CHAPTER 3

HUMAN RESOURCE MANAGEMENT PRACTICE

* INTRODUCTION
* PRACTICE
* DESIGN OF THE STUDY
* HUMAN RESOURCE MANAGEMENT DEPARTMENT

***
As we know that the essence of success of any enterprise depends upon the utilization of both human and non-human resources. But the most valuable resource among these for any organization is human resources. In order to achieve the individual and organizational goals, human resources are utilized to the maximum possible extent. Hence, the human resource management — one of the very important disciplines of MANAGEMENT — deals with the effective control and use of manpower, as distinguished from other sources of power. In this context, managing people at work in recent years is regarded more vital than the management of materials, machines, finance, production and sales irrespective of the sizes of the organizations. However, this is more vital particularly in the labour intensive industries. The prudent managers must give more attention to the problems of human resources so as to have the sustained production and profits.

With the rapid development of science and technology, industrial development throughout the country also becomes faster. However, a few of the states like Maharashtra, Gujarat, Karnataka and Tamil Nadu have achieved appreciable industrialisation. Most of the
industrial units of these states provide very important means for the livelihood i.e., "employment" to many of the surrounding people. In view of this, human resource management practice is of a great concern with such labour based industries.

My study is based on the survey of some selected industrial units which have followed more or less a human resource management practice in order to manage the entire organisation successfully. Valsad district in Gujarat State is the area of my study. This area has a wide scope for the growth and development as an industrial zone. Metropolitan cities like Bombay, Surat, Poona, Nasik and Ahmedabad are always hearing the throbbing of its heart. Not only this, but due to many of the relevant factors this district, at present is divided into five main industrial zones, viz: Vapi, Atul, Valsad (including Sundarlav GIDC estate), Bilimora and Navsari.

So far as my survey is concerned, the total no. of industrial units scattered throughout Valsad district are 2218, providing the employment to 64,693 employees. While going through Table 3.1, it seems that, no. of small scale units are very large i.e., 96.70 percent of the total no. of industrial units located at Valsad district, but, they provide employment to only 23.26 percent of the total no. of employees working in total industrial units.
### Table 3.1

Classification of total no. of industrial units and no. of industrial workers working in Valsad district.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Size of the Unit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Small</td>
<td>Medium</td>
</tr>
<tr>
<td>1.</td>
<td>No. of Units</td>
<td>2147</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(96.79%)</td>
<td>(2.79%)</td>
</tr>
<tr>
<td>2.</td>
<td>No. of Employees</td>
<td>15054</td>
<td>27724</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(23.26%)</td>
<td>(42.86%)</td>
</tr>
</tbody>
</table>

On the other side, large scale units are only 0.42 percent of the total no. of units, however, they provide 33.88 percent employment. Where as medium scale units are also very few in numbers i.e., 2.79 percent, but they cover 42.86 percent of total employed human resources in various units.

The actual human resource management practice has been prevailing in only medium and large scale units. The practice of human resource management does not arise in the cases of small scale industrial units where no. of workers are very much less and pragmatically, therefore, it is not also feasible and advisable.

All the medium scale units differ in terms of no. of workforce and the practices for the management of
them. All the medium scale units are ranging from 200 to 1000 employees. This problem does not arise in the cases of large scale units, as every unit has more than 1000 workers. My study shows that the large scale units are only 0.42 percent of the total no. of 2218 units, in Valsad district, but they have 33.88 percent of the total no. of industrial employees working in the district.

**PRACTICE**

Human resource management — one of the most essential disciplines of Management — has a vital impact on industrial development of any nation. Therefore, it is necessary to consider the practices of such important discipline of management. The term "practice" formally derived from the word "practise" and substituted for the earlier word practice which means, "to put into action or operation." In other words, practice is nothing but the action of doing something, performance, execution, working operation, method of working etc. Similarly, "it is a habitual doing or carrying on of something usual customary or constant action." In this context the practice of human resource management deals with areas of activities concerned with human beings working at any industrial as well as non-industrial organisations. But, at the same
time, it is to be also noted that it is very difficult to cover each and every area of human resource management in terms of practices prevailing in our industries. However, I have tried to cover most of the functional areas of human resource management during my study. Obviously, it is the practice of most of the units to conduct such human resource management practices, but it is very difficult to find similarity in any two units doing human resource management practices. As it depends upon so many factors like company policy; top management feedback, nature and size of the unit; local social and environmental factors; and so on.

**DESIGN OF THE STUDY**

The study was conducted in five major industrial towns in Valsad district as a part of the larger study of human resource management practices in such industrial environment. The results of this study are based on an intensive case study of business firms in Valsad district. Thirty industrial units were surveyed during the study; of which seven were small scale, Nineteen were medium scale and four were large scale units.
Table 3.2

Classification of size of units and range of no. of employees working in each unit surveyed in the district

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Size of the Unit</th>
<th>No. of Units</th>
<th>Range of no. of employees working in each unit</th>
<th>Overall range (no. of employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Small Scale</td>
<td>07</td>
<td>25 to 100</td>
<td>25 to 28</td>
</tr>
<tr>
<td>2</td>
<td>Medium Scale</td>
<td>19</td>
<td>101 to 1000</td>
<td>4000</td>
</tr>
<tr>
<td>3</td>
<td>Large Scale</td>
<td>04</td>
<td>1001 and above</td>
<td></td>
</tr>
</tbody>
</table>

The overall range of no. of employees working in different units comes to from 25 to 4000 and size-wise range of employees in all the three size of the units are self-explanatory by the observation of Table 3.2. The interviews and observations made by the author have marked the reality of managerial policies, practices and problems in the following areas: (i) human resource planning, (ii) recruitment and selection (iii) training and development, (iv) employee compensation, (v) promotion and transfer; and (vi) industrial relations and trade unions. The findings and suggestions regarding the practices of human resource management in selected industrial units located in Valsad district are presented in
this study. However, the study of the practices of any human resource management requires the existence of well established and efficient human resource management department working for the entire organisation.

HUMAN RESOURCE MANAGEMENT DEPARTMENT

During the old days there was a total absence of human resource management department as a separate department like marketing, purchase, finance, production, etc. in our industrial units. The witness of this statement is human resource management literature. It is the rapid technological and scientific management development which have rapidly not only introduced but also developed the necessity and significance of human resource department to most of the industrial units. The utilitarian need of human resource management also rapidly raised the importance of human resource department as a separate department. The main purposes of this department are to look after the various functions of human resource management and specifically to obtain, train and to maintain the efficient, competent and needed workforce in any organisation.

The internal structure of the human resource department varies widely in different units,
depending upon the size of the unit; e.g., in small units human resource functions are generally performed by line executives, while in a large scale and many of the medium scale units, human resource activities are generally of a complex nature and hence, a separate department is organised for the purposes. This department may be known as Human Resource Department or in certain units as, "Industrial Relations Department", and is headed either by the Human Resource Manager or Personnel Director or Personnel Relation Officer or Administrative Officer or Labour Officer, depending upon the nature of duties assigned to him and the terminology used. The position and status of this human resource department head is diagrammed in the following organisation chart. (Vide page No. 116)

It will be seen from the diagram that human resource manager is working under the direct supervision and guidance from the General Manager. He is called the functional head or as per the management hierarchy, he is one of the very active members of upper-middle level of management. Different section heads viz., human resource planning, recruitment and selection, training and development, wage and salary, promotion and transfer, industrial relations, welfare facilities and fringe benefits, etc; are working under the direct guidance and supervision of this human resource
ORGANISATIONAL STRUCTURE

- BOARD OF DIRECTORS
  - MANAGING DIRECTOR
    - GENERAL MANAGER
      - MARKETING MANAGER
      - PRODUCTION MANAGER
      - FINANCE MANAGER
  - HUMAN RESOURCE MANAGER
    - HUMAN RESOURCE PLANNING
    - RECRUITMENT AND SELECTION
    - PROMOTION AND TRANSFER
    - COMPENSATION
  - TRAINING AND DEVELOPMENT
  - WELFARE FACILITIES AND FRINGE BENEFITS
department head. He has to coordinate and control all the sections as well as their activities for smooth operation and practice of his department as well as for the entire organisation because this department is link between management and labour, the two wheels of business chariot. And therefore his position is always known as critical as well as a full of dilemmatic.

Table 3.3 analyses the designations of human resource department heads in industrial units surveyed in Valsad district.

Out of the total 30 industrial units surveyed in Valsad district only one unit has the personnel relation officer and two units have labour officers, who are working as the head of human resource department. It was noticed during the survey that 30 percent of the units have separate human resource department and their heads were designated as the human resource managers. Moreover, 33.33 percent of the units have administrative officers to look after the activities of such human resource department. About 16.66 percent units have welfare officers for the same, whereas 10.00 percent of the units have no separate designation for these functions. In such units, the work of human resource department is done by some other departmental heads.
Table 3.3: Designations of human resource department heads in industrial units surveyed in Valsad district.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Area</th>
<th>No. of units surveyed</th>
<th>Designations for human resource department heads</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Human Resource Manager</td>
</tr>
<tr>
<td>1.</td>
<td>Vapi</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>Atul</td>
<td>03</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Valsad</td>
<td>06</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Bilimora</td>
<td>06</td>
<td>1</td>
</tr>
<tr>
<td>5.</td>
<td>Navsari</td>
<td>04</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>Percentage of total</td>
<td>100</td>
<td>30.0</td>
<td>6.66</td>
</tr>
</tbody>
</table>
Even the Administrative Officers do not look after only the human resource department, but they have to work for other functional areas of management also.

In a nutshell, the latest trends indicate that instead of the traditional designations like labour officer, welfare officer, labour relation officer, personnel relation officer, now a days, the human resource functions are performed by the human resource department headed by human resource manager or administrative officer and in a case of very large unit, it may be by human resource director.

**FOOTNOTE**