AN ANALYSIS ON THE IMPLEMENTATION OF LABOUR COMPLIANCE AUTOMATION AND ITS IMPACT ON PRODUCTIVITY AT DIAGEO (USL)

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ABSTRACT

Labour compliance automation is rapidly gaining traction as organizations seek to streamline processes, enhance compliance, and capitalize on the benefits of technological advancements. This study explores the perceptions and expectations of professionals regarding the implementation of automation in labour compliance, with a specific focus on Diageo (USL). Organizations looking to adopt labour compliance automation should prioritize addressing these challenges while customizing solutions to meet their unique compliance requirements. This research offers valuable insights into the evolving landscape of labour compliance and the opportunities and obstacles presented by automation.

KEYWORDS: *Diageo, labour compliance, automation, productivity*

INTRODUCTION

The study explores the benefits and challenges of integrating automation into labour compliance processes. By automating repetitive tasks and ensuring consistent adherence to regulations, automation enhances efficiency. It enables real-time data analysis for identifying trends and potential issues, while also necessitating careful design, system integration, and ethical considerations regarding job impacts and workforce adaptation. Automation technology has emerged as a powerful tool to expedite and enhance labour compliance processes. By automating repetitive tasks, such as record keeping, renewals, and report generation, it allows compliance experts to focus on strategic activities. Moreover, automation reduces the risk of human error, ensuring consistent adherence to labour regulations, minimizing legal liabilities, penalties, and reputational harm. Additionally, it enables real-time data analysis, helping organizations identify compliance patterns and proactively address concerns. However, implementing labour compliance automation requires careful planning, integration with existing systems, data security measures, and ethical considerations, including potential impacts on jobs and the need for workforce upskilling or reskilling.

NEED FOR THE STUDY

The challenge lies in organizations lacking expertise and resources to manage labour compliance complexity, leading to reliance on third-party vendors with associated issues like data privacy concerns and inefficient processes, driven by the constant flux of labour laws and the need to manage numerous compliance aspects concurrently. This research examines the influence of automation on labour compliance, assessing its effectiveness in enhancing productivity. Consequently, employers can benefit from the adoption of automation, which offers comprehensive automated processes for creating regulatory documents, records, and payments. It includes an automatically generated monthly compliance calendar featuring details from both the current and preceding months.

OBJECTIVES OF THE STUDY

- To know pros & cons of automation at Diageo (USL).

- To analyze the impact of automation in current compliance workflows and pinpointing areas where automation can bring efficiency and consistency.
- To evaluate the improvements in compliance efficiency and potential risks associated with automation.

LIMITATIONS OF THE STUDY

- The employees may show ignorance to share their experience or provide feedback.
- Confidentiality concerns, data privacy on sharing sensitive information could hinder the availability of data necessary for the study.
- Interpretations and result are purely based upon the respondent's answer.

REVIEW OF LITERATURE

Dumisani Zondo (2023): The study explored automation's impact on a South African automotive assembly organization, revealing increased productivity and efficiency but highlighting challenges related to reduced human involvement and the importance of managing employee uncertainties effectively.

Dylan Brady and Weiqiang Lin (2023): The study, "Automating Passenger Work: Airport Labour at the Transudative Interface," offers a novel perspective on automation, emphasizing the significance of the interface in shaping labour dynamics within airports. The research highlights the need for further exploration of automation's impact on spatiality and labour interactions, pointing to future research directions.

Kayla Hilstob and Alicia Massie (2022): This study examines organized labor's perspective on AI's impact, emphasizing the focus on technology's potential to improve work safety and quality while prioritizing human well-being. It highlights labour unions' unique ability to navigate and adapt to changing work environments by offering a balanced perspective on technology's effects.

Andriyana Andreeva, Galina Yolova, and Darina Dimitrova (2019): The study examined the role of the Labour Inspectorate in Bulgaria in enforcing labour laws and conducted a modern legal analysis of its mechanisms. In response to challenges, a web-based platform was created to enhance compliance document management and address inquiries from users, employees, and stakeholders, aiming to improve overall compliance with labour legislation.

Changkeun Lee and Olivia Hye Kim (2018): The research analyzed the impact of labour unions on labour adjustments due to automation, revealing that unions counteract increased recruitment of junior and unskilled workers, indicating their role in protecting incumbent employees from automation-related effects.

RESEARCH GAP

The exiting literature highlights the multifaceted impact of automation on labour, showcasing its potential to enhance productivity and efficiency while underscoring challenges tied to reduced human involvement and employee uncertainties. They also emphasize the importance of adapting to changing work environments, with labour unions offering a balanced perspective on technology's role and the need for ongoing research to explore automation's effects on labour dynamics, spatiality, and compliance with labour laws. In the study on implementing automation in labour compliance at Diageo (USL) involves investigating the interaction between automated systems and human workers, analysing the adequacy and adaptability of existing timely remittance of statutory compliance in accommodating the implementation of automation in labour compliance.

TYPE OF RESEARCH

This study is descriptive in nature. It is based on employee perception towards automated labour compliance at Diageo (USL). It will focus on describing and analysing the current state of employee's perception and factors influencing. The study will employ a structured questionnaire and collect data from employees to gather their opinions and experiences on the automation in labour compliance.

SOURCES OF DATA COLLECTION

The primary data for this study will be personally collected from Human Resource employed at Diageo (USL), specifically for the purpose of investigating the implementation of automation in labour compliance & secondary data collected based on previous data or research, documentation reviews, journals, articles are included under the secondary data collection method.

SCOPE OF THE STUDY

The study aims to explore the implementation of automation in labour compliance and its potential benefits for employers. By examining various aspects of labour compliance and evaluating the impact of automation, this research seeks to provide insights into the opportunities and challenges associated with adopting automated solutions.

STATISTICAL TOOLS USED

The primary tool for data collection will be a survey conducted through a structured questionnaire. Statistical tools like Chi-square and t-test are used for validating the hypothesis.

DATA ANALYSIS AND INFERENCE

1. **Table & graph Showing the factors contribute to drawbacks in the current system**

Drawbacks	Frequency	Percentage
Manually data tracking	16	50
Inadequate communication channels	8	25
Complex regulatory requirements	4	13
Technical issues	4	12
Total	32	100
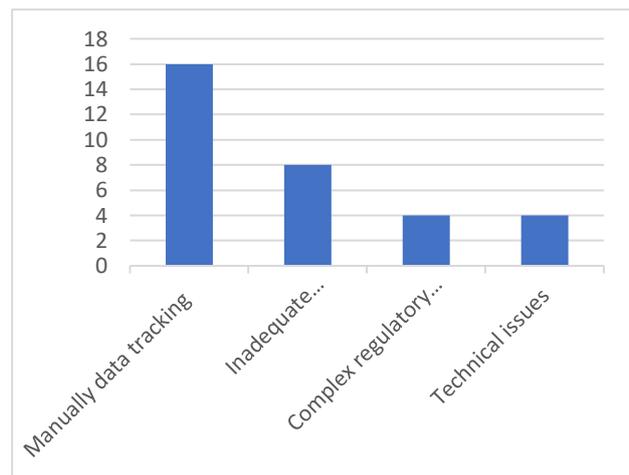
Inference: The above table demonstrates that 50% of the employees have expressed concerns about manually data tracking, 25% of the respondents about inadequate communication channels, 13% of the employees about complex regulatory requirements and 12% about technical issues. The majority of employees are worried about manual data tracking, indicating potential inefficiencies and errors in current processes, emphasizing the need for automated data management solutions. A smaller segment of respondents expressed concerns about complex regulatory requirements and technical issues, highlighting challenges in navigating regulations and technology-related difficulties, which can lead to compliance issues and operational disruptions.

2. **Table & graph showing the potential risks or drawbacks associated with automation in labour compliance**

| Drawbacks	Frequency	Percentage
Increased dependency on technology	4	12.5
Technical glitches or errors	28	87.5
Compliance and regulatory risks	0	0
Lack of human oversight	0	0
Total	32	100
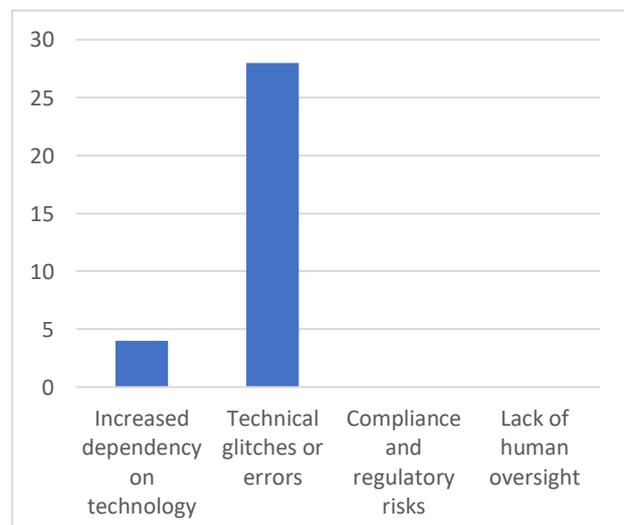
Inference: The above table demonstrates that 12.5% of the respondents expressed concerns about increased dependency on technology due to automation, 87.5% of the respondents concern about technical glitches or errors, and none of the respondents expressed concerns about compliance and regulatory risks and lack of human oversight associated with automation. The respondents are primarily concerned about technical glitches in automation, reflecting worries about potential operational hindrances due to software or hardware issues. A smaller group expressed fears regarding increased tech dependency, indicating concerns about system failures or disruptions.

3. Table & graph showing satisfaction of respondents with the automation

Level of satisfaction	Strongly satisfied	Satisfied	Neutral	Dissatisfied	Strongly satisfied	Total	Weights
Improved accuracy and reduced errors	4	40	24	0	0	68	0.22
Timely remittance	12	40	0	0	0	52	0.16
Email & Communication	12	32	12	0	0	56	0.18
Enhanced risk management capabilities	4	40	24	0	0	68	0.22
Minimizing the possibility of non-compliance	4	40	24	0	0	68	0.22

Analysis: Respondents exhibit strong satisfaction (21.79%) with improved accuracy, reduced errors, enhanced risk management, and minimized non-compliance possibilities. Timely remittance garners satisfaction (16.66%), while email and communication elicit a neutral response (17.94%), highlighting a mixed sentiment toward these aspects.
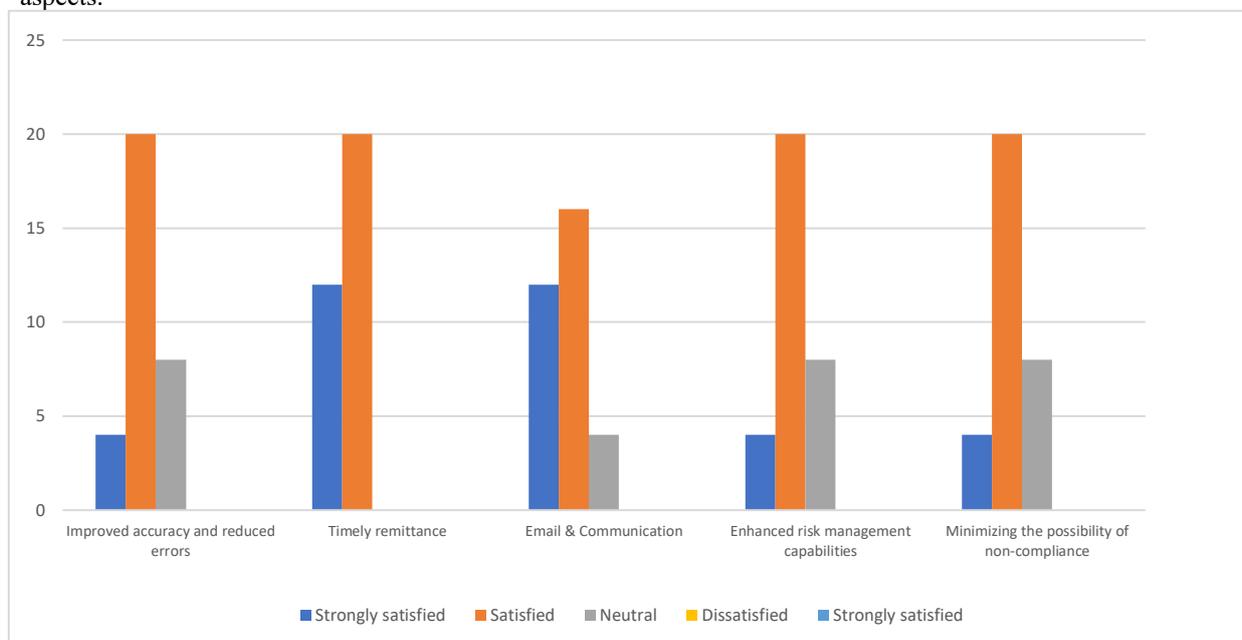
Interpretation: The presented graph illustrates respondents' satisfaction levels with various aspects of automation. Notably, improved accuracy, reduced errors, enhanced risk management, and minimized non-

compliance possibilities all garner strong satisfaction at reflecting the positive impact of automation on these areas. Timely remittance is a source of satisfaction due to efficient processing. However, email and communication aspects evoke a more mixed sentiment indicating room for improvement in these aspects to further satisfy users' needs and expectations.

HYPOTHESES FOR THE STUDY

1.Chi-Square testing to find the significant difference between the levels of satisfaction regarding automation among the employees.

Hypothesis 1:

H_0: There is no significant difference between the levels of satisfaction regarding automation among the employees.

H_1: There is a significant difference between the levels of satisfaction regarding automation among the employees.

Observed responses (Oi)	Expected responses (Ei)	Oi-Ei	$(Oi-Ei)^2$	$(Oi-Ei)^2/Ei$
24	33	9	41	3.45
8	7	1	1	0.14
12	9	3	9	1
20	24	4	16	0.67
12	9	3	9	1
24	40	16	98	6.74
20	24	4	16	0.64
12	16	6	26	2.92
20	24	4	16	0.67
8	7	1	1	0.14
Total				17.37

Degree of Freedom	Level of significant	Chi-Square calculated Value	Chi-Square Table Value
v =12	0.05	17.37	212.026

Since, the chi-square calculated value is greater than the table value, H_0 is accepted and it can be concluded that there is no significant difference between the level of satisfaction regarding automation among the employees, indicating that automation of work has almost the same level of satisfaction amongst the employees and it does not have a distinct impact on improved accuracy, reduction of errors, enhanced risk management, timely remittance, and minimized non-compliance possibilities.

2.Correlation testing to find out the significant difference exists between drawbacks in the current system and drawbacks associated with automation in labour compliance.

Hypothesis 2:

H_0: There is no significant difference exists between drawbacks in the current system and drawbacks associated with automation in labour compliance. (r=0)

H_1: There is a significant difference exists between drawbacks in the current system and drawbacks associated with automation in labour compliance. (r≠0)

	Cases					
	Valid		**Missing**		**Total**	
	N	**Percent**	**N**	**Percent**	**N**	**Percent**
Which factors contribute to drawbacks in the current system? * In your opinion, what are the potential risks or drawbacks associated with automation in labour compliance?	32	100.0%	0	0.0%	32	100.0%

		In your opinion, what are the potential risks or drawbacks associated with automation in labour compliance?		
		increased dependency on technology	technical glitches or errors	**Total**
Which factors contribute to drawbacks in the current system?	Manually data tracking	2	14	16
	Inadequate communication channels	1	7	8
	Complex regulatory requirements	1	3	4
	Technical issues	0	4	4
Total		4	28	32

		Value	**Asymptotic Standardized Error**	**Approximate T[b]**	**Approximate Significance**
Interval by Interval	Pearson's R	.045	.144	.246	.807[c]
Ordinal by Ordinal	Spearman Correlation	.022	.164	.121	.904[c]
N of Valid Cases		32			

The correlation is 0.904, signifying the variables are positively correlated. Hence the null hypothesis (H_0) is rejected and it can be concluded that there is a high level of direct relationship between drawbacks in the current system and drawbacks associated with automation in labour compliance.

FINDINGS
- Respondents demonstrate a consensus on the drawbacks of the current system, emphasizing the importance of addressing technical issues and complex regulatory requirements to enhance performance and efficiency.
- Majority of respondents expressed concerns about technical glitches or errors resulting from automation, highlighting the significance of ensuring a robust and reliable automated system.
- Respondents have varied expectations regarding automation, with a significant proportion anticipating streamlined processes, while others foresee benefits such as improved regulatory compliance, enhanced data analytics, and increased efficiency and productivity.
- The automation solutions have generally been well-received by respondents, with a majority expressing satisfaction in various aspects, indicating their positive impact on accuracy, timely remittance, communication, risk management, and non-compliance.

SUGGESTIONS
- To address concerns about technical glitches, organizations should prioritize robust testing and quality assurance procedures during the automation implementation process

- Implementing a minimal authority approach with auto- approval and TAT (turnaround time) implementation can expedite decision-making, reducing delays.
- Creating a customized dashboard for auditors will help them to access relevant data and streamline their audit processes effectively.
- The organization should prioritize investing in a complete solution that combines all labour compliance processes and data on a single dashboard. This will provide a holistic view of compliance status and streamline management.

CONCLUSION

Overall, the respondents show positive expectations for automation, anticipating streamlined processes, enhanced compliance, improved data analytics, and increased efficiency. However, certain reservations were expressed, mainly related to technical glitches and increased dependency on technology. Nonetheless, the majority seems satisfied with the automation's sability to improve accuracy, ensure timely remittance, and enhance risk management capabilities.

The data suggests that labour compliance automation has gained considerable attention and recognition among professionals, with the majority of respondents having a positive outlook towards its potential benefits. However, there are areas that need improvement and challenges to be addressed to fully harness the advantages of automation in labour compliance processes. Organizations should focus on ensuring robust implementation, scalability, and customization to meet specific compliance requirements. Addressing technical concerns and providing sufficient training and support to users would also be crucial for successful adoption and utilization of automation solutions. By addressing these aspects, organizations can maximize the potential of labour compliance automation and drive improved efficiency, accuracy, and compliance in their operations.

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