free from accident
- Make work place free from health hazards



HUMAN SAFETY

Human safety is the state of mind towards knowledge, mind and sense. Safety knowledge is inculcated through DOJO training (simulation based training). Safety training is provided to every employee working both in the shop floor and in the office, this helps in making the members aware of the hazards that can occur at his/her workplace and also makes the member aware how to deal in such situations.

TKM has adopted Japanese practice of Hiyari Hatto i.e., a member identifies any hazard at his/ her workplace. The information is shared company wide so that other shops also verify their respective area & take countermeasure. . In order to motivate our employees and to encourage them to identify workplace hazards, annually a special award is given to the best Hiyari hatto by the Top Management.

TKM has the tradition of celebrating Safety Month. Every year, one month is identified as a Safety month and all the stakeholders are involved in all the activities. Activities with safety aspects such as training, walkathon, campaigning & awareness programmes are promoted. This helps us drive all

our stakeholders towards forming a healthy and safe work environment.



TKM Managing Director handing over the Best Hiyari hatto Award to team member



Top Management taking up the safety oath



Safety activities review at shop by Top Management

TKM SAFETY CULTURE

Office

- 1

Do Not put hands in your pocket while Walking
- 2

2

Hold Handrail while using stairs.
- 3

Do Not use mobile phone while walking inside the shop floor.
- 4

4

Use Green Path/ Walk way
- 5

Don't carry materials in both the hands while climbing stairs
- 6

6

Perform 3-Point finger check at all intersections and pedestrain crossings

+

SAFETY FIRST APPROACH ALWAYS

Safety & Environment Department

SAFETY CULTURE

Safety culture, the base for an organization and indeed practicing of safety culture makes oneself safe anywhere and anytime. It is basically the fundamental attitude which one can practice and preach.

In TKM, we practice various safety cultures that are taught to all the employees during the induction programme such as:

STOP/LOOK/GO:

Simple elements such as 3 point finger check during crossing, no mobile usage while walking, no hands in pocket while walking, holding handrails at stairs etc.

JOB SPECIFIC TRAINING:

is given to all the employees during their induction. Job specific trainings are also provided as per the employee's job profile e.g. safety driving training for commutation drivers.

KY ABILITY UP ACTIVITY:

In Toyota, we strongly believe that each employee should be aware of safety requirements of his workplace and act accordingly. With this context, we train employees on hazard identification ability through process study and risk assessment. With this, the hazard awareness is developed among employees and is able to understand not only unsafe condition but also the unsafe act what can lead to accident.

TOYOTA SAFETY COMMITMENT

Ensure Zero accident at Toyota or in its group companies and stakeholders. Since accidents are due to unsafe acts and unsafe conditions, we strongly believe the following are the three pillars of safety:

Machine safety, Human safety and Safety Committee.



Despite project's challenges such as dynamic work environment and high risk activities an achievement of **22.64 million safe man-hours** without any fatal/ serious accident.

MACHINE SAFETY

Machine safety is ensured on a periodical basis by the expert team and also cross confirmed by the expert group from TMC, Japan. Machine safety is a process and results are managed through KPIs, consolidated as Plant Management Requirement (PMR) for safety and closely monitored by management frequently for upgradation.

Supplier chain, dealers and contractor organization are a major part of our safety network.

WORK PLACE SAFETY:

Ergonomics:

A thorough ergonomic study is carried out by an expert team periodically. Ergonomics is taken as a major factor to ensure that all the employees are comfortable in their workplace. New and innovative technologies have been adopted by the company to bring down physical stress on the employees.

Safety Committee

TKM has formed a safety committee to sustain healthy and efficient work force. The committee follows a top down approach such that management is fully involved in safety initiatives. The committee reviews the key performance indicators (KPI) and awards are given to team members in recognition of adherence to the existing safety policies. It also conducts workplace safety observation activities and supplier company safety audits.

TRAINING/ PROMOTIONAL ACTIVITIES

1. Stakeholder involvement in all the activities during the Safety month
2. Safety Walkathon by all contractor members & management
3. Safety dojo establishment on construction safety awareness. (Safety Dojo: Stimulated training)
4. Safety risk and sensitization among 2300 members
5. Critical job refresher training for about 1340 members and safety level up model in fabrication yards
6. Active involvement of OSS companies in safety month celebration and work place level up dojo / KY training to drivers with themes such as night driving, over speeding and continuous driving
7. Workplace and vehicle improvement in cases like men vehicle collision and safety device check
8. New Kaizen activity initiated in RO / RPTC dealer members. (34 new Kaizens)
9. Training / Campaign on logistics and road safety by dealer members & management



Safety Simulation training to contractors



Safety Ohbeya Explanation to Top Management

SPECIAL STORY: "COMMUTATION SAFETY"

TKM has its own commutation service for its both permanent and contractor employees. This is an initiative to bring down the CO₂ emission per employee. There are about 295 vehicles totally that runs for about 8, 88,000 KMs per month within a radius of 80 KMs.

With the rising number of road accidents (Bangalore alone witnesses about 3539 accidents annually); TKM has under taken various initiatives to create awareness about road safety and its importance in and outside the plant. TKM believes in the concept of "Safety First". Thus the drivers, employees and the surrounding communities have been a part of this awareness programme.

With an objective of building a safe service facility for its employees and to achieve "Zero Accident", TKM developed a Roadmap according to which various activities were planned and executed for drivers, TMs and for Public awareness.

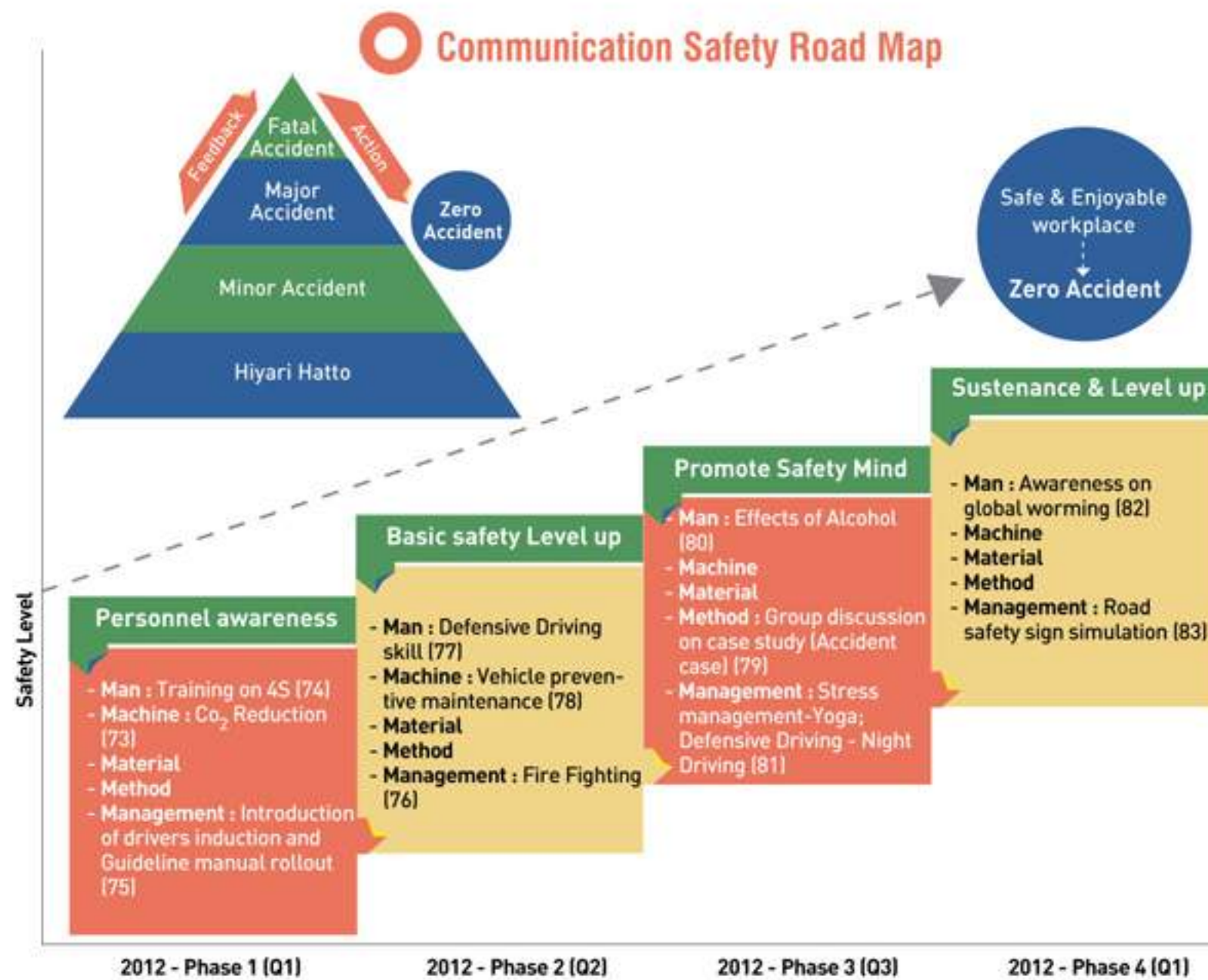
In order to develop a safe and a healthy working place, drivers were educated in three different areas

- Swayam Niyantrana (self discipline)
- Sampoorana Arogya (total health control)
- Uttam Koushalya (high skill)

All commutation vehicles at TKM have a very unique seating facility with a three pin seat belt. To avoid occurrence of injury in case of accidents comfortable seating, Good leg space, Wide hand rest, Three point seat belt, Extra cushion on the back of the seat, Push-back seating arrangements and Customized grab handles facilities are provided.

As part of team members safety awareness programme many activities such as Banner holding, pamphlet distribution with best safety practices, skits with safety themes were organized and as a result a huge number of participation was observed.

With the same intension of bringing road safety awareness among general public, safety training for the BMTC bus drivers, education on adverse effect of drink and driving and accident simulation were displayed.



Road Safety Awareness Campaign held in Bidadi



Road Safety Awareness Campaign by Team Members



Eye Check-up for Commutation Drivers during Health Camps



Best Safety Driver Award given to Commutation Driver