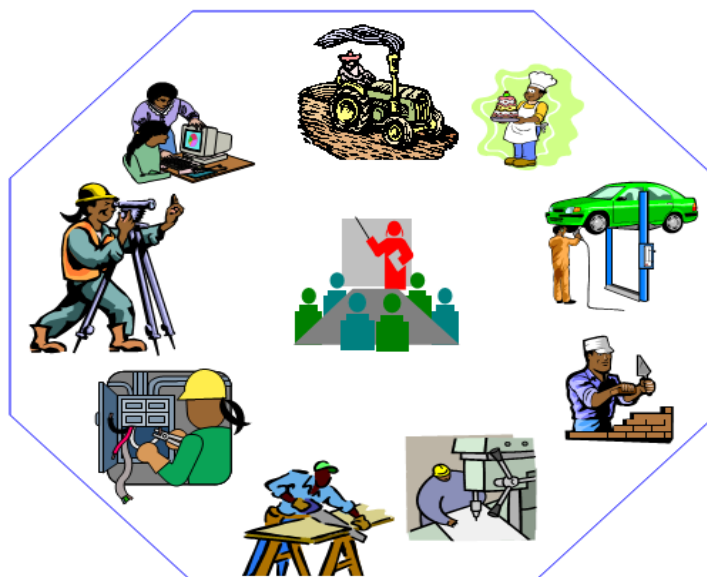




Footwear Production Supervision

Level IV

Based on November 2019, Version 5 Occupational Standards and February 2020 version 1 Curriculum



Module Title: Supervising Footwear Production Operations

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LG #45

LO #1- Develop operational plan

Instruction Sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics

- Resource requirements and developing operational plan
- Consultation processes
- Operational plans for the organization's performance
- Key performance indicators to measure organizational performance
- Contingency plans at appropriate stages of operational planning
- Development and presentation of proposals

This guide will also assist you to attain the learning outcome stated in the cover page specifically, upon completion of this Learning Guide; you will be able to –

- Study resource requirements and develop operational plan
- Develop and/or implement consultation processes
- Develop operational plans for the organization's performance
- Include the details of the operational plan towards the development of key performance indicators to measure organizational performance
- Develop and implement contingency plans at appropriate stages of operational planning
- Assist the development and presentation of proposals

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the "Information Sheets". Try to understand what are being discussed. Ask your trainer for assistance if you have hard time



understanding them.

4. Accomplish the “Self-checks” which are placed following all information sheets.
5. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).



Information Sheet 1- Resource requirements and operational plan

1.1 Introduction

Products or services are the output of any organization. For example, footwear from a footwear factory, qualified students from a university, & medical services to the patients in a hospital are few examples. All outputs need some inputs. The inputs undergo transformation through certain operations to give the required output, which is in the form of a product or service. Considering the example of a footwear plant, we know that the inputs for producing footwear include, raw materials, manpower, materials required for supporting the manufacturing process plant & machinery, etc. The raw material undergo various plant operations such as cutting, closing, lasting, finishing operations etc. to produce footwear, which is the ultimate output of the footwear plant. Production operations management is all about managing various operations with effectiveness & efficiency.

In the case of a footwear plant, the primary objective is to produce footwear while the goal is to produce footwear of high quality at a price, which could meet the expectations of its buyers. Similarly, each organization has certain objectives and goals. The objectives and goals are achieved through various transformation processes as through which the organizational inputs pass.

The organization is said to be effective, when the output of the transformation process satisfies the needs and expectations of its customers and at the same time achieves the objectives and goals of the company.

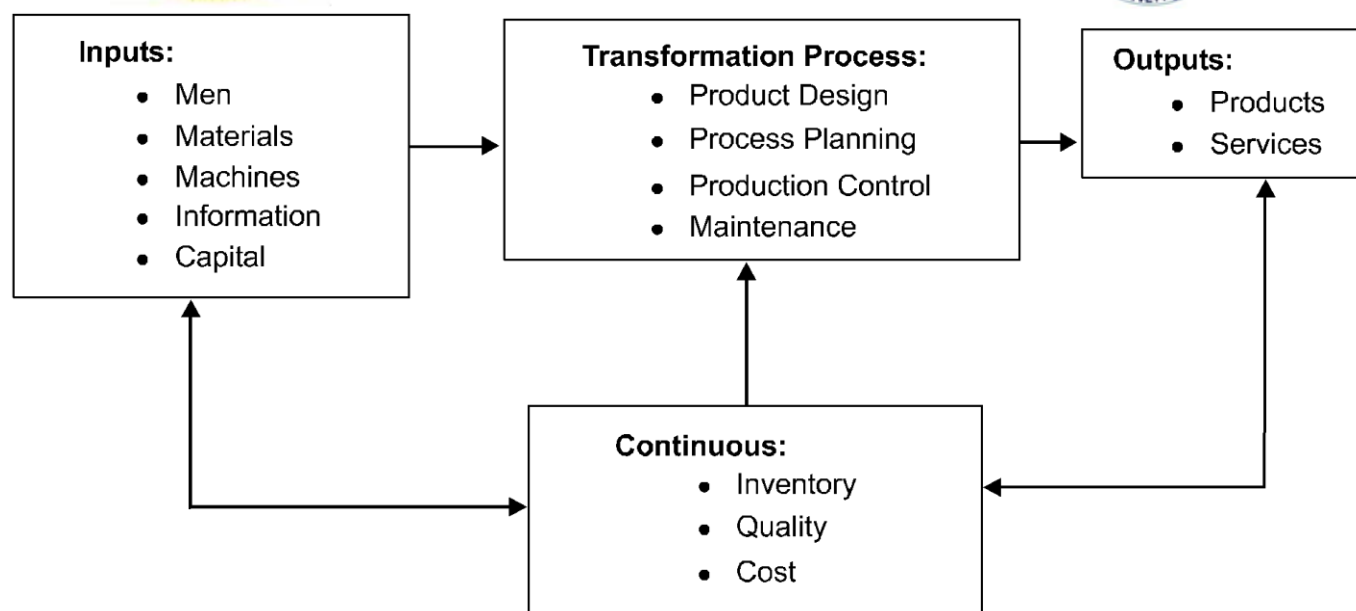


Figure 1: Production System

Customers, whether internal (within the organization) or external evaluate the products produced by the organization. In fact, by doing so, the customers, both current and potential, are really evaluating the operations management functions of the organization.

The effectiveness of the organization is measured in terms of the value generated by the product for the customers. On the other hand, management of the company measures the efficiency of the company internally.

Efficiency is measured in terms of money (dollars) or in terms of labor hours used to produce the product. In other words, efficiency is a measure of costs incurred to obtain the output as compared to the value or the cost of the outputs. It is very essential to examine the efficiency for short term operations and the survival of the company. Effectiveness of its operation is very important for the long-term performance of the company. Hence, production operations management is continuously required to keep the organization effective & efficient.

1.2 Elements of Footwear Production Operation Management

The three important elements of operations management are:

a) Customer Demand



- b) Operating system/Process
- c) Process capacity

a. Customer Demand

An organization has two categories of customers (external and internal), who consume its product/service. The organization caters to the needs of certain market segments. It could be local market or foreign market or both. Local market could be the market in the country or even a portion of the market in the country. The customers of these local or foreign markets are external customers, which are by large concerned with the final product of the company. It is important to plan and structure effective and efficient operations that could meet the requirements of all its customers. However, it is essential for the operations management to know the demand correctly. What the customer wants, what is not acceptable to him and what minimum level of performance is acceptable, is the concern of operations management. It must also identify those aspects of product or service that could help the organization win his customer or which can result in losing a customer. Operations management should insist on the performance levels such as timely delivery schedule, right cost, best quality and get the acceptance of customers for the same.

When buyers of shoes encounter problems like delay in deliveries, not meeting the sudden demands, poor quality of shoe or even poor packaging, then the customer starts looking for another manufacturer, who can meet his requirements.

Thus, these areas have to be constantly monitored and kept under control to prevent losing orders or even losing customers.

b. Operation System/Process

Operation system, also known as process of sequence and linkage of activities, are used in transforming the inputs into outputs. It is concerned with the production activities of goods or services that the firm sells to customers. In addition to production activities, there are other related activities in an organization. For example, in a shoe manufacturing plant the Purchase Department purchases materials from their suppliers, Finance Department makes payment to the suppliers and Human Resource Department recruits staff to carry out the various



activities in the organization. Operations management concerned only with the design & structure of all operation systems and sub-systems, which are capable of meeting the needs of its customers.

c. Process Capacity

Process capacity is the measure of the capability of producing goods or services effectively and efficiently per unit time. Quantification of output does not reflect the total capacity of the firm as a whole. Let us consider that two footwear manufacturing plant are of same installed capacity say 1,000 pairs/8 hrs. One manufacturing plant manufacture shoes in a size set (6 pairs, size 5 to 10) in one pack, whereas the other plant delivers shoes in more modes of packaging. The second manufacturing plant would be considered to have a higher capacity in real terms as compared to the capabilities of the first plant as it meets the requirements through more options. Customer would prefer to go to the second manufacturing plant to meet their requirements as it has the facility to deliver shoes through different modes i.e. through solid size packing or free size packing.

The capacity, therefore, is the capability of the firm in totality. The type of facilities that results from the combination of plant and machinery, work flows and employee skill level reflect the capacity of the firm and what the firm could do efficiently, effectively & consistently.



1.3 Footwear Plant Layout



Figure2: Footwear plant layout

Plant layout refers to the physical arrangement of production facilities. It is the configuration of departments, work centers and equipment in the conversion process. It is a floor plan of the physical facilities, which are used in production. Or we can say Plant layout is a plan of an optimum arrangement of facilities including personnel, operating equipment, storage space, material handling equipment and all other supporting services along with the design of best structure to contain all these facilities.

1.3.1 Objectives of Footwear Plant Layout:

The primary goal of the plant layout is to maximize the profit by arrangement of all the plant facilities to the best advantage of total manufacturing of the product.

The objectives of plant layout are:

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- a) Streamline the flow of materials through the plant.
- b) Facilitate the manufacturing process.
- c) Maintain high turnover of in-process inventory.
- d) Minimize materials handling and cost.
- e) Effective utilization of men, equipment and space.
- f) Make effective utilization of cubic space.
- g) Flexibility of manufacturing operations and arrangements.
- h) Provide for employee convenience, safety and comfort.
- i) Minimize investment in equipment.
- j) Minimize overall production time.
- k) Maintain flexibility of arrangement and operation.
- l) Facilitate the organizational structure.

1.4 Classification of footwear production system

Production systems can be classified as:

- Job Shop,
- Batch,
- Mass and
- Continuous



a) Job Shop Production

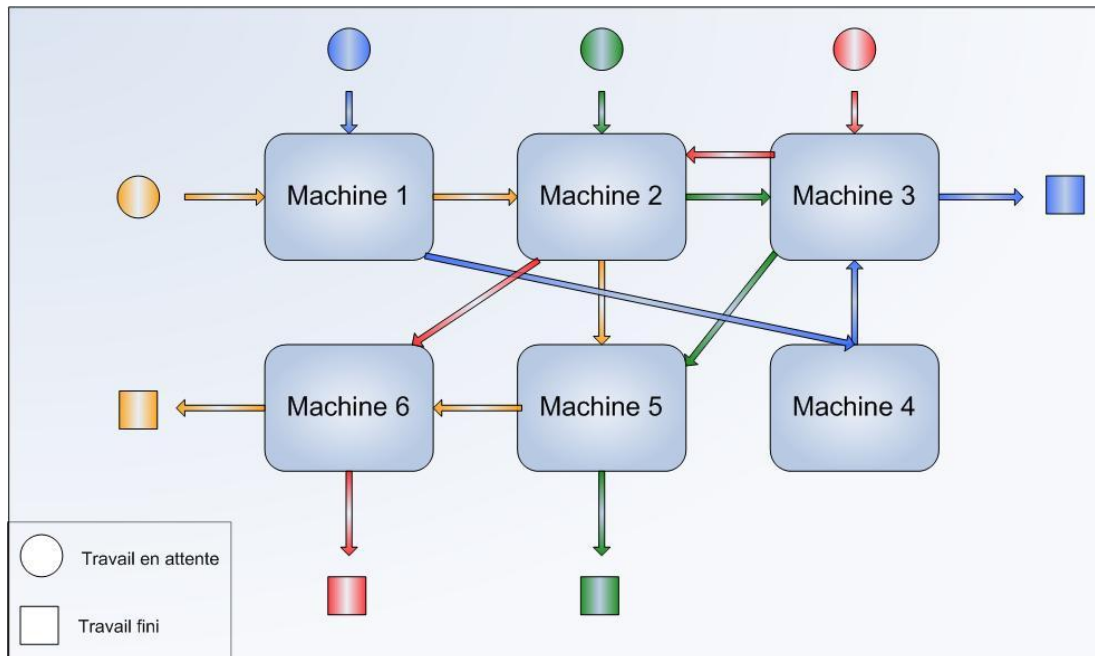


Figure3: Job shop production

Job shop production are characterized by manufacturing of one or few quantity of products designed and produced as per the specification of customers within prefixed time and cost. The distinguishing feature of this is low volume and high variety of products. A job shop comprises of general purpose machines arranged into different departments. Each job demands unique technological requirements, demands processing on machines in a certain sequence.

Characteristics

The Job-shop production system is followed when there is:

- High variety of products and low volume.
- Use of general purpose machines and facilities.
- Highly skilled operators who can take up each job as a challenge because of uniqueness.
- Large inventory of materials, tools, parts.



- Detailed planning is essential for sequencing the requirements of each product, capacities for each work centre and order priorities.

b) BATCH PRODUCTION



Figure 4: Batch production

Batch production is a form of manufacturing in which the job passes through the functional departments in lots or batches and each lot may have a different routing.

Characteristics

Batch production system is used under the following circumstances:

- When there is shorter production runs.
- When plant and machinery are flexible.
- When plant and machinery set up is used for the production of item in a batch and change of set up is required for processing the next batch.
- When manufacturing lead time and cost are lower as compared to job order production.



c) MASS PRODUCTION



Figure5: Mass production

Manufacture of discrete parts or assemblies using a continuous process are called mass production. This production system is justified by very large volume of production. The machines are arranged in a line or product layout. Product and process standardization exists and all outputs follow the same path.

Characteristics

Mass production is used under the following circumstances:

- Standardization of product and process sequence.
- Dedicated special purpose machines having higher production capacities and output rates.
- Large volume of products.
- Shorter cycle time of production.



- Lower in process inventory.
- Perfectly balanced production lines.
- Flow of materials, components and parts is continuous and without any back tracking.
- Production planning and control is easy.
- Material handling can be completely automatic.

d) Continuous production

Production facilities are arranged as per the sequence of production operations from the first operations to the finished product. The items are made to flow through the sequence of operations through material handling devices such as conveyors, transfer devices, etc.

Characteristics

Continuous production is used under the following circumstances:

- Dedicated plant and equipment with zero flexibility.
- Material handling is fully automated.
- Process follows a predetermined sequence of operations.
- Component materials cannot be readily identified with final product.
- Planning and scheduling is a routine action.

1.4.1 Major Objectives of Production Operations Management in Footwear Industry

a) Right quality

The quality of product is established based upon the customers' needs. The right quality is not necessarily best quality. It is determined by the cost of the product and the technical characteristics as suited to the specific requirements.

b) Right quantity

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The manufacturing organization should produce the products in right number. If they are produced in excess of demand the capital will block up in the form of inventory and if the quantity is produced in short of demand, leads to shortage of products.

c) Right time

Timeliness of delivery is one of the important parameter to judge the effectiveness of production department. So, the production department has to make the optimal utilization of input resources to achieve its objective.

d) Right manufacturing cost

Manufacturing costs are established before the product is actually manufactured. Hence, all attempts should be made to produce the products at pre-established cost, so as to reduce the variation between actual and the standard (pre-established) cost.

- **Resources and parameters used to analyze production system of a footwear manufacturing firm**

- | | |
|--|----------------------------|
| a) Application | f) Planning and scheduling |
| b) Machine selection and utilization | g) Quality control |
| c) Layout considerations | h) Information system |
| d) Inventory management | i) Flexible system |
| e) Manpower requirements and utilization | j) Adaptability to change |
| | k) Other factors |

a) Application: Projects can be small, medium or of large size depending upon the number of tasks involved. Projects need a mix variety of resources, whose requirements are to be scheduled for timely completion of the project and for cost effectiveness. Once the project is completed, the resources deployed on the project are redirected to a new project. Sometimes large job can be treated as projects. For Example, launching a sports



shoe having speedometer (with Bluetooth) can be considered as a project whereas the manufacturing of the shoe is a production system.

- b) Machine selection and utilization:** Normally, general purpose machines are procured for projects so that they may serve the purpose of many projects. Special purpose machines are acquired in cases, where they can contribute to the implementation of the specific tasks of projects and may also be required for similar tasks in further projects. Normally, special purpose machines, if required, are arranged on rent or lease for the appropriate period of time. The equipment must be very reliable, as any down time on the equipment will result in project delays.
- c) Layout Considerations:** Layout of a project is unique to the project. It would differ from project to project and would depend upon the final product.
- d) Inventory Management:** Most of the inventory in a project is arranged much in advance of its actual need so that the project does not have to wait for the raw materials. There is a huge work-in-process inventory during the execution of a project. A proper storage is difficult at a project site, which at the time of its implementation are usually in remote areas. Normally materials are kept in open at a project site. Sometimes materials are spoiled due to heat, cold, rain or other adverse environment effects. At times, there are thefts due to security lapse at the project site in a remote area. A project does not have finished goods inventory, as the final product is the project itself.
- e) Manpower requirements and utilization:** Projects are normally executed at places far away from headquarters. Immediate guidance and help to resolve the problems faced in execution of the work is not so easily available. Project execution, therefore need very experienced staff who could solve the problem without depending on others. Even in the selection of contractors for execution of projects, care is taken to select those who are known for their professional capabilities and are able to stick to the agreed schedule for various activities assigned to them. It is economical to spend more money on quality manpower rather than to allow the project take longer time than planned. The field staff of a project should have very good communication skills to spot and resolve the problems.



- f) **Planning and Scheduling:** Extensive planning and scheduling are the needs of project execution. Often resources are limited and therefore well-coordinated and planned approach is essential for timely execution. This is especially important as the project sites are in remote areas and any small problems may result in serious delays.
- g) **Quality Control:** Need for strict quality control is high in case of a project. Once the project is completed, it may become very difficult to make any change at a later stage. If the problem are not noticed or controlled in time, they can result in permanent production bottleneck. Supervisors and operation managers carry out quality control functions in a project. Specialists or specialized agencies may be involved for measurement and evaluation of specific parameters
- h) **Information system:** There are three important elements in the information system of a project:
- The details of the project activities must be available to all concerned.
 - It should help in tracking the progress and bring out the deviations from schedule.
 - The information system should be able to provide up-to-date information about the actual expenditure relating to labor, materials & other services including comparison with the planned expenditure.
- i) **Flexible System:** Projects need to have lots of flexibility to absorb the changes.
- j) **Adaptability to changes:** Projects are highly adaptable to change. This is one of the main strengths of projects. Disturbances in project activities due to failure of some machines, non-availability of materials due to delay in delivery by the supplier or due to excessive consumption in comparison to planned quantities.
- k) **Other Factors:** The cost of the project, expected time of completion, the nature of the project and technical know-how are important factors in the selection of the project.

1.5 operational plan



An Operational Plan is a highly detailed plan that provides a clear picture of how a team, section or department will contribute to the achievement of the organization's goals. The operational plan maps out the day-to-day tasks required to run a business and cover.

1.5.1 Production Planning Structure

Planning needs vary according to the objectives and goals of the organization. Planning for a short period would differ in its contents when compared to planning for medium term or long-term. The time frame of the planning is known as planning horizon. Normally four planning horizons are considered in footwear manufacturing, which are:

- a) Daily
- b) Short-term
- c) Medium term
- d) Long term

The production manager has to take stock of the plant situation, when any plant and machinery is stopped due to breakdown or due to planned shutdown. He could adjust his strategy for production keeping in view the report on the availability of the machine. The shortage of material could force the production manager even to stop the plant. In some cases, when the key worker has not reported for duty, the operations would have to be stopped, if others are not trained to carry out that particular work. These aspects are part of daily planning.

Short-Term planning – covers a time span of weeks to months. It is more suited to batch production. As a company goes for manufacturing more products, it might plan for a medium range say for a period of six months or a year to decide the production of various products. This involves manpower planning, material planning, and logistic planning for different products. An action plan is prepared systematically to guide the overall utilization of resources. This process is known as “Aggregate Output Planning”. Aggregate output planning is the process of planning the overall use of the conversion resources. Every company looks towards future growth. It thinks of the type of structure it would have after 5, 10, 15, 20, or 25 years.



It is to be understood here that the planning process for daily, short-term, medium term and long-term does not have tight boundaries and could overlap each other in the methodology and planning process.



Table 1: Structure of planning process

STRUCTURE OF PLANNING PROCESS IN A FOOTWEAR PLANT		
Planning processes	Planning horizon	Nature of activities
Production Planning	Daily	Daily schedules for work force, equipment and other resources needed. Planning of day to day activities.
Master Schedule	Short-term (weeks/months)	Planning various inputs for producing end products. Planning of various operations in production process.
Aggregate Planning	Medium range (3/6 months or a year)	Manpower planning on a division/department level. Inventory control and facility planning etc., whether to reduce or increase the capacity.
Long-Term Planning	Few years say 5,10, 15 or 20 years	Strategic planning for new products, process improvements, modernization, automation, computerization, long-term customer demands, technology improvements and planning for social and political scenario.

1.5.2 Aggregate output planning

Aggregate plans are prepared for meeting the aggregate demand of goods & services keeping in view the particular goals planned. The plans are prepared for meeting the demand in a specific time frame/planning horizon. Plans also consider the limits of available resources and the least cost of the organization. In addition, the goals could also be maintain a fixed level of workforce.

Numerical Example:

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A small footwear manufacturer wishes to plan the level of output for the month of March following data is given:

1	Stock of shoes at the end of January	200 pcs
2	No. of workers (assemblies) on payroll in January	40 workers
3	Salary of each worker	\$ 600/month
4	Average cost of layoff worker	\$300
5	Cost of hiring & training - one worker	\$200
6	Output of one worker	20 units/month
7	Projected demand for February	800 units
8	Projected demand for march	1200 units

Work out the following:

1. Total cost based on one month time horizon, where each month is treated separately in the planning process
2. Total cost using two months' time horizon

Solution:

1. Total cost based on one month time horizon

No. of pairs required to be produced in Feb = $800 - 200 = 600$ pairs

No. of workers required to produce 600 units = $\text{No. of units} / \text{Output of one worker}$
 $= 600 / 20 = 30$ workers

Need to lay off workers = $\text{No. of workers in January} - \text{No. of workers needed in February}$



= 40-30

= 10 workers

Since there are no pairs left at the end of February, No. of pairs to be produced in March = 1200 pairs

No. of workers required to produce 1200 pairs = No. of units/Output of one worker

= 1200/20 = 60 workers

Addition workers required in March = No. of workers required to produce 1200pairs

(No. of workers in January – No. of

Workers laid off in February)= 60 – (40-10) = 30 workers

Total cost using one month planning horizon is worked out in below table:

Planned decision and costs	February	March	Total
Output	600	1200	1800
No. of workers required	30	60	90
Salary@600 worker (\$)	18,000	36,000	54,000
	(30 X 600)	(60 X 600)	
Layoff cost@300/worker (\$)	3,000	0	3,000
	(10 X 300)		
Hiring cost@ 200/worker (\$)	0	6,000	6,000
		(30 X 200)	
Total Cost (\$)	21,000	42,000	63,000



2. Total cost using a two months planning horizon

Since the planning horizon in this case is two months, we would retain the same workforce in February as employed in January = 40 workers

Output of 40 workers @ 20 pairs per day in February = $40 \times 20 = 800$ pairs

Demand for February = 800 pairs

Stock carried over from January = 200 pairs

Therefore, stock at the beginning of March = Stock from January + Production

In February – Demand in

February

= $200 + 800 - 800 = 200$ pairs

Production required in March to meet the demand of 1200 pairs:

= Demand in March – Stock at the

Beginning of March

= $1200 - 200$

= 1000 pairs

No. of workers required to produce 1000 units = $1000/20$

= 50 workers

We already have strength of 40 workers in February. Therefore, there is a need for recruitment of 10 workers in March. With this the total cost is worked out in below table:



Planned decision and costs	February	March	Total
No. of workers required	40	50	90
Output (units)	800	1,000	1,000
Salary@600/worker (\$)	24,000	30,000	54,000
	(40 X 600)	(50 X 600)	
Layoff cost@300/worker (\$)	0	0	0
Hiring cost@200/worker (\$)	0	2,000	2,000
		(10 X 200)	
Total Cost (\$)	24,000	32,000	56,000

Comparing the cost of plan A (\$ 63,000) and plan B (\$ 56,000), it is observed that costs of plan B is better than plan A, i.e. the plan B using the two months planning horizon is better than the plan A using one month planning horizon.

Although we intentionally incurred higher cost in February in plan B (\$ 24,000) than the cost in February in plan A (\$ 21,000), this helped us to reduce the total cost from \$ 63,000 to \$ 56,000 for the entire planning horizon. This shows that the selection of an appropriate time horizon is important in planning. Therefore, aggregate plans aim at minimizing the overall cost rather than the cost of individual periods. The cost savings are the results of looking into the future and considering not only the demand for the next month but the demand for the following months also.



1.6. Implement an operational plan in consultation with relevant workers

Personnel, Colleagues and Specialist Resource Managers in a Footwear Manufacturing Firm

- a) Supervisors
- b) Specialist officers
- c) Union or Employee representatives
- d) Occupational Health Standard (OHS)
- e) Wide range of social, cultural & ethnic background

a) Supervisor

The Supervisor (Shoe Manufacturing) duties include:

Responsible for supervising an industrial shoe manufacturing operation.

- ✓ Plans and schedules labor, material, and equipment for production.
- ✓ Coordinates and/or supervises installation, operation, maintenance, and repair of equipment.
- ✓ Makes recommendations to increase production, efficiency, and product quality.
- ✓ Assists in development, preparation for production, and marketing of new products.
- ✓ Selects supervise staff and inmates in production work.
- ✓ Responsible for quality control, production control, methods analysis, cost control, material research, procurement, safety, and personnel development.
- ✓ Evaluates performance of staff and inmates and takes or recommends appropriate action.
- ✓ Assists in budget preparation and makes recommendations for needed materials and equipment.
- ✓ Supervises preparation of records and reports on production & processing
- ✓ Dictates correspondence and prepares reports.
- ✓ Maintains order and supervises the conduct of persons.



- ✓ Prevents escapes and injury by these persons to themselves or others or to property.
- ✓ Maintains security of working areas and work materials.
- ✓ Inspects premises and searches inmates or wards for contraband, such as weapons or illegal drugs.

b) Specialist officers

In footwear manufacturing specialist officers can be into different divisions like:

- Specialist Officer – Quality control
- Specialist Officer – Labor relations/corporate relations
- Specialist Officer – Supply chain & in many more divisions, let's have a look on

Specialist Officer-Quality control roles & responsibilities:

Supervise and coordinate activities of workers engaged in inspection and testing of incoming materials, and final product to ensure adherence to company quality standards and customer specifications.

Maintain the QC Management system in the factory.

- ✓ Coordinate QC activities during the testing
- ✓ Receive QC documentation from Engineering and prepare it for the use for QC Technicians.
- ✓ Follow up with QC Technicians and Production on the clearing of the defects. Analyze and factory corrective and preventative actions.
- ✓ Review manufacturing check-sheets and quality files for final document submission
- ✓ Collaborate with the production team in ensuring that tools and equipment used in production are in good condition.
- ✓ Coordinate the calibration of equipment.
- ✓ Ensure that quality monthly/weekly/per day reports are done timorously.
- ✓ Coordinate the customer return process and ensure that the process is followed by all



role processes.

- ✓ Maintain a safe working environment.
- ✓ Perform internal quality audits.

c) Union/Employee representatives

Role of union representative - A union representative ('rep') is a union member who represents and gives advice to colleagues when they have problems at work.

Trade union representative aren't paid but they do get paid time off to do their work as a representative.

Doings:

- ✓ Any employee can discuss any concerns about employer from representative.
- ✓ Disciplinary or grievance hearings with management.
- ✓ Represent employee in negotiations ('collective bargaining') over pay and terms and conditions of employment.
- ✓ Meet with employer to find solutions to workplace issues
- ✓ Develop the best possible health and safety procedures with employer/organization

d) Occupational Health Standard (OHS)

A workplace hazard is something that can hurt you, or has the potential to hurt you. There are hazards in every type of job and every type of workplace. Everyone at the workplace: workers, managers and the employer, share in the responsibility to identify and control hazards. For workers, this first step means recognizing what a workplace hazard is (or could be) and how to report it to the employer. For employers, the first step is to inform workers of potential hazards, to have control systems in place to decrease the risk of injury. But what if you're not quite sure what to look for? What is a workplace hazard:

- **Types of workplace hazards**

Even though hazards look different in every workplace and in every type of industry, there are five types. Here's a list and introductory definitions for each.

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✓ **Physical**

Physical hazards are things or agents that may come into contact with the body with potential for harm. Physical hazards that can exist in assembling and stitching work area can be, like slippery work surface, level and nature of noise, vibration, temperature and pressure.

✓ **Chemical**

Chemicals are in everything around us. They can be natural or manufactured, and come in the form of liquids, gases, vapors, solids or particulates (very small pieces). Naturally occurring and manufactured chemicals both carry potential for harm for people working around them. Examples of chemical hazards that exist in assembling and stitching shoes components are: - compressed gases, solvents, glues, lubrication oil for stitching machine and etc.

✓ **Biological**

Biological hazards are typically in the form of bacteria and viruses transmitted by contact with organisms or toxic substances produced by living things that can cause illnesses or diseases in humans. This happen due to not following safe work procedures currently implemented, or working in an environment that does not have safe work practices in place or doesn't enforce them.

✓ **Ergonomic**

Ergonomic hazards are caused by the way work tasks are designed and carried out. The injuries that result from ergonomic hazards always affect the muscles and the skeleton, and are the most common type of workplace injury. These injuries may happen suddenly, but are more likely to form over very long periods of time. Ergonomic hazards can be seen in work that involves awkward body postures (working in the same body posture for long periods), high body force (lifting or carrying heavy or awkward loads), and high task repetition (same movements over long periods). Improper or poorly designed work stations, tools and equipment are also a part of ergonomic hazards.



✓ **Psycho-social**

Psycho-social hazards can arise out of the many different ways that people interact with each other. This type of hazard may show up as negative workplace conditions like harrying, violence or sexual harassment. It can be due to stress outside or inside the workplace, the type of work being done or because of the attitudes and behaviors that different people bring to their jobs. Psycho-social hazards have the potential to harm our physical and mental health and safety, and the health and safety of the workplace.

• **Safe and Healthful Workplace**

Support from top management and employees are critical for a safer workplace. It is essential to:

- ✓ Look carefully at the work environment to identify problems and potential risks.
- ✓ Get ideas from employees on reducing or eliminating risks.
- ✓ Take corrective actions. Be sure to follow up.
- ✓ Let workers know that safety rules protect their health and ability to make an income.
- ✓ Instruct workers they are expected to use safe work practices.
- ✓ Lead by example and show your commitment to health and safety at your job.
- ✓ Encourage employees to report hazardous conditions.
- ✓ Respond promptly to workers' concerns.
- ✓ Negotiate changes with building owners, if necessary.
- ✓ Provide personal protective equipment (PPE)
- ✓ Do not touch the thermal units when machine is switched on.
- ✓ Do not put your hand in between thermal unit and bottom plate.
- ✓ Concentrate on job while operating machine.



- **Work place hazard assessment and identification:**

Hazards exist from four areas in working area or company. These are:-

1) People: People action or non-action influences workplace hazards and situations. Sometimes this seems easy to see.

- a) Improperly trained or poorly supervised
- b) Not paying attention to surroundings
- c) Not wearing the assigned or appropriate safety equipment
- d) Not following safe work practices

2) Equipment: Equipment, tools and even protective equipment or clothing cause work place hazard, if not used for proper job. Some examples of equipment that cause work place hazards are:

- a) Poorly maintained or uninspected equipment
- b) Unguarded equipment
- c) Using or wearing improper or worn out equipment for the task

3) Materials: Materials that cannot use for proper job, properly used and handled cause the work place hazards.

- a) Working with materials that are flammable or require special storage and handling
- b) Working with chemicals that are volatile or dangerous when inhaled or in contact with skin

4) Environment: conditions around workers and supervisors cause hazards and affect workplace safety. Examples of environmental hazards are:

- a) A wet floor
- b) Insufficient lighting
- c) Unclean work area
- d) Loud or constant sounds
- e) Bad weather



To make sure that the workplace environment isn't creating even more harm, workers and employers should come together to identify when further hazard controls are needed. All workplaces and types of work have different hazards. Working safely means recognizing hazards and contributing factors, talking to your supervisor about how to work safely around those hazards, and then doing everything possible to work safely and prevent in.

- **Work place hazard analysis and control:**

Controlling hazards requires employers to do a job or task hazard analysis. Many workplaces involve the employees who are in contact with the hazards of a particular task or job, in the analysis. Hazard analysis can look at a thing, a work process, or even a whole job description. Task or job hazard analysis ends with a safe work procedure designed to meet health and safety needs, and to control or eliminate the potential for injury.

Hazard analysis has six basic steps:

- a) Select the item/task or process to be analyzed.
- b) Break the task, process or use of the item into a sequence of steps.
- c) Observe an experienced worker/s using the item or performing the task or process.
- d) Identify potential and/or immediate hazards.
- e) Put hazard controls in place to protect the health and safety of workers and of the business
- f) Write the steps in a safe work procedure and train workers. Review it on a regular basis.

- **Hazard control**

Hazard can be controlled in three ways. Each describes how and where the controls are placed on the 'path' between the worker, and the hazard.

- ✓ **Control at the Source:** The best way to control a hazard is to eliminate it. If this is not possible, the next step is the substitution of a non-hazardous or less-hazardous material or process. If there is no acceptable substitution, then the hazard is enclosed or isolated from workers. Example, when lubricating oil used for stitching machine produce hazard



replacing the existing lubricating oil with new brand lubricating oil not produce hazard. This would be controlling the hazard 'at the source.'

- ✓ **Control Along the Path:** Some hazards, and the work processes that they are part of, cannot be enclosed or isolated. Placing a control 'along the path' means different protective measures are put in place between the hazard and workers.
- ✓ **Control at the Worker:** If controls 'at the source' and 'along the path' may not be enough to prevent injury, then placing controls 'at the worker' will be necessary. Control at the worker often consists of personal protective clothing and equipment that must be worn while performing certain tasks. Common types of this control are wearing gloves to protect the hands, hearing protection, or masks or respirators to protect airways. 'At the worker' is often the first type of hazard control that businesses put into place.



- **Hazard Identification**

Hazard identification is a key step in preventing injury and disease in the workplace. Where there's a risk, we need to stop and think. We need to think about what we are about to do, the potential risks and the likely effects on our self and other people.

The 3 Step Approach to Hazard Identification:

- a) Spot the hazard - Be alert at work, Notice potential hazards and work out what the perform is
 - b) Assess the risk - Talk to supervisor about the hazard and work out a way to solve the problem
 - c) Make the changes – Carry out the agreed actions in order to solve the problem
- **How to obtain first aid treatment for hazardous substances, should be part of our training.**

Remember:

- ✓ Follow safe work procedures;
- ✓ Always correctly wear the appropriate safety equipment provided by your employer;
- ✓ Do not eat, drink or smoke while working with a hazardous substance;
- ✓ Do not keep food or drink near the substance;
- ✓ Wash your hands and face and other exposed areas with soap and water before going to the toilet or eating and drinking; and



Self-Check – 1	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Fill in the blanks: (Total marks 5x1=5)

- 1) _____ is measured in terms of money (dollars) or in terms of labor hours used to produce the product.
- 2) _____ responsible for supervising an industrial shoe manufacturing operation.
- 3) An action plan is prepared systematically to guide the overall utilization of resources. This process is known as _____
- 4) _____ is the measure of the capability of producing goods or services effectively and efficiently per unit time.
- 5) _____ planning – covers a time span of weeks to months

Part 2: Answer in short: (Total marks 5x2=10)

- 6) What are the objectives of a footwear plant layout?
- 7) List four planning horizons are considered in footwear manufacturing, which are:
- 8) What is Batch Production?
- 9) What are the parameters used to analyze production system of a footwear manufacturing firm?
- 10) List Personnel, Colleagues and Specialist Resource Managers in a Footwear Manufacturing Firm



Information Sheet 2- Consultation Processes

2.1. Introduction

Consultation processes are developed and/or implemented as an integral part of the operational process. The advent of digital technology and in particular the internet, introduced email into the business setting and with it the nature of communication radically changed. No longer did a communication take a little while to produce, allowing for a period of reflection and consideration. Now anyone could 'bang off an email' at a moment's notice, often without consideration of the impact of the message. Today, digital technology has evolved to the point where not only can employees and employers freely email each other, forward messages without any editing (showing the whole conversational trail), and forward those messages outside of the corporate walls, but also employees and employers can use these emails to bring about grievance procedures, litigation and dismissal.



Figure 6: internal communication

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Today there are a set of techniques and technologies used to communicate, both up/down and side-to-side within an organization:

- One-on-one meetings Staff/team meetings
- Emails
- Voice mails
- Video broadcasts
- Intranets
- Audio files (usually downloadable audio)
- Staff-to-staff newsletters
- Corporate newsletters
- Annual Reports
- Quarterly Reports

Smart organizations recognize that employees will always talk with each other, so it is better to set the agenda and informal discussion points than have them dictated by an uninformed staff. This is no different from external communications, where the role of the PR practitioner and business communicator is to engage with and reflect the position of the employer or business to that employer or business' larger group of 'publics' – that is, anyone who may have any impact on or be impacted by the organization.

Smart employers realize that in environments where employees are able to move from one employer to another with relative ease, it is in the company's best interests to retain the smarter and more productive employees; doing all they can to communicate with them, inform them, influence them and enter into some sort of psychological contract with them is a wise move.



- **Four essential elements of successful internal communications**

If you ensure that your internal communications have taken into consideration the following four elements, you can be assured that your message will have a very high chance of not only being noticed, but actually achieve its communication goal:

- ✓ Is focused on one (only) specific strategic business issue
- ✓ Is written in language the receiver is able to comprehend
- ✓ Has an outcome that is specific and measurable
- ✓ Is delivered in a timely manner and in a medium that the receiver is willing and happy to receive it in.

2.2 MEETINGS



Figure7: Meetings



Meetings are very crucial part of business activities. They are a significant means of formal communication. Meetings are a venue for generation of new and innovative ideas. These meetings are multipurpose in nature actually. They aim at discussing feedback and receiving feedback on the spot. The information of prior importance is given during meetings. They are a true means of conveying feelings and expressions. Meetings involve people of the company. Meetings, thus, encourage participation and motivate them. Participants in a meeting, if given responsibility, turn out to be more productive and contribute to organizational success.

Corporate Meetings thus turn out to be a place where various aspects of business management are discussed- the performance of the company, the mission and vision of company, the weaknesses of company, the obstacles faced and how to overcome them.

Effective meetings involve presentations and lead to personality development..Efficient meetings save time, money and resources of the company While conducting business meetings, certain things have to be taken care of. Decisions should be based on facts and based on circumstances; they shouldn't be based on presumptions. The participants should be optimum in number, not too much. Don't go off track or don't forget the agenda of the meeting. Avoid distractions during meetings, such as- looking here and there, talking on phone, etc. Decision-making should be unambiguous. Don't waste time waiting for latecomers. Start discussion on time.

A successful and effective business meeting is one which is well planned. It should be planned well in advance that who all would be the participants in meeting, the time, venue, and agenda of meeting. The agenda of the meeting should be clear to all. Do not try to make a fish market in meeting. Respect everyone's views. Respect the leader.

2.2.1 How to Conduct a Meeting:

Communicating in a meeting is an essential part of effective communication. Some meetings are not conducted in an efficient manner due to which they fail in accomplishing the sole objective of the meeting. It may be because:

- They do not involve participation of all, or



- They may be too long, or
- They may be unsystematic, or
- They may lack a clear agenda, or
- They may not begin on the planned time, or
- They may end without any conclusion.

As a result, such meetings lead to agitation and sheer wastage of time. In order to ensure effectiveness of a meeting, it must be planned, systematic and rational.

The process of running an effective meeting includes the following steps:

a) Plan the meeting:

Plan the meeting in advance. With the plan clear in mind, the objective of the meeting can be well accomplished. Planning includes-

- Outline the objective of the meeting.
- Decide the attendees/participants of the meeting.
- Plan an agenda for the meeting, i.e., the topics to be discussed, the sequence in which they will be discussed, in how much detail they will be discussed, the time given to each agenda topic, etc.

b) Announce/declare the meeting:

After planning the meeting and before actually beginning the meeting, the participants should be delivered a message/memorandum to make them aware and ready for the topics to be discussed in the meeting. Give each participant responsibility for the agenda item.

c) Conduct the meeting:

Be punctual. Try and arrive before time for the meeting. The meeting should begin on time. State the objective of the meeting in the very beginning so that all are clear with the purpose of the meeting. Give a brief introduction of the members/participants so that all are familiar.



Ask for a feedback. Make sure that there are no distractions during the meeting (such as ringing cell phones, or participants fiddling with pen, or gossiping, etc.). Give a quick review of the issues discussed in the meeting. Make sure that all the issues are discussed within the time frame. If time does not permit discussion of all issues, ask the participants if they are comfortable in discussing those issues in next meeting. Fix and decide upon the time for the next meeting.

Evaluate the meeting: Assess the meeting after it is conducted. Distribute an evaluation form to all participants which provides you a feedback on the effectiveness of the meeting. To get credible and honest feedback, do not give a space for name of the attendee on the form.

Meeting documents are created when the business is meeting to discuss matters pertaining to the present operation and future operation of the business. These documents would involve company owners. Shareholders, company Directors, large customers/clients and/or leading institutions. Three common meeting documents are:

- Notice of meeting (detailing date, time, type of meeting, location, the purpose of the meeting)
- Agenda (detailed listing of the order of events for the meeting)
- Minutes (The official record of meeting outlining details like place and time of meeting, purpose, attendees, the leader of the meeting, apologies, agenda, review of previous meeting minutes, date, time and place of next meeting and time of meeting).

2.2.2 Instructions to take useful and concise meeting minutes

- **Before the Meeting:**

If you are recording the minutes, make sure you aren't a major participant in the meeting. You can't perform both tasks well. Create a template for recording your meeting minutes and make sure you leave some blank space to record your notes. Include the following information:

- ✓ Date and time of the meeting
- ✓ The purpose of the meeting



- ✓ The meeting lead or chair's name
- ✓ Assigned action items) Decisions made

Before the meeting, gather as much information from the host as you can. Ask for a list of attendees, as well as some information on the purpose of the meeting.

Decide how you want to record your notes. If you aren't comfortable relying on your pen and notepad, try using a tape recorder or, if you're a fast typist, take a laptop to the meeting.

- **During the Meeting:**

As people enter the room, check off their names on your attendee list. Ask the meeting lead to introduce you to meeting attendees you aren't familiar with. If you don't understand exactly what decision has been made or what action has been assigned, ask the meeting lead to clarify.

- **After the Meeting:**

Review the notes and add additional comments, or clarify what you didn't understand right after the meeting. Do this while the information is fresh in everyone's mind. Type your notes out in the template you created before the meeting this will make the notes easier for everyone to read and use.

When you're writing out your notes, use some of the following tips :

- Number the pages as you go so you aren't confused later. Remember, though, that the minute-taker is responsible for providing good flow.
- Focus on action items, not discussion. The purpose of minutes is to define decisions made and to record what actions are to be taken, by whom and when. .
- Avoid inflammatory or personal observations. The fewer adjectives or adverbs you use, the better. Dull writing is the key to appropriate minutes.
- If you need to refer to other documents, attach them in an appendix or indicate where they may be found. Don't rewrite their intent or try to summarize them.



Recording meeting minutes ensures that the decisions and actions resulting from a meeting aren't lost or forgotten. By taking the time to record proper meeting notes you'll make sure the time and effort that goes into a meeting isn't wasted.

2.3 INTERVIEWS

An interview means a face to face interaction between the interviewer's and the candidate/candidates so as to obtain desired information from him/them. It can also be defined as a way of exchanging meanings between individuals by using a common set of symbols. Interviews generally need a preparation. Clear communication should take place during an interview. All interviews have a definite purpose familiar to the interviewer and the candidate/interviewee.

Tips for the Interviewer:

- The interviewer should be an active listener. He should not interrupt unnecessarily.
- The interviewer should be considerate enough.
- The interviewer should be friendly and understanding. He should begin the interview in a friendly manner. This will make the interviewee more relaxed and comfortable.
- The interviewer should restrain to the time allotted. He shouldn't indulge in arguments unnecessarily. He should try to be precise.
- The interviewer must be thoroughly prepared for the questions that are likely to be asked. He should be a good planner.
- The interviewer must focus attention on the interviewee. He should use positive gestures when conducting the interview.
- Avoid distraction in the interview area. Ensure that there is no or minimal distraction where the interview is being conducted. A phone ringing all the time in the background can distract the interviewer and interviewee.

2.4 Business Negotiation



Negotiation is a technique of discussing issues among one selves and reaching to a conclusion benefiting all involved in the discussion. It is one of the most effective ways to avoid conflicts and tensions. When individuals do not agree with each other, they sit together, discuss issues on an open forum, negotiate with each other and come to an alternative which satisfies all. Negotiation is very essential in corporate world to ensure balance.



Figure8: Business Negotiation

Your boss asks you to submit a report within two working days and you know that the report is a little critical one and needs more time. It's always better to negotiate with your boss rather than accepting something which you know is difficult.

2.4.1 Negotiator

An individual representing an organization or a position who listens to all the parties carefully and comes to a conclusion which is willingly acceptable to all is called the negotiator.

- **Skills of a negotiator**

- ✓ A negotiator ideally should be impartial and neutral and should not favor any one.



- ✓ He needs to understand the situation and the parties well and decide something which will benefit all. It is not always that people will easily accept the negotiator's decision; they may counter it if they feel their personal interests are not satisfied.
- ✓ A negotiator has to be a little tactful and smart enough to handle all situations and reach to a conclusion.

- **Negotiations can be called as a way of resolving disputes.**

It is considered as being synonymous to settlement, agreement, and collaboration and bargaining.

Negotiation can be defined as a channel of communication intended to reconcile differences between parties and to settle conflict jointly. The parties aim at achieving a win-win position. Business Negotiations requires a lot of homework, such as asking what is the need of negotiation, who all are involved, what are their view points, what are your aims, what is expected from negotiation, etc.

Negotiation involves minimum of two parties. The aim of negotiation is understood by both parties. The parties are willing to arrive at a mutually agreeable outcome. The outcome is acceptable to both parties.

- **There are certain do's and don'ts in case of negotiations:**

- ✓ Do not discuss too many issues, emphasize on the prior issues.
- ✓ Be honest and straightforward. Don't get carried away by rumors.
- ✓ Never give deadlines; it might lead to delays in deals.
- ✓ Keep away personal differences. Just focus your arguments on facts.
- ✓ Keep on giving recaps during the negotiation process.
- ✓ Avoid being rigid. Listen to the other parties view point if valid.
- ✓ Give testimonials for your argument. Support your argument with facts.
- ✓ Don't make demands which can't be accepted at all.
- ✓ Don't let emotions overwhelm you.



✓ Be optimistic. Don't fear losing.

2.5 BRAINSTORMING SESSIONS



Figure9: brainstorming

Brainstorming combines a relaxed, informal approach to problem solving with lateral thinking. It encourages people to come up with thoughts and ideas that can, at first, seem a bit crazy. Some of these ideas can be crafted into original, creative solutions to a problem, while others can spark even more ideas

Therefore, during brainstorming sessions, people should avoid criticizing or rewarding ideas. You're trying to open up possibilities and break down incorrect assumptions about the problem's limits. Judgment and analysis at this stage stunts idea generation and limit creativity.

Evaluate ideas at the end of the brainstorming session – this is the time to explore solutions further, using conventional approaches.



By contrast, brainstorming provides a free and open environment that encourages everyone to participate. When used during problem solving, brainstorming brings team members' diverse experience into play. It increases the richness of ideas explored, which means that you can often find better solutions to the problems that you face. While brainstorming can be effective, it's important to approach it with an open mind and a spirit of non-judgment. If you don't do this, people "clam up," the number and quality of ideas plummets, and morale can suffer.

To get the most out of your individual brainstorming session, choose a comfortable place to sit and think. Minimize **distractions** so that you can focus on the problem at hand, and consider using **Mind Maps** to arrange and develop ideas.

2.5.1 Individual brainstorming is most effective when you need to solve a simple problem, generate a list of ideas, or focus on a broad issue. Group brainstorming is often more effective for solving complex problems.

2.5.2 Group Brainstorming -With group brainstorming, you can take advantage of the full experience and creativity of all team members. When one member gets stuck with an idea, another member's creativity and experience can take the idea to the next stage. You can develop ideas in greater depth with group brainstorming than you can with individual brainstorming.

Another advantage of group brainstorming is that it helps everyone feel that they've contributed to the solution, and it reminds people that others have creative ideas to offer. Brainstorming is also fun, so it can be great for team building!

Steps:

- 1) First, set up a **comfortable meeting environment** for the session. Make sure that the room is well-lit and that you have the tools, resources, and refreshments that you need.
- 2) How much information or preparation does your team need in order to brainstorm solutions to your problem?



- 3) Consider who will attend the meeting. A room full of like-minded people won't generate as many creative ideas as a diverse group, so try to include people from a wide range of disciplines, and include people who have a variety of different thinking styles.
- 4) When everyone is gathered, appoint one person to record the ideas that come from the session. This person shouldn't necessarily be the team manager – it's hard to record and contribute at the same time. Post notes where everyone can see them, such as on flip charts or whiteboards; or use a computer with a data projector.
- 5) If people aren't used to working together, consider using an appropriate warm-up exercise, or an icebreaker.
- 6) Present the Problem - Clearly define the problem that you want to solve, and lay out any criteria that you must meet. Make it clear that the meeting's objective is to generate as many ideas as possible. Give people plenty of quiet time at the start of the session to write down as many of their own ideas as they can. Then, ask them to share their ideas, while giving everyone a fair opportunity to contribute.
- 7) Guide the Discussion- Once everyone has shared their ideas, start a group discussion to develop other people's ideas, and use them to create new ideas. Building on others' ideas is one of the most valuable aspects of group brainstorming. Encourage everyone to contribute and to develop ideas, including the quietest people, and don't discourage anyone from criticizing ideas.
- 8) Don't follow one train of thought for too long. Make sure that you generate a good number of different ideas, and explore individual ideas in detail. If a team member needs to "tune out" to explore an idea alone, allow them the freedom to do this.

Also, if the brainstorming session is lengthy, take plenty of breaks so that people can continue to concentrate.

2.5.3 some other staff motivation tools:

Below mentioned are some tips for motivating the staff/employees in an organization:

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- a. **Evaluate yourself-** In order to motivate, encourage and control your staff's behavior, it is essential to understand, encourage and control your own behavior as a manager. Work upon utilizing your strengths and opportunities to neutralize and lower the negative impact of your weaknesses and organizational threats. The manager should adopt the approach "You're OK - I'm OK".
- b. **Be familiar with your staff-** The manager should be well acquainted with his staff. The more and the better he knows his staff, the simpler it is to get them involved in the job as well as in achieving the team and organizational goals. This will also invite staff's commitment and loyalty. A cordial superior-subordinate relationship is a key factor in job-satisfaction.
- c. **Provide the employees certain benefits-** Give your staff some financial and other benefits. Give them bonuses, pay them for overtime, and give them health and family insurance benefits. Make sure they get breaks from work. Let them enjoy vacations and holidays.
- d. **Participate in new employees induction programmer-** Induction proceeds with recruitment advertising. At this point of time, the potential entrants start creating their own impressions and desires about the job and the organization. The manner in which the selection is conducted and the consequent recruitment process will either build or damage the impression about the job and organization. Thus, the manager must have a say in framing the advertisement and also in the selection and recruitment process. After the decision about the candidate is made, the manager must take personal interest in the selected jinnee's joining date, the family relocation issues, cost of removal, etc..
- e. **Provide feedback to the staff constantly-** The staff members are keen to know how they are performing. Try giving a regular and constructive feedback to your staff. This will be more acceptable by the staff. Sit with your staff on daily or weekly basis and make sure that feedback happens. This will help in boosting employee's morale and will thus motivate the staff.
- f. **Acknowledge your staff on their achievements-** A pat on the back, some words of praise, and giving a note of credit to the employee / staff member at personal level with



some form of broad publicity can motivate the staff a lot. Make it a point to mention the staff's outstanding achievements in official newsletters or organization's journal. Not only acknowledge the employee with highest contribution, but also acknowledge the employee who meets and over exceeds the targets.

- g. Adopt job enrichment-** Job enrichment implies giving room for a better quality of working life. It means facilitating people to achieve self-development, fame and success through a more challenging and interesting job which provides more promotional and advancement opportunities. Give employees more freedom in job, involve them in decision-making process, show them loyalty and celebrate their achievements.

2.6 Email/Internet

Email is considered a reliable mode of communication as there is written record of transaction for future reference.

- **Make sure emails are self explanatory.** The other person should understand your views and ideas. Don't use capital letters in emails unless and until it is the first alphabet of a word. Turn off the CAPS lock key. Emails written in all capitals are considered rude and loud.
- **Be crisp.** Lengthy emails are seldom read. Never ever deviate from the actual topic.
- **The subject line ought to be meaningful and relevant.** Through subject line employees can quickly know what is written in the email. Start your mail with formal greetings.
- **Format your emails correctly.** Justify your text. Break the complete message into short paragraphs with equal spaces in between. Use bullets –points wherever required. Keep all related members in loop. All official emails must have signatures at the bottom. Your signature should include your name, your company's name, your designation and contact details. Make sure your signatures do not have incorrect information.



- Avoid writing offensive emails to anyone. It worsens the situation. It is always better to sit with the other person and discuss issues face to face.
- Take care of your font style and size. Official emails should ideally be written in Arial style with a font size of twelve. Emails written in various colors and designer styles are considered unprofessional and childish.
- Make sure you reply to all your mails. Don't add members just for the sake of it. Don't send mails to individuals who have nothing to do with your information.

2.6.1 Impacts of Internet

- **Threat of new entrants:** The internet has considerably lowered entry barrier in setting up new enterprise. The setting up of a new company does not require much capital investment, for example, online retail sites, etc. Ever increasing competition has lowered the margins.
- **Threat of new substitute:** The Internet has reduced the product life cycle; shelf life of products and encouraged innovation is customer serving.
- **Bargaining power of customers:** The internet has made the customer well informed about products and available substitute. Companies have to be careful in presenting differentiation and pricing.
- **Bargaining power of suppliers:** Suppliers are well informed about happening in the industry thanks to the internet.
- **Threat of competition:** The internet has made transparency and honest important factor in success of the company. Customers tend to know more about the company. The internet has lowered the cost of searching new available products.
- **Collaboration:** The internet has facilitated collaboration among employees of organization. Geographical boundaries no longer hamper project work and sharing of information.
- **Business Transaction:** The internet has encouraged the culture of online business or e-commerce. In recent years many players have opened shops through e-



commerce. Internet banking, payment gateways, etc. are part of normal supply chain transaction.

- **Work Flexibility:** The internet has enabled workers to log in from remote location and home. It has helped on the move employees by remaining in touch with happenings of work.

The internet thus has made a big impact in the way the business gets conducted in both positive as well as a negative way. The internet has made many business obsolete example post offices. Online security issues like hacking, identity theft, etc. are a constant threat to internet users.

2.7NEWSLETTERS

Organizations hire public relations experts to position themselves strongly in the minds of target audiences, investors, stakeholders, employees and all others associated with it. Public relations activities are designed specially to create a strong brand image. Public relations experts should ensure their target audiences agree to what they intend to sell and thus in a way enhance as well as maintain the reputation of their organization through ethical means

.There is various ways public relations activities take place. Public relations experts create awareness and market their organization and its products/services to various media sources which include TV, Radio, internet, newspapers, and magazines and so on.

Public relations experts develop and design various interesting and creative stories about their organization and products and pitch it to various media people. Organizations bank on their relations with media channels to enhance the reputation of their brand.

- **Following are the tools used in media relations:**

- ✓ **Press Kits:**

Press kits include written material about the organization and its top people.

- ✓ **Audio Releases;**

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Audio releases or video releases are prerecorded messages distributed to various media channels.

✓ **Matte Releases**

Small local newspapers accept articles written by organizations when they do not have sufficient articles or stories to publish. Such releases are called as matte releases.

✓ **Website Press Room**

Public relations experts promote their organization and its products/services through online press rooms.

✓ **Media Tour**

Public relations experts publicize their organization and its products through media tour where key people of the organization travel to important places and locations and promote their products through various interviews to media people. They interact and share the benefits of their products/services with people from various news channels, radio channels and even print media. Organizations also hire celebrities or other people popular among the masses to promote and publicize their organization.

✓ **Newsletters**

Newsletters are publications which are distributed on a regular basis (monthly, quarterly) among target audiences. Public relations experts collect complete information (name, address, age group) of their target customers and distribute newsletters to create awareness about their products. Newsletters should include information about the organization, interview from key people, product information, and testimonials from clients and so on.

✓ **Events/Functions**

Public relations experts organize special events, gatherings, parties, to target their customers and promote their organization and its products among them. People from media are also invited for coverage.

✓ **Speaking Engagements**

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One of indirect ways of publicizing an organization and its products is through interacting with potential customers and target audience. Company officials address the target audience and do not only discuss about their products and services. They generally prefer any topic which would interest the target audiences.

✓ **Corporate social responsibility**

Public relations experts engage in various social and charitable activities to publicize their organization and its products. Organizations distribute products among target audiences to create goodwill of their organization.

2.8 Mechanism used to provide feedback to the work team in relation to outcomes of consultation

In an organization, communication flows in 5 main directions:

- a) Downward
- b) Upward
- c) Lateral
- d) Diagonal
- e) External

a) Downward Flow of Communication:

Communication that flows from a higher level in an organization to a lower level is a downward communication. This communication flow is used by the managers to transmit work-related information to the employees at lower levels. Employees require this information for performing their jobs and for meeting the expectations of their managers. Downward communication is used by the managers for the following purposes –

- Providing feedback on employees performance
- Giving job instructions
- Providing a complete understanding of the employees job as well as to communicate them how their job is related to other jobs in the organization.



- Communicating the organization's mission and vision to the employees.
- Highlighting the areas of attention.

In order to have effective and error-free downward communication, managers must:

- Specify communication objective
- Ensure that the message is accurate, specific and unambiguous.
- Utilize the best communication technique to convey the message to the receiver in right form



Figure 10: Downward Flow of Communication

b) **Upward Flow of Communication:**

Communication that flows to a higher level in an organization is called upward communication. It provides feedback on how well the organization is functioning. Upward communication leads to a more committed and loyal workforce in an organization because



the employees are given a chance to raise and speak dissatisfaction issues to the higher levels.

The managers get to know about the employees feelings towards their jobs, peers, supervisor and organization in general. Examples of Upward Communication are - performance reports made by low level management for reviewing by higher level management, employee attitude surveys, letters from employees, employee-manager discussions etc.

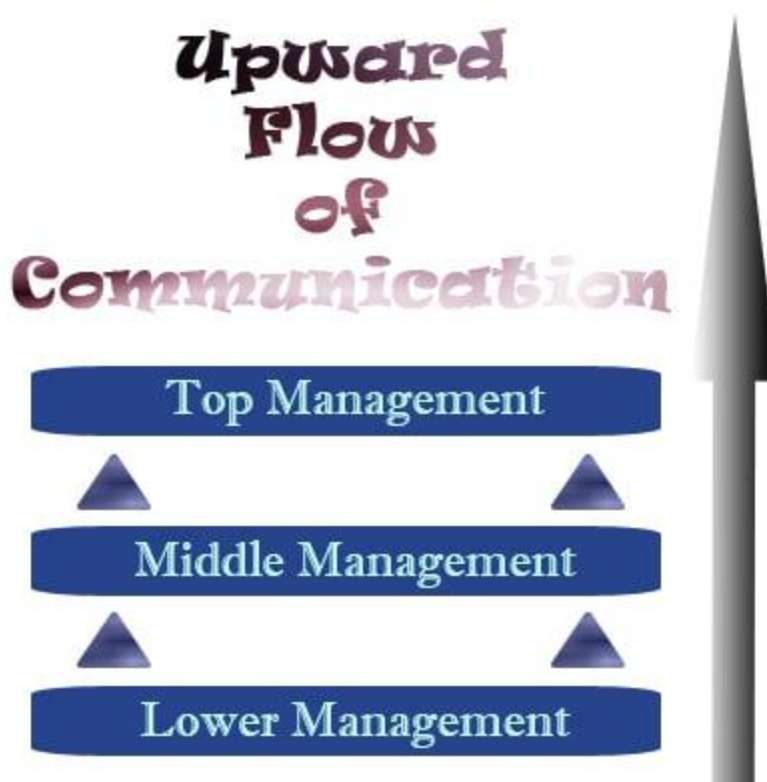


Figure11: Upward Flow of Communication

c) **Lateral / Horizontal Communication:** Communication that takes place at same levels of hierarchy in an organization is called lateral communication, i.e., communication between peers, between managers at same levels or between any horizontally equivalent organizational member. The advantages of horizontal communication are as follows:

- It is time saving.



- It facilitates co-ordination of the task.
- It facilitates co-operation among team members.
- It provides emotional and social assistance to the organizational members.
- It helps in solving various organizational problems.
- It is a means of information sharing
- It can also be used for resolving conflicts of a department with other department or conflicts within a department.

d) **Diagonal Communication:**

Communication that takes place between a manager and employees of other workgroups is called diagonal communication. It generally does not appear on organizational chart. For instance - To design a training module a training manager interacts with operations personnel to enquire about the way they perform their task.



Diagonal Communication



Figure12: Diagonal Flow of Communication

- e) **External Communication:** Communication that takes place between a manager and external groups such as - suppliers, vendors, banks, financial institutes etc. For instance to raise capital the Managing director would interact with the Bank Manager.

2.9 Employee Relations –

Maintaining healthy employee relations in an organization is a pre-requisite for organizational success. Strong employee relation depends upon healthy and safe work environment, cent percent involvement and commitment of all employees, incentives for employee motivation, and effective communication system in the organization. Instances of such circumstances are as follows:



- a) When the employees do not behave as per accepted norms of behavior, it is known as indiscipline. Thus, when the employees fail to meet management expectations in terms of standard performance and behavior, it is referred to as indiscipline. In such cases, it must be ensured by the management that steps should be taken so that employee's behavior is in conformity with the managerial expectations.
- b) Similarly, the employees also expect from the management to provide them a safe working environment, fair treatment, proper incentives, participation in decisions, and needs satisfaction. The failure on part of management to meet these expectations is termed as **employee grievance**.
- c) When the employees fail to meet their own expectations whether in terms of personal goals, career goals, performance, self-respect, etc it is referred to as **employee stress**. Excessive workload, insufficient workload, peer pressure, excessive/unreasonable use of authority by the management, lack of promotional opportunities, nature of job, etc all again lead to employee stress.

2.9.1 Improving Employee Relations

Employee relations must be strengthened in an organization. To do so, following points must be taken care of:-

- Employee has expectation of fair and just treatment by the management. Thus, management must treat all employees as individuals and must treat them in a fair manner. Employee favoritism should be avoided.
- Do not make the employees' job monotonous. Keep it interesting. Make it more challenging. This can be done by assigning employees greater responsibilities or indulging them in training program.
- Maintain a continuous interaction with the employees. Keep them updated about company's policies, procedures and decisions. Keep the employees well-informed. Informed employees will make sound decisions and will remain motivated and productive..



- Employees must be rewarded and appreciated for a well-done job or for achieving/over-meeting their targets. This will boost them and they will work together as a team.
- Encourage employee feedback. This feedback will make the employers aware of the concerns of employees, and their views about “you” as an employer.
- Give the employees competitive salary. They should be fairly paid for their talents, skills and competencies.

2.9.2 Review and follow up after assessment

Review and follow up is important for any process but indispensable after assessments. When assessments are being used for developmental purposes like for identifying high potential employees, for succession planning or role change, it acts as a navigator for the candidate and the manager to align the development actions based on post assessment feedback.

The reviewer who may be a reporting manager or the immediate boss has to partner in the learning process of the participant. There are some aspects which need to be kept in mind by the reviewer. Sometimes all does not go well with the participants regarding the entire feedback and developmental actions suggested and the development goals in particular. This may be due to:

- The participant not making much progress
 - Lower levels of motivation and commitment
 - Confusion regarding the relevance of developmental goals
 - Changing priorities
 - Lack of organizational support
- **The role of the reviewer, who might be a reporting manager or immediate boss, hence becomes broader in scope with such participants. The most important aspects becoming:**



- ✓ Listening patiently to obstacles and difficulties faced by participants/subordinates and take initiative to remove them or suggest alternatives
- ✓ Confronting participants when he/she does not follow through on commitments
- ✓ Speaking directly with the participant even when discussing difficult or sensitive issues
- ✓ Communicating in ways that reflects respect for one's own worth and the worth of others

**Self-Check – 2****Written test**

Name: _____ Date: _____

Time started: _____ Time finished: _____

Directions: Answer all the questions listed below.**Part 1: Say True or False: (Total marks 5x1=5)**

- 1) Negotiation is a technique of discussing issues among one selves and reaching to a conclusion benefiting all involved in the discussion.
- 2) Internal Communication that takes place between a manager and external groups such as - suppliers, vendors, banks, financial institutes etc.
- 3) Communication that flows from a higher level in an organization to a lower level is a Upward communication.
- 4) To get the most out of your individual brainstorming session, choose a comfortable place to sit and think. Minimize distractions so that you can focus on the problem at hand.
- 5) An individual representing an organization or a position who listens to all the parties carefully and comes to a conclusion which is willingly acceptable to all is called the negotiator.

Part 2: Give short Answer: (Total marks 5x2=10)

- 6) What do you mean by Group Brainstorming?
- 7) What do you mean by Interviews?
- 8) What do you mean by Lateral / Horizontal Communication?
- 9) What do you mean by newsletters?
- 10) Define Consultation processes?



Information Sheet 3- Operational plans for the organization's performance

3.1 Production Planning & Control (PPC) in a footwear manufacturing firm:

To highlight the areas of responsibilities of PPC, we must consider a job order production unit and analyze in general the various activities that are performed from the receipt of an enquiry until the dispatch of goods to the customers. Such a detailed listing of activities will enable you to pinpoint the areas of responsibilities of the PPC department:

a) The Sales Enquiry:

The production procedure starts with the receipt of a sales enquiry in the sales department. The enquiry may be accompanied by a sample, or any other suitable quality description so as to give an idea of what is required by the buyer.

The sales enquiry may be received either:

- Due to efforts of the company's salesmen or agents
- In response to the company's advertisements
- From an old customer for new items
- From a new customer when directed by the old customer
- As a result of company's own reputation for doing a particular type of work

b) Technical Feasibility:

The original sales enquiry or its copy together with the necessary attachments forwarded to the Sample engineering department or product development to check the technical feasibility. The enquiry is studied for materials, dimensions, etc to establish whether or not the enquiry is for one of the standard items of the company or it is for the one which shall require to be



manufactured.

The enquiry is further studied to establish whether or not:

- The company's facilities have spare capacity
- The company's available facilities are capable of doing the job within the desired accuracies
- The materials required for the items are available/can be procured within the reasonable period
- The special tooling (if any) required to manufacture the job is available.

The enquiry which is found infeasible is returned with a relevant remark back to sales department who in turn informs the customer accordingly.

The enquiry that is found feasible is translated into the rough design by product development department. Only rough design is prepared at this stage since no actual order has been received. The order may or may not materialize and hence it is advisable to limit the expenses to the minimum.

c) Routing and Tentative Delivery Period:

The Routing section of PPC translates the rough design into rough (tentative) manufacturing plan. It prepares the bills of materials, performs make or buy analysis, determines the operations necessary for each part to be made at the company's own plant, decides the machine tool for each operation, & estimates time (set-up as well as processing time) for each operation.

d) Cost Estimates:

The costing department works out the requirements of raw material for each part. Machining cost is determined based on estimates of operation wise timings and machine hour rates. Tooling cost is estimated for both standard as well as special tools. Packaging charges are also computed and added separately.



e) Quotation:

The information from costing group is passed on to the sales department to prepare quotation after adding necessary profit. This quotation is sent to the buyer either through post or is handed over personally.

f) The follow-up on Quotation:

The follow up on quotation may or may not be done by the sales department depending on company's position of orders.

g) Receipt of Purchase Order:

If the company's quotation is approved of, the potential buyer sends his purchase order. The purchase order is received by the sales department. The sales department scrutinizes the contents of the purchase order so as to ensure that the rate and other terms and conditions are in accordance with those stated in the quotation. Once the purchase order is in order, the sales department raises a document called SALES ORDER. One copy of the order acceptance is forwarded to the Production, Planning and Control Department and another copy to pattern engineering department.

h) Engineering Drawings/Pattern Engineering:

The Engineering/ Pattern Engineering department on receipt of the copy of the order acceptance transposes the rough design into manufacturing drawings. The preparation of the manufacturing drawings involves making drawings for every part of the shoes. This department also prepares parts list.

i) Materials Control:

All the information developed by the engineering department is sent to PPC department. The PPC department then works on the parts-lists supplied by the Engineering department and establishes the requirements of stock items (standard items) and raw materials. The stores is then informed of the requirement of raw materials and parts and on the dates on which they are required. The dates are determined by the PPC after referring to the delivery commitments (if already made). The stores in turns checks on the availability of the required



items, reserves their quantities against work-orders (wherever they are available), and raises purchase order/indents for the items that are out of stock.

j) Routing:

The routing section of PPC next determines the proper routing the sequence of operations and the machines to be used.

k) Tools Control:

The tools control section of PPC then works out the requirement of cutting tools (standard as well as non-standard tools), gauges and measuring instruments, jigs and fixtures. It indents non-stock items of tooling and follow up with tool room for timely manufacture of jigs & fixtures.

l) Scheduling:

The scheduling section of PPC refers to its load and schedule chart and fixes up the start and completion dates of each part and each operation keeping delivery date in mind.

m) Progressing & Dispatching:

The progressing cell of PPC collects data from manufacturing floor, records progress of work, and compare progress against the plan.

n) Expediting or follow-up:

Footwear manufacturing is not a smooth activity, unexpected delays and interruptions crop up. Special efforts are required to eliminate these delays & keep the rate of production up to the schedule. This is made possible by intensive progress chasing by the expediting of follow up section of PPC.

1.2 Footwear Production Planning:

Footwear production planning is the process of specifying the production procedure to obtain a desired output in a given time at optimum cost and in conformance with specified standards of quality.

Table2: Major functions of Footwear Production Planning

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Common Functions	Optional Functions
<p>1. Order preparation - includes activities like making work orders, converting work orders into floor orders, preparing auxiliary orders, and releasing such orders to those concerned to authorize their activities.</p>	<p>1. Cost Estimation - concerns preparation of pre-production cost estimates to be used by sales department for quotation purposes. (Alternatively this function may be assigned to costing department, or engineering department)</p>
<p>2. Materials Control - concerns preparation of materials estimates, intending non stock materials, ascertaining availability of materials purchased to stock, continual follow-up with purchase to store for timely receipt of materials, advising stores to allocate required quantities of available materials against specific floor orders.</p>	<p>2. Work Measurement – concerns fixation of time to be allowed to a qualified workman to carryout a specified task, under specified conditions and at the defined level of performance. Work measurement employs scientific, well known techniques like time study, work sampling, standard data, production study, analytical estimating etc.</p>
<p>3. Process Planning or Routing concerns fixation of method of manufacture: operations and their sequence, machine tool for each operation, jigs and fixtures, measuring instruments and gauges etc. to enable shops to produce goods of the right quality at the lowest possible cost.</p>	<p>3. Sub Contract concerns off-loading of certain work on outside vendors for economic reasons or to smooth line the existing manufacturing facilities. (Sub-contract work alternatively be handled by Materials /Purchase Department.</p>
<p>4. Tools Control - concerns preparation of estimates of cutting tools (standard as well as nonstandard tools), gauges and</p>	<p>4. Capacity Planning - concerns estimation of requirements of men and machines as the basis of decision making</p>



measuring instruments, jigs & fixtures etc. Intending non-stock tooling, follow up with tool room for timely manufacture of jigs & fixtures, periodical replenishment of worn-out non-consumable tooling (e.g. Allen keys etc.	to meet the firm's increased volume of business. (Some companies assign this function to engineering department)
5. Scheduling - concerns preparation of machine loads, fixation of calendar dates of various operations to be performed on a job, coordinating with sales to confirm delivery dates of new items, and periodical preparation of dispatch schedules on regular items	5. Demand Forecasting - concerns making projection of company's product market. Though, long term forecasts are given by sales department but short term forecasts required for materials planning, machine loading, subcontracting etc. may be prepared by PPC department
6. Dispatching - concerns preparation and distribution of floor orders & manufacturing instructions to the concerned department as their authority to perform the work according to the predetermined schedule.	
7. Progressing concerns collection of data from manufacturing shops, recording of progress of work, and comparing progress against the plan.	
8. Expediting concerns intensive progress chasing to identify delays and interruptions which may hold up production, devising cures from time to	



time to keep rate of production in line with the schedule, communicating possible failure in delivery commitments to sales department.	
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▪ **Factors Influencing Footwear Production Planning System in the organization (Management Policies)**

Management policies here refer to the “do’s & don’ts” within which footwear PPC should function. Policies that require to be considered in designing a PPC system are:

- Plan for meeting seasonal or occasional spurts in demand
- Distribution of work
- Degree of centralization

a) Plan for meeting seasonal or occasional spurts in demand

This influence greatly the footwear production planning and control system which the company should have, alternatives available to the company and associated activities are as under:

- Having factors of production for the peak demand and utilizing extra capacity to manufacture products of non-seasonal nature, or taking up sub-contract work etc.
- Having factors of production for the least demand and meeting requirements of extra capacity by overtime or by holiday working or by hiring capacity, or by sub-contracting etc. Production planning and control and the purchasing function under such a situation assumes very important role in the company.

b) Distribution of work

Distribution of work implies the functions to be assigned to the production planning and control department. Different footwear companies assign different functions to its PPC



department. It is common practice to assign following functions to production control department:

- Order preparation
- Materials control
- Tools control
- Process planning
- Scheduling
- Dispatching
- Progressing
- Expediting



Few footwear companies also assign following four areas to PPC department:

- ✓ Cost Estimation
- ✓ Work Measurement
- ✓ Sub-Contract
- ✓ Capacity planning

The function actually to be assigned depends on the size of the company. This aspect also considers assigning of various functions of production control to different cells which again depends on the size of the company. In medium size footwear industry there may be following cells in PPC:

- 1) Material Control Cell
- 2) Tools Control Cell
- 3) Progress Planning Cell
- 4) Scheduling Cell
- 5) Dispatching Cell
- 6) Progressing Cell
- 7) Cost Estimation Cell
- 8) Sub-Contract Cell
- 9) Work Measurement Cell

c) Degree of Centralization

Degree of Centralization implies extent to which planning activities are performed by PPC. Two systems in general are available in footwear industry:

- 1) Centralized planning** – where the functions of production planning is controlled centrally by staff specialists.
- 2) Decentralized planning** – where planning is carried out by line executives-foreman-who direct normal work in their respective departments.



Both types of planning, centralized as well as decentralized planning, have their relative advantages & disadvantages. The centralized planning takes away the burden of planning from the line staff thus leaving them free to handle men & machines more effectively.

Decentralization planning gives line staff sense of participation and opportunity to use their experience but it takes away lot of their valuable time in performing planning functions.

The trend today in footwear industry is towards the blend of centralized and decentralized system, called semi-centralized planning, It combines the merit of both the systems and it specially gives better results in a large industrial complex. Under semi-centralized planning, the scheduling of operations within the pre-fixed period and allotment of work to men and machines is done by line staff while overall co-ordination of materials ordering, sub-contract, work planning, process planning, progressing and follow up, capacity planning, man power availability, maintenance overhauling etc. is done centrally by the staff specialists.

3.2.2An Overview about Footwear Production Planning versus Footwear Production Control

Production planning is the process of specifying the production procedure to obtain a desired output in a given time at optimum cost and in conformance with specified standards of quality. And **Control** is essential to ensure that manufacture takes place in the manner stated in the plan.

Footwear production control goes on during production and consists essentially of the following steps:

- 1) Initiating production
- 2) Dispatching of items (i.e. establishing priorities between items competing for time on the same facility)
- 3) Progressing
- 4) Reporting back to production planning



Table: 2 Production planning control is a mechanism for execution

RELATIONSHIP OF FOOTWEAR PRODUCTION PLANNING & CONTROL WITH OTHER DEPARTMENTS				
S.NO.	INFORMATION CONCERNING	DETAILS	SOURCE	DEPARTMENT
2	Production Materials	1. Kind and quality of material 2. Stock on hand and reservations 3. Stock on hand and reservations 4. Time required for procurement	Bill of material Lead time card	Stores (Purchase)
3	Tooling	1. Standard and special tooling	Tool Card	P.P.C
4	Quality Standards	1. Dimensional or finish specifications	Experience	P.P.C
5	Operations Methods	1. Operations and their sequence 2. Machine/Tool for meeting the quality requirements 3. Jigs and fixtures needed 4. Speeds & feeds	Process sheets Capacity charts Experience	P.P.C P.P.C



RELATIONSHIP OF FOOTWEAR PRODUCTION PLANNING & CONTROL WITH OTHER DEPARTMENTS

S.NO.	INFORMATION CONCERNING	DETAILS	SOURCE	DEPARTMENT
6	Path of Materials	1. List of operations and their sequence 2. Alternatives possible	Operation layouts Plant Layout	P.P.C
7	Operation Time	1. Setup time and standard time for each operation	Work Measurement Data	P.P.C/Production
8	Scheduling	1. Starting & finishing dates	Machine load & Schedule charts	P.P.C
9	Progress of work	Work completed as on date	Daily production Reports/ Time tickets/	Production

3.2.3 Analyzing Footwear Production Planning & Control System

Unlike other departments, weaknesses of the footwear production control department are difficult to analyze. The extent of:

- a) Failure in delivery commitments
- b) Overtime working
- c) Cancellation of orders
- d) Complaints from customers etc.



Though reflects on the short-comings of the present practices of the production control department, yet they do not give true picture of the real situation. These do not indicate whether the short-comings are due to improper product mix or failure of the sales department to secure schedule from customers for few days ahead. We should make a checklist under this situation like:

- Do we often (over 20% of the total number of orders) fail to meet delivery commitments to our customers – **if yes, then there is a problem of Scheduling, Progressing**
- Do we often request our customer for the price increase in lieu of our initial failure to estimate the cost properly and accurately – **if yes, then there is a problem of Process Planning & Cost Estimation**
- Do we often delay a job or split up a planned batch in favor of some urgent job – **if yes, then there is a problem of Scheduling**
- Are there frequent revisions of the initial process on the shop floor – **if yes, then there is a problem of Process Planning**

3.2.4 Various formats used in footwear industry to transfer information or keeping planning records:

- a) product cost sheet
- b) product specification sheet
- c) product development planning sheet
- d) order processing sheet
- e) order's summery sheet

a) Product Cost Sheet

A cost sheet is a report on which is accumulated all of the costs associated with a product or production job. A cost sheet is used to compile the margin earned on a product or job, and can form the basis for the setting of prices on similar products in the future.



Elements of Cost

Prime Cost: It comprises of direct material, direct wages, and direct expenses. Alternatively, the Prime cost is the cost of material consumed, productive wages, and direct expenses.

Factory Cost: Factory cost or works cost or manufacturing cost or production cost includes in addition to the prime cost the cost in indirect material, indirect labor, and indirect expenses. It also includes amount or units of WIP or incomplete units at the end of the period.

Cost of Production: When Office and administration cost at the end of the period are added to the Factory cost, we arrive at the cost of production or cost of goods sold. Here, we make an adjustment for opening and Closing finished goods.

Total Cost: Total cost or alternatively cost of sales is the cost of production plus selling and distribution overheads.





b) Product Specification Sheet

A product specification sheet is a document that details what your product is. There should be a broad overview and numerous sections that detail the individual components that you want to be delivered in a product.

SPECIFICATION SHEET							
Date Sent	22/01/2016	Season	A/W 17/18	Style	Flat Shoe	Heel Ref	HY8719
Deadline	05/02/2016	Size	37	Last Ref	HY8719	Heel Height	25mm
Company	Hannah Stiles	Factory	HY	Toe Shape	Soft Square	Pattern Ref	HY8719-13

Upper 1	Silver High Shine Mirror
Upper 2	N/A
Upper 3	N/A
Zip	N/A
Laces	Cotton, Rolled & Waxed - 2mm Thick Black
Trim	Silver 5mmx5mm Eyelets
Thread	Nylon - Silver to Match Upper 1
Lining	Marbled Print Leather
Sock	Marbled Print Leather 2mm Padding to Heel and Forepart
Sock Design	Black Cotton Label with Silver Foil Logo Print
Insole Binding	None
Heel	Built Leather Heel - Black Polished
Sole	Leather Sole - Black Polished Profile
Sole Design	Semi-Formal Sandblasted Design
Notes	

BY HANNAH STILES

Figure: 14 Product Specification Sheet

c) Product Development Planning Sheet

Product development is the core function of any manufacturing company. It is the basic tool to attract customer and eventually to come to a business contract. Initially a designer translates his idea, concept, perception and experience (gathered from his surroundings by visiting fairs, shoe markets, reading magazines, searching online etc) into a product



considering a target group of customers. This initially developed sample under goes many modification through different stages, finally it is perfected by accommodating the suggestions from both the customers and the manufacturers. So it is very important to understand the sample development process to control quality and cost in the initial stage.

Objectives:

- To create innovative product range to attract potential customers.
- It must be competitive in the market.
- It can be produced in the existing manufacturing facility.
- It should be promptly responsive to the customer.

Main Functions:

- To innovate a product range that can attract the potential customer to satisfy their desired need.
- While developing a product following points are considered,

d) Order Processing Sheet

Order processing is the process or work flow from order placement to delivery. This is a key element of retail order fulfillment, where reliability and accuracy lead to customer satisfaction. Steps in order processing include picking, sorting, tracking and shipping.

- **The important of Product Specification Sheet**

Order processing systems provide tracking data on orders and inventory for every step of the way. Customer satisfaction is key to long-term success in business, and fulfilling customer orders reliably and accurately is key to customer satisfaction. It can also improve your cost efficiency on stock, says Ship Bob.

- **How long does order processing take?**

How long Most brands state in their order rules what their standard order processing time frame is, but the average ship time is typically between 2-4 weeks. A brand's order guidelines



can be found when you enter the brand's store; they are also sent as a link in the email you received when your order was submitted

f) Order's Summary Sheet

The Order Summary page displays a submitted order to constituents. It displays information related to the order such as, who placed the order, the order number, mailing/billing address, and details on each product type that was ordered.



3.5 Tactical Plan Development

Plan Development is having following steps:

STEP 1- Pre-Requisites of Production Planning

Installing a production plan in an footwear organization is not easy task. Lot of preparatory work needs before the department is ready to take off, yet the initial planning in the following areas is a must:

- a) **Design Data** – The first and the foremost, is that, the planning department must have approved design of the products which is to be manufactured. Ex. – approved designs of shoes. A complete set of drawings of all parts of shoe with bills of material must be available with Production Planning department.
- b) **Equipment Data** – The production planning department must have the complete data for equipment available in the plant.

Such a data after it has been collected may be summarized into a document called “Equipment Data Card”

- c) **Performance Standards** – is yet another important pre-requisite to the installation of Production Planning department. Performance standards are required for machine set-ups & as well as for regular production. Performance standards are required by:
 - The process planner to select the optimum manufacturing process among the available alternative processes.
 - The scheduler to determine individual machine capacity for the purpose of machine loading.
 - Time study can be taken into consideration for this step.
- d) **Raw Materials Data** – The production planning must have information on different kinds of raw materials in use, list of jobs which are produced from each kind, average lead time procurement etc.
- e) **Tooling Data** – A footwear manufacturing firm uses a wide variety of tools. A comprehensivelist need to be prepared for each group to facilitate proper tools control.



Detailed list is required for:

- Standard tools like drills, taps, cutters etc.
- Standard Machine aids.
- Measuring instruments and gauges such as verniers.

f) Labor Data – The Production Planning department should have sufficient information regarding the qualifications, experience, payment & skill of each of the workman.

g) Tool Life – A footwear manufacturing firm requires a wide variety of cutting tools and gauges. Some of the tools are required for only specific jobs while other may be common to a number of items. Some of the tools are expensive while others are inexpensive. To ensure continuity and availability of these cutting tools, gauges etc., Production Planning department must know the approximate life of each tool and each gauge.

h) Economic Lot size – Economic lot size of an item refers to its quantity that should be manufactured in each production run. Bigger lots reduce set up cost but increase inventory management while smaller lots reduce inventory investment but increase set up cost. The planning department, therefore, should work out economic lot sizes to strike an optimum balance between these two costs.

i) Systems for Operating Functions

Another important pre-requisite to the installation of system of production planning is to set up procedures for its various functions

Procedures need to be set up in operating area of:

- **Order Preparation** – to specify system of raising work orders and other subsidiary orders to authorize manufacturing process.
- **Materials Control** – to ensure timely availability of materials required for the company's production activities. The procedure should suggest method of estimating materials requirement, ascertaining their availability, indenting their requirements, and issuance of materials to the factory manufacturing departments.



- **Process Planning** – to specify the route that each part should follow from raw material stage to finish stage. The procedure should suggest the method of fixing operations and their sequence, standard and special tooling. Preparation of tool cards for new times and release of tool requests to tool room.
- **Scheduling** – to specify start and completion dates for each operation. The procedure should suggest the method of machine loading and the process of working out calendar dates for the completion of different phases of work.
- **Dispatching** – for putting production plan into action. The procedure should suggest method of distributing manufacturing orders, materials and tool requisitions, job tickets, inspection orders, and others for authorizing and directing work.
- **Controlling production** – to ensure that the work progresses as outlined in the plan. The procedure should suggest method of collecting information, comparing progress against planned programme, and taking remedial action wherever necessary.
- **Communication** – communicating with sales the status of various jobs of different customers and possible features of delivery commitments.

STEP – 2 Order Preparation:

Production planning and Control acts as a link between company's sales department and its manufacturing department. To authorize the activities of PPC department for:

- Its manufactured to customer's order, sales order/ order acceptance is raised by the sales department.
- Work order preparation in a job-order production unit: Job order production units are those units which manufacture jobs against customer's orders.
- Order preparation in batch production units and mass production units:

Batch Production – units are those which process the requirements of products in batches.

Mass Production – units are those units which manufacture several number of product at a time (in one batch).



STEP – 3Material Control

Material control is a set of techniques intended to provide manufacturing divisions with material of right quality, in right quantities and at the right subject to optimum inventory management.

a) Inputs of Material Control

- Originating process of raw material
- Parts taken from store
- Parts manufactured from materials purchased
- Component assemblies purchased in finished form

b) Make-Or-Buy Decisions

No firm can manufacture each and every item it requires for its products. Standard parts are always purchased, Ex.- Leather, soles, adhesives etc.

c) Lot Size

Lot Size refers to the quantity of the shop order which equals “order quantity” plus appropriate “stock allowance” and “spoilage allowance”.

d) Machine Allowances

These are basically extra materials required to ensure proper machining of the different surfaces of the job.

Steps:

- 1) Analyze production requirements of the materials.
- 2) Estimate requirements of materials for each unit order.
- 3) Indent requirements of non-stock materials
- 4) Ascertain availability of stock materials.
- 5) Make reservations if available.



6) Follow up with stores and purchase.

STEP – 4 Process Planning

Process planning is the process of establishing the shortest and most economical path that each part is to follow from the point it is received as raw material until it leaves as finished part or a finished product. The information contained in the process sheet can be put to a variety to uses:

- Scheduling
- Material Movement
- Cost Reduction & Cost control
- Appropriate costing
- Method of working
- Requirement of Man power and machines
- Division Efficiency

Documents in process planning:

- 1) Process Sheet or route sheet – to show basic operations and their sequence, machine tool for each operation, cutting tools etc.
- 2) Operational Layouts – give for each operation, the part sketch, method of manufacturing, and other variable information such as cutting tools, fixtures, set-up and standard time etc.

- **Route Sheet**

A very important stage of process planning concerns the writing of the route sheet. The details to be mentioned in the route sheet vary from form to firm depending upon its needs. The following information is usually given:

- ✓ Identification data such a deptt. name, machine name, product etc.

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- ✓ Material specification such as types, size and originating sources, hardness etc.
- ✓ Operations and their sequence
- ✓ Machine tool for each operation
- ✓ Speeds, feeds, depth
- ✓ Skill of labor
- ✓ Set-up and standard time for each operation.

STEP – 5 Machine Selection

Footwear can be manufactured by more than one process. The selection of the machine/process depends on various considerations. These considerations are:

- ✓ Lower unit cost of production
- ✓ Lower process rejection
- ✓ Possibility of quality manufacture
- ✓ Job life & lot size

• Cost Benefit Analysis

This method consists of preparing cost estimates for each of the available alternatives and selecting the least-cost alternative. The costs considered for the purpose of analysis are:

- ✓ Materials cost
- ✓ Expected process rejection
- ✓ Arising from the sale of process scrap
- ✓ Processing cost
- ✓ Outside operation cost (if any)

• Fixed Cost and Variable Cost analysis

F1 = Annual fixed cost from first machine

F2 = Annual fixed cost from second machine



$V1$ = Variable cost per piece from first machine

$V2$ = Variable cost per piece from second machine

a) Fixed Cost (Set-up cost & tooling cost per year)

b) Variable Cost (Labor cost per hour etc.)

We can consider the machine which is having less fixed and variable cost by maintaining the quality & no. of shoes produced in required time.

STEP 6 Tools Control:

Tools Control is set of technologies intended to provide manufacturing divisions with tooling of right quality, in right quantities and at the right time keeping inventory investment at its lowest.

Tooling consists of:

- Consumable Tools – implies standard as well as special tools which have limited tool life and hence are stocked at the company's subsidiary stores-tool cribs for immediate issue to the workmen.
- Machine Aids – implies standard fixtures. Some typical machine aids.
- Work Aids – implies special tooling purchased or designed and manufactured for specific jobs. Work aids, also called special tooling.
- Inspection Aids – implies measuring instruments and gauges, examples of inspection aids are verniers, micrometers etc.

STEP 7 Scheduling:

Every order whether it is from a customer or from the assembly benches must be completed in or before the contracted date (promised date). To ensure that the delivery date is met, each component entering the assembly should be made available on time. Scheduling functions of Production Planning & Control makes it possible by determining starting and completion date of each of the operations listed on the route sheet.

Following are the major inputs of the scheduling function:

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1) Performance Standard – The first and the foremost requirement of good scheduling is the availability of performance standards. The information on performance standards enables the scheduler to determine the machine capacity in order to assign required machine hours and man-hours for the various operations.

2) Unit of measurement – refers to the unit in which the loading and scheduling is to be extended. In shoes manufacturing it is in pairs.

3) Unit of loading & scheduling – refers to the duration for which loading and scheduling should be done.

4) Effective capacity per work centre – implies effective hours available for production on a machine or on a work centre in a week, or in month. Theoretical capacity equals number working of normal working hours of that machine. Usually the certain interruptions as follows:

- Power failure
- Preventive maintenance
- Waiting for inspection
- Operations engaged in other than production activities
- Machine engaged for technical studies
- Operator left work place for official discussion
- Machine Breakdown
- Operator absence
- Tool breakage
- Defective material
- Late start & early close

**Self-Check – 3****Written test**

Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Say True or False: (Total marks 5x1=5)

1. Tooling cost is estimated for both standard as well as special tools.
2. The enquiry which is found infeasible is not returned with a relevant remark back to sales department who in turn informs the customer accordingly.
3. Cost Estimation concerns preparation of pre-production cost estimates to be used by sales department for quotation purposes.
4. Demand Forecasting concerns preparation of machine loads, fixation of calendar dates of various operations to be performed on a job.
5. Distribution of work implies the functions to be assigned to the production planning and control department.

Part 2: Fill in the blanks: (Total marks 5x1=5)

6. _____ is the process of specifying the production procedure to obtain a desired output in a given time at optimum cost and in quality.
7. _____ is the core function of any manufacturing company. It is the basic tool to attract customer and eventually to come to a business contract. Initially a designer translates his idea, concept, perception and experience into a product considering a target group of customers.
8. Is used to show the basic operations and their sequence, machine tool for each operation, cutting tools etc. _____.
9. List four areas to Production Planning & Control department?
10. Footwear production control goes on during production and consists essentially of the following steps



Information Sheet 4- key performance indicators of footwear production operation

4.1 Introduction

A Key Performance Indicators (KPI) is a great tool to measure and control the performance of any given process. In operations management, there is a famous saying which says “That which cannot be measured cannot be managed”. The whole process of control, therefore relies on real time measurement and transfer of information from the site where the task is actually being performed to the control room i.e. the management.

Top 5 Key Performance Indicators (KPIs)

- ✓ Revenue per client/member (RPC) The most common, and probably the easiest
- ✓ Average Class Attendance (ACA)
- ✓ Client Retention Rate (CRR)
- ✓ Profit Margin (PM) ...
- ✓ Average Daily Attendance (ADA)

- **A footwear manufacturing organization majorly carries out the following functions:**

- 1) Planning
- 2) Design & Engineering
- 3) Production
- 4) Maintenance
- 5) Procurement of materials
- 6) Logistic management
- 7) Human resource management
- 8) Finance



9) Accounting

10) Marketing

1) Planning – is the most important activity in any organization as it decides all the other activities in the production process. If planning has not been given due attention, gaps arise, which in turn hamper the smooth operation of the plant.

Effective management of resources requires strategic planning. Strategic planning enables the organization to take strategic decision on many issues. Some of them are:

- a) Which products are to be manufactured?
- b) How much of each product is to be manufactured?
- c) What should be the plant capacity to meet the requirements of the customers?
- d) What business is the organization in?
- e) What business will it be in, in the future?
- f) What is the customer base of the organization?
- g) Whether the customer base is enough or the customer base needs to be enlarged?
- h) What are the needs of its customers?
- i) Are the customer's needs fully satisfied? If not, to what extent are they satisfied?
- j) How the customer needs are going to be satisfied?

2) Design & Engineering – Design and engineering is the heart of all functions in production and operations. It deals with the product design and process design. The functions of design and engineering are responsible for planning various activities from the stage of proposal for a product or process to designing the prototype for first run and then to full production. All the operations in various steps undergo change from the drawing board stage to the final stage of production. These changes may be due to various reasons:

- a) Customer feedback on the features of the product
- b) Manufacturing floor problems with the product or the process



- c) New improvement required in the product or process
- d) Changes in the technology
- e) Reaction to competitor's actions
- f) Government regulations (Such as ban on certain materials due to environment effect and adverse effect on the health of people.)

3) Production – Production function is responsible for the physical production of the product as developed by the design & engineering department. Production arranges all the resources in the right quality, in right time and the right quantity.

4) Maintenance – Plant maintenance is an important function to keep the plant and machinery operative. It is not only essential for the plant and machinery to operate, but more importantly the operation should be carried out uninterruptedly and efficiently. If there are frequent interruptions in the production process due to equipment failure or damage on the equipment, the plant faces lots of problems such as loss of productive hours, adverse effect on quality of product and more production rejection. Different types of maintenance such as breakdown maintenance, preventive maintenance, predictive maintenance, etc are practiced in footwear manufacturing organizations.

5) Procurement of materials – refers to purchasing activities, this involves in identification of appropriate strategies to procure various types of materials such as raw materials, consumables and spare parts. Identification of right source of supply, purchasing right quantity, right quality, at the right time and at the right price are important elements of procurement functions. The source of supply should be reliable and should be suitable for a long-term association.

6) Logistic management – A production unit purchases materials from suppliers and sells its finished goods to its customers. These activities involve transportation of materials from suppliers to firm, storage of materials in the warehouse of the firm, transforming the purchased materials into product, storage of finished product and then transportation of the finished goods to customer. This activity involving the transportation of materials and storage is known as logistic management.



7) Human resource management– Human resource management is the most important aspect in an organization. Acquiring latest technologies, using best plant and machinery, using best spare parts, best oils and lubricants, consumables and raw materials would not be of much use if the manpower deployed is not of good quality. Organizations suffer from various human resource issues such as excessive manpower, untrained manpower and shortage of qualified professionals in various areas of activities.

8) Finance – Financial resources of a company comes from sale of goods and loans from financial institutions such as banks, investment firms and individual corporate stockholders. Optimum utilization of the financial resources is one of the most important issues for the top management.

9) Accounting – is the backbone of the financial system of the company. It keeps records of all the financial transactions of the company such as details of purchases, sales, payments to suppliers and contractors, salary calculations and disbursements, inventory value, value of company's fixed and moveable assets etc.

10) Marketing – provides a link between the firm and its customers. It projects the company and its products and tries to educate the customers about the strengths of the organization and its products. Being in touch with the customers, marketing obtains very useful information about the strengths and weaknesses of the company's products, procedures, practices and policies. These inputs are important for production and operations management to modify, improve, reduce cost and to improve the value of the product.

1.4.1 Important Instructions:

- a. Set specific goals for your business** – Set goals that are strategic, measurable, attainable, relevant and timely. Goals may be tied to a variety of key performance indicators, including revenues, profits and sales figures. KPIs will help you determine how close you are to your goals. If your business is under-performing in a specific area, such as customer service, your key performance indicators will tell you to focus on improving customer service.



- b. Collect all data that relates to your specific goals** - Many businesses have vast quantities of data stored away in filing cabinets and on old floppy disks. Don't let that valuable information go to waste. Instead, collect all relevant data and input it into your spreadsheet software. There are also a variety of other custom software packages designed to create and manage key performance indicators within specific industries.
- c. Analyze the data** - The data you have collected over time will begin to tell the story of your business. In most cases, patterns will begin to emerge, pushing you to take your organization in a specific direction. Use this information to create key performance indicators for various aspects of business. For example, if your goal is to increase profits, you may identify an area that must be improved to obtain a better return on investment. Once you have identified these areas, use your key performance indicators to measure the effectiveness of any actions you might take.

Steps:

- 1) Define the most critical processes in your manufacturing system. The most important aspect of this step is to connect to real bottom line results. If the indicator does not affect the bottom line, it will not be effective.
- 2) Choose a metric related to customer. It is for footwear manufacturing industry, this might be a reduction of errors in final output.
- 3) List the top four or five processes that are connected to the customer service metric, if the goal is to reduce the number of errors in product you will need to create a process map to better understand the steps involved and which processes take the most time. Which processes require the most manpower support? Which processes create a delay in delivery if not carried out?
- 4) Connect the metric to the bottom line.
- 5) Make the metric actionable and measurable. If your metric is based on returning clients and you're not measuring this, don't create a metric based on this aspect. Start simple.



6) For each KPI, define the title, how it will be measured, and the target. If looking at the number of sales per lead, define what qualifies as a sale or lead. For measurement, connect to the bottom line and assign ownership.

7) Set up regular reporting. Everyone in the organization should be connected to key KPIs. If they aren't, reassign them. Everyone should also be clear on targets. This should not be a secret report among higher level management.

8) Continue to refine and set up a system of rewards for top performers or departments.

1.4.2 Major Key Performance Indicators to measure organizational performance in footwear industry:

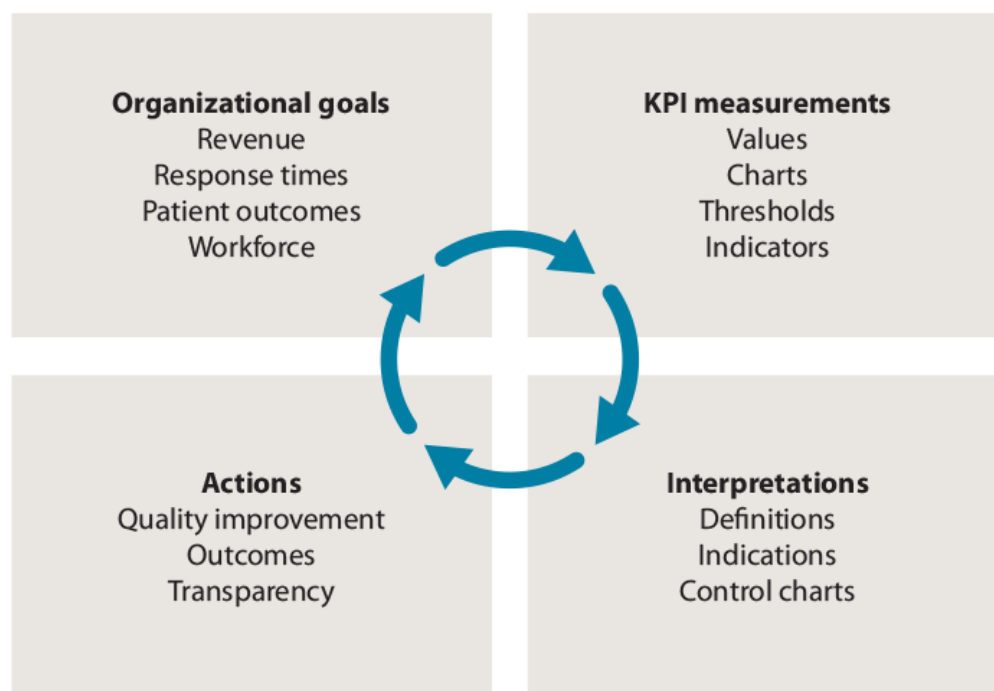


Figure 15: key performance indicators

a) Key Statistics

The key indicators for the footwear manufacturing include:

- | | |
|----------------------------|------------------|
| ✓ Organization Revenue | ✓ Establishments |
| ✓ Organization Value Added | ✓ Exports |
| ✓ Employment | ✓ Imports |



✓ Domestic Demand



✓ Total Wages

b) Domestic and International Markets

- **A domestic market**, also referred to as an internal market or domestic trading, is the supply and demand of goods, services, and securities within a single country. ... The main reasons why a business would decide to expand abroad are limited market size and limited growth within the domestic market.
- **An international market** is any geographical region where a company conducts business that is outside the territorial boundaries of a company's home country. International marketing has specific characteristics, such as:
 - ✓ It involves two or more countries
 - ✓ Unique marketing strategies for specific countries
 - ✓ It enables exchange between a company and foreign customers
 - ✓ Decisions are taken with reference to the global business environment

International Marketing examples

Examples of Internationalmarketing looking to sell their products or service in a new country usually start with

- Export
- Licensing
- Contract manufacturing,
- Joint venture and Foreign direct investment (FID).
-

1. Export

Exporting refers to the practice of shipping goods directly to a foreign country. Manufacturers looking to expand their business to other countries often consider exporting first. And that's not surprising. Compared to the other **international marketing types** on this list, exporting entails the lowest risk. It also has the least impact on the company's human resource management.



2. Licensing

Licensing is an agreement whereby a company, known as the licensor, grants a foreign firm the right to use its intellectual property. It's usually for a specific period, and the licensor receives royalty in return. Some top global licensors include **Disney, Iconix Brand Group,** and **Warner Bros**, to name a few.

3. Franchising

Like licensing, **franchising** involves a parent company granting a foreign firm the right to do business in its name. However, franchises usually have to follow stricter guidelines in running the business than licensing.

This type of international marketing is also more prevalent among service firms, such as hotels, rental services, and restaurants. On the other hand, licensing is usually restricted to manufacturing.

4. Joint Venture

A joint venture describes the combined effort of two businesses from different countries to their mutual benefit. It's the participation of two or more companies jointly in an enterprise in which each company:

- Contributes assets
- Owns the entity to some degree
- Shares risk

5. Foreign Direct Investment (FID)

In **FID**, a company places a fixed asset in a foreign country to manufacture a product abroad.

Examples of **foreign direct investment** include mergers, acquisitions, retail, services, and logistics, among others.



Self-Check – 4	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Part I: choose the best answer

- _____is an important function to keep the plant and machinery operative.
a) Marketingb)Plant maintenance c) Finance d) all
- _____implies standard as well as special tools which have limited tool life and hence are stocked at the company's subsidiary stores.
a) machine aids b) Inspection Aids c) Consumable Tools d)Tools Control
- Exportingrefers to the practice of shipping goods directly to a foreign country.
a) True b) false
- Planning and design& Engineering are the main functions in footwear manufacturing.
a) False b) true
- _____describes the combined effort of two businesses from different countries to their mutual benefit.
a) A joint venture b) cost analysis c) Licensing d) Export

Part II: Give short answer

- What is the purpose of cost analysis?
- What is the difference between Domestic and International Markets?
- Explain Franchising?
- List the key indicators for the footwear manufacturing?
- List Top 5 Key Performance Indicators (KPIs)

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Information Sheet 5- Contingency plans

5.1 Introduction

Contingency planning is a systematic approach to identifying what can go wrong in a situation. Rather than hoping that everything will turn out OK or that "fate will be on your side", a planner should try to identify contingency events and be prepared with plans, strategies and approaches for avoiding, coping or even exploiting them.

Contingencies are relevant events anticipated by a planner, including low-probability events that would have major impacts. Contingency planning is a "What if?" skill important in all types of planning domains, but especially in contested and competitive domains. The objective of contingency planning is not to identify and develop a plan for every possible contingency. That would be impossible and a terrible waste of time. Rather, the objective is to encourage one to think about major contingencies and possible responses. Few situations actually unfold according to the assumptions of a plan. However, people who have given thought to contingencies and possible responses are more likely to meet major goals and targets successfully.

5.1.1 Risk identification, assessment and management processes

In project management, contingency planning is often part of risk management. Any project manager knows that a plan is only an outline. Sometimes the project will extend beyond those lines. The more a manager can prepare for chance in their plan, the more effective it will be.

But risk management isn't the same as contingency planning. Risk management is about identifying, assessing, avoiding, mitigating, transferring, sharing and accepting risk; while a contingency plan is about developing steps to take when an actual issue occurs. However, they do share the aspect of what to do when the risk happens. So, a contingency plan is what to do if an unplanned event occurs. It can be as simple as asking, "What if...?" and then outlining the steps to your plan as you answer that question.



How to Create a Business Contingency Plan

A contingency plan is a plan, and like any plan, it requires a great deal of research and brainstorming. And like any good plan, there are steps to take to make sure you're doing it right.

- 1. Identify and Prioritize Resources:** Research your company and list its crucial resources, such as teams, tools, facilities, etc., then prioritize that list from most important to least important.
- 2. What Are the Key Risks?** Figure out where you're vulnerable by meeting with teams, executives and every other department in the organization to get a full picture of what events could compromise your resources; hire an outside consultant, if necessary.
- 3. Draft a Contingency Plan:** If you can, write a contingency plan for each risk that you identified in the above steps, but start with what's most critical to the life of your organization. As time permits you can create a plan for everything on your list. Whatever the plan, the thought behind each should be the steps necessary to resume normal operation of the company, thinking about communications, people's responsibilities, timelines, etc.
- 4. Share the Plan:** When you've written the contingency plan and it's been approved, the next step is to make sure everyone in the organization has a copy. A contingency plan, no matter how thorough, is not effective if it hasn't been properly communicated.
- 5. Revisit the Plan:** A contingency plan isn't chiseled in stone. It must be revisited, revised and maintained to reflect changes to the organization. As new employees, technologies and resources enter the picture, the contingency plan must be updated to handle them.



Contingency Plans and Risk Management in Project Management

In project management, contingency planning is often part of risk management. Any project manager knows that a plan is only an outline. Sometimes the project will extend beyond those lines. The more a manager can prepare for chance in their plan, the more effective it will be.

But risk management isn't the same as contingency planning. Risk management is about identifying, assessing, avoiding, mitigating, transferring, sharing and accepting risk; while a contingency plan is about developing steps to take when an actual issue occurs. However, they do share the aspect of what to do when the risk happens.

- **The purpose of contingency plan**

The purpose of any contingency plan is to allow an organization to return to its daily operations as quickly as possible after an unforeseen event. The contingency plan protects resources, minimizes customer inconvenience and identifies key staff, assigning specific responsibilities in the context of the recovery.

Liability issues are also at play when managing a project. There is the threat of legal action or compensation plans.

5.1.2 Contingency Planning Challenges

We should be aware of a few common obstacles as we begin our contingency planning process:

- People are often poorly motivated to develop a strong 'Plan B' because they have too much of an emotional investment in the 'Plan A' they want to deliver. Stress that plan B is equally important.
- There's usually a low probability of a crisis occurring, so people often don't feel a sense of urgency to create a contingency plan, meaning that it gets stuck at the bottom of their to do lists. Unfortunately, this may mean that contingency planning ends up as a task that never gets done.



- Organizational politics can interfere with prioritizing risk, because many people may want to be seen as an essential part of recovery efforts. If we include all key business managers in the risk assessment and prioritization process, this may help we reach agreement.

5.1.3 How to Create Contingency Plan

The 5 Steps Of Contingency Planning

1. Program Management

Most organizations start by recruiting a contingency planning team that includes at least one representative from each department and every level of management down to the most entry-level positions. The team members identify the objectives of the contingency plan for each department, and then the team conducts realistic risk assessments that lead to creating the outline for responding to every potential threat.

Depending on the nature of the threat, you may need to recruit specific teams to deal with particular issues during an emergency, such as off-site storage, information technology, procurement, customers, vendors, and supplies.

2. Planning

Have the planning team conduct a thorough, realistic risk assessment and business impact analysis. The risk assessment will be the basis for the business impact analysis, followed by hazard prevention and risk mitigation policies.

3. Implementation

The contingency plan will spell out clearly who (both internally and externally) gets notified and in what order. The first-tier people are most affected by the event and need information that will enable them to take immediate action.

The communications team is alerted to begin the second phase of both internal and external notification plans. Developing an emergency reporting form will help everyone have accurate facts from the beginning of the incident and throughout its eventual resolution. It also will aid the communications team in reporting facts and not speculation from other employees or emergency personnel.



4. Testing & Exercise

If your company has completed a contingency plan, you will have fewer worries depending on the exact situation.

Key learning: There must be basic supply infrastructure to provide key materials and resources prior to an emergency outbreak if that outbreak is to be controllable. The costs of such contingency planning are miniscule in comparison to a potential delay or inability to react in time.

5. Program Improvement

Just because the immediate threat has passed does not mean there isn't work to do following any disaster or disease outbreak — human or animal. Although most major companies have been involved in short-term emergency situations, it makes good business sense to have long-term support plans in case you're dealing with an emergency, epidemic, or pandemic for days, weeks, months, or even years.

5.1.4 Maintaining the Plan

After we prepare the contingency plan, we need to do several things to keep it practical and relevant – don't just create a document and file it away. As our business changes, we'll need to review and update these plans accordingly

.key steps in the contingency plan maintenance process:

- ✓ Communicate the plan to everyone in the organization.
- ✓ Inform people of their roles and responsibilities related to the plan.
- ✓ Provide necessary training for people to fulfill these roles and responsibilities.
- ✓ Conduct disaster drills where practical.
- ✓ Assess the results of training and drills, and make any necessary changes.
- ✓ Review the plan on a regular basis, especially if there are relevant technological, operational, and personnel changes.



- ✓ Distribute revised plans throughout the company, and make sure the old plan is discarded.
- ✓ Audit the plan periodically.
- ✓ Reassess the risks to the business.
- ✓ Analyze efforts to control risk by comparing actual performance to the performance level described in the contingency plan.
- ✓ Recommend and make changes, if necessary.

5.1.5 Contingency plan elements

- Rental, hire purchase or alternative means of procurement of required materials, equipment and stock
- Contracting out or outsourcing human resource and other functions or tasks
- Restructuring of organization to reduce labor costs
- Strategies for reducing costs, wastage, stock or consumables
- Diversification of outcomes
- Recycling and re-use
- Finding cheaper or lower quality raw material
- Increasing sales or production
- Risk identification, assessment and management processes
- Succession planning



Self-Check – 5	Written test
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Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers

Test 1: Give short precise and answer for the following (Total marks 5x5=25)

1. What Contingency planning?
2. Explain Project Risk for Contingency Planning?
3. What are Contingency plan elements ?
4. What is the purpose of contingency plan?
5. What is Succession planning?



Information Sheet 6- Development and presentation of proposals

6.1 Definition of proposal

A proposal is referred to as the blueprint for a future agreement/requirement which may be accepted or rejected by the entity or entities that receive it.

Proposal Development Process helps organizations respond to buyer Request for Proposals. Having an established proposal development process should help ensure organizations develop the best proposal possible that satisfies all the buyers needs and requirements. Once we are satisfied that we are indeed ready to develop a proposal & targeting the appropriate funder, we should take care of following points:

Most foundation boards prefer short, succinct proposals that show clarity of thought and purpose.

- b) If you don't have solid writing skills and experience, ask for help from someone who does.
- c) Ensure key goals and planned outcomes are clearly stated - get to the point early.
- d) Use the active rather than passive voice (e.g., "we want to increase the product quality" instead of "product quality will be improved").
- e) Describe the human element of your project instead of concentrating on theoretical ideas.
- f) Don't leave readers to assume anything.
- g) Be honest about the requirement.
- h) Use an enthusiastic and positive tone, but remain credible.

Steps to writing your own project proposal

Step 1: Define the problem.

Step 2: Present your solution.

Step 3: Define your deliverables and success criteria.

Step 4: State your plan or approach.



Step 5: Outline your project schedule and budget.

Step 6: Tie it all together.

Step 7: Edit/proofread your proposal.

6.1.1 Key Elements of a Proposal

- ✓ Routing Form
- ✓ Application Cover Page
- ✓ Abstract
- ✓ Statement of Work
- ✓ Budget and Budget Justification
- ✓ Biographical Sketch
- ✓ Current and Pending Support
- ✓ Facilities and Resource

Most proposals would include the following components:

- 1) Summary
- 2) Introduction
- 3) Definition of the Issues
- 4) Desired Results
- 5) Outputs
- 6) Outcomes
- 7) Impact
- 8) Resources and Activities
- 9) Budget
- 10) Evaluation Plan
- 11) Sustainability
- 12) Conclusion

1. Summary

The summary is probably the most important section of the proposal. It is an umbrella statement of your case and an overview of the entire proposal. It should be written last but presented first. The summary should:

- ✓ Be no longer than two pages - be clear and concise
- ✓ State the overall vision for your project
- ✓ Stress how and why your initiative will affect your target audience and community
- ✓ Briefly mention your group's "track record", the issue(s) to be addressed, key outcomes, and the methods you will use



- ✓ List any resources that have already been committed, or other confirmed funding sources
- ✓ Be positive and exciting - you want to convince the reader to keep reading and that this project should be considered for funding. Introduction Here you will provide a brief introduction to your organization and why it is the right one to carry out the proposed activities.
- ✓ Write this section second-to-last.
- ✓ Describe what your group or organization does (e.g., purpose, goals, programs, activities).
- ✓ Establish your group's credibility.

Definition of the Issues

In this section, clearly describe the issue(s) or need(s) that your initiative will address or the problem(s) that you are planning to solve.

- 1) Specify how your initiative will address the issue(s): there must be a logical connection between your group's mission and the issues.
- 2) Be realistic about what you can accomplish
- 3) Present the issue in terms of the clients' or community's needs (not your group's needs).
- 4) Be clear about the specific target audience or segment of the community affected by the issue.
- 5) Briefly describe the legal and political environment, stakeholders, the literature and previous evaluations.
- 6) Provide up-to-date statistics to support your statements about the issue and make sure that reference material is cited accurately.

Desired Results

This section identifies the desired or intended results of your project or program by outlining what you expect to achieve in the short and long-term.



Budget

The budget section should demonstrate your organization's ability to manage money in an effective and responsible manner.

- 1 Present a realistic estimate of the funds required to achieve the program's objectives.
- 2) Clearly outline the total cost of the initiative
- 3) Specify other sources of funding; in some cases, committed funding can provide "leverage" to influence the granting of new/additional dollars.
- 4) Present a budget statement in a tabular manner, listing income sources and amounts first and then expense items and amounts.

Income includes items such as:

- a) Earned income, e.g., sales of products or services
- b) Contributed income, e.g., donations, grants, fundraising activities
- c) Donations in kind, e.g., donations of labor, meeting space, use of equipment.

Expenses include items such as:

- a) Salaries and benefits
- b) Contract payments
- c) Rent and administration
- d) Program materials
- e) Travel

Evaluation Plan

Evaluation is an important process through which you determine whether the program's expected outcomes are achieved and how effectively the program was implemented. In this section, you will describe how you plan to assess your program's results and/or the effectiveness of the program activities.



Sustainability

This section is necessary if there is an expectation that activities will continue past the program or project completion date. By developing a strategy for future sustainability, the potential funder will not feel that the benefits gained by the program will be lost after the specific period expires.

Conclusion

Here we will make our final comments in support of the proposal. In one or two paragraphs, briefly restate what we want to do and why it is important.

Appendices

Generally speaking, all of the really important information should be included in the body of the proposal. The appendices include supplemental information such as the following:

- a) Board of Directors list
- b) The names and contact information of references
- c) Testimonials, endorsements or letters of support
- d) Legal documents
- e) Financial documents
- f) Media clippings or publicity items.



Table 3: Proposal sample template

PROPOSAL TEMPLATE
<p>Please ensure that you follow the instructions below:</p> <ol style="list-style-type: none"> 1) Type your responses within the boxes of this template when developing your proposal using the same headings and number system. 2) The maximum length for proposals, including the Work plan, Evaluation Plan and Budget, is 10 pages, single-spaced in total. 3) The approximate page length is indicated for each section. 4) Please use Times New Roman Font, Size 12. 5) The Proposal Assessment Criteria should be considered in your responses
PROJECT TITLE:
NAME OF THE ORGANIZATION:
PRIMARY CONTACT PERSON, TITLE AND TELEPHONE NUMBER:
Section 1. Project Relevance and Need
<ol style="list-style-type: none"> a) Describe how your project addresses the solicitation priority. b) Demonstrate the need for your project. Describe why it is important to carry out this work. c) Provide the evidence to support the need for this project (e.g. research evidence/statistics on your target population and the issue being addressed). d) Describe how your project complements or adds to other similar initiatives.
Section 2. Project Description
<ol style="list-style-type: none"> a) Provide a brief description of the proposed project. b) Provide the objectives of the project. c) What key activities will you undertake in this project?



- d) Describe the target audience(s) for the project
- e) Provide list the geographic location/section/division where the project activities will take place.

Section 3. Expected Results - Expected results can be viewed as what your project is trying to “change”

- a) What is the expected short term (1-2 years) and long term (3+ years) results of this project?
- b) How do you see the results of this project affecting the health of the organization?

Section 4. Partnerships and Collaborations - a) Describe your plan for collaboration between practitioners, researchers, policy makers and community organizations.

- a) Indicate the name of the partners you will work with during the project.
- b) What is the role and contribution of each partner
- c) Please list here and provide (attach) the letters of support demonstrating partnership commitment to the project.

Section 5. Sustainability Plan

- a) What aspects of your project will be self-sustaining and describe how they will continue after funding has ended.

Section 6. Work Plan - a) A Work Plan Template is provided as part of the application package

- a) Complete the Work Plan Template outlining the objectives, expected results, activities, products, timelines, and human resources required (e.g. staff, contract workers, volunteers).

Section 7. Evaluation Plan



- a) After project activities have finished, many organizations find they still need additional time to carry out evaluation activities. You may want to ensure that you allocate sufficient time (e.g. 1 to 2 months) for evaluation activities at the end of the project, such as collecting and analyzing data, report writing and knowledge transfer activities).E42
- b) The budget amount you will dedicate to evaluation, typically 5-10% of your total budget should be allocated to cover evaluation and monitoring costs.

Section 8. Budget

- a) Provide a detailed breakdown and explanation of the budget amounts under each category of the template.



Self-Check – 6	Written test
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Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: True or False: (Total marks 5x1=5)

- 1) Specify how your initiative will address the issues, there must be a logical connection between your group's mission and the issues.
- 2) While writing a proposal, be realistic about what you can accomplish
- 3) Provide up-to-date statistics to support your statements about the issue and make sure that reference material is cited accurately
- 4) The budget section should demonstrate your ability to manage labor in an effective and responsible manner.
- 5) Evaluation is an important process through which you determine whether the programs expected outcomes are achieved and how effectively the program was implemented



LG #46

LO #2- Plan and Manage Resource Acquisition

Instruction Sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics

- Strategies to ensure that employees are recruited
- Strategies to ensure that physical resources and services

This guide will also assist you to attain the learning outcome stated in the cover page specifically, upon completion of this Learning Guide; you will be able to –

- Develop and implement strategies to ensure that employees are recruited and/or inducted
- Develop and implement strategies to ensure that physical resources and services are acquired

Learning Instructions:

- 1) Read the specific objectives of this Learning Guide.
- 2) Follow the instructions described below.
- 3) Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
- 4) Accomplish the “Self-checks” which are placed following all information sheets.
- 5) Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).



- 6) If you earned a satisfactory evaluation proceed to “Operation sheets
- 7) Perform “the Learning activity performance test” which is placed following “Operation sheets” ,
- 8) If your performance is satisfactory proceed to the next learning guide,
- 9) If your performance is unsatisfactory, see your trainer for further instructions or go back to “Operation sheets”.



Information Sheet 1-Strategies to ensure that employees are recruited

1.1 Introduction

Today's private sector organizations especially footwear manufacturing companies often look to temporary workers to fill immediate needs or reduce the burden on current employees. Temporary workers and the relative speed at which these workers are available also can help to close gaps while the organization searches for a permanent employee.

Temporary workers are used in a variety of roles from seasonal service delivery support to administration. Some areas within an organization may use temporary workers on an ongoing basis. Regardless of the position, temporary workers can provide a win-win situation for both the worker and the organization. Temporary workers allow organizations to fill key positions quickly, while workers often view a temporary position as an opportunity to become familiar with the operation and possibly transition to a permanent job.

Temporary workers are defined as a worker hired on both a temporary basis (for example, a less-than-six-month assignment) or a worker hired on a temporary basis without a defined end date (indefinite assignment). May be in cutting, closing, component or any of the department. Typically, temporary workers lack the benefits available to permanent employees and may not qualify for savings plans or related programs

Many footwear manufacturing organizations continue to work without any type of strategic plan for HR, let alone a thoughtful, proactive approach to recruiting and staffing. Much can be inferred from the lack of a guiding plan. Clearly, many organizations are struggling to simply deliver regular services and complete daily transactional activities to keep the organization going. If management does not see HR as providing value or being an asset to the organization, there may be little impetus to take time away from critical activities to complete a formal plan. However, a systematic internal review as part of a planning process is essential to identify what's working and what's not in terms of current processes, procedures and services. Business process improvement depends on first understanding the current state and locating areas with potential for improvement. An effective strategic plan and the



priorities and improvements this plan details can drive the collection of more accurate and reliable information. Better information and data will allow HR to act more strategically and have the evidence to justify decisions or new directions. Without a strategic plan, HR may not be collecting the right information or the data necessary to evaluate programs and strategies properly. Accurate and timely information is essential for organizations looking to move away from certain transactional tasks to more strategic activities.

1.2 Strategic Human Resource Management

How does SHRM fit in with Strategy?

With the advent of today's economy where services account for a major share of the GDP and the fact that the service sector is essentially people centric, it is imperative that the people first approach be embraced by the organizations for sustainable business strategy. The practice of SHRM demands a proactive and hands on approach by the management as well as the HR department with regards to the entire gamut of activities ranging from staffing and training and development to mentoring and pay and performance management.

1.2.1 The Way SHRM works

If we take real world examples, many organizations in recent times have dedicated "people managers" whose sole function is to look after the enabling and fulfilling needs of the resources. This is a marked change from treating people as just resources to treating people as assets. Elaborating on this point, one finds that organizations tend to leverage upon the capabilities of the people employed there and ensuring that the "human capital" is nourished and nurtured as a source of competitive advantage. This translates into a dedicated HR department and people managers in every group dealing exclusively with employee issues as opposed to treating this as a line management function.

1.2.2 Types of Recruitment

- I. **Internal Recruitment** - is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization. Internal sources are primarily three - Transfers, promotions and Re-employment of ex-employees. Internal sources are primarily 3



- a. Transfers
- b. Promotions (through Internal Job Postings) and
- c. Re-employment of ex-employees
- d. Employment Exchanges
- e. Labor Contractors

II. **External Recruitment** - External sources of recruitment have to be solicited from outside the organization. External sources are external to a concern. But it involves lot of time and money. The external sources of recruitment include - Employment at factory gate, advertisements, employment exchanges, employment agencies, educational institutes, labour contractors, recommendations etc.

Issues with Hiring Contractors

There are several issues that pertain to hiring and management of contractors. However, for many mid-sized and small-sized footwear manufacturing organizations, maintaining bench strength is often a luxury. So, if they anticipate new projects being entrusted to them, they immediately ask the vendor to supply them with the resources that are needed for the new projects. Of course, in reality, there is often a lag between the request for new resources and the resources actually coming on board because of the time taken to screen the contractors and time taken to bring them up to speed regarding the work that needs to be done.

Managing the Vendors

Some issues that need to be considered before going in for contractors pertain to the way in which the liability arising out of non-performance of the contractors is handled, the extent of control that the managers have over vendors and the payment terms and conditions that organizations have with the vendors. It has been found in studies and surveys that contractors and vendors operate in the “grey” areas of the employer-employee relationship and hence managers need to be on their guard when dealing with vendors. Liabilities and punitive actions aimed at vendors usually end up being unresolved because of the way in which the contracts are worded. Hence, it becomes imperative for the organizations to do their “due diligence” before hiring vendors.



To conclude, the practice of hiring vendors is expected to increase and hence there is a need for both sides to sit down and discuss the modalities of the contractual relationship before committing themselves to the same. In this way, disputes over responsibility and accountability can be amicably resolved if the contracts are worded in such a way that there is little room for ambiguity.

1.3 Strategies for employee's recruitment

The company recognizes the value of good employees. In addition to learning about factory operations, new employees learn the importance of good customer service and how to provide it. The employees are helpful, cheerfully answering customer questions or handling complaints. Employees are motivated through a combination of compensation, profit sharing and benefits.

1.3.1 Current HR Practices in Recruitment

The HR Department of a Footwear company strives to align the efforts of recruitment to the vision of the company. Common vision of such companies is to offer customers the best in footwear, high in style and quality at the right price with the best and most professional sales assistance. For this, the companies invest a great deal in human resources, with specially organized training to bring out those fundamental features such as:

- ✓ Technical preparation
- ✓ Team work
- ✓ Constant drive for the results
- ✓ Organizational and managerial capacity

HR Department at Footwear Manufacturing Companies meets its customers' needs by selecting the following attributes in prospective employees.

- ✓ Knowledge
- ✓ Imagination
- ✓ Skills
- ✓ Diversity



- ✓ Teamwork
- ✓ Integrity of people

While recruiting and retaining the best people is going on, HR Department also is guided by the principles of non-discrimination and respect for human rights and individual freedoms for all employees. Many companies show commitment to being socially responsible employers and their human resources programs are driven by this commitment. This includes focusing on issues like child labor, hygienic work environment, cruelty on animals, etc especially in India where legal enforcement is not always properly implemented. Most companies look for honor, education, skill, experience and above all, commitment to the organization and its success. Some manufacturers with specific customer focus also recruit people according to their customers.

1.3.2 Training and Advancement:

Many footwear companies provide opportunities for personal development and advancement. They typically do this by:

- a) Running local courses for training and improving skills
- b) Organizing several national and international courses at all levels on a regular basis for teaching new technologies and systems
- c) Encouraging lifelong learning

Training is also imparted especially if a new employee is hired, without specific background in the industry. Big manufacturers like Bata, Liberty Shoes, Woodland, etc also have to train their employees in the importance of the appropriate requirement of customers, identifying and understanding the more than 30 parts of the shoe, as well as the manufacturing process, details of materials used, the styles of footwear, etc in order to better serve the customers.



1.3.3 Hiring Process:

- Merit is the sole criteria for selection
- Attitude is given as much weight-age as functional competencies.
- Panel interviews comprising of Functional Head & HR Head.
- Sources for recruitment are through campus, consultants, employee referrals, internal job postings and the Internet.
- Antecedent verification is an integral part of the recruitment process.
- Medical fitness is pre-requisite for all positions.
- Equal opportunity employer and non-discrimination on the basis of gender

Focus on Value Addition

Many companies focus on value addition to enhance competencies. They believe professional growth is the responsibility of both the individual and the organization. They provide opportunities for value addition through:

- Exposure to World Class Manufacturing Facilities and Practices
- Exposure to Internationally Benchmarked Marketing Practices
- Formal Training and Development programs in India and overseas
- Membership of Multidisciplinary Task Forces and Project Teams
- Cross Functional and Cross Business Opportunities

Companies like Nike, Reebok, Adidas, etc add value for the customer by allowing them to directly participate in the manufacturing process in order to have customized footwear. Other companies like Rinaldi Designs consistently look out for the changing preferences and trends of their target market. Companies such as Relaxo and Woodland emphasize the importance of the footwear in association with customer well-being.

Example of Recruitment Process:

a) NIKE

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Nike is one example of a company using computer-assisted interviewing. The company has used an Aspen Tree product to hire employees for Niketowns, retail stores that showcase Nike products. In one instance, 6,000 people responded to ads for workers needed to fill 250 positions. Nike used IVR technology to make the first cut. Applicants responded to eight questions over the telephone; 3,500 applicants were screened out because they weren't available when needed or didn't have retail experience. The rest had a computer-assisted interview at the store, followed by a personal interview. The computer interview identified those candidates who had been in customer service environments, had a passion for sports and would make good Nike customer service representatives. Interviews were done in batches. The computer interview (which includes a video showing three scenarios for helping a customer and asks the applicant to choose the best one) was given every 45 minutes to a group of applicants. As applicants completed the interview a printer in the next room printed their responses. Areas that needed to be probed further were flagged, as were areas that indicated particular strengths.

While the applicant completed an application form online, the interviewer used the printout to prepare for the applicant's human interview. Some applicants would be given only a short interview; other more likely candidates would be interviewed at greater length. The computer not only helped interviewers screen for people who lost their temper in work situations or who demonstrated other undesirable behaviors, but it also helped the interviewers to determine what to ask to reconcile inconsistencies in the computer interview or to probe applicant strengths in desired areas. Because Nike uses behavioral-based interviewing, applicants must document their areas of strength with examples from their work. Some applicants were offered jobs on the spot. Others were called back for second interviews.

b) Relaxo

Another example is Relaxo Footwear, the famous manufacturers of Hawaii Chappals. The HR function at Relaxo entails the following:

Expert Management Team:

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The company is empowered by a team of experienced, mature, dynamic and result oriented professionals with an experience in varied fields of marketing, finance, production, HRD and administration. It is headed by 6 Directors, a President (operations), 5 GMs and over 30 managers.

Trained workforce:

Relaxo employs over 2500 personnel who are well trained in their respective production activities including 400 officials spread over all 9 manufacturing units and the corporate office. Employees are induced to in house training programs and outside workshops sponsored by leading institutions to broaden their existing working knowledge and experience.

1.4 Factors affecting Recruitment process in Footwear Industry

Footwear should design the recruitment strategy by understanding whether the organization is into Footwear Manufacturing or Footwear Retailing. Some MNC's like Nike, Adidas, Bata, Reebok, Woodland, etc are both manufacturers as well as retailers therefore, the recruitment needs to cater to both the Strategic Business Units as per requirement. The recruitment function of many footwear organizations is affected and governed by a mix of various internal and external forces. The internal forces or factors are the factors that are controlled by the organization. And the external factors are those factors that cannot be controlled by the organization.

1.4.1 Internal Sources

The internal forces that HR Manager should consider are:

A. Recruitment Policy - The recruitment policy of an organization specifies the objectives of recruitment and provides a framework for implementation of recruitment program. It may involve organizational system to be developed for implementing recruitment programs and procedures by filling up vacancies with best qualified people.

Factors Affecting Recruitment Policy:

- Organizational objectives



- Vision and Mission
- Current Requirements
- Personnel policies of the organization and its competitors
- Preferred sources of recruitment
 - a) Internal –Promotion, Transfers, Grooming
 - b) External – Consultants, Advertisements, Head Hunting)
- Need of the organization
- Recruitment costs and financial implications

B. Human Resource Planning -Effective Human Resource Planning helps in determining the gaps present in the existing manpower of the organization. It also helps in determining the number of employees to be recruited and what qualification they must possess. Moreover, a detailed Human Resource Plan can also help identify the various needs that might arise in the future, providing ample time to source the same.

C. Size Of The Firm -The size of the firm is an important factor in recruitment process. If the organization is planning to increase its operations and expand its business, it will think of hiring more personnel, who can handle its operations. The services of key personnel who have been with the organization for long can also be considered to foster and cultivate the culture. Organization must employ or think of employing more personnel if it is expanding its operations.

D. Cost -Recruitment incurs cost to the employer, therefore, organizations should try to identify a source of recruitment which will bear a lower cost to the organization for each candidate.

1.4.2 External Sources

The external forces are those which cannot be controlled by the organization. The major external forces are:



A) Supply and Demand -The availability of manpower both within and outside the organization is an important determinant in the recruitment process. If the company has a demand for more professionals and there is limited supply in the market for the professionals demanded by the company, then the company will have to depend upon internal sources by providing them special training and development programs.

B) Labor Market -Employment conditions in the community where the organization is located will influence the recruiting efforts of the organization. If there is surplus of manpower at the time of recruitment, even informal attempts at the time of recruiting like notice boards display of the requisition or announcement in the meeting etc will attract more than enough applicants.

C) Image / Goodwill -Image of the employer can work as a potential constraint for recruitment. An organization with positive image and goodwill as an employer finds it easier to attract and retain employees than an organization with negative image. Image of a company is based on what organization does and affected by industry.

D) Political-Social-Legal Environment -Various government regulations prohibiting discrimination in hiring and employment have direct impact on recruitment practices. For example, Government of India has introduced legislation for reservation in employment for scheduled castes, scheduled tribes, physically handicapped etc. Also, trade unions play important role in recruitment. This restricts management freedom to select those individuals who it believes would be the best performers. If the candidate can't meet criteria stipulated by the union then union regulations can restrict recruitment sources.

E) Unemployment Rate -One of the factors that influence the availability of applicants is the growth of the economy (whether economy is growing or not and its rate). When the company is not creating new jobs, there is often oversupply of qualified labor which in turn leads to unemployment.

F) Competitors -The recruitment policies of the competitors also effect the recruitment function of the organizations. To face the competition, many a times the organizations have to change their recruitment policies according to the policies being followed by the competitors.

1.5 Recent Trends in Recruitment Process in Footwear Industry

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The following trends are being seen in recruitment:

a) Outsourcing

Now days, HR processes are being outsourced more as outsourcing firms help the organization by the initial screening of the candidates according to the needs of the organization. These firms create a suitable pool of talent for the final selection by the organization. Outsourcing firms develop their human resource pool by employing people for them and make available personnel to various companies as per their needs. In turn, the outsourcing firms or the intermediaries charge the organizations for their services.

- **Advantages of outsourcing are:**

- ✓ Company need not plan for human resources much in advance.
- ✓ Value creation, operational flexibility and competitive advantage
- ✓ Turning the management's focus to strategic level processes of HRM
- ✓ Company is free from salary negotiations, weeding the unsuitable resumes/candidates.
- ✓ Company can save a lot of its resources and time

b) E-Recruitment

Many big organizations are using Internet as a source of recruitment. E- Recruitment is the use of technology to assist the recruitment process. They advertise job vacancies through World Wide Web. The job seekers send their applications or curriculum vitae i.e. CV through e mail using the Internet. Alternatively job seekers place their CV's in worldwide web, which can be drawn by prospective employees depending upon their requirements.

- Advantages of this type of recruitment are:

- ✓ Low cost.
- ✓ No intermediaries
- ✓ Reduction in time for recruitment

c) HR Consultants at Alternative Workplaces

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Recent trends in HR Recruitment have shown that consultants have come to play a significant role. These consultants participate not only in the recruitment but also in operations and other functional departments in the footwear industry. Former employees who have more than 15 – 25 years of experience in the same industry tend to leave their jobs and commence a consulting business. They conduct one-off projects / assignments, on part time full time or even seasonal basis on various aspects like risk assessments, overseas assignments, cost reductions, design management, sourcing of candidates, etc.

The HR department should invite industry and institutional support in the areas of technological development, design and product development and human resource development, through premier institutions like:

- a) Central Leather Research Institute, Chennai, India
- b) Footwear Design & Development Institute, Noida, India
- c) National Institute of Fashion Technology, New Delhi, India



1.5 Recruitment Planning in Footwear Industry

Table 4: Recruitment planning process

RECRUITMENT PROCESS	
1. Planning the Job Analysis	
<ul style="list-style-type: none"> A. Identify objectives of job analysis. B. Obtain top management support 	
2. Preparing and Communicating the Job Analysis	
<ul style="list-style-type: none"> A. Identify jobs and methodology B. Review existing job documentation C. Communicate process to managers and employees 	
3. Conducting the Job Analysis	
<ul style="list-style-type: none"> A. Gather job analysis data B. Review and compile data 	
4. Developing Job Descriptions and Job Specifications	
<ul style="list-style-type: none"> A. Draft job descriptions and specifications B. Review drafts with managers and employees C. Identify recommendations D. Finalize job descriptions and recommendations 	
5. Maintaining and Updating Job Descriptions and Job Specifications	
<ul style="list-style-type: none"> A. Update job descriptions and specifications as per organization changes. B. Periodically review all jobs. 	



1.7 Structure of Recruitment Process

- a) A team of senior HR managers reaffirms the company objectives and identifies performance results areas critical to the business strategic plans of the organization. Panel groups are assembled composed of individuals knowledgeable about the jobs. This group can include both high and low performing employees, supervisors, managers, trainers and others.
- b) A facilitator from HR or an outside consultant interviews the panel members to get some examples of job behaviors and actual occurrences on the jobs. During the interview the Individuals are also asked to communicate their thoughts and feelings during each of the described events.
- c) The facilitator then develops detailed descriptions of each of the competencies. This descriptive phase provides clarity and specifics so that employees, supervisors, managers, and others in the organization have a clearer understanding of the competencies associated with jobs.
- d) The competencies are rated and levels needed to meet them are identified. Then the competencies are specified for each of the jobs. After identifying recommendations, the HR personnel drafts job duties and specifications.
- e) Finally, standards of performance are identified and tied to the jobs. Appropriate selection screening, training, and compensation processes focusing on job specifications must be developed and implemented. This process should be continuous, and adaptive to the organizational needs with periodic review of job duties

1.7.1 Effective Organization Structure

Employees in general are categorized in the following hierarchy in the Footwear Industry:

- Director
- Senior manager (senior vice president, vice president, general manager)
- Middle manager



- Junior manager, selling manager, shop manager, shop employees.
- Marketing department is typically divided into four zones. Senior general manager responsible for each zone, supported by business development manager and several district level managers.

1.7.2 Skills require in footwear industry:

a. Knowledge of SCM (Supply Chain Management) & Operations Management

Prospective employees must have good knowledge of Supply Chain Management and Operations Management to optimize utilization of production facilities. As part of a new logistic team, the employees must focus on obtaining specific orders from the market for bestselling designs and sizes. Employee must ensure that all raw materials are available in the factories well in time so that the Company can produce and place in shops the products that consumers want. Thus the Company has been focusing on personnel who understand consumers and market demand which will reduce inventories and improve sales-to-stock turnover.

b. Negotiating Skills

Good negotiating skills are required to deal with various vendors and distributors. Cost efficiency necessitates negotiation on procurement of raw materials to create finished products. In this industry, it is also important to optimize transport costs to ensure a competitive cost of the company's products.

c. Knowledge of Legal and Regulatory framework

A part of the outsourcing, manufacturing is now routed by many companies from contract manufacturers based in different states offering concessions in excise, sales tax and corporate tax. Companies are also looking at and negotiating with third party manufacturing facilities in two other tax-free states. Therefore the HR Department must look at knowledge of prospective personnel in legal and regulatory framework of footwear industry in India.

d. Technological Proficiency

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Knowledge of Enterprise Resource Planning (ERP) such as SAP, Oracle, Baan etc. will also attract candidates to the footwear industry. Such technological products for example, Point of Sale (POS) Management Information System (MIS) help many companies to update about inventory level, sales figures, delivery schedules etc. in real-time.

e. Design Capabilities

Candidates with design and presentation skills in products such as Adobe, MS Front Page, Corel Draw can also add value to footwear manufacturing companies. Continuous introduction of new designs in shoes for men, ladies and children is necessary to beat competition. Candidates with skills to encompass both style and quality should be preferred.

Knowledge of Mergers and Acquisitions

While the footwear industry faces one of its worst crises in recent years, more M&A's are occurring in the market to maximize profits and geographic markets. Knowledge in implications of such M&A's is an attractive skill that HR department must look into while recruiting prospective candidates. The skills required for such tasks include financial, managing change, fostering synergies, etc backed by professional experience on the field with the customers as well as other significant stakeholders.

The changing nature of jobs and work has led to additional approaches being used to analyze jobs and work. The recruitment approach to job identifies competencies, which are the basic characteristics that are linked to performance of individuals or teams. Once competencies have been identified, they can be used for HR selection, development, compensation, and performance management. Recruiting must be viewed strategically, and discussions should be held about the relevant labor markets in which to recruit. The future growth of the footwear industry will continue to be market-driven. With technology and quality of the footwear improving year after year, Footwear industry is stamping its class and expertise in the global footwear trade.



Self-Check – 1	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Give short and precise (Total marks 5x2=10)

1. What do you mean by “Negotiating Skill’s”?
2. What do you mean by “Technological Proficiency”?
3. What are Design Capabilities?
4. What do you mean by “Knowledge of Mergers and Acquisitions”?
5. What do you mean by “Knowledge of Legal and Regulatory framework”?





Information Sheet 2-Strategies development for physical resources & services

2.1 Purchasing & Control of physical resources

Purchasing & Control of physical resources in respect of their quantity, quality, timing and cost can be regulated as one of the most important activities of footwear production and operations management. Physical resources can be classified under the following three broad heads:

- a) Material planning and programming
- b) Purchasing
- c) Stores and inventory control

Purchase is one of the major functions of material management. The innovative steps taken by Japan in purchase management have not only become a world phenomenon but also have contributed to the great success of Japanese products in the global market. Any saving on materials will have a major influence on the profitability of an organization. This is because materials account for over 60% of cost of production.

The purchase manager of a footwear manufacturing firm is a typical decision maker. Perhaps no other manager in the industry is expected to make so many decisions, so vital to the industry, at such frequent intervals. Following five steps are identified for purchasing decisions in footwear industry:

- a) Define objective
- b) Collect information
- c) Develop options
- d) Evaluate and decide
- e) Implement



All these five steps are clearly applicable to a purchase manager as evident from the following analysis:

Steps	Key Points
1. Define Objective	Specify objectives, constraints and criteria of materials management
2. Collect Information	Identification of materials and specification, look for possible resources, collect data on price and other terms of supplies. Establish time constraints, delivery schedule, rejection and replacement terms, compensation for shortages, payment terms, guarantee and warranty terms. Transportation and package, etc.
3. Develop options	Locate possible vendors, quantity and price considerations, possible options to obtain maximum quantity and price discount etc.
4. Evaluate and decide	Listing pros and cons of options, examine consequences of selecting various alternatives measuring against criteria of evaluation; testing against overall objectives and selecting the best option.
5. Implement	Initiate action to carry out the decision taken, monitoring the implementation of decision, review the decision if necessary.

2.2.1 Objectives of the purchase department are five fold in footwear industry. They are to obtain materials:

- a) From the right source
- b) At the right quantity



- c) At the right quality
- d) At the right price and
- e) At the right time

a) Right Source – The various factors guiding the selection of the “right source” are reliability, cost, quantity assurance, past performance, good public relations, after-sales service, and accessibility. Market research is conducted to locate potential sources (raw material vendors) so that monopoly restrictions and proprietary conditions are avoided.

Source identification involves the following:

- Vendor Selection
- Vendor Development
- Vendor rating

b) Right Quantity – In order to take proper decision on the quantity, the purchase manager has to take many aspects into consideration. In this exercise, it is also necessary for him to liaise with other departments, mainly, the production department. It is also desirable for him to conduct “inventory analysis” and carry out a certain amount of Operations Research (OR) exercises, especially when confronted with the problem of discount offer to select the optimum quantity.

c) Right Quality – Quality control and standardization refers to the following:

- ✓ Standardization and variety reduction
- ✓ Quality assurance/inspection and grading

d) Right Price – Price means cost of ordering and cost of carrying. Price structure also influences the “make or buy” decisions. The purchase manager is called upon to decide the most optimum quantity to reduce overall cost by inventory control.

e) Right Time – Like correct quantity, right time of supply is also important. Delayed supply can cause shortages and upset production schedule and might mean tangible and intangible losses. In order to ensure the supply in time, the following steps are to be taken:



- Set up effective method of expediting the supplies based on the following principles:
 - ✓ Routine reminders on class C items
 - ✓ Detailed analysis on class A and B items
 - ✓ Intensive follow-up on “vital” and “essential” items
- Provide logistic support in time for the following:
 - ✓ Assembly/Distribution
 - ✓ Transportation
 - ✓ Storage

2.2.2 Physical Resources purchase activities:

- a) Origin of demand (requisition – one time, periodic, indent, purchase order, etc.)
- b) Scrutiny of indent (standardization – identification – correctness of quality, and substitution)
- c) Selection of source of supply (quantity, quality, delivery, reliability, service level, condition of sale)
- d) Method of buying (inventory – less, forward)
- e) Placing of order (define price, DD, place, terms of payment, etc.)
- f) Coordination of delivery of related items
- g) Inspection and testing at suppliers premises
- h) Acceptance inspection at owner's premises.

2.2.3 Types and Forms of Purchase in Footwear Industry:

- a) Group Purchase** – Materials are grouped into three categories of A, B, and C in ABC Analysis and purchased separately. Grouping of purchases are mainly done to earn favorable prices, discounts and deliveries. Fixed order cycle inventory systems favor grouping of purchases by all warehouses together (centralized purchasing).



b) Blanket Purchase – “C” items are purchased in large quantities ignoring Economic Order Quantity (EOQ). This has the following advantages:

- Labor saving (on frequent orders)
- Earn sizeable discount

c) Inventory-less Buying (Hand-to-mouth Buying) – It refers to buying as little as possible say a week’s or a day’s requirement. It is therefore easy to assess the quantity and also avoids loss due to price decline. It also prevents over stock of inventory.

d) Speculative Buying – This is reverse of inventory-less buying. It means purchase of huge quantities, much more than what is actually required. This method, however, yields higher quantity discounts and consequent saving but increase the inventory-carrying cost.

e) Budget Quantity Purchasing – Both inventory-less buying and speculation buying are risky. Hence budget quantity purchasing based on the Economic Order Quantity (EOQ) formula is preferred.

2.3 Vendor Evaluation, Rating, & Negotiation

a) Vendor Evaluation – Selecting the right source of supplies is a very important decision in purchasing. This selection is done through vendor evaluation and rating. The following factors are considered for evaluating the suppliers:

- Quality
- Price
- Delivery – Time, Quantity
- Supply in emergency periods
- Terms of payment
- Financial stability
- Reliability

b) Vendor Rating – Percentage of quantity accepted among the total quantity is called quality rating. In other words, the quality of the materials is judged on the basis of the



degree of acceptance and rejections. For the purpose of comparison, the percentage degree of acceptance will be calculated in relation to the total lots received. Price rating is done on the basis of net price charged by the supplier. Timely delivery rating will be done comparing with the average delivery schedule of the supplier.

Numerical Example:

The following information is available on 3 vendors: A, B and C. Using the data below, determine the best source of supply under weighted-point method and substantiate your solution

Vendor A: Delivered 56 lots, 3 were rejected, 2 were not according to the schedule

Vendor B: Supplied 38 lots, 2 were rejected, 3 were late.

Vendor C: Finished 42 lots, 4 were defective, 5 were delayed deliveries

Solution:

Quality performance (weightage 40%) = $\text{Quality accepted} / \text{Total quantity supplied} \times 40$

Delivery performance:

X Adherence to time schedule (weightage 30%) = $\text{No. of delivery made on the scheduled date} / \text{Total no. of scheduled deliveries} \times 30$

Y Adherence to quantity schedule (weightage 30%) = $\text{No. of correct lot size deliveries} / \text{Total no. of scheduled deliveries} \times 30$

Total vendor rating = X + Y

Vendor A = $53/56 \times 40 + 54/56 \times 30 = 66.78$

Vendor B = $36/38 \times 40 + 35/38 \times 30 = 65.52$

Vendor C = $38/42 \times 40 + 37/42 \times 30 = 62.62$

Vendor 'A' is selected with the best rating.

c) Negotiation – Negotiation is an important instrument aiding decision making in purchase.

This purpose of negotiation is to obtain the best terms of purchase such as price, delivery,



discount, etc. Since two parties are negotiating to get the best terms from the other party, their individual interests are at variance with one another.



2.5 Organization's policies, practices and procedures

Procurement policies and procedures follow a logical pattern and are designed to ensure that the procurement process adheres to a company's financial regulations and procurement law. The main processes common to all procurements will include supplier selection, requesting information, tender submission, tender evaluation, contract award and inspection.

1) Supplier Selection

Most companies will keep a list of preferred suppliers that the procurement department manages and updates. Suppliers on a preferred list will have undergone some form of selection process to evaluate them against criteria such as cost, quality and compliance.

2) Requesting Information

When there is a need to purchase something that the current list of suppliers cannot provide, the procurement department finds wholesalers, retailers or other businesses that can effectively deliver the new requirement. Once suppliers have been identified, the procurement team will develop a specification, which is a detailed description of the requirement. The specification is sent to these new suppliers who will be asked to return quotes on prices for needed goods and services.

3) Tender submission/Quotation submission

Tenders usually have to be returned to the procurement on a specific day and time. The returned tenders will include the price for the service or product required, a description of the product or service, financial information detailing the suppliers accounts, health and safety questionnaires and, where relevant, environmental questionnaires.

4) Tender Returns

Typically, returned tenders are distributed to internal specialists who evaluate the different parts of the tender. For example, the information relating to a company's account will be evaluated by the finance department, the health and safety questionnaire by the health and safety team, and the product or service specification by subject matter experts. Procurement will usually assess the pricing schedules and collate and prepare a recommendations report. All of this is completed within a specified time span.



5) Contract Award

It is the task of the procurement department to inform all suppliers of their decision. It is best practice to offer all unsuccessful suppliers a debrief to help them understand where their bid failed. This evaluation will better inform them for any future opportunities that may arise. Successful suppliers are notified in writing of their success.

6) Contract Conclusion

At the end of the contract, when the service or product has been delivered, the procurement team will check that all of the terms of the contract have been met and they are happy with the performance of the suppliers. After this has been satisfactorily completed, the buying organization will typically authorize payment to be made. Common practice is to have a post-contract meeting with representatives from the supplier and buying organizations. This offers a forum to discuss the successes and failures of the contract and lets managers document the findings for future reference.

2.6 Inventory control

Inventory control is a planned approach of determining what to order, when to order and how much to order and how much to stock so that costs associated with buying and storing are optimal without interrupting production and sales. Inventory control basically deals with two problems:

- (i) When should an order be placed? (Order level), and
- (ii) How much should be ordered? (Order quantity).

These questions are answered by the use of inventory models. The scientific inventory control system strikes the balance between the loss due to non-availability of an item and cost of carrying the stock of an item. Scientific inventory control aims at maintaining optimum level of stock of goods required by the company at minimum cost to the company.

2.6.1 Inventory control Techniques:

ABC ANALYSIS:

Determination of ranks by annual usage in dollar

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Item No.	Average Usage (Units)	Unit cost (dollars)	Annual Usage (dollar)	Rank
1	17	2.5	42.5	8
2	50	17	850	2
3	15	15	225	5
4	25	17	425	4
5	5	17	85	6
6	50	119	5950	1
7	153	5	765	3
8	20	2.125	42.5	7
9	16	2.656	42.5	9
10	17	2.5	42.5	10



ABC Ranking

Item No.	Annual Usage (dollar)	Cumulative Annual usage	Annual usage Percentage (%)	Category Assigned
6	5950	5950	70.24	A
2	850	6800	80.24	B
7	765	7695	89.31	B
4	425	7990	94.33	C
3	225	8215	96.98	C
5	85	8300	97.99	C
8	42.5	8342	98.49	C
1	42.5	8385	98.99	C
10	42.6	8427	99.85	C
9	42.5	8470	100	C
Total	8470			

Depending upon the size and type of an organization, the number of inventory items varies from one organization to another. Some of the large footwear manufacturing organizations may have 2,500 to 4,000 items. Normally inventory items are classified into categories to facilitate attention by the inventory control staff. One of the most important considerations of control is the value of annual consumption of inventory items in a year. However, we find that only a small number of inventory items consume a very large share of inventory consumption



during the year. Further, a little large no. inventory items cover a moderate share of annual inventory consumption. These facts gave birth to the concept of ABC analysis. It has been observed that in an footwear manufacturing unit only 10% of items have 70% of the annual inventory consumption, 20% of items have 20% of annual inventory consumption and 70% of the items have only 10% of the annual inventory consumption.

Steps in ABC analysis:

1. Determine the annual usage of units for each item in the past one year
2. Multiply the annual usage quantity with the average unit price of each item to calculate the annual usage in dollar for each item
3. Item with the highest dollar usage annually is ranked first. Then the next lower annual usage item is listed till the lowest item is listed at the last.

ABC Category Summary				
Category	Item No.	% of Items in Total Inventory	Cost in dollars	% cost
A	6	10	5950	70
B	2,7	20	1615	19
C	1,3,4,5,8,9,10	70	905	11
Total	10	100	8570	

Control Through -

ABC analysis provides good guidelines for appropriate purchasing policy for different categories of items and suggests the extent of attention required from different levels of management for various items. Top management must devote a major part of its time in



procurement of “A” category items, both from the point of view of cost control as well as in controlling the quantity to be procured. Frequent purchase of “A” category items in appropriate lots would on hand ensure availability of items. Middle level management is given responsibility to monitor the procurement of “B” category of items. Lower level of management could manage “C” category items. Rate contracts or blanket contracts with reputed suppliers are done to purchase materials without much effort and with minimum paper work.

This approach for varying management attentions help in developing appropriate procurement policies and in ensuring that the purchase are made in the most economical way, yet at the same time there is no danger of shortage of materials

All techniques:

- 1) **ABC** – Value of annual consumption
- 2) **VED (vital, essential & desirable)** – Criticality to operation of the machine
- 3) **FSN (fast moving, slow moving & non moving)** – Trend of usage
- 4) **SDE (scarce, difficult, and easy to obtain)** – Availability of the spares
- 5) **GOLF (government, ordinary, local & foreign)** – Nature of source of supply
- 6) **SOS (seasonal, off-seasonal)** – Seasonal availability
- 7) **HML (high, medium & low)** – Unit price of material
- 8) **XYZ** – Inventory value of the items stored



Self-Check 2	Written Test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Fill in the blanks: (Total marks 5x1=5)

1. Purchasing & Control of physical resources in respect of their quantity, quality, timing and cost can be regulated as one of the most important activities of _____
2. Physical resources can be classified under the following three broad heads:
 - a) Material planning and programming
 - b) Purchasing
 - c) _____
3. The _____ of a footwear manufacturing firm is a typical decision maker. Perhaps no other manager in the industry is expected to make so many decisions, so vital to the industry
4. _____ is conducted to locate potential sources (raw material vendors) so that monopoly restrictions and proprietary conditions are avoided
5. Under _____ “C” items are purchased in large quantities ignoring Economic Order Quantity (EOQ).
15. What is Speculative Buying?



LG #47

LO#3-Monitor and Review Operations

Instruction Sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics

performance progress

- Assess performance progress
- Budget and actual financial information in productivity performance
- Areas of underperformance to rectify the situations
- Systems to ensure mentoring and coaching
- Recommendations for variations to operational plans
- Systems to ensure procedures and records

This guide will also assist you to attain the learning outcome stated in the cover page specifically, upon completion of this Learning Guide; you will be able to –

- Develop, monitor and review assess performance progress
- Analyze and interpret budget and actual financial information to monitor and review profit and productivity performance
- Study areas of underperformance to rectify the situations
- Plan and implement systems to ensure mentoring and coaching
- Negotiate and approve recommendations for variations to operational plans
- Develop and implement systems to ensure that procedures and records



associated with documenting

Learning Instructions:

- 1) Read the specific objectives of this Learning Guide.
- 2) Follow the instructions described below.
- 3) Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
- 4) Accomplish the “Self-checks” which are placed following all information sheets.
- 5) Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).
- 6) If you earned a satisfactory evaluation proceed to “Operation sheets
- 7) Perform “the Learning activity performance test” which is placed following “Operation sheets” ,
- 8) If your performance is satisfactory proceed to the next learning guide,
- 9) If your performance is unsatisfactory, see your trainer for further instructions or go back to “Operation sheets”.



Information Sheet 1- Assess performance progress

1.1 Introduction to Performance System

The performance development process includes five meetings between the employee and manager: At the initial two meetings they agree on the employee's performance goals and learning strategies and other support that will help the employee achieve them. At mid-year they discuss the first half of performance cycle, the manager gives constructive feedback on performance and documents progress-to-date and at year end the manager formally evaluates performances against each goal and documents the whole process. Many organization also include informal quarterly meetings that are not documented but do check that progress is made and provide the manager with an opportunity to offer additional support if needed.

1.1.1 Benefits of successful Performance System:

Benefits of successful performance development systems are that they –

- a) Align individual performance plans with the organization's strategic goals.
- b) Help align other HRM policy and practice.
- c) Motivate employees to perform beyond expectations and reinforce behavior that is consistent with the organization's vision and values.

a) Successful Performance Development Systems align employee's performance plans with Strategic Goals:

It is often quoted that any organization's performance is the sum of the performance of all its employees, but this is only true if all employees are working towards achievement of Strategic Goals. To do this they need to know what those goals are and what they can do to contribute to their achievement.



Most managers are familiar with business planning processes which delegate responsibility for achieving strategic goals by defining what each the organization's divisions and branches need to achieve to make the commitment required of them. Performance planning and development processes simply take this down to the level of the individual employee. The manager uses the business plan of the employee's unit or branch to define the contribution required of each employee and then reaches agreement with the employee on performance goals that will deliver this contribution.

b) Successful Performance Development Systems help align other HRM policy and practice with Strategic Goals

The focus of all HRM policy and practice is (or should be) all about empowering and motivating employees to achieve the organization's strategic goals. The Performance Development System can play a vital role in achieving this focus. Most importantly it can align the organization's learning and development function by simply demanding that, (with some legitimate exceptions), employee requests for L&D can only be approved by the Performance Development System, where its relevance to performance goals and effectiveness can be tested. Similarly, performance data collected by the Performance Development System may indicate a need to review position descriptions or recruitment strategies for some positions.

c) Successful Performance Development Systems motivate employees to perform beyond expectations

A well designed Performance Development System motivates employees by providing them with challenging but achievable goals, management support for goal achievement, an understanding of the importance of their work and opportunities for career development. These are all recognized as very powerful motivators of human behavior.

d) Successful Performance Development Systems align employee behavior with organization values

It has long been known that the best (and often only) means of getting employees to behave consistently with your values is by leadership at every level of management. Simply put, employees tend to mimic their manager's behavior. The high levels of face-to-face interaction



during implementation of a Performance Development System provide a great opportunity for managers to role-model behaviors that are consistent with organizational values.

1.2 What causes systems to fail in footwear industry and how this be prevented

The most common cause of failure in footwear industry is that managers do not give sufficient time and/or attention to the performance development process:

In some cases they do not conduct the goal setting or evaluation meetings at all, claiming they are just too busy. More commonly, they 'go through the motions' of conducting and documenting the meetings while viewing the system as nothing more than a bureaucratic in cumbrance that is keeping them from their 'real work'. Their lack of faith in the system is soon 'caught' by their employees and creates an atmosphere that results in performance goals that are neither strategically aligned nor motivating. The system deteriorates to one that is purely used to approve the L&D strategies requested by employees.

We can prevent this from happening (or continuing to happen) by both supporting these managers and providing a disciplined structure for implementing the system.

- **Support of Managers in Implementing Performance Development**

Support is provided by leadership from the top management of the organization, a sound policy and detailed implementation procedure and by providing training in the skills required to implement the system

- **Leadership and Executive Managers:** Because these managers have been intensely involved in development of the organizations strategic goals, they have a clear understanding of their intent and what is required to achieve them within businesses across the organization. Similarly, they understand why each of the corporate values were chosen and the behaviors it is intended to drive. If these managers enthusiastically communicate this understanding during performance development processes with their direct reports, they will promote both strategic alignment of performance plans and adoption of the corporate values. If they similarly promote the benefits of the performance development system itself and model the behavior required during



performance development processes they will have a major impact on how well it is implemented.

1.3 The Performance Development Policy in a footwear organization

The policy should describe (at a minimum) how the performance development process can be used to align individual performance with strategic goals, its scope and potential benefits and an outline of the performance development process. It will define the rating scales to be used and provide guidance as to how they should be applied. Most importantly, it will contain a clear, unambiguous statement of the responsibilities of managers and employees in implementing the system.

a) The performance Development Procedure:

This should operate as a stand-alone document which contains all the information needed to implement the system successfully, even this means duplicating part of the policy.

(We have found that when this is not the case, anything that is not in the procedure is often ignored). Then we suggest, it must include the agenda for each meeting and detailed instructions for both managers and employees that explain how they prepare for and follow up each meeting. Performance goals will be set with reference to the employee's divisional or branch plan, position description and past performance.

b) Performance Development Training:

The performance development process requires skills in goal setting, evaluating performance and providing constructive feedback. We have found that many, otherwise highly competent; managers do not have these skills. These managers are also reluctant to admit that they find these tasks difficult. For that reason, we suggest that this training be made compulsory for all managers. It should be interactive and provide opportunities for managers to practice each of these skills and receive feedback on their performance. The training should also include an explanation of the Policy and Procedure, particularly as they relate to the need for strategic alignment of performance goals and allow discussion of why this is important, so that any issues with implementation are resolved.



c) Discipline required to ensuring Implementation of a Performance Development System:

While we would all like to believe that the above support was all that was needed, most of us realize that discipline is also required to implement a Performance Development System. This can be provided by a highly structured Performance Development Form for documenting meetings, a regular audit of compliance with the system and, if necessary, a directive from top management that it must happen.

The Performance Development Form

We record constructive feedback given on performance and the employee's comments on their performance rating. The form can also record training provided and evaluate its effectiveness at supporting achievement of performance goals.

The Performance Development System Audit

Our system needs to be regularly audited to ensure that it is being implemented correctly and within the required timeframes and is implemented fairly and consistently across the organization.

In footwear manufacturing organization Performance Development System will only improve organizational performance if it aligns individual performance goals with the organization's strategic goals and values and motivates employees to achieve their performance goals.

When it fails to do so, it is usually because managers do not devote sufficient time or attention to performance development processes

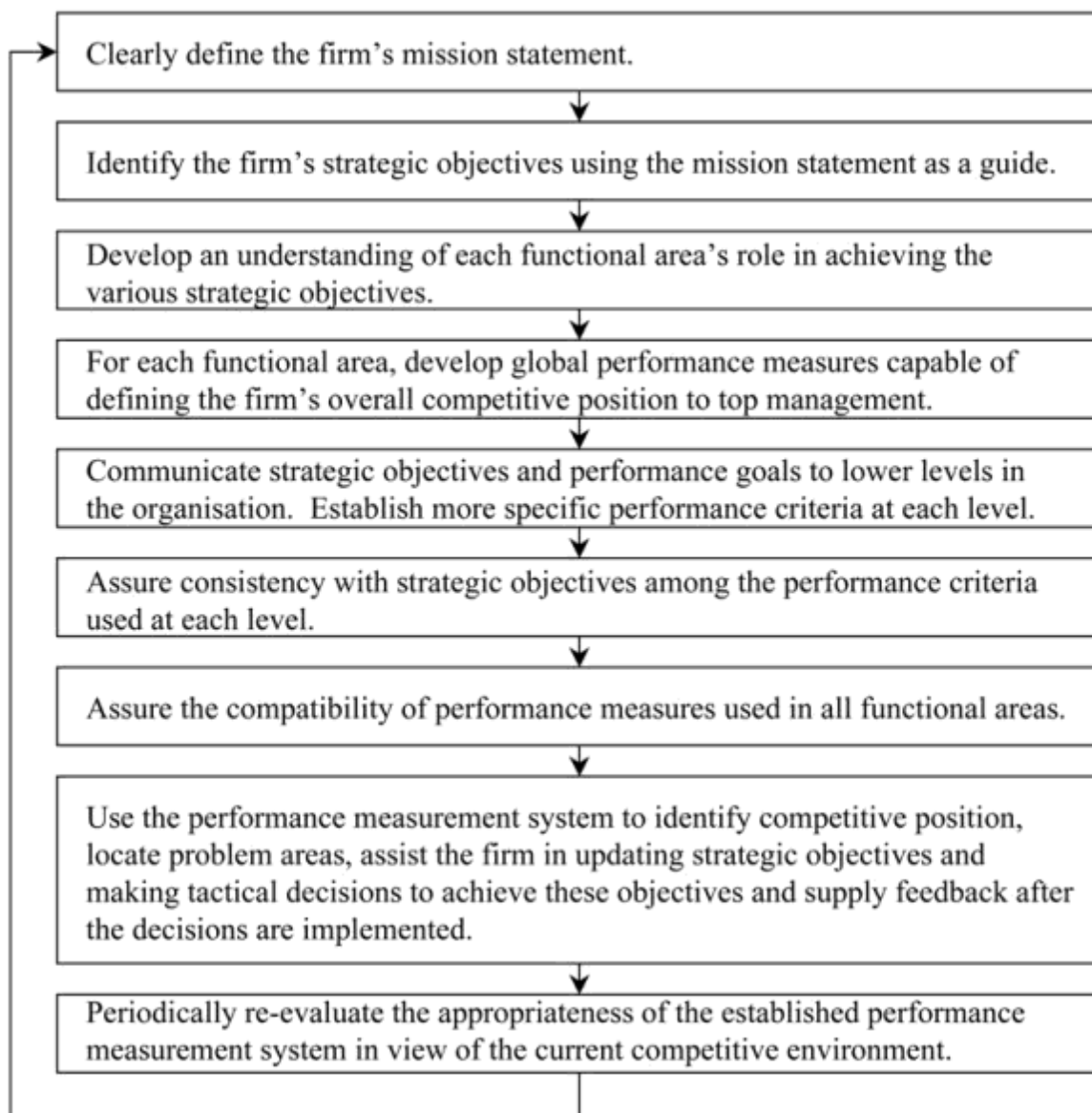
We can prevent this failure by:

- a) Training managers in skills required to implement a performance development system
- b) Resolving other issues that are causing managers to resist implementation
- c) Developing a sound policy document and detailed implementation procedure



- d) Using a highly structured form to record the performance development process and regularly auditing the system.

1.3.1 Designing a Performance Measurement System:





Self-Check – 1	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1:Answer in short: (Total marks 5x2=10)

1. What do you mean by “Support of Top management in Implementing Performance Development”?
2. What is the role of Executive Managers in performance development?
3. What is “Performance Development Procedure”?
4. What do you mean by “Performance Development Training”?
5. Explain performance development system audit in brief?



Information Sheet 2- Budget and actual financial information

2.1 Introduction

A budget is a numeric prediction of what a company's financial results will be in the upcoming year. In organizations the budget is used as a tool help the management team guide the company on a course toward revenue and earnings growth. When actual financial results become available, a report called budget vs. actual is produced that compares the two for each category of revenues and expenditures.

Report Preparation: The report has columns for actual results, budgeted numbers and numerical variances the difference between budgets and actual - that allow the information to be presented in a side-by-side format. Many times percentage variances are presented in a fourth column. In large multi-division footwear companies, budget vs. actual reports are prepared for each business unit, such as department or division, in addition to a consolidated report.

Variances Occur: A budget is a collection of the management team's best assumptions - which sometimes take the form of guesses - about how the future will unfold. Variances to budget are bound to occur because the consumer needs or preferences and the actions of competitors all impact the results. Each of these factors has an element of unpredictability.

Interpreting Variances: In footwear companies top management reviews the budget vs. actual reports when they become available at the end of the month. Many times the financial planning and analysis staff is called upon to dig deeper into the numbers and provide detailed analysis of the variances that is presented in a narrative report format. The value of the budget vs. actual report is learning the story behind why the variances occurred and taking appropriate corrective action. The top management of a company may focus too much on assigning blame for variances to budget, particularly significant ones, to the manager responsible for that business unit's performance. Although managers can become more skilled in accurate budgeting as time goes on, it is impractical for top management to expect them to always achieve budgetary targets.



Taking Action: If actual results vary significantly from budget, management uses this information to modify ongoing expenditures or strategies to move the company back on course toward achieving budgetary targets. If revenue shortfalls occur, expenditures may be cut back, particularly if the company is incurring losses. Alternatively, the company may accelerate some marketing programs to stimulate sales. Strategic changes may not involve altering total expenditures, just diverting funds from marketing programs that aren't working to those that are more effective. It is important not to overreact to temporary factors, such as an upsurge in fuel prices that elevates the company's product delivery costs. Prices could drop back down and eliminate the variance later in the year.

2.2 Budget allocation and monitoring

Good financial management systems and processes for tracking resource utilization are essential for a department to make effective use of its resources. Effective planning and financial control will help departments to:

Ensure the efficient and effective use of resources

Make sound business decisions

Demonstrate accountability

Take remedial action where needed

In a footwear manufacturing organization when considering a department's core expenditures for the year, the following factors should be taken into account:

- a) Department's strategy for the year and how financial resources will be deployed to deliver the strategy.
- b) Other operational and organizational considerations such as income targets and the agreed expenditure gap
- c) Any existing expenditure commitments i.e. - recurrent staff costs
- d) The prioritization of activities in the department

For the allocation of expenditure budgets, the appropriate levels may be informed by historic expenditure patterns and any appropriate benchmarks that have been identified or adopted. We should be mindful of the administrative burden associated with creating and reporting on



cost centers. Consideration of budgeting materiality levels will of course vary from department to department depending on the size of the overall budget and the number of people actively engaged in the process of managing expenditure against budget.

Allocating budgets

When budgets are allocated to individual 'cost centers' (an account for collecting costs under from core budget allocations) or teams, the following steps should be taken:

- a) If possible, the initial budget should be compiled with the participation of whoever will be responsible for its control and performance.
- b) The outcome of any budget decisions should be communicated to all relevant staff.
- c) Responsibility for each element of the budget allocation should be delegated to a named individual.
- d) The named individual will normally be the 'person responsible' or the 'approver' in the system. If not, the department should be clear on who is monitoring expenditure against budget and/or is accountable for the use of the budget.

Monitoring expenditure

Regular monitoring of expenditure is essential; not just to verify expenditure against target but also to identify changing patterns or circumstances that need corrective action.

We should have procedures in place within our department to monitor progress against budget and objectives at regular intervals (generally monthly). In addition, appropriate reporting and authorization mechanisms should be in place.

To monitor expenditure, the types of information we need to include:

Budget for the area of activity for the full year and profiled for the year to date. When profiling the budget, planned expenditure patterns should be considered. For certain types of expenditure (particularly non-staff costs) it is likely that expenditure will peak and trough at particular points in the year

Actual expenditure to date.

Future expenditure commitments.

Balance of annual budget remaining. When actual expenditure and commitments together are compared to the full year budget, this will indicate the balance of budget remaining at the review point.



Forecast outturn. This is the expected position against budget at the end of the year after taking into account all anticipated expenditure. The forecast outturn may not be equal to the original budget.

Analysis and explanation of any positive or negative variances when comparing expenditure and forecast outturn to budget, together with a documented action plan in order to address adverse variances.

In footwear manufacturing, the monitoring of expenditure against budget should be regularly undertaken at an overall level by the Head of Department and, where appropriate, at a more detailed level by the individual budget holders. Meetings between the Head of Department and the individual budget holders should be held at regular intervals (ideally monthly) and any actions identified should be formally documented and agreed.

2.3 Annual Manufacturing Budget of a footwear manufacturing firm

Table 5: Annual Manufacturing Budget Format

Annual Manufacturing Budget for ABS Footwear			
Production Requirement		INDIRECT COSTS	
Units Per Year	100000	Administration Dept. Budget	
		Salaries	80,000
DIRECT COSTS		Rent	10,000
Product Requirements (Variable costs)		Utilities	4,000
Raw material cost per unit	\$2.00	Depreciation	60,000
Labor (hour) per unit	1.00	TOTAL (indirect-fixed costs)	\$154,000
Labor rate per hour	\$14.00		
Production Department Budget		TOTAL BUDGET	
Labor (1,00,000 units x 5 x 14)	14,00,000	Raw material (100,000 x \$2)	200,000



Annual Manufacturing Budget for ABS Footwear

Production Requirement		INDIRECT COSTS	
Salaries (2 Supervisors)	15,000	Production Department	1,570,000
Rent	25,000	Administration Department	154,000
Utilities	40,000	TOTAL	\$1,924,000
Maintenance	35,000		
TOTAL	\$1,570,000	STANDARD COST PER UNIT	
		Raw Material (variable cost)	2.00
Allocation of Production Costs		Direct-Variable labor & expense	14.20
Direct Variable Cost	1,420,000	Direct-fixed	1.50
Direct Fixed Cost	150,000	Indirect-fixed	1.54
TOTAL	\$1,570,000	TOTAL	\$19.24



Self-Check – 2	Written test
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Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Fill in the blanks: (Total marks 5x1=5)

1. In organizations the _____ is used as a tool help the management team guide the company on a course toward revenue and earnings growth
2. When actual financial results become available, a report called _____ is produced that compares the two for each category of revenues and expenditures
3. The _____ has columns for actual results, budgeted numbers and numerical variances the difference between budget and actual - that allow the information to be presented in a side-by-side format
4. If _____ shortfalls occur, expenditures may be cut back, particularly if the company is incurring losses
5. It is important not to overreact to _____, such as an upsurge in fuel prices that elevates the company's product delivery costs. Prices could drop back down and eliminate the variance later in the year.

Test 2: True or False:

(Total marks 4x1=4)

6. Good financial management systems and processes for tracking resource utilization are essential for a department to make effective use of its resources
7. For the allocation of expenditure budgets, the appropriate levels may be informed by historic expenditure patterns and any appropriate benchmarks that have been identified or adopted
8. If possible, the initial budget should be compiled with the participation of whoever will be responsible for its control and performance
9. Responsibility for each element of the budget allocation should be delegated to a named individual



Information Sheet 3- Areas of underperformance

3.1 Introduction

In a footwear manufacturing organization underperformance or poor performance can be exhibited in the following ways:

- Unsatisfactory work performance that is a failure to perform the duties of the position or to perform them to the standard required.
- Non-Compliance with workplace policies, rules or procedures
- Unacceptable behavior in the workplace
- Disruptive or negative behavior that impact on co-workers

Reasons for Underperformance

- a) An employee doesn't know what is expected because goals and/or standards or workplace policies and consequences are not clear (or have not been set)
- b) Interpersonal differences
- c) There is a mismatch between an employee's capabilities and the job they are required to undertake, or the employee does not have the knowledge or skills to do the job expected from them
- d) An employee does not know whether they are doing a good job because there is no counseling or feedback on their performance
- e) Lack of personal motivation, low morale in the workplace and/or poor work environment
- f) Personal issues such as family stress, physical and/or mental health problems or problems with drugs or alcohol
- g) Cultural misunderstandings
- h) Dissatisfaction from workplace



In footwear industry, dealing with underperformance can be challenging and confronting in for employees and employers alike, but it does need to be addressed. Managers need clear procedures, organizational support and the courage and willingness to manage the issue. If performance problems arise, it is crucial that they be resolved early. The longer that poor performance is allowed to continue, the more difficult a satisfactory resolution becomes, and the more the overall credibility of the system may suffer.

Underperformance should be dealt with promptly and appropriately by an employer, as employees are often unaware that they are not performing well and so are unlikely to change their performance. Best practice employers understand that issues that are not addressed promptly also have the potential to become more serious over time. This can have a negative effect on the business as a whole as it can affect the productivity and performance of the entire workplace.

3.2 Recommending solutions

Common Employee Performance Issues in footwear industry

- Employee does not undertake work as required, showing signs of apathy & laziness
- Employee does not appear to understand job requirements or directions
- Employee will not follow directions to perform tasks as required
- Employee fails to acknowledge that they are underperforming
- Employee does not complete work tasks to required standard
- Employee is cynical of work environments & tasks, bringing negative opinions to the work environment
- Employee is regularly absent without cause

3.3 How to manage underperformance

A clear system for managing underperformance is good for both a business and its employees. Best practice employers are aware that ineffective performance management can dramatically reduce the level of performance in a workplace. Employees that perform



well can lose motivation if they have to carry the burden of poor performing colleagues. Also, most employees who are not performing well would like to improve.

Step by step guide to manage underperformance in a footwear organization:

Step 1 – Identify the problem

It is important to understand the key drivers of performance or underperformance within the workforce. It is also important to correctly and specifically identify the problem.

Step 2 – Assess and analyze the problem

The employer should determine:

- How serious the problem is
- How long the problem has existed, and
- How wide the gap between what is expected and what is being delivered.

Once the problem has been identified and assessed, the employer should organize a meeting with the employee to discuss the problem.

Step 3 – Meet the employee to discuss the problem

It is important that the meeting takes place in private and in an environment that is comfortable and non-threatening, away from distractions and interruptions. From this conversation, the Employer/Manager/HOD should be able to clearly understand and take care of:

- What the problem is
- Why it is a problem
- How it impacts on the workplace, and
- Why there is a concern
- Talk about the issue and not the person
- Clarify details
- Stay relaxed and encouraging



Step 4 – Jointly devise a solution

Where possible, it is important that a solution is jointly devised with the employee. An employee who has contributed to the solution will be more likely to accept and act on it.

When working out a solution, the employer should:

- Explore ideas by asking open questions
- Emphasize common ground
- Keep the discussion on track
- Focus on positive possibilities, and
- Offer assistance, such as further training, mentoring, flexible work practices or redefining roles and expectations
- Reinforce the value and worth of the role being performed

A date should be set for another meeting with the employee to review progress and discuss the employee's performance against the agreed action plan. When devising a solution, make sure it is clear and easy to follow and does not rely on 'performance management speak'. Use everyday language to avoid alienating both managers and employees. For example, if terms such as 'KPIs' (Key Performance Indicators) aren't part of everyday language, don't use them in performance discussions and agreements.

Step 5 – Monitor Performance

The employer should monitor the employee's performance and continue to provide feedback and encouragement. A meeting to review and discuss the employee's performance should be held even if there is no longer an issue. This enables both parties to acknowledge that the issue has been resolved. The employer should provide both positive and negative feedback to the employee. If an employee's performance does not improve to an acceptable standard, termination of their employment may be an option. But they should be given reasons for dismissal and an opportunity to respond to those reasons.



Checklist for managers when managing underperformance in footwear organizations:

- Ensure employees clearly understand what is expected from them
- Clearly identify and then assess the problem
- Organize a meeting with the employee to discuss the problem
- Give the employee time to prepare for the meeting
- Allow the employee to bring a support person to the meeting
- Conduct the meeting in a private, non-threatening, comfortable and quiet location
- Define and explain your concerns to the employee in specific terms
- Give the employee a genuine opportunity to respond before considering your actions
- Document all discussions, including actions to be taken



Self-Check – 3	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Say True or False: (Total marks 5x1=5)

1. Underperformance should be dealt with promptly and appropriately by an employer, as employees are often unaware that they are not performing well and so are unlikely to change their performance
2. Best practice employers are aware that ineffective performance management can dramatically increase the level of performance in a workplace
3. Employees that perform well can't lose motivation if they have to carry the burden of poor performing colleagues
4. It is important to understand the key drivers of performance or underperformance within the workforce. It is also important to correctly and specifically identify the problem
5. The employer should monitor the employee's performance and continue to provide feedback and encouragement



Information Sheet 4- Systems to ensure mentoring and coaching

4.1 Introduction

Teams are the force that drives most footwear organizations. Whether it's a functional team, a team of managers, or a project team, people get most done when they work together effectively. So when members of a team don't work well together, performance and productivity can suffer. That's not good for anyone. Hostility, conflicting goals, and unclear expectations within our team, these are symptoms of an unhealthy team. To avoid these harmful effects, we need be proactive about improving team performance. And even when a team is meeting its objectives, there's often room for improvement. So how can we help our team improve? With good team coaching (as distinct from individual coaching) we can take our team to the next level. It's a valuable activity, and it's an essential management and leadership tool.

- **Team Coaching**

Team coaching helps people understand how to work better with others. It's an effective method for showing teams how to reduce conflict and improve their working relationships. The team can then focus on its real work, and achieve its objectives. To coach your team, focus on interpersonal skills and interactions instead of on individual development (as we tend to do with individually-focused coaching). The way people act with their teammates, and the way they communicate with one another – these are important drivers of effective team performance. After all, we can put a lot of high-performing individuals on a team and still have performance problems. People must learn to work together and understand how to relate to one another – otherwise the team's output will be less than it could be.

- **Understand Team Dynamics**

A great place to start team coaching is by understanding the dynamics of the team. This is the process of figuring out how team members relate to one another. We all have different styles of working and communicating, and when we encounter a person with a style that's different from our own, we can often get frustrated with that person, and fail to recognize his or her unique strengths. Some people can be "pushier" than others. A pushy person may



think everything is going great – however, her teammates might have a different perspective. If one person walks away from conflict, and another speaks his mind and doesn't back down from an argument, this can lead to poor decision-making and unproductive work. Personality and behavior assessments are great tools for improving a team's understanding of its own dynamics, and they give team members a better understanding of why they react to their colleagues in certain ways. This new understanding helps them think about how they can relate to one another more effectively, at the same time that it breeds tolerance by helping people understand that different approaches may be valid in different situations.

As a coach, our role is to bring team members together to discuss their individual profiles and help them find ways to work together. Understanding other people's perspectives is a great way to improve relationships with them. However, teams still need to follow ground rules so they can accomplish their goals.

- **Support Individual Development**

Finally, be supportive of individual development. Team members may need help to learn new skills, so that they can meet team expectations and follow supporting processes. Each person has a different level of readiness to take the steps necessary to change. As a team coach, be sensitive to those differences, and find resources to support each person's development goals. In addition to arranging individual coaching where possible, find ways in everyday work situations to coach people. Give feedback regularly, help set individual performance goals, follow up with training opportunities, and model great team behaviors yourself.

4.2 Key Points

- 1) Coaching to improve team performance can need different approaches for different teams and different people. What works for one team may not necessarily work for another.
- 2) Effective working relationships are built by understanding team members' needs, preferences, and styles of work. By helping people understand their own styles and appreciate the different styles of others, you can work with them to change their behaviors and use everyone's strengths.



3) The process of improving team performance takes time, and it may involve looking deeper than team processes. Organizational systems – like reward and recognition, performance management, and training – may need to be addressed as well.

However, the end result of this work is usually well worth it; improved collaboration and communication will benefit the organization as whole.

- **Other Important fact's**

Coaching, counseling and setting objectives are important areas of manager activities, but ultimately if improvement is not achieved; disciplinary procedures will have to be considered. Many area managers are reluctant to 'go down the disciplinary route'. It is stressful, fraught with pitfalls and potentially exposes the area manager to criticism. But it is one of the few tools all managers have to help them address unsatisfactory performance. It is vital that area managers know what to do, when to do it and how to conduct a disciplinary interview professionally and objectively.

- a. Effective use of resources**

Footwear manufacturing systems, regardless of their size, have to work with scarce resources in dynamic environments. Managers are asked to assign production facilities over time to parallel activities respecting operational constraints and deadlines while keeping resource costs as low as possible. Thus, classic scheduling approaches are not adequate when:

- (i) A task simultaneously requires a set of different resources and
 - (ii) A trade-off between different objectives (like time, cost and workload balance) should be reached. In such a case, more sophisticated models and algorithms should be brought to the attention of managers and executives of footwear manufacturing companies.

Effective Resource Management in Footwear Manufacturing System -aims to provide robust methods for achieving effective resource allocation and to solve related problems that occur daily and often generate cost overruns, specifically focusing on problems like resource leveling, sizing of machines and production layouts, cost optimization in production planning



and scheduling. This approach is based on providing quantitative methods, covering both mathematical programming and algorithms, leading to high quality solutions for the analyzed problems. Details of extensive experimentation is provided for the proposed techniques to put them in a practical perspective, so that, on the one hand, the reader can reproduce them, and, on the other hand, it appears clear how they can be implemented in real scenarios.

b. Manufacturing resource planning (MRP II)

Is a method for the effective planning of a footwear manufacturer's resources? MRP II is composed of several linked functions, such as business planning, sales and operations planning, capacity requirements planning, and all related support systems. The output from these MRP II functions can be integrated into financial reports, such as the business plan, purchase commitment report, shipping budget, and inventory projections. It has the capability of specifically addressing operational planning and financial planning, and has simulation capability that allows its users to conduct sensitivity analyses (answering "what if" questions).

In order to best understand MRP II, one must have a basic understanding of MRP, so we will begin with a look at MRP and then expand into MRP II.

Material requirements planning (MRP) is a computer-based, time-phased system for planning and controlling the production and inventory function of a firm from the purchase of materials to the shipment of finished goods. All MRP systems are computer based since the detail involved and the inherent burden of computation make manual use prohibitive. MRP is time phased because it not only determines what and how much needs to be made or purchased, but also when.

The MRP system is composed of three primary modules, all of which function as a form of input. These are the master production schedule, the bill-of-materials, and the inventory status file. Each module serves a unique purpose that is inter-related with the purpose of the other modules, and produces several forms of usable output.

c. The master production schedule (MPS)- is basically the production schedule for finished goods. This schedule is usually derived from current orders, plus any forecast requirements. The MPS is divided into units of time called "buckets." While any time frame may be utilized, usually days or weeks is appropriate. The MPS is also said to be the



aggregate plan. In other words, the plan for goods to be produced in aggregate is broken down into its individual units or finished goods.

- **The bill-of-materials** - is a file made up of bills-of-material (BOM). Each BOM is a hierarchical listing of the type and number of parts needed to produce one unit of finished goods. Other information, such as the routings (the route through the system that individual parts take on the way to becoming a finished good), alternate routings, or substitute materials may be also be contained with the BOM. The bill-of-material can be used to determine the gross number of component parts needed to manufacture a given number of finished goods. Since a gross number is determined, safety stock can be reduced because component parts may be shared by any number of finished goods (this is known as commonality).
- **The inventory status file** - or inventory records file, contains a count of the on-hand balance of every part held in inventory. In addition, the inventory status file contains all pertinent information regarding open orders and the lead time (the time that elapses between placing an order and actually receiving it) for each item.

Open orders are purchase orders (orders for items purchased outside the firm) or shop orders (formal instructions to the plant floor to process a given number of parts by a given date) that have not been completely satisfied. In other words, they are items that have been ordered, but are yet to be received.

The MRP logic starts at the MPS, where it learns the schedule for finished goods (how many and when). It takes this information to the BOM where it "explodes" the gross requirements for all component parts. The MRP package then takes its knowledge of the gross requirements for all components parts to the inventory status file, where the on-hand balances are listed. It then subtracts the on-hand balances and open orders from the gross requirements for components yielding the net requirements for each component.

We now know not only how many components are needed but when they are needed in order to complete the schedule for finished goods on time. By subtracting the lead time from the due date for each part, we can see when an order must be placed for each part so that it can be received in time to avoid a delay in the MPS.



Self-Check – 4	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: short answer

1. Explain Systems to ensure mentoring and coaching
2. What do you mean by “Effective use of resources”?
3. What do you mean by “Understand Team Dynamics”?



Information Sheet 5- Recommendations for variations to operational plans

Mistakes to avoid in footwear manufacturing operation plan:

- ✓ Failing to clearly outline the process by which you manufacture shoes.
- ✓ Failing to account for all production costs (direct and indirect).
- ✓ Failing to assess the manufacturing process in terms of manufacturing costs, taxes, shipping, installation, maintenance, serviceability, etc.
- ✓ Failing to develop adequate inventory control and quality assurance guidelines.
- ✓ Failing to identify all machinery and equipment needed.
- ✓ Failing to properly plan the layout of the plant, the workflow process, and the material handling procedures.
- ✓ Failing to properly outline personnel management, scheduling, and hiring practices.
- ✓ Failing to properly plan for contingencies to meet production and staffing challenges.
- ✓ Failing to plan for long term facility and equipment changes.

5.1.1 Team coaching

Introduction to Team coaching in footwear organization

Teams are the force that drives most footwear organizations. Whether it's a functional team, a team of managers, or a project team, people get most done when they work together effectively.

So when members of a team don't work well together, performance and productivity can suffer. That's not good for anyone. Hostility, conflicting goals, and unclear expectations within our team, these are symptoms of an unhealthy team. To avoid these harmful effects, we need be proactive about improving team performance. And even when a team is meeting its objectives, there's often room for improvement. So how can we help our team improve? With



good team coaching (as distinct from individual coaching) we can take our team to the next level. It's a valuable activity, and it's an essential management and leadership tool.

Team coaching helps people understand how to work better with others. It's an effective method for showing teams how to reduce conflict and improve their working relationships. The team can then focus on its real work, and achieve its objectives. To coach your team, focus on interpersonal skills and interactions instead of on individual development (as we tend to do with individually-focused coaching). The way people act with their teammates, and the way they communicate with one another – these are important drivers of effective team performance. After all, we can put a lot of high-performing individuals on a team and still have performance problems. People must learn to work together and understand how to relate to one another – otherwise the team's output will be less than it could be.

- **Understand Team Dynamics:**

A great place to start team coaching is by understanding the dynamics of the team. This is the process of figuring out how team members relate to one another. We all have different styles of working and communicating, and when we encounter a person with a style that's different from our own, we can often get frustrated with that person, and fail to recognize his or her unique strengths. Some people can be "pushier" than others. A pushy person may think everything is going great – however, her teammates might have a different perspective. If one person walks away from conflict, and another speaks his mind and doesn't back down from an argument, this can lead to poor decision-making and unproductive work. Personality and behavior assessments are great tools for improving a team's understanding of its own dynamics, and they give team members a better understanding of why they react to their colleagues in certain ways. This new understanding helps them think about how they can relate to one another more effectively, at the same time that it breeds tolerance by helping people understand that different approaches may be valid in different situations.

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- **Support Individual Development:**

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- **Key Points:**

- 1) Coaching to improve team performance can need different approaches for different teams and different people. What works for one team may not necessarily work for another.
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managers know what to do, when to do it and how to conduct a disciplinary interview professionally and objectively.

5.3 Effective Resource Management in Footwear Manufacturing System

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- i. A task simultaneously requires a set of different resources and
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of specifically addressing operational planning and financial planning, and has simulation capability that allows its users to conduct sensitivity analyses (answering "what if" questions).

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b) The bill-of-materials - is a file made up of bills-of-material (BOM). Each BOM is a hierarchical listing of the type and number of parts needed to produce one unit of finished goods. Other information, such as the routings (the route through the system that individual parts take on the way to becoming a finished good), alternate routings, or substitute materials may be also be contained with the BOM. The bill-of-material can be used to determine the gross number of component parts needed to manufacture a given number of finished goods. Since a gross number is determined, safety stock can be reduced because component parts may be shared by any number of finished goods (this is known as commonality).



c) **The inventory status file** - or inventory records file, contains a count of the on-hand balance of every part held in inventory. In addition, the inventory status file contains all pertinent information regarding open orders and the lead time (the time that elapses between placing an order and actually receiving it) for each item.

Open orders are purchase orders (orders for items purchased outside the firm) or shop orders (formal instructions to the plant floor to process a given number of parts by a given date) that have not been completely satisfied. In other words, they are items that have been ordered, but are yet to be received.

The MRP logic starts at the MPS, where it learns the schedule for finished goods (how many and when). It takes this information to the BOM where it "explodes" the gross requirements for all component parts. The MRP package then takes its knowledge of the gross requirements for all components parts to the inventory status file, where the on-hand balances are listed. It then subtracts the on-hand balances and open orders from the gross requirements for components yielding the net requirements for each component.

We now know not only how many components are needed but when they are needed in order to complete the schedule for finished goods on time. By subtracting the lead time from the due date for each part, we can see when an order must be placed for each part so that it can be received in time to avoid a delay in the MPS.



Self-Check – 5	Written test
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Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Fill in the blanks: (Total marks 5x1=5)

1. Teams are the force that _____ most footwear organizations. Whether it's a functional team, a team of managers, or a project team, people get most done when they work together effectively
2. When members of a team don't work well _____, performance and productivity can suffer
3. _____, conflicting goals, and unclear expectations within our team, these are symptoms of an unhealthy team
4. With good team coaching (as distinct from individual coaching) we can take our team to the next level. It's a valuable activity, and it's an essential _____ and leadership tool
5. Team coaching helps people understand how to work better with others. It's an effective method for showing teams how to reduce conflict and improve their _____



Information Sheet 6- Systems to ensure procedures and records

6.1 Introduction to operation plan – Footwear manufacturing:

An operational plan is a document that lays out the basic structures and practices of a business. It may exist as an independent document or as part of a larger business plan. For a footwear manufacturing business, an operational plan is absolutely vital because operations are intrinsically complex and detail-intensive. To successfully outline the operations of a footwear manufacturing business, an operational plan must address several key items.

6.1.1. Footwear manufacturing unit, a good operation plan

Footwear manufacturing unit, a good operation plan must contain the following:

- a) **Facilities and Equipment** -An operational plan for a manufacturing company should detail the metrics and operational status of all company facilities and equipment. It should take into account geographical locations, floor space, operational purposes and floor plans of the facilities. It should also describe the various types of manufacturing equipment that the facilities employ, giving information regarding their purpose and their state of repair.
- b) **Supply Chain** -A supply chain is the total organization that a company utilizes to acquire items from suppliers. Footwear Manufacturing companies tend to employ very complex supply chains because they often need a wide array of materials and components from various suppliers. Due to the intrinsic complexity of such arrangements, a manufacturing company's operational plan should include information on the supply chain and how the company plans on managing it.
- c) **Labor Structure** -The labor structure section of a footwear manufacturing company's operational plan should take into account the various employees that work for the company and what they do. It should also lay out the organizational structure of the company, especially when it comes to hierarchy, showing which managers are in charge of which aspects of the business. This section should stipulate who is the responsible party in every aspect of production.



d) Production Process -While the labor structure section details the structure of the workforce from the prospective of human capital, the production process section details the specifics of manufacturing from the prospective of components and materials moving down the production line. It should lay out the steps of production and give numerical details, such as production capacity.

e) Storage and Distribution -To allow for quick responsiveness to orders, a footwear manufacturing company must create a certain amount of a product and store it as inventory. This inventory must have a detailed and logical system of storage to allow for ease of access. The operational plan should explain this system. It should also explain the methods that the company will use to distribute its products after production, whether it plans to do so by purchasing its own vehicles or by contracting with transportation firms.

- **Mistakes to avoid in footwear operation plan:**

- ✓ Failing to clearly outline the process by which you manufacture shoes.
- ✓ Failing to account for all production costs (direct and indirect).
- ✓ Failing to assess the manufacturing process in terms of manufacturing costs, taxes, shipping, installation, maintenance, serviceability, etc.
- ✓ Failing to develop adequate inventory control and quality assurance guidelines.
- ✓ Failing to identify all machinery and equipment needed.
- ✓ Failing to properly plan the layout of the plant, the workflow process, and the material handling procedures.
- ✓ Failing to properly outline personnel management, scheduling, and hiring practices.
- ✓ Failing to properly plan for contingencies to meet production and staffing challenges.
- ✓ Failing to plan for long term facility and equipment changes.

6.1.2 Key points to footwear operation plan:

a) Focus - Operations scheduling focuses on everything from the optimal inventory levels to detailed scheduling (both of machines and people) to meet customer demands of



quantity, quality and delivery. The breadth of its focus may seem overwhelming, yet operations scheduling is really nothing more than managing the resources of a company to their optimum potential.

- b) Capacity Planning** - Capacity planning involves the estimation of what that maximum output is and a formulation of what the optimal level of production is. This type of focus is on the efficient use of resources and, at its most basic, looks to match production to customer demand without incurring shortage costs or storage costs. Capacity planning, although useful as a framework, is based largely on assumptions of customer demand and delivery, assumptions that may not always be accurate.
- c) Static Planning** - Static plans, such as capacity planning, are based on assumptions that the process can be defined in its entirety and demand can be estimated accurately.
- d) Dynamic Planning** - By contrast, dynamic planning involves the assumption that demand will change, so little is produced until the orders are received. This approach, also called "just-in-time," is extremely effective in environments where a high level of customization is required, such as a footwear industry. Frequently, dynamic planning is used in tandem with static planning. This means that a small amount of product is produced based upon assumptions of customer demand and trends, but the plant is organized to quickly provide specialized products as requested.
- e) Production Planning** - Production planning encompasses the mixture of static and dynamic planning. Although highly related to operations planning, production planning is focused solely on production. As a result, production planning produces specific plans that focus more on the capabilities of the plant rather than the demand. This mitigation of assumption is effective so long as a "rolling horizon" is used. A rolling horizon means that the production plan is implemented but adjusted periodically as customer demand and delivery fluctuate.
- f) Labor Organization**—The organization of labor within an enterprise has a bearing on your overall productivity. The layout or floor plan of your facilities and the tasks at hand determine how labor should be organized.

- **A line approach** – is when each worker is responsible for one particular



task and, upon completion of the task, pass the work out next person in the line. Line approach is an excellent method for assembly businesses or when tasks can be isolated.

- **A team Approach**—is when a group of workers is responsible for all tasks related to an operations or production stage. Using this approach depends on the complexity of the process and the skills and training needs of the workers.
- **Specialization** - Workers' productivity can be increased if they develop particular technical competence in a production or operations stage or product. Specialized workers produce at a faster pace and with more precision than those who are not specialized. Specialization requires training and careful planning to ensure that enough workers are skilled in a specialization and that they can cover for one another if one is out.
- **Technology** - using best technology enhances the production or operations process. Good computer system can manage inventories, billing and distribution with greater speed and accuracy than a human being. Machinery for manufacturing has the same benefits.
- **Scheduling**—Advance planning and operation scheduling are imperative for increasing productivity. Not having material on hand for production, adequate labor to fill a large order, or an audience for training courses slows output and incoming cash. Scheduling prevents bottlenecks from occurring and keeps operations running smoothly during cyclical swings.
- **Financial incentives** – Money talks and it also motivates productivity. Financial incentives such as bonuses for producing over profit sharing, etc. are all possible enticements to spur productivity.
-



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Table 6:outline of operational plan components

Outline of Operational Plan Components
Department Name
Department/ Number
Department Description:
Department mission statement
Department goals
Program A Name
Program A Authorization (Primary constitutional, statutory, and/or other citations)
Program A Description:
Program mission statement
Program goals
Description of program activities
Programwide performance information (optional)
Program A Objectives:
Objective No. 1
Strategic link
Performance indicators
Objective No. 2



Strategic link
Performance indicators
Objective No. 3
Strategic link
Performance indicators
Program B Name
Program B Authorization: (Primary constitutional, statutory, and/or other citations)
Program B Description: (Mission statement, goals, activities description, and optional programwide performance information)
Program B Objectives:
Objective No. 1
Strategic link
Performance indicators
Objective No. 2
Strategic link
Performance indicators
Charts:
Department Chart



Department/Program Structure (with Activities) Chart
Contact Person(s): Name, title, and contact numbers (telephone, FAX, and e-mail)
Department Contact Person (for entire operational plan); and/or
Program A Contact Person
Program B Contact Person
This is a sample outline. Since the program structures of departments/agencies vary, some operational plans will include more programs and program information.

Outline of operation plan components

This way we can represent our operation plan to higher officials or designated persons and easily negotiate.

6.1.3 Documenting Performance & Performance Measurement

Generally, footwear organizations undertake two types of monitoring activities to understand how the organization is performing and to identify those areas which require further attention. The two types of monitoring activities are compliance monitoring and performance monitoring.

a) Compliance Monitoring

Compliance is defined as 'adhering to the requirements of laws, industry and organizational standards and codes, principles of good governance and accepted community and ethical standards'. Compliance monitoring and compliance auditing aim to establish whether a process or procedure is carried out in conformance with relevant external requirements, whether set through legislation, regulations or directions. It involves examining, at a fairly straightforward level, how organizations 'do something' and confirming 'compliance' with criteria.

- **Organizations can monitor their compliance by:**



- ✓ Using the Records Management Assessment Tools
- ✓ Assessing compliance against the requirements of each standard issued by State records (there are compliance checklists at the end of each standard)
- ✓ Benchmarking against previous records management self assessment surveys or audit results to assess improvements or to identify issues of non compliance
- ✓ Undertaking a compliance audit using internal auditors or an external party to provide an independent assessment of the organization's records management program, practices and systems, and

b) Performance Monitoring

Performance monitoring involves an in-depth analysis of a process or project, to determine whether it is efficient and effective. It involves developing criteria, conducting interviews and examining documentation to determine how the process or project is conducted. Organizations typically measure performance to determine if a process or practice is effective and whether objectives or targets are being met, and thus satisfactory performance. Measuring performance allows the organization to not just measure whether an outcome is being achieved, but how well or the degree of satisfaction of the outcome; in this way it is a 'qualitative' form of measurement. Performance measurement can also assist the organization in determining how capable it is whether current practices and whether the organization's capability can be extended to new practices or processes.

- **Footwear organizations should regularly assess the effectiveness and efficiency of their recordkeeping systems and processes to:**
 - ✓ Ensure that they are satisfactory and meeting the organization's business needs
 - ✓ Support continuous improvement in line with the organization's business objectives
 - ✓ Identify achievements and successes
 - ✓ Comply with standards issued by State Records, and
 - ✓ Plan for new services and upgrades to existing tools and services.



- **Performance monitoring activities can range from monitoring:**

- ✓ Overall performance of the organization's records management program
- ✓ Recordkeeping by business units, workgroups or individuals
- ✓ Records management processes
- ✓ Records management systems
- ✓ Delivery of records management services by service providers, and
- ✓ Assessing the records management capability of the organization.

Performance monitoring can also include targeted assessments of recordkeeping, for example assessing high risk business areas to ensure that records are being created and captured, and that records are adequate (ie. are the records being created and captured adequate for providing evidence of the business of the organization?). The starting point for some performance monitoring activities may be the identification of a business issue/problem. The organization can analyze the problem using the relevant tool and develop a solution which may involve updating processes or developing new processes.

- **Guidelines:**

The guidelines will be useful for records managers or other staff with responsibility for managing the records management program or those responsible for implementing a monitoring program for record keeping. Monitoring should be scalable to your organization's needs and resources. If necessary, prioritize areas of concern, ex. target high risk business unit/s, and/or target high risk recordkeeping processes, such as disposal or capturing records.

- **Monitoring will only be useful if a number of criteria are met these are:**

- ✓ Clearly defined objectives
- ✓ Adequate resources to carry out the monitoring
- ✓ Appropriate performance measures



- ✓ Senior management support for using results to improve performance
- ✓ Regular review of objectives and indicators to make sure they remain relevant.
- ✓

6.2 Stages in monitoring recordkeeping performance

The table below sets out the stages for establishing a monitoring program for recordkeeping. While the stages are generic to any performance monitoring program:

Stage	Description
1	Setting performance objectives
2	Developing performance measures
3	Collecting the data
4	Analyzing results
5	Implementing performance improvements
6	Reporting and review

6.2.1 Setting Performance Objectives

Clearly define performance objectives and their relationship to the objectives of the records management program. Planning documentation for the records management program (i.e. the action and strategic planning documentation) should set out the objectives of the program for the period of time covered by the plans. These objectives could relate to very different aspects of the program, including the quality of records management services, to ensuring the creation and capture of records across the organization.



Some examples of performance objectives are given below.

Examples of performance objectives

- a) All staff create and keep full and accurate records
- b) All staff can find records when they need to
- c) All staff are aware of the organizational policy/rules for managing email, for managing corporate data on mobile devices or storing data on removable storage devices
- d) Records are stored securely and protected from unauthorized access, alteration, deletion or loss
- e) Records in both paper and digital systems are disposed of accountably
- f) Records are captured into official recordkeeping systems
- g) All recordkeeping requirements for high risk business processes are identified and documented
- h) All business systems that create and keep records have been identified
- i) All business systems that keep records of high risk business processes have been assessed for recordkeeping functionality.

6.2.2 Developing Performance Measures

Performance measures are the yardsticks by which you assess whether you have met, or have gone some way towards meeting, your objectives. They can be a mixture of quantitative and qualitative measures but should be scoped to fit your objectives and resources for monitoring. It is no use having 25 measures requiring daily data collection if you don't have the time to collect the data or to analyze and make use of the results. Don't waste resources collecting elaborate statistics that are never used.

- **Tips to remember:**

- a) Measure what you need to know, not what you would like to know
- b) What gets measured gets done
- c) Incorporate monitoring into routine operations
- d) Don't set too many performance measures

- **Different types of performance measures are used to measure:**

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- ✓ Economy (Monetary Value)
- ✓ Efficiency, and
- ✓ Effectiveness.

What you measure will depend upon the objectives you have set. Usually, it's good to have a mixture of measures that cover the three 'E's above. What you measure will also depend upon the level at which you want to do this, ex. the high level records management program, a business unit, a particular recordkeeping process or service.

If you are measuring...	Then some examples of relevant measures could be...
Economy	<ul style="list-style-type: none"> • Cost per record retrieval $COST = (Storage\ contract + salaries + RM\ unit\ office\ costs) \div no.\ of\ boxes/items\ retrieved.$ [Note: Decide which cost elements you wish to include. Keep it simple and be consistent.] • Cost per file created • Cost per record managed • Demonstrating value for money in outsourced service provision
Efficiency	<ul style="list-style-type: none"> • Speed of retrieval and delivery of records from storage • Enquiries completed within x hours • Number of complaints • Is there records management policy, procedures, disposal authority, etc.? • Service level agreements in place for outsourced information and records management service provision and measures identified



Effectiveness	<ul style="list-style-type: none"> • Satisfied customers • Proportion of business units using the records management service • Proportion of new users • Whether staff uses records management tools, follow procedures, save emails. • Audit queries that relate to recordkeeping able to be satisfied • Recordkeeping system/s and business systems meeting recordkeeping requirements • Ability to meet external enquiries for records • Outsourced service providers meet performance requirements and deliver effective information and records management services
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Collecting the Data

Do not make obtaining information about performance an onerous task. It should be part of the routine management processes carried out as part of the records management program.

Collection method

The method chosen should be relevant to the type of information you are collecting. The table below sets out some common methods of collecting data.

Collection method	Data type	Outline methodology
Surveys	Qualitative Quantitative	There are different ways of gathering survey data, eg: Self-completion by service users, Completion by records management staff or third party (.g. consultants) in interviews with users and observing staff.



		<p>Surveys can be qualitative or quantitative or contain elements of both. Qualitative surveys are more likely to focus on perceptions, ex. 'How well ...'</p> <p>Quantitative surveys are more likely to focus on facts, ex. 'Do you have ..., How many ...'</p> <p>Note: Don't forget that the more people you survey and the more questions asked, the longer it could take to collate and analyze the results. Don't overuse this method. You are unlikely to be the only unit surveying staff and they can get fed up.</p>
Focus groups	Qualitative	Organized by records management staff. Useful to get feedback on services or service delivery, new ideas, post implementation reviews of new systems or tools, etc. Be aware that staff may be reluctant to criticize services even when they are dissatisfied.
System monitoring	Quantitative	<p>Use software capabilities to monitor errors and exception reports.</p> <p>Monitor numbers of files created, disposed of, records registered, etc. Most records management software should be able to generate these statistics automatically or in smaller paper systems it can be done manually.</p>
Enquiries	Quantitative Qualitative	<p>Quantity of enquiries received by the records management staff or help desk.</p> <p>Enquiries can be used to get feedback or to learn about where staff needs further guidance or assistance.</p>
Observation	Qualitative	Formal or informal. Check how records are being



		managed. Visit business units and look in filing cabinets. Monitor system logs and records entries. Observe staff doing recordkeeping tasks.
File audits	Qualitative	Sample files to check that the contents match either what is registered on the recordkeeping system, or fully reflects the business transactions that have taken place. Check that files are in the correct location. Check that records are formally attached to files, not just stuck between the file covers. Note: File audits can also be used in conjunction with Interviews.
Interviews	Qualitative	Structured interviews with sample of staff to find out what records they are creating/ receiving, what they do with them, and whether they understand the recordkeeping rules of the public office. Helps to identify any issues and gaps in knowledge.
Informal feedback	Qualitative Quantitative	Anecdotal evidence can be useful in identifying strengths and weaknesses. Training sessions in particular are a good source of feedback on systems and services. (Note: This is in addition to feedback on the quality of training provided). On its own, it is no substitute for a planned program of monitoring.

• Analyzing results

Having carried out the monitoring, you need to analyze the information you have collected. Check results against current performance targets. It is useful to also review performance



against the performance of the records management program in previous years so that you can monitor trends in your services. If you are getting poor performance results, analyze the records management program elements to find out the cause. Be aware that sometimes the real causes can be beyond the control of the program.

- **Footwear organizations can monitor their performance by:**

- a. Conducting assessments using the plans, goals and objectives of the records management program
- b. Assessing feedback from clients of the services provided by the records management program
- c. Benchmarking against standards such as ISO and standards issued by State Records
- d. Assessing the level of understanding and use of records management policies and procedures by staff
- e. Assessing progress against the organization's storage and disposal plan
- f. Conducting an internal audit of recordkeeping and/or management of records
- g. Conducting detailed reviews of high risk business areas to confirm that records are being created and captured into the recordkeeping system.

Records are an important organizational asset; they provide the primary route for evidence based verification and traceability since they demonstrate compliance with customer requirements. Records also prove the efficiency of our quality management system.

- **In a footwear organization majorly we retain following records, these depends upon organization to organization & as per the organization functionality:**

- ✓ Management review minutes
- ✓ Records of education, training, skills and experience
- ✓ Evidence that the realization processes and product fulfill requirements
- ✓ Records of sales activities
- ✓ Design and development inputs



- ✓ Design and development reviews and any related actions
- ✓ Design and development verification and any related actions
- ✓ Design and development validation and any related actions
- ✓ Design and development changes and any related actions
- ✓ Results of supplier evaluations and any actions arising
- ✓ Records to demonstrate the validation of special processes
- ✓ Where traceability is required, the unique identification of the product is recorded
- ✓ Customer property that is lost, damaged or otherwise found to be unsuitable
- ✓ Measuring equipment records
- ✓ Validity of the previous measuring results when measuring equipment is found to be out of calibration
- ✓ Internal audit results and follow-up actions
- ✓ Indication of the person(s) authorizing release of product.
- ✓ Records of the product nonconformities and any subsequent actions
- ✓ Results of corrective action
- ✓ Results of preventive action

Some examples of the documenting procedure:

1) The product and service provision planning process

- a) Customer related processes
- b) Design process
- c) Purchasing process
- d) Process control

2) Customer satisfaction is monitored but does not specify methods

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- a) Do we deliver on time?
- b) Do we deliver in full?
- c) What feedback do we get from sales reps and service engineers?
- d) Are the key accounts growing?
- e) Customer audits or monitoring? If favourable, use them as evidence
- f) Direct feedback from the customer

3) Others

- 1) Checks should be carried out at appropriate stages ex.-goods-in, goods-out, etc.
- 2) Checks should be against defined criteria ex. - what's good and what's bad must be defined
- 3) Records shall identify the person(s) making decisions
- 4) The product shall not be released until the required checks are satisfactory.

6.2.3 How do you know if recordkeeping systems are performing well in footwear industry?

- a) Check that the recordkeeping requirements of all recordkeeping systems have been identified
- b) Assess systems against recordkeeping requirements and defined functionality, i.e. is the system capturing records of [name of function] transactions, are unique identifiers assigned to records, etc. Note: This is likely to involve interviews with both system managers and business managers.
- c) Monitor system downtime (electronic systems)
- d) Check that records have unique identifiers in the system. Check that the data automatically applied by systems are correct, eg. date and time, record creator information, unique transaction numbers, etc.
- e) Check that records are able to be accessed and retrieved from the system



- f) Confirm that migrations of records from one system to another are controlled and documented, and that metadata remains linked to the record when it is migrated
- g) Check that records managed, stored or returned by outsourced service providers are complete and accessible
- h) Confirm that recovery and restoration processes for digital records and recordkeeping systems function correctly and that records can be recovered and restored after a disaster

Self-Check – 6	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Say true or false (Total marks 4x2=8)

1. Records are an important organizational liability; they provide the primary route for evidence based verification and traceability since they demonstrate compliance with customer requirements
2. Confirm that recovery and restoration processes for records and recordkeeping systems function correctly and that records can be recovered and restored after a disaster
3. We should detailed reviews of high risk business areas to confirm that records are being created and captured into the recordkeeping system



4. It is useful to also review performance against the performance of the records management program in previous years so that you can monitor trends in your services.

Section 2: Answer in Short: (Total marks 5x2=10)

5. What do you mean by Analyzing results?
6. Kindly name 2 performance objectives?
7. What do you mean by “Performance Monitoring”?
8. Organizations can monitor their compliance by:
9. What are the Stages in monitoring recordkeeping performance?



LG #48

LO #4- Review and evaluate work performance

Instruction Sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics

- Work plans, strategies and implementation
- Outcomes of work plans and reliable feedback
- Results of review for adjustments/simplifications
- Performance appraisal
- performance appraisal report
- Recommendations
- Feedback mechanisms

This guide will also assist you to attain the learning outcome stated in the cover page specifically, upon completion of this Learning Guide; you will be able to –

- Review work plans, strategies and implementation based on accurate, relevant and current information
- Review based on comprehensive consultation on outcomes of work plans and reliable feedback
- Provide results of review to concerned parties and forming as the basis for adjustments/simplifications
- Conduct performance appraisal



- Prepare and document performance appraisal report regularly
- Prepare and present recommendations
- Implementing feedback mechanisms

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the “Information Sheets”. Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the “Self-checks” which are placed following all information sheets.
5. Ask from your trainer the key to correction (key answers) or you can request your trainer to correct your work. (You are to get the key answer only after you finished answering the Self-checks).
6. If you earned a satisfactory evaluation proceed to “Operation sheets
7. Perform “the Learning activity performance test” which is placed following “Operation sheets” ,
8. If your performance is satisfactory proceed to the next learning guide,
9. If your performance is unsatisfactory, see your trainer for further instructions or go back to “Operation sheets”.



Information Sheet 1- Work plans, strategies and implementation

1.1 Introduction

Most of the footwear manufacturing firms issue a master schedule at or near the beginning of the manufacturing phase, extending from beginning to the end of the project. Such schedules may serve many purposes, from long term coordination to specifying terms of manufacturing. However, such initial total project schedules cannot be accurately detailed too far into the future because of lack of information about duration and deliveries. Constantly, most footwear manufacturing projects use some form of short term schedule to coordinate and direct the various trades and crews working on the job. These schedules are often called “look ahead schedules”. Look ahead are commonly used in footwear industry in order to focus management attention on what is supposed to happen at same time in the future, and to encourage actions in the present that cause the desired future. In footwear industry look ahead planning is proposed as the key to improving PPC, and consequently the key to reducing project cost and duration.

The following purposes for look ahead planning are identified:

- Shape work flow in the best achievable sequences, and rate for achieving project objectives that are within the power of the organization at each point of time
- Match labor and related resources to work flow
- Produce and maintain a backlog of assignments for each frontline supervisor
- Group together work that is highly interdependent, so that work method can be planned for the whole operation

1.2 Planning procedure

Step 1:

Enter the latest status forecast information into the project master schedule. Adjust starts, completions, sequences and durations accordingly.



Step 2:

Do not allow any assignment into week one that are not ready. Ask the supervisor if each assignment can be completed in week one.

Step 3:

Examine the remaining weeks in the look ahead, except for the last, moving from present to future. Screen out any assignment that cannot be made ready when scheduled. Try to maintain for each crew an amount of assignments twice that which can be completed in a week.

Step 4:

Identify those activities scheduled to start or complete in the look ahead week (e.g. week 5 for the lasting contractor) and screen out any activities that you do not know can be ready to assign when scheduled.

Step 5:

Translate look ahead week activities into the language of assignments, grouping highly interdependent operations that should be planned as a whole.

Step 6:

Calculate the earnable man-hours or otherwise quantify the labor content of the work in the look ahead week. If that amount of work falls below the amount needed to maintain schedule and if you will have the labor capacity to do that amount of work, advance work from the master schedule to the extent practical. If the resultant amount of work falls below the current work force, reduce the work force, or decide how to use the excess labor time. If the amount of work exceeds the current or projected work force, decide whether or not to increase labor to accelerate progress.

Step 7:

Produce a list of actions needed to make assignments ready when scheduled

Look head planning performance measurement:

1. Subjective evaluation by project superintendents/managers and consultants.

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2. Measuring the extent to which weekly work plan assignments previously appeared on look ahead scheduled assignment anticipated
3. Measuring the extent to which assignments that appeared on look ahead schedules appeared on weekly work plans when scheduled assignment plan ready,
4. Tracking the change over time of schedule date for specific assignment using time/time charts

1.2.1 Major reasons for work plans, strategies failure in footwear organizations

- 1) The project manager cannot tell you exactly what work remains to complete the project.
- 2) The project manager is unsure whether the team will complete the project on-time and within budget.
- 3) The project manager doesn't know the critical path of activities.
- 4) Team members are not sure of what they need to work on next (or even what they should be working on now).
- 5) Infrequent updates-Sometimes the project manager updates the work plan, but at lengthy intervals-perhaps updating the work plan every two months on a six-month project. The problem is that by the time you make a formal update, you may have already missed some activities.
- 6) Managing by percent complete-All activities should have a due date. If the activity is completed on time, everything is great. If the activity is not completed, a common question to ask is what percentage of the work is completed. Knowing the percent complete is very subjective.
- 7) Assigning activities that are too large-If you assign a team member an activity that is due by the end of the week, you know if the work is on-track when the week is over. However, if you assign someone an activity that doesn't need to be completed for four weeks, you have a long time to go before you know if the work is really on schedule. Sure, the person assigned can tell you it is 25 percent complete or 50 percent complete. But this is a highly subjective response.



1.2.2 Work plan and strategies review in footwear organizations

a) Appropriate time to review a work plan:

- At the end of each day (for a weekly plan) or the end of each week (for a monthly plan)
- When you're aware that you're falling behind
- When something changes which means you have less time than you thought.

b) Reviewing your plan at end of each day or week:

Check for:

- Tasks you haven't done or haven't completed (what are you going to do about them?)
- What you're going to do tomorrow or next week (and any preparation you need to do, for example production flow charts to take with you, documents to print out etc.)
- Whether there's anything you need to change about your plan.

c) Reviewing your plan when you suddenly have less time than you planned:

- Priorities your tasks ruthlessly
- Identify another way of meeting one of the demands on your time (for example, do it in advance, or do it differently so it takes less time).

d) Problem identifying and analyzing the Work Plan in footwear manufacturing:

- Personnel involved in work planning activities have the appropriate technical and operational backgrounds and expertise given the work to be performed and the problems associated with the work.
- Personnel involved in work planning activities have been trained in the work planning and control process, including the systematic identification and analysis of problems, and understand how their roles and responsibilities contribute to ensuring the safe and reliable accomplishment of work.
- The synergy/interaction of a team approach is used where appropriate to systematically identify and analyze the work problems and their significance



- Workers are involved in problem identification where possible.

Work is conducted diligently in accordance with approved work instructions and within established controls:

- 1) Work is formally scheduled and integrated with other ongoing work activities, and is formally authorized to proceed by the responsible line manager.
- 2) Readiness to conduct work is confirmed, including verification that field conditions are as expected and that tools, materials, parts, and support is ready and available.
- 3) Pre-job briefings are conducted as appropriate to ensure that work, problems, and controls are adequately understood by workers and first line supervisors.
- 4) Workers are trained and qualified.
- 5) Written work instructions include necessary prerequisites, features, controls, warnings, precautions, hold points, independent verifications, notifications, announcements, etc. to ensure worker safety, protection of critical equipment, and continuity of operations.
- 5) Workers strictly adhere to procedures; take appropriate actions in response to unexpected circumstances or conditions, and adequately document and record observations and actions, including as-found conditions, unexpected circumstances or conditions encountered
- 6) The acceptability of work products and outcomes is verified (e.g., post-work tests and Inspections), and the work is formally accepted by the requestor/owner/user.
- 7) Work documents are closed out in a timely manner, including updates of affected documents (e.g., Master Equipment Lists, training manual)

1.3 Controls are implemented that effectively protect against identified problems:

- a) A hierarchy of controls methodology is employed that first seeks to eliminate the problem, then to reduce the level of problem, and finally to control the problem - first through the use of engineered controls, then through administrative controls.
- b) Appropriate controls are identified for all problems associated with the work activity.



Unnecessary controls are avoided.

- c) Problem controls are analyzed collectively to ensure selection of an optimum set that donot conflict with each other or introduce additional problems.
- d) The problems and controls are clearly identified in the work package.
- e) Work instructions clearly identify warnings, precautions, hold points, independentverifications, and other measures to ensure personnel safety, equipment protection, andcontinuity of operations.

1.4 Feedback and Improvement:

The work planning and control process is routinely critiqued as part of doing work, andopportunities for improvement are adequately documented to allow for effective disposition by the feedback and improvement process.

- 1) Post-job reviews are conducted to obtain feedback, both good and bad, for use in makingprocess improvements.
- 2) Feedback and lessons learned information is adequately documented (recorded in logs, databases, etc.), and forwarded to the appropriate individuals/organizations for analysisand disposition.
- 3) Appropriate action is taken in response to feedback and lessons learned information, therationale for the action taken is documented, and the action is discussed with theindividuals that provided the information for closure.



Self-Check – 1	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Fill in the blanks: (Total marks 5x1=5)

1. Most of the footwear manufacturing firms issue a _____ at or near the beginning of the manufacturing phase, extending from beginning to the end of the project
2. Schedules may serve many purposes, from long term _____ to specifying terms of manufacturing
3. Footwear industry look ahead _____ is proposed as the key to improving PPC, and consequently the key to reducing project cost and duration.
4. Shape work flow in the best achievable _____, and rate for achieving project objectives that are within the power of the organization at each point of time
5. Do not allow any _____ into week one that is not ready. Ask the supervisor if each assignment can be completed in week one



Information Sheet 2- outcomes of work plans and reliable feedback

2.1 Introduction

In footwear manufacturing industry this totally depend upon the kind of feedback what is received from the plan users:

- 1) Either the work plan is fully appropriate, as we are receiving the output weekly/monthly according to the plan
- 2) Some improvements are required in few stages of manufacturing process
- 3) Very less output we received as compare to actual, work plan need to restructured
- 4) Output is totally different; a new work plan is required immediately

To avoid these different outputs, excluding first you need to take care:

a) Writing your work plan

Every organization should have a written plan for its future development, documenting the outcomes of the strategic planning process. Your plan should outline how the organization plans to achieve its aims and objectives. It should demonstrate that there is effective control and management of the organization by including a governance section with examples of controls.

Steps should take care:

Step 1: Who should be involved?

Step 2: Where is the organization now?

Step 3: Where are we going?

Step 4: How do we get there?

Step 5: Writing a strategic plan

Step 6: Monitoring and reviewing your strategic plan

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b) Writing the strategies

It is important that your written plan is 'bought into' by your full organization by involving people at the earliest stages and is not merely a paper exercise. The extent and detail of your written plan will depend on the nature and size of your group or organization, but the following are headings for strategic/business plan:

- 1) **Executive summary** - A summary of the plan; you may wish to make this summary something you can promote inside the organization, to build support and keep everyone informed.
- 2) **Introduction** - The purpose of the plan; background about from where its development going on, brief statistics about the numbers of staff/volunteers; a description of workers and other employees.
- 3) **Purpose** - Cover the (new) mission, vision and values for the organization. Clearly explain the importance of the plan, & the urgent requirement of the work plan.
- 4) **Internal Appraisal** - Provide a concise review of the current health of the organization; summarize the strengths and weaknesses and their implications; make sure you cover key achievements in the previous period.
- 5) **Future potential** - Outline what the challenges are for the future. Cover the main areas of the work plan. Each objective should have key tasks and specific outcomes.
- 6) **Resourcing the work plan and timetable** - This is where you need to be convincing about the organization's ability to resource the plan. Attach a budget and a 'timeline' to show when and how the strategic objectives will be met (covering all the main areas of work of the organization).
- 7) **The final step in any planning process is to monitor and evaluate progress.** The same way as you check the signposts along a road when completing a journey, it is similarly important to check that development is on track or not.



2.1.1 Other key points

- a. The scope of work sufficiently defined to allow thorough analysis of problems; identification of controls, and development of work instructions.
- b. Problems must adequately analyzed and appropriate problem controls implemented;
- c. The work will properly planned and work package instructions and procedures are adequate
- d. Readiness to perform the work are adequately verified
- e. The work will perform in accordance with the instructions and procedures; and
- f. Post work review activities are adequate, including the processing of feedback and lessons learned information.
- g. All concerned Members will review copies of the work orders and associated documents to become familiar with the work to be performed and associated instructions and procedures, problems and controls, expected outcomes.
- h. The work to be accomplished, condition to be achieved, problem being corrected, and/or expected outcome is clearly documented.
- i. Work scope boundaries/limits are clearly identified
- j. Conditions under which the work must be performed are clearly identified
- k. Systems, equipment, structures, components, and documents impacted/affected by the work are identified
- l. Applicable prior work history information, including feedback and lessons learned information from previous or similar work, is used during work planning
- m. Acceptance criteria are established for conclusively determining whether the work is accomplished successfully, and has not caused other problems or deficiencies
- n. Written work instructions include necessary prerequisites, features, controls, warnings, precautions, hold points, independent verifications, notifications,



announcements, etc. to ensure worker safety, protection of critical equipment, and continuity of operations



Self-Check – 2	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1:

- a) Explain outcomes of work plans and reliable feedback?



Information Sheet 3- Results of review for adjustments/simplifications

3.1 Results of review are provided to concerned parties:

By reviewing a work plan, a reviewer can identify problems in many areas & in footwear manufacturing process he can provide the results to concerned parties by considering organization as a whole or department wise as follows:

- **Production Planning and Control**

Immediate Improvement required:

- ✓ Optimization of various process parameters such as temperature, speed, pressure and feed rate.
- ✓ Better production scheduling
- ✓ Optimization of combustion process wherever applicable

- **Material Management**

Immediate Improvement required:

- ✓ Material requirement planning
- ✓ Appropriate Inventory control
- ✓ Effective issue and storekeeping procedure
- ✓ Use of alternative materials or waste materials
- ✓ Standardization and codification

- **Maintenance Management**

Immediate Improvement required:

- ✓ To implement preventive and predictive maintenance system
- ✓ Computerized maintenance
- ✓ Scheduling and planning of maintenance activities



- ✓ Effective tools management
- ✓ Analyze major breakdowns and take corrective measures
- ✓ Purchase of equipment after studying the maintenance aspects

- **Energy Conservation**

Improvements:

- ✓ Stoppage of air/gas leakages in the process to reduce waste of energy
- ✓ Improve power factor immediately
- ✓ Improve machine load factor
- ✓ Rationalize the horse power of motors to reduce waste of energy
- ✓ Stop idle running of machines & motors immediately

- **5) Product Improvement**

- ✓ Proper pattern engineering
- ✓ Exact value analysis
- ✓ Proper product specification – so the floor people can also understand the product appropriately
- ✓ Product reliability improvement

- **System Improvement**

Improvements:

- ✓ Proper distribution of work
- ✓ Proper organization structure
- ✓ Delegation of power, wherever necessary
- ✓ Better communication system (improved feedback mechanism, immediately)
- ✓ Much effective reporting system
- ✓ Method study and work measurement, more exercise required



- **Human Resource Development**

Immediate Improvement required:

- ✓ Optimum size of manpower
- ✓ Skill improvement program, urgently required
- ✓ Better working condition for the workers
- ✓ Job evaluation
- ✓ Job satisfaction
- ✓ Job enrichment
- ✓ Worker participation in management
- ✓ Incentives schemes

- **Quality improvements**

Improvements:

- ✓ Introducing proper quality control system
- ✓ Standardization of specifications for item in use
- ✓ Setting up quality circles

- **Safety Improvement**

Improvements:

- ✓ Safety of men through use of safety uniform, helmet, gloves, guards, safety shoes and goggles.
- ✓ Safety system design. For example, safety alarm, fire alarms, safety guardsto cover moving parts, proper stair case, and safe approaches to places of height.

- **Technology Improvement**

Improvements:

- ✓ Computer aided designs



- ✓ Use of computer software's for various functions. For example, software's for process control, maintenance management and inventory control
- ✓ Use of laser techniques

3.2 Major factors affecting the work planning & strategies in footwear organizations:

- a) Plant design & system arrangement
- b) Age of the plant and machinery
- c) Capacity utilization
- d) Energy use
- e) Research and development
- f) Human resources
- g) Work ethics
- h) Management
- i) Government policies & regulations
- j) Job security
- k) Worker union's influence
- l) Investment

3.2.1 Work plans failed in most of the footwear organizations are traced to some of the following management aspects:

- a) Poor planning and improper scheduling of work
- b) Unclear and untimely instructions to workers
- c) Ineffective utilization of the available human resources
- d) Excessive workforce or even shortage of manpower
- e) Poor maintenance management i.e. practicing breakdown maintenance rather than preventive and predictive maintenance



- f) Lack of right tools and non-availability of tools
- g) Excessive product travel time
- h) Poor material planning
- i) Poor communication system and lack of information to lower levels
- j) Poor inter-departmental coordination (i.e. closing and lasting)
- k) Lack of reward and punishment system



Self-Check – 3	Written test
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Name_____ ID_____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Give short and precise answer (Total marks 5x1=5)

- 1) What are major factors affecting the work planning & strategies in footwear organizations:



Information Sheet 4- outcomes of work plans and reliable feedback

4.1 Introduction

Performance appraisal is necessary to measure the performance of the employees and the organization to check the progress towards the desired goals and aims. The latest method being followed by footwear organizations across the world being – "get paid according to what you contribute"– the focus of the organizations is turning to performance management and specifically to individual performance. Performance appraisal helps to rate the performance of the employees and evaluate their contribution towards the organizational goals. If the process of performance appraisals is formal and properly structured, it helps the employees to clearly understand their roles and responsibilities and give direction to the individual's performance.

People differ in their abilities and their aptitudes. There is always some difference between the quality and quantity of the same work on the same job being done by two different people. Performance appraisals of Employees are necessary to understand each employee's abilities, competencies and relative merit and worth for the organization.

- **Following are the tools used by the footwear organizations for Performance Appraisals of their employees:**

- | | |
|-----------------------|--------------------------|
| ✓ Ranking | ✓ Checklists |
| ✓ Paired Comparison | ✓ Graphic Rating Scale |
| ✓ Forced Distribution | ✓ BARS |
| ✓ Confidential Report | ✓ Forced Choice Method |
| ✓ Essay Evaluation | ✓ MBO |
| ✓ Critical Incident | ✓ Field Review Technique |

4.2 Important performance appraisal tools in detail:

a) Ranking Method: The ranking system requires the rater to rank his subordinates on overall performance. This consists in simply putting a man in a rank order. Under this



method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of his numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group.

- **Advantages of Ranking Method**

a) Employees are ranked according to their performance levels.

b) It is easier to rank the best and the worst employee.

- **Limitations of Ranking Method**

a) The “whole man” is compared with another “whole man” in this method. In practice, it is very difficult to compare individuals possessing various individual traits.

b) This method speaks only of the position where an employee stands in his group. It does not test anything about how much better or how much worse an employee is when compared to another employee.

c) When a large number of employees are working, ranking of individuals become a difficult issue.

d) There is no systematic procedure for ranking individuals in the organization. The ranking system does not eliminate the possibility of snap judgments.

b) Forced Distribution method: This is a ranking technique where raters are required to allocate a certain percentage of rates to certain categories (eg: superior, above average, average) or percentiles (eg: top 10 percent, bottom 20 percent etc). Both the number of categories and percentage of employees to be allotted to each category are a function of performance appraisal design and format. The workers of outstanding merit may be placed at top 10 percent of the scale; the rest may be placed as 20 % good, 40 % outstanding, 20 % fair and 10 % fair.

- **Advantages of Forced Distribution**

a) This method tends to eliminate raters bias



b) By forcing the distribution according to pre-determined percentages, the problem of making use of different raters with different scales is avoided.

- **Limitations of Forced Distribution**

a) The limitation of using this method in salary administration, however, is that it may lead low morale, low productivity and high absenteeism.

Employees who feel that they are productive, but find themselves in lower grade (than expected) feel frustrated and exhibit over a period of time reluctance to work.

c) **Critical Incident techniques:** Under this method, the manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees or the job. The manager maintains logs of each employee, whereby he periodically records critical incidents of the workers behavior. At the end of the rating period, these recorded critical incidents are used in the evaluation of the worker's performance. Example of a good critical incident of a Customer Relations Officer is: March 12 - The Officer patiently attended to a customer's complaint. He was very polite and prompts in attending the customer's problem.

- **Advantages of Critical Incident techniques**

a) This method provides an objective basis for conducting a thorough discussion of an employee's performance.

b) This method avoids regency bias (most recent incidents are too much emphasized)

- **Limitations of Critical Incident techniques**

a) Negative incidents may be more noticeable than positive incidents.

b) The supervisors have a tendency to unload a series of complaints about the incidents during an annual performance review sessions.

c) It results in very close supervision which may not be liked by an employee.

d) The recording of incidents may be a chore for the manager concerned, who may be too busy or may forget to do it.



d) Checklists and Weighted Checklists: In this system, a large number of statements that describe a specific job are given. Each statement has a weight or scale value attached to it. While rating an employee the supervisor checks all those statements that most closely describe the behavior of the individual under assessment. The rating sheet is then scored by averaging the weights of all the statements checked by the rater. A checklist is constructed for each job by having persons who are quite familiar with the jobs. These statements are then categorized by the judges and weights are assigned to the statements in accordance with the value attached by the judges.

- **Limitations of Checklists and Weighted Checklists**

- a) This method is very expensive and time consuming
- b) Rater may be biased in distinguishing the positive and negative questions.
- c) It becomes difficult for the manager to assemble, analyze and weigh a number of statements about the employee's characteristics, contributions and behaviors.

4.2.1 Managers commit mistakes while evaluating employees and their performance in footwear organizations

Biases and judgment errors of various kinds may spoil the performance appraisal process. Bias here refers to inaccurate distortion of a measurement. These are:

- **First Impression (primacy effect):**

Raters form an overall impression about the rate on the basis of some particular characteristics of the rate identified by them. The identified qualities and features may not provide adequate base for appraisal.

- **Halo Effect:**

The individual's performance is completely appraised on the basis of a perceived positive quality, feature or trait. In other words this is the tendency to rate a man uniformly high or low in other traits if he is extra-ordinarily high or low in one particular trait. If a worker has few absences, his supervisor might give him a high rating in all other areas of work.



- **Horn Effect:** The individual's performance is completely appraised on the basis of a negative quality or feature perceived. This results in an overall lower rating than may be warranted. "He is not formally dressed up in the office. He may be casual at work too!".
- **Excessive Stiffness or Lenience:** Depending upon the raters own standards, values and physical and mental makeup at the time of appraisal, rates may be rated very strictly or leniently. Some of the managers are likely to take the line of least resistance and rate people high, whereas others, by nature, believe in the tyranny of exact assessment, considering more particularly the drawbacks of the individual and thus making the assessment excessively severe. The leniency error can render a system ineffective. If everyone is to be rated high, the system has not done anything to differentiate among the employees.
- **Central Tendency:** Appraisers rate all employees as average performers. That is, it is an attitude to rate people as neither high nor low and follow the middle path. For example, a professor, with a view to play it safe, might give a class grade near the equal to B, regardless of the differences in individual performances.
- **Personal Biases:** The way a supervisor feels about each of the individuals working under him - whether he likes or dislikes them - as a tremendous effect on the rating of their performances. Personal Bias can stem from various sources as a result of information obtained from colleagues, considerations of faith and thinking, social and family background and so on.
- **Spillover Effect:** The present performance is evaluated much on the basis of past performance. "The person who was a good performer in distant past is assured to be okay at present also".
- **Regency Effect:** Rating is influenced by the most recent behavior ignoring the commonly demonstrated behaviors during the entire appraisal period. Therefore while appraising performances; all the above biases should be avoided.



Self-Check – 4	Written test
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Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: True or False (Total marks 5x1=5)

- 1) The first step in any planning process is to monitor and evaluate progress.
- 2) The scope of work sufficiently defined to allow thorough analysis of problems; identification of controls, and development of work instructions.
- 3) Regency Effect is influenced by the most recent behavior ignoring the commonly demonstrated behaviors during the entire appraisal period.
- 4) The individual's performance is completely appraised on the basis of a negative quality or feature perceived is called Horn Effect.
- 5) Performance appraisal is necessary to measure the performance of the employees and the organization to check the progress towards the desired goals and aims.



Information Sheet 5- outcomes of work plans and reliable feedback

5.1 Introduction

Performance appraisal is defined as an organized formal interaction between a subordinate and supervisor, in which the work performance of the subordinate is examined and discussed. As this is a formal system of measuring, evaluating and influencing an employee's job related attributes, behavior and outcomes to determine how productive an employee is, and to determine if an employee's productivity can be improved.

Job elements are major work assignments and responsibilities assigned to the employee that are directed toward a specific goal or objective. They should be clear, concise and consistent with the employee's assignments and responsibilities, the objective of the organization, and the requirements established for other employees with similar responsibility. Once the job elements are established, they must be designed as critical, noncritical or "additional" elements.

a. Critical Element

A critical element measures individual performance and is used to assign a summary level. At least one of the job elements must be designated as critical.

A critical job element is a work assignment or responsibility so vital that:

Unacceptable performance on the element will result in a determination that an employee's overall performance is Unacceptable.

b. Non Critical Element

A noncritical element measures individual, group and/or team or organizational performance. A noncritical element is used to assign a summary level. A noncritical element, while essential, cannot be used to take a performance-based action or to lower the summary level to unacceptable. (a program that uses only two summary level (e.g, pass/fail) cannot use non critical elements.)



c. Additional Element

“Additional” elements are an aspect of individual, team or organizational performance and they cannot be used in assigning a summery level. “Additional” elements can be used for various purpose such as developmental assignments or details for less than the minimum appraisal period (120 days under department wide program).

Rating and reviewing officials:

- a. The rating and reviewing official must be designated at the beginning of the appraisal period and the employees informed.
- b. The rating official will be the rated employee’s supervisor and the reviewing official’s supervisor.
- c. If unusual circumstances or questions arise as to who shall perform the above functions, the executive director shall decide. The circumstances shall be explained on the appraisal report form and the relationships clearly described.

Role of Rating and Reviewing official:

- a. the rating official will establish the plan in consultation with the employee and with the concurrence of the reviewing official
- b. the rating of official must ensure that the job element and performance
- c. if the rating official and rating employee cannot agree on performance plan, the rating official will establish the element and standard subject to the approval of the reviewing official and communicate the decision to the employee alone with a copy of the performance plan

5.2 Major elements of a performance plan:

- a. Aperformance plan must contain all of the written, or otherwise recorded, i.e., electronically, performance elements that set forth expected performance and can include objectives, goals program plans. The plan shall identify individual, and where applicable, team accountability for accomplishing organizational goals.



- b. The plan must include the employees critical and, when used, noncritical job elements and performance standards
- c. The plan may include one, but no more than two “additional” job elements

5.3 Performance Appraisal Form

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development

<u>APPRAISAL FORM</u>	
Date _____	Department _____
Name _____	Supervisor _____
<u>Checklist</u>	<u>Scale</u>
1. Can be expected to finish work in time	1 ___ 2 ___ 3 ___ 4 ___ 5
2. Seldom agrees to work overtime	1 ___ 2 ___ 3 ___ 4 ___ 5
3. Is cooperative and helpful	1 ___ 2 ___ 3 ___ 4 ___ 5
4. Accepts criticism	1 ___ 2 ___ 3 ___ 4 ___ 5
5. Strives for self-improvement	1 ___ 2 ___ 3 ___ 4 ___ 5
<u>Goals to be achieved</u>	
1. Number of products	1 ___ 2 ___ 3 ___ 4 ___ 5
2. Number of hours	1 ___ 2 ___ 3 ___ 4 ___ 5
<u>Critical Incidents</u>	
1. Highly favorable action	
2. Highly unfavorable action	

Figure 16: Sample Performance Appraisal Form

- Performance appraisal is generally done in systematic ways which are as follows:



- ✓ The supervisors measure the pay of employees and compare it with targets and plans.
- ✓ The supervisor analyses the factors behind work performances of employees.
- ✓ The employers are in position to guide the employees for a better performance.

• **Performance Appraisal can be done with following objectives in mind:**

- ✓ To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
- ✓ To identify the strengths and weaknesses of employees to place right men on right job.
- ✓ To maintain and assess the potential present in a person for further growth and development.
- ✓ To provide a feedback to employees regarding their performance and related status.
- ✓ To provide a feedback to employees regarding their performance and related status.
- ✓ It serves as a basis for influencing working habits of the employees.
- ✓ To review and retain the promotional and other training program.

There are some principles also for recommendation as:

1. Recommendation system should reflect an effective merit system, which promote employee recruitment and retention, adequately reward conscientious performance of normal duties and responsibilities, and provide incentives that encourage distinguished, innovative and creative achievements to meet unusual challenges and opportunities when they arise.
2. A salary system should be designed to promote internal salary equity (based upon the Administrative Staff Compensation Plan) as well as external salary equity (based upon salary comparisons among individuals in similar positions from similar universities, colleges or departments). The organization should monitor and ensure that employee salaries continue to be commensurate with individual employee's skills, abilities, and experience.
3. A performance-based recommendation system may include a component of peer review when appropriate. Appropriateness will be determined by and subject to review and approval of the HOD or area Vice President.



4. A performance-based recommendation system should engender the type, quantity, and quality of performance that contributes to the achievement of organization and unit missions and goals. The reward system also needs to account for a variety of ways that an employee may support these missions and goals.
5. A performance-based recommendation system needs to establish a clear connection between employee performance and reward. Meritorious performance should be rewarded in tangible ways. A department of unit must clearly identify the normal expectations and performance standards that are expected of all staff. Through this process, indicators must be identified for performances that fall below standard expectations for merit as well for those types of achievements that surpass the unit's standard expectations.
6. The performance appraisal recommendation process should provide employees with constructive comments that enable them to develop professionally and make improvements in performance.



Self-Check – 5	Written test
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Name _____ ID _____ Date _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Give short answers

1. List objectives of Performance Appraisal ?
2. Explain role of Rating and Reviewing official?
3. What are major elements of a performance plan?
4. What are principles for recommendation?
5. What is Critical Element?



Information Sheet 6- Recommendations

6.1 Introduction

Recommendations is a statement that someone or something would be good or suitable for a particular job or purpose, or the act of making such a statement:

Letter of recommendation

A Letter of Recommendation is a letter written by someone who can recommend an individual's work or academic performance. It's typically sent to a hiring manager or admissions officer who is deciding whether to employ or admit a candidate

A letter of recommendation describes a person's qualifications and skills as they relate to employment or education. These letters typically come from previous employers, professors, colleagues, clients, or teachers. They discuss the qualities and capabilities that make the candidate a good fit for a given position, college, or graduate school program.

How a Letter of Recommendation Works

Applicants for a job or program typically request letters of recommendation from qualified individuals, who then send them directly to the employer, other hiring personnel, admissions committee, or department. Recommenders may offer you the opportunity to review the letter before they send it, but they aren't obligated or expected to.

Tips on writing a recommendation letter

Keep it positive. Your letter should confirm that you believe the person is a strong candidate for the job with no reservations. Avoid any comments that might suggest otherwise.

Use a standard business letter format and tone. You can use the template below or a standard business letter format to write your letter. Your tone should also remain formal and polite.

Focus on the most important qualifications. For the highest impact, discuss two or three of the candidate's achievements that are most relevant to the job description and provide specific examples to illustrate their fitness for the role.

Follow the request instructions. Ask the candidate how you should submit your letter. Strictly follow the instructions and deadline request to avoid negatively affecting their application status.



Type of recommendation letters

Academic Recommendation Letters

Academic letters of recommendation are typically used by students during the admissions process.

Employment Recommendations

Letters of recommendation for employment and career references are a major tool of individuals who are trying to get a new job. Recommendations can be put on a website, sent in with a resume, supplied when an application is filled out, used as part of a portfolio, or handed out during employment interviews.

Character recommendations

Character recommendations or character references are often used for housing accommodations, legal situations, child adoption, and other similar situations where understanding a person's character is important.

Steps to write the perfect letter of recommendation

Step-1 Introduction and statement of recommendation

Step-2 List of specific reasons you are recommending them to the position

Step-3 Personal story with evidence of their qualities (soft and hard skills)

Step-4 Closing statement with contact information

Step-5 Signature



Kara White

123 Main Street, Anytown, CA 12345 · 555-555-5555 · kara.white@email.com

March 1, 20XX

XYZ College Admissions Committee
123 Business Rd.
Business City, NY 54321

Dear XYZ College Admissions Committee,

I have known Beth Crawley for the past two years, having served as both her English teacher and her supervisor on the ABC High School newspaper. I believe Beth would be an excellent addition to XYZ College.

While a student at ABC High School, Beth has always challenged herself academically. She is an active participant in class discussions and grasps material quickly. She has superb written and verbal skills that are a pleasure for any teacher to encounter. Beth even tutors incoming high school freshmen who are struggling with their English courses.

Beth also excels in extracurricular activities. She has served as the features editor of our high school paper for the past two years and has written a number of insightful, thought-provoking articles. Her ability to delegate work to her assistant editors also reflects her organizational skills and strong leadership abilities.

Beth would bring so much to your school, both inside and outside of the classroom. If you have any questions regarding Beth's qualifications, please feel free to contact me at (555) 555-5555 or Kara.White@email.com.

Sincerely,

Kara White
English Teacher and Department Chair
ABC High School

Figure 17: Example of Recommendation Letter



Self-Check – 6	Written test
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Name..... ID..... Date.....

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Give short answers (Total marks = 20 marks)

1. Explain recommendation processes?(10 marks)
2. Briefly explain type of recommendation letter? (5 marks)
3. What is Employment Recommendations? (3 marks)
4. What is recommendation? (2 marks)



Operation sheet 1– Procedures for preparing recommendation letter

Steps for preparing recommendation letter

Step-1 Introduction and statement of recommendation

Step-2 List of specific reasons you are recommending them to the position

Step-3 Personal story with evidence of their qualities (soft and hard skills

Step-4 Closing statement with contact information

Step-5 Signature



Lap Test	Demonstration
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Name:_____ ID_____ Date: _____

Q1: Write a recommendation letter?



Information Sheet 7- Feedback mechanism

7.1 Feedback Mechanisms are implemented in line with organization policies

As per the organization policies of footwear manufacturing units, feedback mechanism is developed to:

- a) Define the scope and parameters of the problem, Identify a process that is creating undesirable performance results.
- b) Develop and apply initial measures of process or product variability.
- c) Estimate the business performance impact.
- d) Prioritize the project with other projects to establish when analysis begins.
- e) Collect and organize the data needed to carry out a thorough analysis.
- f) Analyze the data to pinpoint the cause or causes of variation.
- g) Develop an action plan for improving the process or product and a time frame for full implementation of the action plan.
- h) Implement the improvements.
- i) Establish the control and feedback for continuous improvement of the process or product.

Types of mistakes in line which can be highlighted and resolved for smooth functioning:

- | | |
|----------------------------------|-----------------------------------|
| ✓ Omitted processes | ✓ Processing the wrong work piece |
| ✓ Processing mistakes | ✓ operation |
| ✓ Mistakes setting up work place | ✓ Adjustment mistake |
| ✓ Missing parts | ✓ Equipment not set up properly |
| ✓ Wrong parts | ✓ Tools improperly prepared. |



These mistakes are leading causes of nonconformities in manufacturing organizations. Improving quality is as much a cultural and social change as a change in technology. To overcome some of the common barriers to quality improvement, some fundamental principles should always be kept in mind.

1) Focus on results: If you want to reduce nonconformities, measure and track the reduction in nonconformities. Too often organizations try to assess the effectiveness of their quality-control programs by measuring such factors as the number of people trained or the number of new quality teams, only to find little progress in reducing the number of nonconformities.

2) Stop blaming employees for mistakes: Employees blamed for mistakes conceal rather than control them. In such an environment, it is impossible to effectively implement mistake-proofing. Rather than blame workers, we should recognize that we all make mistakes and that it is management's responsibility to teach and implement mistake-proofing. This requires a cultural change, because we traditionally view mistakes as a form of negligence.

3) Invest to prevent rather than correct nonconformance: The cost of preventing problems is a small fraction of what must be spent to correct problems after they have been occurred.

4) Quality is in the process or product, not in the documentation: Many companies have excellent documentation of poor quality. On the other hand, when an effective mistake-proofing program is implemented, outstanding quality can often be achieved with little or no documentation. This is the ideal every company should strive for.

The barriers to implementing mistake-proofing are increased by the mental association with fool-proofing, and no one wants to be thought of as a fool. Only when workers participate in mistake-proofing their own working environment and begin to see the profound benefits of these techniques will their attitudes change.

7.1.1 Steps to prepare a feedback mechanism in a manufacturing unit:

To ensure success in operations, it needs excellence initiatives and divisions working together to share data and interpret it appropriately.

Step 1: Identify the work flow associated with manufacturing your product. This includes the people, processes and technology required for production as well as the resources,



communication and procedures needed throughout the company. Then project managers can prioritize and plan to implement new processes to fix known problems. Document your work flow processes on paper, or (ideally) electronically, using diagramming. By reducing product defect rates and eliminating processes that don't add value to the end product, you can improve manufacturing productivity.

Step 2:Track reports to analyze financial and customer satisfaction data. Share the same comprehensive data with all line managers so they can develop manufacturing process improvement plans, assign resources to complete the tasks, manage the budgets and determine if the projects met their goals. Establish criteria for standardizing project processes to ensure that all line managers systematically evaluate performance consistently and interpret changes appropriately.

Step 3:Create a balanced scorecard based on data. Identify financial measures for the scorecard such as monthly sales, customer measures such as the number of product support calls, process measures such as number of products manufactured each month and employee measures such as staff retention. As you implement process improvement changes, note any changes in these operational measures to validate that your interventions were successful.

Step 4:Monitor information generated from process improvement projects to implement improvements throughout all of your manufacturing operations. Analyze costs and benefits. Ensure all employees have access to the information and appropriate training on how to implement the procedures to improve manufacturing productivity.



Self-Check – 7	Written test
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Name: _____ ID _____ Date: _____

Directions: Answer all the questions listed below. Examples may be necessary to aid some explanations/answers.

Test 1: Fill in the blanks: (Total marks 5x1=5)

1. Performance appraisal is defined as an organized _____ between a subordinate and supervisor, in which the work performance of the subordinate is examined and discussed
2. As this is a formal system of measuring, evaluating and _____ an employee's job related attributes, behavior and outcomes to determine how productive an employee is, and to determine if an employee's productivity can be improved.
3. _____ are major work assignments and responsibilities through which performance appraisal is taken place
4. The _____ measures individual performance and is used to assign a summery level. At least one of the job elements must be designated as critical
5. A _____ element, while essential, cannot be used to take performance based action.



Reference Materials

WEB ADDRESSES

- 1) <https://www.toppr.com/guides/fundamentals-of-accounting/fundamentals-of-cost-accounting/format-of-cost-sheet/>
- 2) <https://edgy.app/international-marketing>
- 3) <https://www.projectmanager.com/blog/contingency-plan>
- 4) <https://discover.hubpages.com/business/Flows-of-Communication>
- 5) <https://www.google.com/search?>
- 6) <https://www.indeed.com/career-advice/career-development/how-to-write-a-letter-of-recommendation-with-examples>



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Answers

Footwear Production Supervision

LO #1- Develop operational plan

Information sheet 1

Answer sheet 1	Written test
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Part 1 Fill in the blanks:

1. Efficiency
2. Supervisor
3. Aggregate Output Planning
4. Process capacity
5. Short-Term

Part 2 Shortanswer

6. Objectives of a footwear plant layout
 1. Streamline the flow of materials through the plant.
 2. Facilitate the manufacturing process.
 3. Maintain high turnover of in-process inventory.
7. Four planning horizons
 2. Daily
 3. Short-term
 4. Medium term
 5. Long term
8. Batch production is a form of manufacturing in which the job passes through the functional departments in lots or batches and each lot may have a different routing
9. parameters used to analyze production system



- a) Application
- b) Machine selection and utilization
- c) Layout considerations

10. Personnel, Colleagues and Specialist Resource Managers in a Footwear Manufacturing

- a) Supervisors
- b) Specialist officers
- c) Union or Employee representatives

Information sheet 2

Answer sheet 2	Written test
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Part 1: True or False

- 1. True
- 2. False
- 3. False
- 4. True
- 5. True

Part 2: Short answer

6. Brainstorming combines a relaxed, informal approach to problem solving with lateral thinking. It encourages people to come up with thoughts and ideas that can, at first, seem a bit crazy.

7. Interviews: means a face to face interaction between the interviewer's and the candidate/candidates so as to obtain desired information from him/them

8. Lateral / Horizontal Communication: is a Communication that takes place at same levels of hierarchy in an organization is called lateral communication, i.e., communication between peers, between managers at same levels or between any horizontally equivalent organizational member



9. Newsletters are publications which are distributed on a regular basis (monthly, quarterly) among target audiences.

10. Consultation processes are developed and/or implemented as an integral part of the operational process. The advent of digital technology and in particular the internet, introduced email into the business setting and with it the nature of communication radically changed.

Information sheet 3

Answer sheet3	Written test
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Part 1: Say True or False:

1. True
2. False
3. True
4. False
5. True

Part 2: Fill in the blanks:

6. Production planning
7. Product development
8. Process Sheet or route sheet
9. Areas to Production Planning & Control department

- ✓ Cost Estimation
- ✓ Work Measurement
- ✓ Sub-Contract



✓ Capacity planning

10. Footwear production control

- Initiating production
- Dispatching of items
- Progressing
- Reporting back to production planning

Information sheet 4

Answer sheet 4	Written test
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Name: _____ Date: _____

Time started: _____ Time finished: _____

Part A: choose the best answer

1. b
2. c
3. a
4. b
5. a.

Part B: Give short answer

6. Purpose of cost analysis

- ✓ Materials cost
- ✓ Expected process rejection
- ✓ Arising from the sale of process scrap
- ✓ Processing cost



7. Difference between Domestic and International Markets

A domestic market is an internal market or domestic trading, is the supply and demand of goods, services, and securities within a single country. But **international market** is any geographical region where a company conducts business that is outside the territorial boundaries of a company's home country.

8. Franchising involves a parent company granting a foreign firm the right to do business in its name.

9. Key indicators for the footwear manufacturing

- ✓ Organization Revenue
- ✓ Organization Value Added
- ✓ Employment
- ✓ Establishments

10. Top 5 Key Performance Indicators (KPIs)

- ✓ Revenue per client/member (RPC) The most common, and probably the easiest
- ✓ Average Class Attendance (ACA)
- ✓ Client Retention Rate (CRR)
- ✓ Profit Margin (PM) ...
- ✓ Average Daily Attendance (ADA)