CHAPTER - 9

PROBLEMS AND SUGGESTIONS
INTRODUCTION

The success of any industrial unit depends upon the successful implementation of its human resource policies and hence Human Resource Management (HRM), has a defining role for any industrial organization. The discrimination in matters of these policies (recruitment, selection, training, transfer etc) and absence of any set of acceptable rules and well defined procedures will create many problems. The basic problem confronting HRM is the misconception regarding its meaning, work, philosophy and its scope of work. From workers' point of view the role of HRM is limited to effective utilization of manpower resulting in better revenue / profit generation for the industrial unit. As opposed to this, HRM has a much vital role in any organization which includes the growth, development, welfare and overall satisfaction of its workers. There is a general feeling that human resource function is merely that of "Record keeping" and has not much role to play for the workers, whereas actually it is HR only whose constant endeavour is to motivate the people of work, to reduce monotony in job, to see that the workers have proper working environment which includes ventilation, sanitation etc. so that the workers can come out with the best of their efficiency.

Earlier view on HRM was that of meeting organizational needs for human resource and individual needs for a career and growth. But present HRM has a much wider role and it includes Human Resource Planning, Recruitment, selection, performance-appraisal, Job Enrichment, Training, self-development, organizational-development and many other such functions.

The HRM has gone for a fundamental change in its philosophy and its perspective. In the past it has been a traditional approach to organizations own people i.e. commodity approach, mechanical approach, productivity approach, social system approach and human relations approach, whereas the present HRM approach emphasis on the human
aspect of individuals work, their aspirations and needs, including their self actualization needs. Current HRM policies serve as a means of communication between the workers and the management.

A Tyre Industry has a very typical work force due to the typical working conditions. The working conditions inside a Tyre Industry are extremely hot and humid. Mostly the units are ill-ventilated resulting in moistness in the air leading to sweatness etc. All this makes the working in a Tyre Industry very different from other industries. Moreover ill literacy, social views and ill health of workers all have compounded the problems of working in a Tyre Industry.

All this makes the role of Human resource management all the more important in reference to a Tyre Industry. Role of Human Resource Management in the uplift of such workforce has become more significant. The human resource manager have to inculcate an attitude the workers so as to make them a better asset for the industry. The image of HR has not been very impressive in the eyes of the workers of a Tyre Industry. Cases have been reported where the workers have sometimes shown rash behaviour and have developed hate and distrust with their HR officers. All this gives an impression that there is something lacking in HR policies in a Tyre Industry. There has been no sincere effort to update the HR policies in the Tyre Industry keeping in view the changing scenario in the industry. Both the management and the workers lack a common unity of purpose, lack of proper communication and wrong approaches to workers problems by HRM has resulted in frequent disputes and lock outs in the Tyre Industry.

**Major Problems Relating to HRM in Selected Tyre Units**

Major problems which are being confronted by the HRM in the selected tyre units are discussed as follows:

1. **Misconcepts Regarding the Work Area of HRM**: In industry, people are still unfamiliar with objective of the HRM functions. They think personnel does not contribute directly to profit as other functions like, production, marketing and investing do. Many HR executives feel that there job is frustrating because their are no tangible measurements for evaluating the results of their functions.

2. **Lack of Long Range Planning**: Most personnel executives are so busy with problem solving or "fire fighting" operation each day that they have neither time nor inclination to do long range planning. Static unchanging attitudes among HR executives have been a major factor, hindering the growth of the organization. Unlike other departments, HR department must be active to deal with internal needs and be able to anticipate them.

3. **Effect of Industrial Relations Legislations**: The industries legislations has resulted in a legalistic approach to HR problems over the year's HR executives have been and still are spending a large percentage of their working time in conciliation and adjudication proceedings. In most of the time, resulting decisions ends up in bitterness and recriminations and further legal bouts. Which is neither good for the workmen nor for the managements.

4. **Attitude of the Employers Towards the HR Functions**: In Tyre Industry, inspite of large scale advancement in it, average industrial establishment is still dominated by the members of the family of the entrepreneurs. These family members are although talented as far as business acumen is concerned, but they possess less knowledge about the need for sound HRM method and techniques. They are largely production centred in their outlook, they rarely associate good HRM with profits, which is the prime motive of business. They hardly have confidence in the HR executives and often him because the law requires them to do so. On the other hand, these HR
executives know the attitude of top management and generally do not cooperate with them. As Peter Drucker has put it, "he tends to conceive of his job partly as a file clerks job, partly a house keeping job, partly a social workers job and partly, "Fire fighting" to head off union trouble or settle it".

5. ** Strikes And Lock Outs Due To Matters Concerning Wage And Salaries**: Strikes and lock out have occurred in the Tyre Industries are not much and the causes are mostly "an account of non settlement of salary and wage structure, bonus etc. Relation between the management and the workers sometime remains tense and this creates obstructions in the normal functioning of these tyre manufacturing units.

6. **Absenteeism By The Workers After Getting Wages**: Absenteeism from work after getting salary / wages is another problem which is confronted by the HR department in these Tyre Industries. It is mainly because of the inherent nature of workers to spend lavishly and foolishly after getting their salaries/wages till their pockets are empty. From an industrial point of view, it is not too much the loss of money but the loss of productivity in the organization due to the absenteeism.

7. **Lower Productivity Due To The Attitude Of The Labour And The Workers Towards The Organization**: Attitude of labours towards work is also responsible for low productivity in Tyre Industries. Workers being human begins have a natural tendency to resist charge. The worker's have a tendency to maintain status quo, they do not adopt themselves to the newer technology that is now building its root in the Tyre Industry. The scope of their work is very limited and is measured in terms of their own well being.

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8. **Wastage of Resources**: Wastage of resources due to lack of awareness, training, lack of knowledge in advance technology is another problem confronting the Tyre Industries, which ultimately leads to low productivity. The workers have not been provided adequate training so that they can carry out their job in the most efficient fashion. They are generally put on job directly after recruitment and are given on job training which at times is not sufficient to bring out the best out of a workers.

**Specific Problems Relating to HRM in Selected Tyre Units**

Apart form the general problems discussed as above, the selected tyre units are also facing some different type of specific problems. These specific problems includes the problems relating to organizational structure, delegation of authority, manpower planning, wages and salary, training, transfer and promotion, recruitment and selection and finally industrial relations.

1. **Problem relating to Organizational Structure**: In Apollo Ltd. only one HR manager is looking after the responsibilities of all the four HR departments working at different locations. It becomes difficult for him to coordinate the activities of all the four HR departments. It becomes difficult to take a decisions when he is not present, moreover taking a decision on a situation of which he has not first hand information can sometimes be misleading. There might be circumstances when a decision has to be taken instantly and the HR manager might not be present at the location. The management at Apollo should take initiatives to ensure that situations like these should be avoided and there should be delegation of responsibility at different locations. Burdening a single individual with all the responsibilities may prove to be counter productive and many hamper to the smooth functioning of the industry. Whereas in J.K. Industries, top management is solely responsible for every type of
decision making. Only general decisions are to be taken by HR managers.

The organizational structure at Modi Rubber Limited follows a scalar type of chart. The organizational structure is such that it permits direct action from top to bottom. There are no specialized departments and there is no specialization which is actually now required in the present complex industrial scenario. Goodyear India Ltd. is also following the same traditional approach in respect of organizational structure as being followed by the Modi Rubber Limited.

Such problem with these units is that there are no separation of activities under different departments.

2. Problem relating to planning techniques: Manpower planning is another important area of concern for HRM in the selected tyre units. Most of the units selected still adopt the old and traditional approach to manpower planning. They still feel that assessment of manpower need and recruitment is the only objective of manpower planning, whereas it is not only the manpower needs and recruitment but also the area where there is a manpower requirement and to ensure that there is no surplus staff. The HRM should carefully examine the manpower requirement before going for recruitment, it should not be that whenever there is an increase of production the workers are recruited arbitrarily and during the lean period there is surplus staff. Problem with surplus staff is that when they are retrenched, disputes occur between the workers and the management and resulting to lock outs, strikes and disruption in normal production activity.

The HRM at Apollo and J.K. tyres has adopted Manpower planning techniques. But they are not very scientifically planned and step wise distinguished. It is however true that Goodyear India Ltd. has a
very well organized training department, the issue of efficient manpower planning is new to them. Whereas, Modi Rubber Ltd. is running the old traditional method of employing more and more people from outside whenever required. At Ceat Ltd. due to the new technical innovations and the realization of efficient manpower planning, it has been implemented for last four years, ceat though is still over staffed.

3. **Problem Relating to Recruitment** : Although most of the selected tyre units have adopted some specific measures for recruitment, they still lack long term policies for recruitment. Most of these units have both internal and external sources for recruitment. But the choice of recruitment sources and methods are based on prejudice and immediate convenience. In Goodyear and Modi, internal sourcing is the preferred approach. Which is faced by lots of drawbacks and there are no fresh addition, no fresh ideas and no new enthusiasm. The job environment becomes monotonous, which leads to groupism amongst the set of workers. The task of recruitment is to be performed by the management. In case, the management fails to lay down rules and regulation, there may be only chance placement of right man on the right jobs. If this step of HRM is not cautiously handled the workers in particular and the management in general will have to suffer. In the tyre units namely in Ceat Ltd. recruitment is not done by correct job analysis, which give rise to the problem of over employment. Similarly in Modi and Goodyear, recruitment is not guided under strict objective criteria, favouritism may act as the deciding factor with the result that frustration and tension occurs among the employees.

4. **Problem Relating to Selection Procedure** : A common misconception among HR executives of Tyre Industry is that there is no need for any scrutiny or detailed investigation as far as selection
of unskilled workers are concerned. This is a grave error in thinking. In the situation where there is large unskilled labour force available in the country, it is became difficult to select best in the absence of any objective criteria, which is absent in the selected tyre units. They prefer to recruit daily wages workers. As for them workers are easily available stuff in the labour market.

Almost all the selected tyre units have same selection policies. Selection is mostly done through interviews. Application blanks and selection tests are a recent phenomenon in the selection process. But these units still prefer the traditional old procedure for selection. This is all the more pronounced at Modi, Ceat and Goodyear which directly interview the candidates after screening of their application. The HRM here is confronted with the problem of prejudices and biases. As the interview panel consists 2/3 members, the opinion can be biased and favourable for a particular candidate at times overlooking his merit. Moreover the interview panel at times may not have technically qualified people as its member to look into the technical skills of the candidates. All this makes interview as the process of selection, a doubt full exercise.

5. **Problem Relating to Induction and Placements**: All the tyre units have simple and traditional placement procedure which are neither motivating, nor impressive. The Tyre Industry has been growing at a rapid rate and newer technology is being utilized by different units which requires a highly skilled technical work form. It is the responsibility of HRM to ensure that after selection, the placements of the employees and workers are according to their knowledge and skills. Mostly the vacancies are filled in haste and right placements of the workers can not be done owing to the urgency of filling the vacancies. The HR at Ceat is looking into this aspect. There is no structural placement policy at Ceat and the workers after selection
are directly sent to the departmental heads. This has a very bad impression on the workers at Ceat. There is no induction / placement policy for new workers, their scope is limited to the boundaries of the department to which they are assigned. The lack the vision of the industry as a whole unit. They are ill informed about company's policies which leads to communication gap between the management and the workers.

Modi Rubber Limited has also not taken an serious view of the important of induction / placement programmes. The HRM at Modi, also lacks this understanding as in Ceat.

6. **Problem Relating to Training Programmes**: Training has the most important role to play in the overall development of the workers. Training is required to develop the existing skills of the workers and to train them for new responsibilities. Training affects not only the workers but affects the overall performance of the output of an organization. Defining a proper training structure has been the foremost responsibility of HRM. Specially in the Tyre Industry as the workers have to deal with difficult working conditions, moreover they have to learn new technologies in order to work in a Tyre Industry. For developing all these qualities in a workers, he has to be properly trained for the job which is the responsibility of the HRM. Training also has an added advantage in the sense that existing workers can be trained to take up new responsibilities and there is no need for fresh recruitment. Training also helps in motivating the morale and efficiency of the employee/ workers. There is a reduction in wastage of time, more over the workers also feel self confident in whatever responsibility they are assigned to.

Although, most of the tyre industries under consideration have a separate training department but in practice they still do not have fully functional training departments. It was observed in most of
these selected units that the allotment of training to workers was done by the HRM. Workers had a very little role in deciding the type of training they wish to undergo and at times there was improper training which goes as a total wasteful expenditure. The HRM should ensure that the workers only take the training for the requirements concerning their job. A feedback should be taken by the workers to decide upon the type of training to be imparted to them, and this should have proper approval of his immediate superior. The HRM at the tyre units under consideration lacks this approach.

7. Problem Relating to Promotion: In selected tyre units, the rules regarding promotion is very improper and purely based on the management discretion. Which is generally affected by bias and prejudice. The issue of promotion in J.K., industries many times became the factor of labour unrest. The promotion policy happens to be one of the most controversial areas, which often puts the functioning of units into jeopardy. The issues or matters where conflicts regarding promotion generally arise are:

   a. The channel or line of promotion

   b. The minimum qualifying period of service for promotion to the next higher grades.

   c. The weightage to be given to seniority.

   d. The unsatisfactory character of judgment of merit and performance on the basis of annual confidential reports.

8. Problem Relating to Wages and Salary: This aspect of wage and salary in every organization has got much importance and mis handling of this aspect may lead to very serious problems to the organizations. The employees generally organize themselves under the banner of unions in each organization. The economic or monetary matters generally directly affect the interest of the workers
in an organization and thus in the prevailing situation of inflationary pressures the trade unions have to instantly remain alert for pressurizing the issue of need based wages. Most of the labour unrests in the manufacturing units take place because of economic demands of the workers. In these tyre manufacturing units, there is an absence of proper periodicity of wages. The system of wage period is traditional and unfixed. More the incentive schemes are not properly adopted in ceat ltd. due to there internal disputes. Modi and Goodyear have any incentive schemes as they mostly employee casual labour or daily workers. Limited fringe benefits are also provided to the employees in selected tyre units, which is of very common nature.

9. Problem Relating to Industrial Relations: Industrial relations means the relation between employer and employees. It is very sensitive area in every organization. Tensions were occurred due to misunderstanding between employer and employees. Which leads to strikes, lock outs, allegations and more. Which directly effect the progress of the organization.

The present study shows that there is an urgent need of adopting such measures which may help the management in solving of these problems. Particularly Apollo has faced frequent strikes and lockouts in last several year due to mishandling of matters relating to labour. In J.K: industries also during 1998-99, there was a major dispute occurred due to hightandedness of officials, which led to shut down thrice a year. Modi and Goodyear are also facing frequent labour disputes which were mainly result of the wease management and ineffective policies.
Suggestion For Improvement

An enterprise can work smoothly only when the functions attributed to HRM are performed satisfactorily. The success of an enterprise depends largely on the smooth working of its labour force. Moore has rightly remarked that "an industry is social as well as mechanical in nature, it is an organized group of workers as well as an efficient group of machines"\(^2\). So for the efficient working of the organization labour force should properly managed. The problem discussed above are great constrains in the way of HRM. So few suggestions are discussed below to eliminate the hinderance from the path of HRM.

1. **Create Awareness Among the Employees**: Misconcept regarding the HR functioning can be eliminated through educating the employees and providing them information regarding HR objectives, policies, importance and prospects on seminar, articles, daily publishings, information in annual reports and pay slips about HRM. So that they came to know the objective of HR, which not only deals with personnel but also with profit of the undertakings.

2. **More Stress on Mutual Understanding Between Employer and Employee**: It is here, that the role of HRM become important, labour unrest / lock out can be avoided if the demands of the workers are carefully examined by HR managers and a sympathetic view is given to the workers. The HR should not take a very rigid stand and should work for the development of the industry/organization and at the same time giving the welfare of its employees a top priority. If a mutual understanding is developed between the workers, HR managers and the trade union a direct with the aggrieved parties can be initiated before the problem assumes dangerous dimensions. HR managers have to role to see

\(^2\) Moore : Industrial Relations and the Social Order, Quoted by J.P. Saigal in industrial labour in India, edited by V.B. Singh, Asia Publishing House, Bombay, 1963, p. 520.
that his cordiality is maintained between the workers and the management, moreover the workers have trust and faith in their top management. HR should take the role of mediator between the workers and the management, and there should be no scope for misunderstanding or miscommunication. The HR managers should use their personal influence on the workers to make them understand that frequent disruptions/lockouts lead to low productivity and there by harming the interest of the workers and the unit as a whole. Timely managerial action with effective control should be exercised. The company’s directives and policies should be widely published and conciliation bodies are made more effective. A HR manager can be a very effective coordinator between labour and management and out interference e.g. Arbitration by courts can be avoided.

3. **Reduce Absenteeism Through Education**: It the matter of labour absenteeism the role of HR / personnel management may be again emphasized. The HR management has greater responsibility in this regard. It can take suitable actions in stopping these absenteeism and in also in educating the workers for family budgeting and financing. "The personnel manager should extend the scope of its concern for employer well being, well beyond the normal working hours. It should help mitigate the problem of employees and fulfilling other role expectations in other words to the community from where the employee comes".

4. **Increase Productivity through Enhancing Workers Morale**: The attitude of labour is great problem behind the progress of every organization. They hardly change themselves to newer technology. The HR manager have the responsibility of widening the scope of their thought, the workers should have a feeling that they are part of

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the industry and their performance directly affects the performance of the industry as a whole.

5. **More Emphasis on Training**: There should be a uniform training structure at all levels to have the best output from the employees. HR should make the workers aware of the importance of training, it should also support the concept of self-development and training amongst workers. The HRm should ensure that as soon as new technology is introduced, workers are given a proper training in these technologies, they are properly groomed to take up the new technology. The HRM should ensure that they revamp the 'training system' and that it is more lively and interesting, thus can be done by using overhead project users, motion pictures, computers, outdoor trainings etc. this will make training more useful and worth while.

6. **Rationalized Delegation of Authority**: After going through this problem, of organizational structure in various selected unit. The delegation of powers need to be rationalized to provide sufficient authority on strategic organizational points. This may help to brighten the image of executives and the company both.

7. **Scientific Assessment of Manpower Needs**: Tyre Industry should follow scientific manpower planning techniques for assessment of manpower need in different departments. It is advised that there should be a system of reviewing the manpower requirements in each undertaking through a trained team of experts, well versed in time and motion study, productivity and quality control, costing etc. in consultation with the labour force. So that the norms as well as
the actual strength are subjected periodically by the management to a scientific review.

8. **Proper Recruitment Policy Based on Objective Criteria**: In the interest of sound management of human resource, it is essential to have a proper policy of recruitment followed by healthy execution. While recruiting the HRM should also view the social dimension and should try to give representation to weaker section of the society. The recruitment policies should not be short sighted but should have long term objectives for the workers, organization and the society as a whole.

9. **Recent Phenomenon While Selecting the Person**: The vast unemployment problem in the country has brought in corrupt practices and pressures and faces the personnel man with a real challenge in the procedure for selecting the right person for the job. So HRM should look into this problem and should ensure that only merit excels. Proper screening should be done, application blanks should be filled and written test should be administrated to the candidate before they qualify for interview. In this approach chances of favourism and prejudice are minimized.

10. **Unbiased and Definite Promotion Policy**: A definite and unbiased system of promotion helps to stabilize the workforce. It is desirable for the good of industries concerned and also the community as a whole that promotion are handled cautiously and impartiality is maintained. A fixed criteria should be made. Employees views should take in priority while making decisions. Lastly, policies should be in writing and declared to every body.
11. **Influencing Salary and Wage Policy**: As workers are working under very hard conditions, so he may suffer from a sense of frustration, because he finds that in the same grade, the other workers placed to a job under suitable surroundings, has less physical and mental strain. So these factors are taken into consideration at the time of preparing the wage structure. Which helps to enhance the working capacity of the employees. Wage periods should be fixed. It will create uniformity among the officers and labour. The management should introduces an incentive system to encourage a unit of production at some particular point of time. Besides base compensation and incentive compensation, supplementary compensation may be given to the employees in different forms like employee profit sharing. The undertaking should realize the need for providing adequate compensation for their contribution towards the objectives of the enterprise.

12. **Better Industrial Relations**: These labour problems may be avoided by HRM, if labour problems or demand is understood in proper perspective, the HR manager use their personal influence as mediators, the relationship between workforce and first line officers are cordial and if the precautionary measures are taken up timely. If mutual understanding among the workers, officers and trade union leaders is developed, the direct dialogue with aggrieved party is initiated, timely managerial action with effective control is exercised, the company directives and policies are widely published and conciliation bodies are made more active, the disturbed people can be restored. A HR manager or officer may be a very effective coordinator between labour and management. Outside interference
may be avoided. More common sense and less legal counsel might make better industrial relations all the way round.

13. **Proper Communication**: If the management has to win the heart of the employee's, it is highly desirable to evaluate an adequate process of communication. It should be build for both way communication, upward and downward. The upward channels of communication may includes (a) Face to face communication (b) Group meetings (c) Moral questionnaires (d) Complaint system (e) Grievance procedure (f) Counseling (g) Labour union (h) Open door policy etc. A downward communication also be developed which may include (a) The chain of command (b) Poster and bulletin (c) Periodicals (d) Letters to employees (e) employees handbooks (f) Group meeting etc.