



IMPLEMENTATION OF EMPLOYEE MANAGEMENT SYSTEM IN CADBURY

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ABSTRACT: This case study presents an analysis study of implementation of Employee Management System in Cadbury, with focus on how an EMS can benefit and change the organization's way of functioning. This study explains the advantages of having an employee management system in the organization and how it makes work easier for the employees as well as the company.

I. INTRODUCTION

Employee management is a practice that helps a manager improve employee productivity and satisfaction to help an organisation reach its goals. Human resources (HR) professionals often use an employee management system (EMS), including recruitment, offboarding and performance management. Using a dedicated EMS can help an HR manager streamline the hiring process and improve workplace efficiency. In this article, we discuss what an employee management system is, outline its benefits and types and list some examples of employee management software tools.

Our first successful EMS implementation case study focuses on Cadbury, a 123-year-old confectioner currently owned by American snack foods conglomerate Mondelez International. Cadbury is a British multinational confectionery company owned by Mondelez International, Founded by John Cadbury. It is the second largest confectionery brand in the world after Wrigley's. Founded in 1824, Birmingham, United Kingdom. Cadbury is headquartered in Uxbridge, London, and operates in more than fifty countries worldwide.

In 1824, John Cadbury began to sell tea, coffee and drinking chocolate from his premises in Birmingham. Cadbury developed the business with his brother Benjamin, and later his sons Richard and George. George developed the Bournville estate, a model village designed to improve the living conditions of company employees. Dairy Milk chocolate, introduced in 1905, used a higher proportion of milk within the recipe compared with rival products. By 1914, the chocolate was the company's best-selling product.

Cadbury merged with J. S. Fry & Sons in 1919, and Schweppes in 1969. Cadbury was a constant constituent of the FTS 100 from the index's 1984 inception until the company was bought by Kraft Foods in 2010.

Cadbury India is a fully owned subsidiary of Kraft Foods Inc.

With annual revenues of approximately \$50 billion, the combined company is the world's second largest food company, making delicious products for billions of consumers in more than 160 countries.

They employ approximately 140,000 people and have operations in more than 70 countries.

In India, Cadbury began its operations in 1948 by importing chocolates. After 60 years of existence, it today has five company-owned manufacturing facilities at Thane, Induri (Pune) and Malanpur (Gwalior), Bangalore and Baddi (Himachal Pradesh) and 4 sales offices (New Delhi, Mumbai, Kolkata and (Chennai). The corporate office is in Mumbai.

Currently, Cadbury India operates in four categories viz. Chocolate Confectionery, Milk Food Drink, Candy, and Gum category.

Cadbury acknowledges that its people are important in achieving its goals and hence the success of the company highly depended upon the commitment and performances of the people working for it. The enterprise saw the implementation of EMS platform as being central to its future growth. Consequently, rather than approaching its business challenge based on an iterative approach, it decided to execute a holistic plan, involving every operating centre in the company.

HR analytics, also referred to as people analytics, workforce analytics, or talent analytics, involves gathering together, analysing, and reporting HR data. It enables your organization to measure the impact of a range of HR metrics on overall business performance and make decisions based on data. In other words, HR analytics is a data-driven approach toward Human Resources Management.

In the past century, Human Resource Management has changed dramatically. It has shifted from an operational discipline towards a more strategic one. The popularity of the term Strategic Human Resource Management (SHRM) exemplifies this. The data-driven approach that characterizes HR analytics is in line with this development.

II. BACKGROUND

Cadbury Dairy Milk is a brand of milk chocolate produced by Cadbury. It was presented in the United Kingdom in 1905 and now comprises of various items. Each item in the Dairy Milk line is made with entirely milk chocolate. In 2014, Dairy Milk was positioned the top-rated chocolate bar in the UK. The Hershey Company manufactures and distributes it in the United States under license from Cadbury.

Being such a vast setup with different production and supply channels, 1000's of employees working under the organisation, it is really important for any company to have an Employee Management System (EMS) and Cadbury understood the importance of holistic approach towards having a management system. Cadbury faced significance challenges in meeting its production and distribution requirements, which was accelerating its operational costs which demanded a complete makeover of the existing processes. Cadbury was on a fast-paced growth and could not continue with the existing systems.

Imagine a room full of people trying to communicate with each other only by-passing notes. It is a strange image but that what its like trying to run a business without an EMS. Muddled communication, frustration, and stagnation ensue. Without an EMS, teams will have to work separately again. Tasks, data, and work communications will be inaccessible to other teams. Everyone works in a vacuum, just like in the old days.

2.1 Reasons for adopting EMS

- The EMS initiative was to bring about a complete integration of the major processes in the business.
- The major processes being procurement system, finance system, the Human Resources, and other departments.
- These were functioning in a completely decentralised manner.
- The finance department was the only one common to all. EMS served as an integrating system and a solution for their then existing decentralised model.
- The implementation methodology adopted by Cadbury's happened in 1995 and they went ahead using a big bang approach.
- They did the implementation company wise.
- Cadbury had one major expectation from EMS i.e., to help the management work better than before with the existing systems in place.
- To carry out the EMS implementation, Cadbury's had to align with an external vendor. For EMS partnership with Siemens and for infrastructure management partnership with IBM.
- They went for a function based big bang approach in India and then implemented the whole module across company in span of 1 year so it can be said as big bang as whole. It was completely top management driven.
- Cadbury has a proper MIS now. Data is entered only once. The entire system gets updated. One can see the consolidated data from anywhere and make decisions. From manual entries it has become a totally system driven data entry now.

III. PRESENTATION OF MAIN FINDINGS:

Cadbury took an EMS implementation decision after research and analysis of the problem. The management worked very closely with the EMS vendors during the implementation which included consultancy and remote access to a lot of project managerial activities. Though the implementation took long, it provided an integrated real-time view of the core business.

3.1. Pre implementation of EMS

Cadbury's India was the very first organizational unit all over the world to implement EMS in its processes. The Indian subunit was very excited and looking forward to these practices. Also, Cadbury's India themselves took the initiative to implement EMS as they were confident of their manpower being able to handle the implementation process efficiently & effectively. The implementation process in India was started from scratch as they were the first to implement that in all over global application of the Cadbury. They tried to inculcate the best practices of the company and tried to build on the strengths the past systems in new EMS systems.

Cadbury knew that for implementation they will be standardizing the processes in 16 different locations. People will have to gear up to streamline the processes. The growth wave blowing over the developing countries encouraged the top management to look forward to the EMS implementation which would set the base for huge information sharing. The EMS initiative was to bring about a complete integration of the major processes in the business. The major processes being procurement system, finance system, the Human Resources, and other

departments. Also, Cadbury has four branch operations and 13 manufacturing operations, and each had their own systems running in isolation. The finance department was the only one common to all.

EMS served as an integrating system and a solution for their then existing decentralized model. When they were implementing the system, they integrated using the finance module first. In order to implement these EMS processes, Cadbury's had to impart training a few of their young professionals. Since these were quite tech savvy and open to new ideas, overall training period was reduced. The implementation methodology adopted by Cadbury's happened in 1995 and they went ahead using a big bang approach. They did the implementation company wise.

3.2. Post Implementation of EMS

□ Cadbury had operations in 16 locations and 26 depots, and all of these were highly decentralized. The management was looking at ways to sort internal problems and this is where SAP had come to the rescue.

□ Cadbury was on a fast-paced growth and could not continue with the Existing systems and the pace was too slow due to added inefficiencies down the chain.

□ Cadbury standardized the processes within the 16 locations thereby benchmarking the best practices in the locations and having a marked increase in the efficiency by bringing all the locations to the same page and the best page.

□ The implementation of EMS brought in a new way of warehouse Management system and brought in structure to branch offices and the depots.

The manufacturing had 13 operations, and each was operating in a silo. This had increased the work in progress and the integration of the processes has done well for the company.

□ While implementing the EMS systems, the company has built it up on the past strengths of the company thereby not losing out on its competitive advantage and at the same time saddling itself up for a fast-paced growth.

□ The initial implementation took time and then the successive implementations took lesser time and cost and there is a huge advantage in saving cost while in the implementation phase itself.

□ The reaction from competition does not matter in this because this is not a change that was advertised to the market. This is an internal process restructuring and was a welcome change within the company which badly needed the change.

□ The company also has built in a robust regular feedback system to monitor the changes and check if they go according to the initial plan. The entire Implementation is cross functional and hence it is important that there is a high increase in the efficiency.

□ The EMS vendor was also selected from among the best-in-class vendors which helped the process occur in a streamlined fashion and avoided any possible chances of hiccups during the initial implementation phase.

□ The system has also been deployed up to the vendors. They have a portal called vendor connect where they can see their inventory movement and make plans accordingly. Hence the restructuring happens not only internally but also across to the supplier which will add on to the benefits that are accrued.

- It was considered a low cost and high result implementation which by itself highlights the success and the benefits.
- There is increase transparency in the organization though there is authorization involved. This helps to keep the people in the same page and ensures proper integration.
- The company achieved 70% automation in processes and has not eliminated any process specifically.
- The company has a proper MIS (Material Information System) because of this implementation and the entire process is top driven.
- The jobs were classified into complexity base and the high complex jobs were targeted and automated. No manpower elimination took place. Bill material, automation and integration happened from completely manual process.
- Booking of the finance entries, bill material receipts and inventory getting updated. The real time data was made available to the company wide function for e.g., for production function the end of shift data is available, for finished goods inventory the inventory levels at all our depots reflects on portal.

IV. BENEFITS EMS DID TO CADBURY

- EMS implementation handled all the issues and added efficiency and guided the fast-paced growth and brought a new way of warehouse management system and brought in a structure to branch offices & depots.
- Almost 11000 employees started sending data to company's SAP solution which was linked to 1750 applications.
- The major processes being procurement system, finance system, the human resource and other departments were completely integrated after the EMS initiative.
- They were functioning in completely decentralised manner and EMS served as an integration system and a solution to their decentralised model.
- Cadbury standardised the processes within the 16 locations and thereby benchmarking the best practices in the location and having a marked increase in the efficiency by bringing all the locations to the same page.
- The implementation was considered a low cost which by itself highlighted the success and the benefits. It led to an increase in the transparency that helped to keep the people in the organisation at same page and ensured proper integration.

V. CONCLUSION

An EMS track business resources such as cash flow, production capacity, employee performance, management of raw materials, status of the business commitments and purchase orders. Cadbury worked with vendors which contributed to reducing their expenses; platforms like Zillancer offered EMS solutions in a much smoother and facilitated manner. It offered options across different EMS software providing companies like SAP, Oracle, Microsoft Dynamics, ZOHO & Epicor depending upon the need of the company. These experts also act as consultants and not only execute the entire project end-to-end but also plan a organisational structure where the employees work in an integrated manner. EMS provides an integrated real-time view of core business processes,

using common databases maintained by a database management system. EMS systems track business resources—cash, raw materials, production capacity— and the status of business commitments: orders, purchase orders, and payroll. The applications that make up the system share data across the various departments (manufacturing, purchasing, sales, accounting, etc.) that entered the data. EMS facilitates information flow between all business functions, and manages connections to outside stakeholders.

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