CHAPTER 1
INTRODUCTION
An organization with human resources only can exist or co-exist. These are some of the questions whose answers lie in the subject of Human Resource Management (HRM). But before we attempt to understand how an organization should manage its human resources, we need to answer the generic question, what is management and then we can understand what is human resource management.

1.1 What is Management?
Management is the process of efficiently getting activities completed with and through other people. The management process includes the planning, organizing, leading and controlling activities that take place to accomplish objectives. Human resource management is concerned with the people” dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to high levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieve organizational objectives. This is true regardless of the type of organization - government, business, education, health, recreation, or social action. Getting and keeping good people is critical to the success of every organization, whether profit or nonprofit, public or private.
1.2 Human Resource Management -

To look at human resource management more specifically, we suggest that it is a process consisting of four functions namely acquisition, development, motivation and maintenance of human resources. In less academic terms, we might describe these four functions as getting people, preparing them, activating them and keeping them.

Acquisition function
The acquisition begins with planning. Relative to human resource requirements, we need to know where we are going and how we are going to get there. This includes the estimating of demands and supplies of labour. Acquisition also includes the recruitment, selection and socialization of employees.

Development function
The development function can be viewed along three dimensions. The first is employee training, which emphasizes skill development and the changing of attitudes among workers. The second is management development, which concerns itself primarily with knowledge acquisition and the enhancement of an executive’s conceptual abilities. The third is career development, which is the continual effort to match long-term individual and organizational needs.

Motivation function
The motivation function begins with the recognition that individuals are unique and that motivation techniques must reflect the needs of each individual. Within the motivation function, alienation, job satisfaction, performance appraisal, behavioral and
structural techniques for stimulating worker performance, the importance of linking rewards to performance, compensation and benefits administration and how to handle problem employees are reviewed.

Maintenance function
The final function is maintenance. In contrast to the motivation function, which attempts to stimulate performance, the maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to the organization.

Within the confines of the four functions - acquisition, development, motivation and maintenance-many changes have occurred over the years. What once was merely an activity to find a warm body to fill a vacancy has become a sophisticated process of finding, developing and retaining the best - qualified person for the job. But this metamorphosis did not occur overnight. It is the result of many changes in management thought, society and the workers themselves.

1.3 Personnel to Human Resource Management

Personnel departments were once called “Health and Happiness” departments. The people assigned to deal with personnel issues were often individuals playing the role of prime informers. The personnel department was seen as a place where less-productive employees could be placed with minimal damage to the organization’s ongoing operations. Individuals in the personnel department were perceived as those responsible for planning.

\[^{2}\text{Ibid.,}\]
company picnics, vacation schedules and retirement parties. Personnel, as an activity, were seen as a necessary, but unimportant, part of the organization. Yet as the field of management began to mature, more emphasis was being placed on the workers. Various studies revealed that recognizing workers for the work they had done could influence their productivity. Workers were becoming more demanding in what they wanted from a job; and society, by means of laws and legislation, was placing new demands on employers. No longer could the personnel department be treated as a detour on the road to success. Organizations had to hire the best-qualified candidate without regard to race, religion, colour and sex.

1.3.1 Human Resource Management Model

In recent years, there has been relative agreement among human resource management specialists as to what constitutes the field of human resource management. The model, that provided the focus, was developed by the American Society for Training and Development (ASTD). In its study, ASTD identified nine human resource areas:

1. Training and Development
2. Organization and Development
3. Organization and Job Design
5. Selection and Staffing
6. Personnel Research and Information Systems
7. Compensation and Benefits
8. Employee Assistance
9. Union and Labour Relations
FIG. 1: HUMAN RESOURCE WHEEL

TRAINING and DEVELOPMENT
- Identify, access through planned learning
- Develop key competencies
- Enabling to perform current/future

ORGANIZATION DEVELOPMENT
- Assuring healthy inter and intra unit relationships
- Helping groups to initiate and manage change

UNION/LABOUR RELATIONS
- Assuring healthy union / industrial relationships

ORGANIZATION/JOB DESIGN
- Tasks, authority and systems
- Integration of the above in individual jobs

HUMAN RESOURCE AREAS
- Quality worklife
- Productivity
- Readiness for change

HUMAN RESOURCE PLANNING
- Determining human resource needs, strategies and philosophies

EMPLOYEE ASSISTANCE
- Enabling problem solving
- Counseling to individual employees

PERSONNEL RESEARCH and INFORMATION SYSTEMS
- Assuring personnel information database

COMPENSATION /BENEFITS
- Assuring fairness and consistency in fixing these.

SELECTION and STAFFING
- Matching people and their career needs and capabilities with jobs and career
The nine areas as depicted in Fig. 1 as shown in the previous page have been termed spokes of the wheel which represents impacts on the human resource outputs namely quality of work life, productivity and readiness for change. It also represents this model and the focus of each spoke. The outputs of this model are quality of work life, productivity and readiness for change-warrant further exploration.

1.3.2 Environmental influences on human resource management

Important environmental influences on human resource management practices are government regulations, labour unions, management practices and equal employment opportunity. It has been argued that these forces have a major impact on human resource management by constraining the decision-making discretion of managers. These environmental influences are as follows:

A. Acquisition of human resources

Management ensures that it has the right number and kinds of people, at the right places, at the right times, capable of effectively and efficiently completing the work required so that the organization can achieve its overall objectives.

The acquisition function is completed when the selected applicants have been placed in the organization and have adapted to the organization’s culture and their work environment. The organization’s culture conveys how things are done and what matters.
B. Development of human resources

Competent employees will not remain competent forever. Some are minimally qualified upon entering the organization but require additional training or education. Others enter the organization capable of performing at an optimal level, but their skills become obsolete over time. Organizations change over time and management must ensure that there is an appropriate match of individual abilities with organizational needs for the future. Employee training gives individuals specific skills that they will use on the job; management development looks at practices for ensuring a continual flow of managers.

C. Motivation of human resources

High performance depends on both ability and motivation. Many employees with extraordinary talents do not perform satisfactorily because they will not exert the necessary effort. Therefore, we desire to have capable employees who are also highly motivated. If a person is to perform effectively, extrinsic factors such as job design, working conditions, job security and supervision must be seen as satisfactory. But that alone is not enough.

Many people also look for intrinsic factors such as achievement, recognition and responsibility from their work. The performance appraisal process and its outcome will affect an employee’s motivation. People expect their work to be objectively evaluated. If they think their efforts will be unfairly judged, motivation will decrease. Furthermore, the rewards or punishments that follow the appraisal will influence motivation.
D. Maintenance of human resources

The objective of the last major function is to retain people who are performing at high levels. This requires that the organization provide safe and healthy working conditions and satisfactory labour relations. If these activities are performed effectively, we can expect to have competent employees who are committed to the organization and satisfied with their jobs.

E. Research and the future

Since the effective management of human resources depends on refining human resource management practices to changing conditions, conducting research and keeping an eye on the future. Research allows the manager to keep abreast of the latest findings in human resource management and provides a framework by which solutions to unique human resource management problems can be found.

We look at past trends and attempts to extend them to the end of this century. This is done in the belief that human resource management is a dynamic and changing field. The successful manager will be at the forefront of these changes with new and relevant human resource management practices. In this context the human resource practitioners should keep in their mind the conducive tools and practices enabling the employees to develop their self-esteem thereby the concerned will definitely achieve the maximum job-satisfaction in their respective job-routine s.
FIG. 2: INFLUENCES ON HUMAN RESOURCE MANAGEMENT

ACQUISITION
- Human-resources planning
- Recruiting -internal -external
- Employee Socialisation

MAINTENANCE
- Safety and health
- Employee / labour relations

EXTERNAL INFLUENCES

DEVELOPMENT
- Employee training
- Management development
- Career development

MOTIVATION
- Job design
- Performance evaluation
- Rewards
- Job evaluation
- Compensation / benefits
- Discipline
1.3.3 Organization of human resource development department:

Two issues become relevant in a discussion on organisation of a human resource development department. They are (i) place of the human resource development department in the overall set-up and (ii) composition of the human resource development department itself. The following table explains human resource management objectives and functions:

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<th>HRM objectives</th>
<th>Supporting functions</th>
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<td>1. Societal objectives</td>
<td>1. Legal compliance</td>
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<td>2. Benefits</td>
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<td>3. Union management relations</td>
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<td>2. Organizational objectives</td>
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Status of the human resource development department in the total organizational structure depends on whether a unit is Small or Medium. In most of the Small organizations, there is no separate department to coordinate the activities relating to personnel. In fact, there may not be any personnel manager at all. Services of outsiders who specialize in maintaining accounts and records relating to provident fund, pension and other statutory requirements are retained for a fee.

Alternatively, a low-placed employee may be entrusted with the task of attending to these functions. In fact, it was this arrangement, which was followed in the past, irrespective of the size of the organization. Individuals in the personnel department were perceived as those responsible for planning company picnics, vacation schedules and retirement parties. Personnel, as an activity, was seen as a necessary but unimportant part of the organization. Fortunately, things have changed for the better and the status of the personnel department has improved enormously over the years.

1.4 Human resource management in a Tiny industrial unit

Normally, the Tiny scale industrial units do employ maximum 10 persons at the operating level to manufacture goods and services or to indulge in trading activities. The proprietor or the owner does the role of multi-various disciplines without any chance for delegation with regard to functions and responsibilities arising thereupon. Mostly orthodox approach is being followed in Tiny scale industrial units to achieve the results or output.
1.5 Human Resource Management in a Small scale industrial unit

In a Small scale industrial unit, human resource management plays a role through the proprietor or owner as well as the executives handling different types of process-wise activities. The Personnel department is ordinarily manned, by the Office Manager designate himself. Taking into account the overhead cost (fixed overhead), the Small scale industries do not consider keen attention to allot a person or more than a person exclusively for the purpose of transforming human resource policies and functions thereupon. Moreover, Small scale industrial units have been emerged from the Tiny scale level and hence, the same conventional approach applicable will be adopted when the industrial units reach the level of Small scale industrial unit.
The following chart shows the human resource management profile of the Small scale industrial units:

1.6 Human resource management in a Medium size industrial unit:

A Medium scale industrial unit will have a manager or director heading the human resource development department. His or her status will be equal to that of any executive. The figure following this paragraph shows the structure. This arrangement holds good when the company has a single unit. Where the company has multiple plants located in different parts of the country there may be a centralized human resource or personnel department at the main or registered office and each plant will have separate human resource or personnel departments. Routine
activities relating to each plant are handled by the human resource or personnel department attached to the respective unit, whereas the broad policies, matters concerning executives and like are handled by the central department. This is visualised in the organisations such as Bharath Heavy Electricals Ltd., Indian Tobacco Company and Larsen & Toubro.

Human Resources Management in a Medium scale industrial unit

With regard to the composition of the human resource development department, it may be stated that it depends on the scale of operations and attitude of the top management towards its personnel. However, a typical human resource development department is headed by a Director, under whom are Manager-Personnel, Manager-Administration, Manager-HRD and Manager-Industrial Relations. The department will grow in size and importance when new demands are placed on it by the organisation.
1.7 Composition of a Human resources or Personnel department.

The human resources or personnel department ordinarily consists of a separate ancillary organisation structure comprises of a Director-Personnel or Human Resource Manager or General Manager-Personnel, as the case may be (depends upon the respective norms of the organisation concerned) to head the human resource development department. Further the said head delegates the functions and responsibilities pertaining to Personnel, Administration, Labour Welfare, Public Relations, Industrial Relations and Human Resource Department divisions or departments. Normally, personnel department deals with salary administration, maintenance of records pertaining to statutory matters as well the social security measures warranted basically. Industrial relations department deals with matters relating to disciplining the employee, counselling, negotiating with the work force on matters relating to salary fixation, working conditions, fixation of work norms and other monetary benefits.

Human resource development department deals with manpower planning, placement, training, performance appraisal, rewards and recognition. Labour welfare and administration departments handle the affairs relating to welfare, canteen, housekeeping, other basic facilities like drinking water and toilet.

The following chart shows the composition of human resource or personnel department in the industrial units, in general, for the sake of achieving results in transforming the human potentials available into expected results or output targeted

by the concerned employer or proprietor, as the case may be. Also, this chart shows the responsibilities of the Managers concerned dealing with Personnel, Administration, Human resource development and Industrial relations entrusted with functions and responsibilities with regard to human resources planning, public relations, canteen, medical, welfare, transport, legal, grievance handling and training and development.
1.8 Labour relations and labour welfare - statutory position

The right of managements to choose and deploy the employees as per the laws of the land will be protected. Government will take the initiative in promoting a new management and industrial culture in the state through continuous dialogues with the captains of the industry and trade unions. Participation of workmen in the management of production through statutory forums like works committees and informal instruments like quality circles will be encouraged and made more effective and meaningful as a matter of state policy, in all sectors of industry including Small scale industries and Tiny, Public and Private. For special zones like Central Exports Promotion Zone (CEPZ), industrial parks and growth centre, special officers from labour administration will be deployed wherever warranted for the speedy resolution of industrial disputes in these areas.

The Government proposes to set up industrial relations committees in all industrial parks to ensure industrial peace. Wherever possible grass-root level machinery will be created with the help of local Governments, for resolving labour conflicts in the informal sector. Labour relation and labour welfare are closely interrelated and the industries and the Labour departments will work together with the objective of ensuring healthy industrial peace.

1.9 Information with regard to industrial promotion

4 An ambitious programme of computerizing and networking the Directorate of Industries and Commerce and the

District Industries Centres (DICs) is currently under implementation. Computerization at the district level is being undertaken with a view to acquire information pertaining to Small scale industries registration and other programmes and schemes being implemented in the district on a perpetual basis. The networking of the districts with the nodal cell at the Directorate will aid the delivery mechanism of information and other technical support services offered by the Directorate and the District Industries Centres. Guidance and monitoring windows will be created in District Industries Centres to help entrepreneurs get all the assistance required for setting up and sustaining an industry. The window will be manned by representatives from reputed consultancy organisations in addition to the personnel in the District Industries Centre.

Government will take effective measures to maintain computerized databases of the industrial activities in the state. Steps will be taken for the creation of databases of project ideas and profiles and association with R&D institutes and national level agencies. These data banks will be made available to the entrepreneurs utilising the computer network linking the District Industries Centres. A State level nucleus cell of officers from all the industrial promotion agencies will be constituted with the Secretary(Industries) as Chairman and Director of industries and Commerce as Convenor to co-ordinate and undertake industrial promotion activities in a planned and scientific manner.

Government will assist industrial units in marketing their products through their co-operative ventures especially to industrial units in the Small, Tiny, traditional and handicraft
sectors. The steps undertaken by the Government in this regard are: a) Rules pertaining to price preference and earnest money deposit will be streamlined and their enforcement made effective, b) To this effect, comprehensive details of products that can be sourced from the Small scale sector to the Large and Medium scale sectors will be documented.

1.10 Definition of Tiny, Small and Medium scale industrial units ~

In order to define the terms “Tiny Units or Enterprises”, “Small Scale Units” and “Medium Unit”, we refer to the various decisions and interpretations given by the appropriate government taking into account various aspects like investment on plant and machinery, employees employed and other related matters pertaining to fiscal support or credit support along with infrastructure support.

Definition - 1955 - Small Scale Industries Board

“A unit employing less than 50 persons, if using power and less than 100 persons without use of power and with capital assets not exceeding Rs.5 lakhs”.

Definition-1985 - Industrial Policy Resolution - Government of India

“Small scale industries will include all scale industrial units with a capital investment of not more than Rs.35 lakhs; irrespective of the number of persons employed”.

Definition-1991-Industrial Policy Resolution - Government of India

“An industrial undertaking in which the investment in fixed assets in plant and machinery, whether held on ownership

terms or no lease, or by hire purchase, does not exceed Rs.60 lakhs.

There are four main classifications of Small scale industries in India, namely (I) manufacturing, (ii) feeder, (iii) servicing and (iv) ancillary industries.

1.10.1 Tiny Enterprises:
An industrial undertaking in which the investment in plant and machinery is only up to
Rs. 25 lakh irrespective of location
Rs. 25,00,000 = US $ 54,350

1.10.2 Concept of Small scale industry

The concept of Small scale industry in the Indian context is vague for two reasons. Firstly, it is hard to draw a distinction between a traditional cottage industry and a Small scale industry of today; and secondly the definition of Small scale industries given by the government has been undergoing frequent revisions. The origin of the concept of Small scale industries in India can be traced as far back as to that of the Industrial Commission of 1968 which defined the Small scale industries as an “organised industry carried on in workshops or factories having simple operations with a provisional character”. As a matter of fact, this is just similar to the present modern concept of Small scale industries which draw a distinction between the factory and the non-factory sector. The experts have suggested that Small scale

\[^{6}\text{Ibid.,}\]
industries or cottage industry may be understood as an enterprise engaged in a series of operations carried on by workmen skilled in their craft and on their own responsibility, the finished product of which he markets himself. The worker works in his own home, use his own tools and materials and provides his own labour or the labour of such members of his family as are able to assist him.

This concept is mostly akin to that of the modern village and cottage industries though not similar to the Small scale industries of today. In the views of Jawaharlal Nehru, “Small scale industrial units may be those which have (a) no mechanical power but hired labour of below 10 persons; or (b) mechanical power with less than 10 h.p. and with or without hired labour.”

According to the working group on Industry and Economic Commission for Asia and Far East (ECAFE), a Small scale unit is one which operates mainly with hired labour usually not exceeding fifty workers and not using any motor power in any operation or with hired labour of 20 workers or so and using power. Here the main emphasis is on the number of workers and on the use of motor power, but output is not at all considered. Further the Committee on Finance for Private Sector defined the Small scale industries as those units which are not identified with the agricultural economy and in which the investment of capital and labour are relatively small i.e., units with assets, say between Rs.0.10 and Rs.5.00 lakhs engaged largely in the production of articles that are ancillary to or competitive with the products of the so-called large scale industries. This definition clearly indicates that the SSI units are different from cottage industries.
At one time, the Government grouped small scale industrial undertakings into two categories - those using power but employing less than 50 persons and those not using power but employing less than 100 persons. All small enterprises had a capital investment of less than Rs. 5 lakhs. The criterion of the number of persons employed, however, was considered as descriptive, as the figures of fifty and hundred persons were purely arbitrary.

Status of Indian Small scale industry

The contribution of SSI sector is to GDP at 7% and 95% of Indian Industrial Enterprises belong to SSI sector as well 40% of the total industrial output is from SSI sector only. Contribution from SSI sector to the total exports from India is 35%. 7500 different products are manufactured in SSI sector. There are around 150 identified industrial clusters in SSI sector.

Small Industries Development Organisation (SIDO) advises the Government in policy formulation for the promotion and development of Small-scale industries; provides Techno-economic and managerial consultancy, common facilities and extension services to Small-scale industrial units; provides facilities for technology upgradation, modernization, quality improvement and infrastructure and human resource development through training and skill upgradation. Also maintains a close liaison with the Central Ministries, Planning Commission, State Government, Financial Institutions and other organizations concerned with development of Small scale industries.
Organisational structure of state governments to support Small scale industries

State Governments provide land, developed plots and sheds in industrial area, basic infrastructure at developed plots and sites such as power, water, communication facilities such as capital subsidy, fiscal incentives, power subsidy, seed capital, subsidy for technical know how, subsidy for testing products in approved test houses.

District Industries Centres (DICs) - plays the role as first contact point for an entrepreneur gives all supports and assistance from Government to industry and it has got its organisation chart such as

a) State Small industries development corporations.
b) State technical consultancy organisations
c) State financial corporations

Apart from this, Non Governmental Organisations (NGOs) supporting Small scale industries are Industries associations, service organisations like Rotary Club, Junior Chamber and Charitable Societies.

Besides these facts, Government of India has extended large scale of Incentives for Small-scale industrial units and Tiny scale industrial units which have acquired ISO - 9000 (or similar) Quality Management System Certification. Incentive is the reimbursement of the expenditure incurred by the industrial unit for acquiring the certification to the extent of 75% of the total cost subject to a maximum of Rs. 75,000/-. 
1.10.2.1 Definition of Small scale industries

After analysing the concept of Small scale Industries in detail, a basic question may arise, as to why an official definition is required at all. The policy of the Government is to encourage Small Scale Industries for various socio-economic reasons. In support of the Government offers several facilities - promotional, developmental and financial. To ensure that only the genuine SSI units are benefited, an official definition has become a necessity for implementing the programmes.

Major announcements by the Prime Minister at the National Conference of SSI units held in New Delhi on 30th August 2000 and other decisions announced by the Ministry of Small scale industries and rural industries include the following:

a) Policy support such as the investment limit for the Tiny sector to the tune of Rs.25 lakhs and for the SSI sector Rs. 100 lakhs.

b) Fiscal support such as to improve the competitiveness of Small Scale sector the exemption on excise duty limit raised from Rs.50 lakh to Rs.1crore.

c) Credit support such as composite loans limit raised from Rs.10 lakhs to Rs.25 lakhs; the eligibility limit for coverage under the credit guarantee scheme has been revised to Rs.25 lakhs form the present limit of Rs.10 lakhs and the department of

7 & 8 Reports on 46th Meeting of Small Scale Industries Board, 31-5-2001
economic affairs appoint a task force to suggest revitalisation restructuring of the State Finance Corporations.

d) Infrastructural support such as commencing the Integrated Infrastructure Development Centre (IIDC) Scheme covering all areas in the country with 50% reservation for rural areas; Cluster development under the national programme of rural development by KVIC, SIDO, SIDBI and NABARD and funding for industrial infrastructure development, setting up of incubation centres.

e) Technological support and quality improvement such as capital subsidy of 12% for investment in modernisation and upgradation technology; the scheme of granting Rs.75,000/- to each unit for getting ISO 9000 certification for the next six years, i.e., till the end of the 10th five year plan.

f) Marketing support such as organising vendor development programme, buyer seller meets and exhibitions in dispersed locations.

1.10.2.2 The role of Tamil Nadu Small and Tiny Industries Association (TANSTIA) with regard to Small scale industrial undertaking:

9TANSTIA is an apex body recognized by both state and central government. It was established in 1956. All district level associations, trade associations in Tamil Nadu and many Small and Tiny industries are its member. It has more than hundred associations as its member. It has an well-organised district level setup. It is regonised by many of the state and central Government

departments like District Centre for Small Scale Industries (CSSI), National Small Industries Corporation (NSIC), Small Industries Development Corporation (SIDCO), Small Industries Promotion Council of Tamil Nadu (SIPCOT) and financial institutions like Tamilnadu Industrial Investment Corporation (TIIC).

Role of Tamil Nadu Small and Tiny Industries Association (TANSTIA):

TANSTIA role is more of promotional than demanding. It actively participates in the committees set up by state and central government and promotes the interest of Small and Tiny industries. It sponsors experts meet and trades delegations to other countries. It offers valuable guidance for entrepreneurs. It publishes monthly magazine and newsletter for small industries. It provides technical and managerial training programmes to small industries. It has collaboration with Friedrich Naumann Foundation, Germany to provide additional supporting services through the service centre of TANSTIA.

Service offered by TANSTIA '.

TANSTIA offers Entrepreneur Counselling Service for the existing and new entrepreneurs on every Wednesday between 3pm to 5pm, which include subjects like how to start small industries, revival of sick units, raising finance to set up small industries as well as modernisation, diversification and quality system. Also it offers through the Industrial Policy Resolution of

1956, with its policy of supporting the cottage and village and small scale industries, restricting the volume of production, differential taxation and extending direct subsidies. The said resolution has ensured that the decentralised sector acquires sufficient vitality to be self-supporting to improve the competitive strength of the Small scale producer.

1.10.2.3 Small scale industries under Five Year Plans

In pursuance of the policy, several measures have been taken to develop and strengthen the Small scale industry during the First and Second Five Year Plans (1951-61).

The Third Five Year Plan laid emphasis on encouraging the spread of Small scale industries to rural and small towns by making available the institutional finance, subsidies, sales rebate and sheltered market and progressively making it an ancillary to large scale industry.

The Fourth Five Year Plan proposed certain assistance, namely modernisation of production techniques, improving the skill of workers, supply of technical assistance, better equipment and credit to make industries viable, widening the range of products and promotion of exports. Training of workers, provision of common service facilities and quality marketing and consolidation of industrial estate programme were also undertaken during the plan period.

The nationlisation of fourteen commercial banks in 1969 and the inclusion of Small scale industry in the priority sector

11 Ibid.,
in 1972 enabled the Small scale industrial units to avail of credit facilities liberally at concessional terms.

12In 1970, the Government of India has announced a new licensing policy which reiterated the policy of reservation of certain items for Small scale industry. The policy envisaged that, ‘the list of reservation would be expanded progressively depending upon the ability of Small scale industry to produce goods economically’.

13The Fifth Five Year Plan perpetuated the approach of the Fourth plan towards the village and Small scale industries. Besides, the plan emphasised the promotion of entrepreneur-ship, provision of consultancy service, application of modern technology to make the industrial units viable and provision of incentives to attract engineers to start industries.

14Small Scale Industries have been assigned an important role under the Seventh Five Year Plan. The policies to be pursued during the plan include rationalisation of fiscal measures to ensure rapid growth of Small scale industries, strengthening infrastructure facilities at various levels, adoption of modern management techniques and market strategies for domestic and export markets, increase in production of ancillary items and stepping up of research and development efforts.

From the above, it is evident that the status of Indian Small scale industries and Tiny industries with various services

12 Ibid.,
13 Ibid.,
14 Ibid.,
and schemes supported by our Government of India through their industrial policy resolutions made in 1955, 1960, 1966, 1974, 1980, 1985 and 1991 have clearly formulated policies, procedures and schemes applicable thereby evolving Industrial Promotion, Labour Relations and Labour Welfare in the Industrial Sector. The composition of human resource or personnel department in Tiny, Small and Medium scale industries have been so far analysed in this chapter as an introductory fashion to go into the other chapters of this Study.

The Researcher of this study has taken his earnest efforts to analyse the objectives of this study particularly to assess various human resource development programmes and activities in Tiny, Small and Medium size industries in Madurai. The scenario of industrial relations is related to class conflict, in terms of mutual co-operation and competing interests of various groups. Human resource managers are expected to understand these various approaches to imbibe the role of human resource management.