CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY
CHAPTER - I
INTRODUCTION AND DESIGN OF THE STUDY

INTRODUCTION

In the modern industrial set up, Human Resource Management has become one of the most important functions of the management because it is concerned with the human factor in the organizational performance, by which its accounts as the most important factor in all sorts of activities. To enable every person to understand, develop and utilize his /her potential, organizations and nations should provide a developed climate as well as opportunities to employees.

Human Resource Development (HRD) is a planned approach to enhance the development and growth of employee skills, judgment and maturity to realize overall organizational and individual employee goals. HRD programs are implemented to develop employee capabilities to carry out job functions more effectively and to meet projected staffing needs.¹

Human resources can be defined as the energies, skills, talents and knowledge of people which potentially can, and should be applied to production of goods and services. The trajectory of human resources in management is that of all the ‘M’s in management, i.e. management of materials, machines, methods, money and motive, the most important “M” is for man or human resources.

Human resources should be utilized to the maximum possible extent in order to achieve individual and organizational goals. In organizations, results and productivity are directly proportional to the quantity and the quality of its human resources. As the new millennium unfolds itself, in today's complex and dynamic environment, the challenges are significant in number and magnitude for the organizational managers. For effective dealing with these challenges, the managers have to possess the required knowledge and skills to diagnose what goes on in the environment, develop strategies for meeting new conditions, implementing such measures, which will sustain organizational health and vitality.

Among other sources, human resource is considered to be an important resource because of the changing scenario of business environment policy and trade. The stiff competition, globalization, liberalization and privatization, advancement in technology, communication and autonomy have made the human resource essential. No doubt, in the present competitive, dynamic adaptable modern world which can enrich and keep abreast itself in the current technology and growth, it is very much challenging to an organization, even to survive in the field, although it has adequate other resources 2.

The concept of Human Resource Development is not new and has been present in various early periods in military and banking more specifications in the

---

form of training. Human Resource Development emerged as a significant area of human endeavor during World War II due to the sudden and immediate need to change large number of non-working population into workers. Teachers were recruited from high schools and colleges to become instructors in the armed forces and in industrial establishments in the war effort. Human Resource Development did not have to prove itself since each worker added have to the in house Human Resource Development programme.

Kautilya has dealt with some of the important aspects of Human Resource Development in his ARTHASASTHRA 400BC. Government in those days has adopted the techniques of HRD as suggested by Kautilya. Arthasasthra refers to various concepts like job analysis, selection procedure, executive development, and incentive system and performance analysis.

Egyptian mummies, two or three thousand years old are found embalmed in Indian skills and muslin of the finest quality, proving the artistic skill of Indian weavers. Cotton fabrics found their way to Assyria and Babylon. In manufacturing, India has attained marvellous perfection and the courts of imperial Caesars in Rome glittered with gold and silver brocade from Delhi. Evidences substantiate that India has occupied dominating position in the international trade during that period and in the pre-colonial periods, the rulers gave paramount importance to HRD.
While HRD has been known throughout the ages, its re-discovery as an essential element in development is necessitated by deteriorating social conditions, increased competition and rapid technological advancements.

The growth of the modern, industrial working class is a comparatively recent phenomenon in India. With the gradual decline and ruin of Indian handicrafts after British colonization, a distinct working class grew up, because of advent of large-scale industries in the middle of the nineteenth century. The earliest labour legislation in India has dealt with certain aspects of Indian labourers (Regulation of Recruitment, Forwarding and Employment) sent to various British Colonies in 1830.

The early 1950's was a period of intensive supervisory training, though there was still only a small amount of supervisory education. The Hawthorne study of earlier years was rediscovered and the supervisor was considered the key element in the work environment. Although some HRD practitioners insisted on identifying needs, the general point of view was that every supervisor and manager needed training, particularly in the area of human relations.

Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organisation to acquire and also to apply the required knowledge, skill and attitudes to perform their jobs effectively.
According to Edwin B. Flippo\textsuperscript{3} "training is the act of increasing the knowledge and skills of an employee for doing a particular job".

The training is very useful to fulfill gap between planning, implementation and completion of projects. When an organisation have technological changes it is necessary for acquisition of new knowledge, ability and skills. Moreover it enables employees to move from one job to another.

The purpose of HRD is to help people to lead a fuller and rich life and to unlock the doors to modernisation.\textsuperscript{4}

**IMPORTANCE OF HRD**

Professor Len Nadler in America has formally introduced the concept of HRD in 1969 at American Society for Training and Development Conference. In India, Larsen and Toubro is the first to introduce this concept in 1975 among private sector and Bharath Heavy Electrical Limited (BHEL) in public sector.

Organisations of today are producing products and services that are unknown in the past thus giving a new life with much more material comforts than ever before. All these comforts are possible through the effective utilization of human resources that need to be polymerized for effective productivity.


HRD IN INDIAN CONTEXT

The HRD concept in India integrates idea from the behavioural science movement as well as recent developments which emphasize corporate culture. Multinational corporations operating in India were mainly instrumental in introducing the HRD in Indian management. The human resource development as a function has evolved in India very indigenously from the year 1975 when Larsen and Toubro company conceptualized HRD as an integrated system and decided to separate it from personnel since then, in the last 33 years most organizations have started new HR departments or respondents designated their personnel and other department as HRD departments.

WORKERS' PARTICIPATION IN MANAGEMENT (WPM)

Participation means the meaningful interaction of human beings who are concerned to enhance their sense of being in control of their immediate environment. In fact, this has been a phenomenon throughout the history of mankind. In ultimate manner, participation enables one to perform better.

The behavioural terms, workers' participation in management means different things to different people depending upon their objectives and expectations.
According to Keith Davis⁵, "Workers' participation refers to mental and emotional involvement of person in a group situation which encourages him to contribute to group goals and share in responsibility of achieving them".

In the words of Mehtras⁶, "Applied to industry, the concept of participation means sharing the decision-making power by the rank and file of an industrial organisation through their representatives, and all the appropriate levels of management in the entire range of managerial action".

A clear and more comprehensive definition of workers' participation in management is given by International Labour Organisation (ILO). According to the ILO,

"Workers' participation may, broadly be taken to cover all terms of association of workers and their representatives with the decision-making process, ranging from exchange of information, consultations decisions and negotiations to more institutionalized forms such as the presence of workers, members on management or supervisory boards or even management by workers themselves as practiced in Yugoslavia"⁷.

NEED FOR THE STUDY

Sugar industry is one of the important agro based industry which contributes significantly to the growth of the global economy by providing large scale direct employment to several thousands of peoples and indirect employment to several lakhs of farmers and agricultural workers in the rural areas who are involved in cultivation of cane, harvesting, transport and other services. Brazil is the largest producer of sugar in the world. India and Thailand are some of the major producers of sugar in Asian region.

The recent scenario of economic liberalization and process of globalization increased the importance of human resource development by manifold. The approach is to humanize management with the drastic changes in the economic scenario of the nation.

Today, there are high expectations from HRD. A good HRD requires well-structured, appropriately identified HRD systems, and competent staff to implement and facilitate the change process. In the competitive age, there is no more essential task than recruiting, retaining, developing and motivating employees because without people committed to executing the business strategy, success cannot occur in the sugar industries.

Keeping in mind the importance of human resource in organization, an attempt is made in the study to review the Human Resource Development Practices. The study also extends to the attitude of employees about HRD system and workers’ participation in management.
STATEMENT OF THE PROBLEM

Human Resource Development (HRD) aims at providing opportunities to individuals for full expression of their potential and focus on the creation of values and culture conducive to individual growth in the organizational context. In other words, it works for the creation of an enabling organisation and seeks to develop and manage the human resources towards greater sharing of personal, social and economic values. The success of HRD in an organisation depends to a large extent, on the existence of a favourable HRD climate. HRD is more personnel oriented than technology oriented and believed that participation and communication would bring about greater commitment, efficiency and growth of individuals. Therefore, the study is undertaken to find the solutions to the following questions:

1. What are the personnel policies followed in private sector sugar mills in Tamilnadu?

2. How is the present system of Human Resource Development Practices are assessed in the study mills?

3. What is the satisfaction level of employees about the implemented work practices?

4. What extent workers’ participation in management is followed in the private sector sugar mills of study area?

5. Whether the employee accepts the method of training programs given by the mills?

6. What are the problems generally encountered by the employee of study mills?
OBJECTIVES OF THE STUDY

The objectives of the study entitled "An Evaluation of Human Resource Development (HRD) Practices in Private Sector Sugar Mills in Tamilnadu" are as follows:

1. To study the existing personnel policies practiced in sugar mills in the study area.
2. To appraise the level of HRD practices in sugar mills.
3. To assess the satisfaction level of employees about the HRD practices employed in selected sugar mills.
4. To study the level of workers' participation in management (WPM).
5. To suggest ways and means by which the selected sugar mills can improve their High Performances of Work Practices.

METHODOLOGY

The validity of the research is based on the systematic data collection and interpretation.

SAMPLE AND DATA COLLECTION

Sugar Industry in Tamilnadu is an important agro-based industry next to textile industry. It plays a vital role in the economic development of the state particularly in rural areas. There are 38 sugar mills in Tamilnadu, of which 16 are in Cooperative sector and 19 are in Private Sector. Apart from these, the Tamilnadu Sugar Corporation Limited, a Public Sector Company set up in 1974 under the Companies Act is running three Public Sector Sugar Mills.
The Private Sector Sugar Mills in Tamilnadu has been selected for this study. An interview schedule has been administered to study the HRD practices of the selected mills. Data were collected through such interview schedule consigning wide variety of HRD Practices adopted by the respondent mills.

PERIOD OF STUDY

The researcher carried out the research work during the year 2004 to 2007. The interview schedule was collected during September 2007 to December 2007.

AREA OF THE STUDY

The Private Sector Sugar Mills in Tamilnadu State is taken as the area of the study. The study covers the personnel policies, HRD practices and the level of workers' participation in management of selected sugar mills.

SAMPLE SIZE

Information in the form of interview schedule were collected from 400 workers and 100 staff of 5 Private Sector Sugar Mills out of 19 Private Sector Sugar Mills in Tamilnadu.

Random sampling method was adopted for this study. The sample size was fixed at 20 percent of the total employees strength from each selected mill. About 500 sample respondents out of 2506 total employees were planned for the study in the following manner and collected the information from 500 respondents in total.
TABLE NO 1.1
SAMPLE SIZE OF THE RESPONDENTS IN SELECTED PRIVATE SECTOR SUGAR MILLS

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Respondent Mills</th>
<th>Sample Respondents</th>
<th>Total Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Staff</td>
<td>Workers</td>
</tr>
<tr>
<td>1</td>
<td>E.I.D. Parry (India) Ltd</td>
<td>22</td>
<td>88</td>
</tr>
<tr>
<td>2</td>
<td>Kothari Sugars and Chemicals Ltd</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>3</td>
<td>Ponni Sugars (Erode) Ltd</td>
<td>18</td>
<td>72</td>
</tr>
<tr>
<td>4</td>
<td>Sakthi Sugars Ltd</td>
<td>30</td>
<td>120</td>
</tr>
<tr>
<td>5</td>
<td>Rajshree Sugars and Chemicals Ltd</td>
<td>14</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>400</strong></td>
</tr>
</tbody>
</table>

SOURCES OF DATA

The study used both primary as well as secondary data. Primary data were collected with the help of an interview schedule which was prepared with the help of faculty guide and expert of leading Human Resource officials. Field survey technique was employed to collect first-hand information from the selected sample respondents. A pilot study was conducted and consequently necessary changes were made in the interview schedule. Direct interview technique is the main source for collecting the information. For this purpose, the researcher maintained a good rapport with all the selected sample respondents in the selected sugar mills.
The study also used the secondary data for the highlights of selected sugar mills with the help of data published by institutions and organizations. The publication of Annual Reports from the respective mills and handbook of statistics on Indian Economy provides the data. The collected data were sequentially arranged and tabulated for the purpose of systematic analysis and interpretation.

TOOLS FOR ANALYSIS

1. Simple Percentage Method

The simple percentage method is very useful to know the respondents concentration and opinion on a particular view. It is used for simple understanding purpose.

2. Chi-Square Test

It is used to test the association between two attributes.

\[ \text{Chi-square test } (\chi^2) = \sum \frac{(O - E)^2}{E} \]

Degrees of freedom = (R-1) (C-1)

Where in, 

- O = observed frequency
- E = expected frequency
- R = number of rows
- C = number of columns

3. Analysis of Variance (ANOVA)

It is a useful technique of testing the significant difference among several groups.
4. **Regression Analysis**

To find the effect of one or several independent variables and the dependent variable.

5. **Multiple Regression Analysis**

The objective of Multiple Regression Analysis is to make a prediction about the dependent variable based on its covariance with all the concerned independent variables.

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_n X_n + \varepsilon \]

- \( \beta_0 = \) A Constant, the value of \( Y \) when all \( X \) values are zero
- \( \beta_i = \) The slope of regression surface or the response surface.
- The \( \beta \) represents the regression coefficient associated with each \( X_i \).
- \( \varepsilon = \) An error term, normally distributed about a mean of 0.

For purposes of computation, the \( \varepsilon \) is assumed to be 0.

6. **Multiple Discriminate Analysis**

The objective of this analysis happens to be to predict an entity’s possibility of belonging to a particular group based on several predictor variables which collected from the sample employees for the study.

\[ D_i = d_0 + d_1 x_1 + d_2 x_2 + \ldots + d_p x_p \]

- \( D_i \) is the score on discriminate function \( i \).
- The \( d_i \)s are weighting coefficients; \( d_0 \) is a constant.
- The \( X_i \)s are the values of the discriminating variables used in the analysis.
7. **Standard Deviation**

It is a measure of dispersion to find the extent of deviation of sample variables from mean.

\[
\sigma = \sqrt{\frac{\Sigma x^2}{N}} \quad \text{or} \quad \sqrt{\frac{\Sigma (x - \bar{x})^2}{N}}
\]

8. **Garrett Ranking Technique**

The importance of various problems faced by the respondents were judged by Garrett Ranking Technique. The respondents were asked to assign ranks to the given problems which they frequently encountered. The technique has an advantage over other ranking techniques.

Percentage position of fraction \(i\) = \(\frac{100 \ (R_{ij} - 0.5)}{N_j}\)

Where

\(R_{ij}\) = Rank given for the factor 'i' by 'j'\(^{th}\) individual

\(N_j\) = Number of factors ranked by 'j'\(^{th}\) individual

The percentage position of each rank thus obtained was converted into scores by referring to the Garrette score table. Then for each of the factors, the scores of individual respondents were added together and divided by the total number of respondents, in order to get the score of the problem. These mean-scores for all factors were arranged in descending order, ranks were given and the most limited factors was identified.
9. **Co-efficient of Variation (CV)**

The standard deviation must be converted into a relative measure of dispersion for the purpose of comparison. The relative measure is known as the coefficient of variation. The CV is the most widely used relative measure of dispersion. It is based on the best absolute measure of dispersion and the best measure of central tendency.

\[
C.V = \frac{\text{Standard Deviation}}{\text{Arithmetic mean}} \times 100 \quad \text{or} \quad \frac{\sigma}{\bar{X}} \times 100
\]

**HYPOTHESIS**

The following hypothesis are formed to find out the level of significances among the respondents based on different variables like age, educational qualification, family size, other sources of income and present salary.

**H_0 1** : There is no significant difference between the sample staff in getting HRD score depending on their age.

**H_0 2** : There is no significant difference between the sample staff in getting HRD score depending on their educational qualification.

**H_0 3** : There is no significant difference between the sample staff in getting HRD score depending on their family size.

**H_0 4** : There is no significant difference between the sample staff in getting HRD score depending on their other sources of income.

**H_0 5** : There is no significant difference between the sample staff in getting HRD score and their present salary.
$H_0 6$ : There is no significant difference between the sample workers in getting HRD score depending on their age.

$H_0 7$ : There is no significant difference between the sample workers in getting HRD score depending on their educational qualification.

$H_0 8$ : There is no significant difference between the respondents depending on their family size and their opinion on HRD practice.

$H_0 9$ : There is no significant difference between the respondents depending on other sources of income and their opinion on HRD practice.

$H_0 10$ : There is no significant difference between the sample workers opinion on HRD practice and their present salary.

$H_0 11$ : There is no significant difference between the worker's participation in management score and their age.

$H_0 12$ : There is no significant difference between worker's participation in management score and their educational qualification.

$H_0 13$ : There is no significant difference among the respondents based on number of members in a family and their opinion on worker's participation in management scheme.

$H_0 14$ : There is no significant difference between opinion on workers' participation in management scheme and their annual income.

$H_0 15$ : There is no significant difference between opinion on workers' participation in management scheme and their sources of other income.
$H_0\ 16$ : There is no significant difference between opinion on workers' participation in management scheme and their length of services in the current job.

$H_0\ 17$ : There is no significant difference between opinion on workers' participation in management and present salary of the sample staff.

$H_0\ 18$ : There is no significant difference between the age of the sample staff and their level of satisfaction.

$H_0\ 19$ : There is no significant difference between the educational qualification of the sample staff and their level of satisfaction.

$H_0\ 20$ : There is no significant difference between the annual income of the sample staff and their level of satisfaction.

$H_0\ 21$ : There is no significant difference between the other sources of income and their level of satisfaction.

$H_0\ 22$ : There is no significant difference between the level of satisfaction in HRD Practice and their experiences in current job.

$H_0\ 23$ : There is no significant difference between the present salary and their level of satisfaction.

$H_0\ 24$ : There is no significant difference between age of the sample workers and their opinion on worker's participation management scheme.

$H_0\ 25$ : There is no significant difference between the opinion on workers' participation management score and their educational qualifications.
\( H_0\ 26 \): There is no significant difference between the opinion on workers’ participation in management scheme and their family size.

\( H_0\ 27 \): There is no significant difference between opinion on workers’ participation in management score and their annual income.

\( H_0\ 28 \): There is no significant difference between opinion on workers’ participation in management scheme score and their other sources of income.

\( H_0\ 29 \): There is no significant difference between experience and their opinion on workers’ participation in management scheme.

\( H_0\ 30 \): There is no significant difference between the present salary and their opinion on workers’ participation in management scheme.

\( H_0\ 31 \): There is no significant difference between age of the sample workers and their level of satisfaction.

\( H_0\ 32 \): There is no significant difference between educational qualification and their level of satisfaction of the sample workers.

\( H_0\ 33 \): There is no significant difference between annual income of the sample workers and their level of satisfaction.

\( H_0\ 34 \): There is no significant difference between level of satisfaction and their other sources of income.

\( H_0\ 35 \): There is no significant difference between experience of sample workers and their level of satisfaction.
$H_0 \, 36$: There is no significant difference between the present salary of the sample workers and their level of satisfaction.

**SCOPE OF THE STUDY**

The study is confined to HRD practices in Private Sector Sugar Mills in Tamilnadu. Many firms have implemented some new HRD practices. Firms themselves largely look upon new work practices are having been successful.

Many company initiatives are piecemeal rather than systematic. The use of comprehensive systems of work practice in firms that is most closely associated with stronger firm performance.

The approach of the study is from the point of view of workers and staff about the HRD practices of selected sugar mills. The study also attempts to measure the level of satisfaction towards HRD practices, level of workers’ participation in management and the problems faced by the employees.

**LIMITATIONS OF THE STUDY**

1. Recall bias of the employee respondents

2. Resource and time constraints. Due to this, only five sugar mills have been selected for the study.

3. Executives are not taken to this study because small number of executives alone found in the study mills.

However, necessary care was taken to ensure that the aforesaid limitations have not affected the validity of the findings of the study.
SCHEME OF THE STUDY
The study comprises Seven Chapters.

The first and introductory chapter describes briefly the theme of the study and importance of the present study, specific objectives of the study, methodology and limitation and chapter scheme.

The second chapter reviews earlier research works on the topic both in India and abroad which is supportive to the present research.

Chapter three gives an overview of Human Resource Development Practices in overall and Indian context.

The fourth chapter denotes the profile of study mills and their overall performance.

The fifth chapter comprises the evaluation of Human Resource Development Practices in the study mills.

The sixth chapter analyses the level of Workers' Participation in Management and their level of satisfaction.

The last chapter provides findings, suggestions to improve the performance of the study mills along with the conclusion.