CHAPTER - VI
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SUMMARY & CONCLUSION

Human resources are the mighty pillars that form the business colonnade in the world economy. They, therefore, deserve all the care and attention. The very art of managing human resources is based on thoughtful policies and bouquet of helpful practices aimed at creating motivation and commitment in the workforce. While human resource policies form the framework for effective functioning of HR management, HR practices form the culture in business management. The best practices in Human Resource Management (HRM) would result in benefits to all stakeholders like the shareholders, creditors, suppliers, consumers and employees. The organization as a whole will then reap the benefits. Such useful practices invariably create, in the workforce, an awareness of the need to achieve the business goals in the best possible and ethical manner. They are also aimed at creating a sense of togetherness in the organization. These best HRM practices weave into the business strategy, providing support to the organization in all its endeavors to achieve its business targets and to overcome business hazards like competition and change in consumer patters. Good HR practices also help to overcome economic forces such as recession, inflation, etc.

HUMAN RESOURCES MANAGEMENT

Human resources had been an important factor of production. Human resources are the only active factor of production which only can employ other factors in the best possible manner. Every organisation operates by combining resources both

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materials and non material. While the plant, equipment, financial assets (generally described as material resources), are considered as vital resources, the one that is most important is the non - material resource, namely the “human resources” or the employee resources. Human resource management is concerned with the people’s dimension in managements. Every organisation 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 organisation, which is essential for achieving organisation objectives.

Recently a number of developments have combined to make the effective management of human resource even more important. These developments include the drastic changes occurring in the nature of work performed, changes in the attitudes of workers available, and workers’ expectations. Today workers have higher expectations about the work. They are willing to perform and have a desire for share in the financial gains achieved by the organisation. The assessment of human resource conditions involves external conditions, organizational conditions and employee conditions. External conditions include: (a) the societal, cultural, political and economic factors relevant to organisation and its employees. In more specific terms, these include economic conditions, government regulations (referred to as human resource laws) of central, state and local governments, including the court interpretations and directions regarding these laws and finally the trade union expectations. At the principle level the objective of each human resource function is same across the organisation. However, the practices and approaches these organisations follow do differ.
Organisation conditions include the nature of the organisation and the nature of work included under the nature of organization is strategies, objectives, financial situation, and technology and work culture aspects. The consideration of nature of work includes skills required, training, availability of compensation and reward systems and the manner in which the jobs are designed, employee conditions that refer to abilities, motives and attitudes of the workers. The setting up of human resource objectives requires the consideration of efficiency and equity—both of the organisation and its employees. Efficiency refers to; the comparison between inputs and outputs, equity refers to the perceived fairness of both the procedures used to make human resource decisions—the rules and procedures used to decide pay increase, hiring, lay off or promotions, efficiency and equity in most instances. Policies are interrelated because fair and equitable employment policies increase employee’s willingness to grater efforts for increasing the productivity.

IDENTIFICATION OF PROBLEM;

SCCL has a long history of over a century. The company has been facing serious problems such as (a) difficult go mining condition leading to high cost of production and low productivity, (b) limited economically viable open cast services, (c) too many trade unions, (d) the mines are located in an underdeveloped region of the Andhra Pradesh State where naxalite activities are very active, (e) incurring huge losses, (f) low technology equipment and still depending on man productivity, (g) no possibility of outsourcing, (h) price of coal being fixed by the Government, (i) adverse capital structure, which leads to higher interest burden, (j) Finally frequency strikes, Law and order problem, un-remunerative prices/wages for employees.
In spite of several severe difficulties, the SCCL entered into a net profit regime. It is due to the efficient HRM Practices and implementation of various strategies.

OBJECTIVES OF THE STUDY

1. To study the HRM Practices in coal mining Industry.
2. To evaluate the Profile of the Singareny Calories Company Limited (SCCL).
3. To analyze the HRM Practices in SCCL.
4. To evaluate the Perception of the employees of SCCL on the HRM Practices and their implications.

HYPOTHESIS OF THE STUDY

a. The performance of the SCCL is Progressive.

b. SCCL is comprehensively following HRM Practices (which includes selection, recruiting, training and welfare measures)

c. There is no difference of opinion among the Executives, Administrative staff and Field staff with regard to HRM practices in SCCL.

RESEARCH METHODOLOGY

Source of data:

This study is based on secondary as well as primary data. The secondary data are collected from the sources of Government of India, Government of Andhra Pradesh Publications. Annual Reports of SCCL, HRD Bulletin of SCCL, News Papers and selected research articles.
Primary data were collected through administering structural schedules to the HRD Officials and employees of SCCL with special focuses on HRD Practices in SCCL. To elicit their information, 90 executives, 210 administrative staff and 240 field staff were interviewed. SCCL employees were interviewed based on stratified random sampling method. The schedule covers all important parameters such as: profile of the employees, recruitment process, methods of training, wages and salary structure, performance appraisals, promotion, job satisfaction policy, employee welfare measures, employer and employee relations, role of the trade union, and Total Quality Management (TQM).

**Selection of the Sample:**

It was proposed to interview HRD officials and employees of SCCL through structural schedule. HRD officials are selected on the basis of designation and work experience. While selecting sample, equal importance was given to all parameters, and 20 HRD officials were interviewed based on their grades and experiences, to elicit the HRM practices in SCCL.

**Statistical tools used:**

Depending upon the necessity charts, table, and graphs were used. And to study the outcome of HRM practices in SCCL, correlation, regression, $X^2$, F text were calculated.

**Scope of the Study:**

This study is confined to study the HRD practices in SCCL only. It does not cover other coal companies in India, such as ECL, BCCL, CCL, NCL, WCL, MCL,
CMPDIL, NECL, SECL. However, whatever results and inference derived through this study, hold good for SCCL and generalization can be made to other similar companies.

CHAPTERISATION

This study covers six chapters. The chapter wise details are as follows

Chapter-1: Introduction:

The first chapter deals with the introduction, the Human Resources Management practices in India and the review of previous studies in different dimensions, review of studies on human resource management, human resource development, labour welfare, human resources practices in different sectors, human resource management in coal mines and finally the human resource management in Singareni Collieries Company Ltd. On the basis of review of literature objectives were selected and to study those objectives an appropriate methodology was used.

Chapter 2: Profile of SCCL:

Second Chapter deals with the profile of Singareni Collieries Company Ltd. and its growth in various dimensions with particular reference to HRM Practices.

Chapter 3: HRM practices in SCCL

This chapter dealt with HRM practices in SCCL, and focuses on Recruitment, Selection, Training and development.

Chapter 4: Promotion in SCCL

This chapter covers social security schemes, Coal mines provident fund (CMPR) workmen compensation Act, Gratuity Act, welfare measures, banking
facilities, Ex-gratia matching grant, dependant Employment, Monthly Monetary Compensation (MMC)/ lumpsum payment, Monthly Monetary Compensation (MMC)/lumpsum payment ecology and tree plantation, women's welfare in SCCL,

Chapter 5: Perceptions of the employees on HRM Practices in SCCL

This chapter covers demographic background, awareness of the organization, level of satisfaction on recruitment policy, level of satisfaction of recruitment of daily rated workers, method of selection, level of satisfaction on induction practices, level of satisfaction on recruitment of operators in opencast mines, level of satisfaction on recruitment of dependent employment, level of satisfaction on training programmes imparted in SCCL, level of satisfaction cadre schemes promotion, level of satisfaction on wage and salary administration, level of satisfaction on incentive schemes, level of satisfaction on industrial relation, level of satisfaction on organization climate, finally it concludes with level of satisfaction on overall HRM Practices.

Chapter 6: Summary and Conclusions:

The last chapter summarizes the total research work and concludes with suitable suggestion for effective implementation of HRM Practices in SCCL.

Major Findings of the study

1. Liberalization and Economic reforms had also impacted the Coal industry in a significant way. The coal industry was subjected to greater regulatory changes, competition, rapidly changing technology and Consumer preference. Economic reforms resulted in the emergence of the following issues:
a) Free pricing and distribution of Coal  
b) Pressure on demand from domestic coal companies and imported coal due to lowering of import duties  
c) De-licensing of Coal Industry  
d) Stoppage of Budgetary Support from the Govt.

2. Industrial unrest through multiplicity of trade unions. For that for the first time trade union elections were conducted under secret ballot system to elect one recognised union at the Company level and one representative union at the area level. As a result number of strikes were reduced from 475 to 11, which is a insignificant one. As a result harmonious relationship was created and HRD climate has improved. Mine Managers concentrated on Production, Productivity and Safety aspects.

3. Low literacy, low level of awareness, poor quality of their lives prevented them to learn work culture and failed to develop themselves. As a result absenteeism, strikes were taken place. Their social life and economic standards were very poor. The problem of alcoholism is prevailing in the SCCL township. No planning and vision resulted in improving their working and living condition. Reforms were taken up and focused on multifaceted workers welfare programmes. Accordingly amount spent on welfare activities rose from Rs.5283.00 lakhs to Rs.31,724 lakhs and per employee it rose from Rs.4,551/- to Rs.33,849/- from 1990-'91 to 2005-2006.

4. High over head cost led the Company into heavy losses. As a result non-core activities were identified and outsourced by the management. This made the company back on the growth track.
5. Huge interest payments are responsible for accumulated losses. With the financial restructuring package, cost cutting measures and introduction of Golden Handshake in certain categories reduced total cost reduction of overtime, stoppage of employment to land loosers/oustees, dismissal of chronic absentees. Regulation of dependant employment against vacancies, energy conservation reduced the total cost of production.

6. Due to competition, customer focused reforms were taken up as a result management entered into Fuel Supply Agreements with major customers.

7. Clear cut communication strategies were formulated to focus on safety, environment protection, labour welfare. Community development programmes were also implemented. Due to the changing global and national scenario SCCL now believes in involving employees as partners in progress. It is the only PSU in the entire country sharing its profits with its employees from 1999-2000 onwards. Around 10 per cent of the profit was paid to the workmen as special incentive from 1999-2000 onwards from 2002-2003 it increased to 11 per cent.

8. Ten year interest free moratorium on Rs.663 crores of overdue interest on the Government of India loans helped the company in attaining profits. The financial restructuring package offered by the government is so encouraging in attaining profits.

9. As per the World Bank study in the coal belt region, it was concluded that payment of cash has contributed to increase in conspicuous consumption and rise in alcoholism. To promote the well being of employees, payment of wages through Banks was introduced. As a result the chances of improving
the thrift habit among workmen is possible on one side, banks may extend loan facilities for several purposes as their payment is through Banks on the other side.

10. As a part of various reforms energy conservation measures taken by the SCCL is noteworthy. In a Govt. audit it was mentioned in the report that SCCL is incurring an avoidable expenditure to the extent of Rs.218 crores on power consumption. It is not only power wastage but also power tampering and pilferage. Steps were taken by the SCCL and reduced the expenditure on Power Consumption under Energy Conservation Measures.

11. The main objective of HRM policy of SCCL is to ensure optimum use of human resource effectively and to assess the future skills recruitments. The rate of absenteeism is highest in the second week of the every month (immediately after payment of piece rate wages). Through training, knowledge, mental outlook and attitude of the employees have undergone drastically. This has resulted in employees better adjusted to the working environment. The performance appraisals are found useful, especially for promotion and employees in knowing their progress and potentialities.

12. Among SCCL employees, community, caste are not playing any role in the functioning of SCCL including among executives, administrative staff and field staff. Based upon primary study it is evident that more than 57 per cent of executives entered the organization through advertisement, whereas in the category of administrative staff 32.86 per cent of the employees and in the field staff also majority i.e. more than 40 per cent of employees were recruited through advertisement. SCCL is strictly following the reservation policy while
recruiting the employees. In the aspect of reasons for dissatisfaction the SCCL was insisting ITI as minimum qualification for recruitment of daily rated workers occupied first place. Whereas employee children are not getting chance of recruitment stood at second place with 324 weighted scores. The Singareni Collieries Company Limited is a little bit negligent and delaying the recruitment on the basis of so many stipulations. Insisting of ITI as minimum qualification was also another cause of discontentment among employees. Insufficient duration of the training period can not allow the participants to learn in depth of the skills trained in the programme. Executives, administrative staff and field staff are highly satisfied employees with regard to the HRM practices in vogue in SCCL.

3. In Singareni Collieries Company Limited major portion of the human resources is in the age group above 35 years. More than 63 per cent of total respondents are in the age group of the 35 to 55 years and 27 per cent of total respondents are below 35 years. 43.33 per cent of executives representing 7.22 per cent in total 540 respondent employees of Singareni Collieries Company Limited are in the age group of 35-45 years, where as 45.71 per cent of administrative staff (17.78 per cent of total 540 respondents) and 34.17 per cent of field staff representing 15.97 per cent of total 540 respondent employees are in the same age group. There are only three executives and 11 administrative staff at the verge of the service i.e. above 55 years of age and 35 field staff are at the same stage. In the Singareni Collieries Company Limited new entrants are lesser than the aged employees. In total 60.19 per cent of total i.e. 325 out of 540 respondent employees are young enough to perform the duties of SCCL in tune with the objectives of the organisation and they are potential to the Singareni Collieries Company Limited.
14. In the Singareni Collieries Company Limited the female employee respondents are 74.2 per cent of male employee respondents whereas in the cadre of executives under study the female employees are 55.2 per cent of male executive respondents. In the cadre of administrative staff the female composition is 114.3 per cent of male administrative staff and in the field staff the female employee respondents represent only 55.8 per cent. 57 per cent of executives entered the organization through advertisement, whereas in the category of administrative staff 32.86 per cent of the employees under study entered the organization through employment exchanges. In the field staff also majority i.e. more than 40 per cent of employees were recruited after advertisement. Majority of the respondents were not satisfied with the recruitment policy as employee children cannot get chances because of various policy followed in SCCL. Following roaster system was also rated as second best reason for dissatisfaction with 270 total weighted points. And some of the respondents were frightened to enter recruitment procedure as they felt that the recruitment policy was influenced by extremists. The outsiders were unable to get the chance to include in the human resources of the organisation as the existing employees were absorbed in the vacant posts.

15. 32.11 per cent i.e., 168 out of 540 respondents were dissatisfied on recruitment of daily rated workers where as 67.7 per cent of executives, 76.19 administrative staff and 62.92 per cent of field staff were happy with the recruitment of daily rated workers. At most 127 respondents in the category of field staff were satisfied with the recruitment policy. 23.34 per cent i.e. 106 respondents of total 540 respondents expressed discontentment over the recruitment of operators in opencast mines. Out of them 86 are in field staff cadres, 33 are in administrative cadres and only seven are in executive cadre. 85 per cent of the respondents are highly dissatisfied and 60.50 per cent dissatisfied persons are field staff. In the satisfied respondents also the field staff occupied the major share with 44.60 per cent in satisfied respondents with 99 out of 222 satisfied respondents. But in the highly satisfied respondents the administrative staff took lead and 85 out of 192 highly satisfied respondents with 44.3 per cent.
16. In total 24.63 per cent of total respondents (133 out of 540) were not satisfied with the recruitment policy of dependant employment in SCCL. Out of them 86 were filed staff, 35 were in administration and only 12 were executives. 86.67 per cent i.e. 78 out of 90 executives, 175 out of 210 administrative staff representing 83.34 per cent and 154 out of 240 field staff with 64.16 per cent were satisfied and some of them were highly satisfied with the recruitment policy of providing employment to the children or dependants of discontinued employees.

17. The training imparted in SCCL was not in tune with the requirements of the organisation to achieve the goals of the SCCL. The same was expressed by 69 employees under study as first rank, 81 respondents as second rank and 27 persons as third rank and the same reason occupied firs place with 396 weighted scores. Some of the respondent opined that the selection procedure followed in the organisation was in favour of employees who are very close to top management, since the same reason was opted by 57 as first rank, 49 as second rank and 71 as the third rank. The same reason is the second important reason for dissatisfaction of employees in SCCL. Whereas, all the dissatisfied respondents felt that the selection of trainees was not in tune with systematic and scientific methods and the same was given the third priority.

18. The managements' policy was seriously criticized by the respondents as it was preferred by 71 respondents as first cause, 87 chosen it as second cause and 62 selected it as third cause for the disturbance of industrial relations. It was the best cause for bad industrial relations accounting for 449 weighted scores.

19. 40 per cent of respondents were not getting full pledged job satisfaction in SCCL, as 30 executives, 81 administrative staff employees, and 105 field staff were expressed their dissatisfaction on the job satisfaction in SCCL. Hence the morality of employee was very low and the motivation obtaining through the job satisfaction can not support the organisation to achieve the goals of the organisation to accelerate the production. 66.62 per cent of executives, 61.43 per cent of administrative staff, and 56.25 per cent of field staff expressed that the job in SCCL is credit worthy for them.
SUGGESTIONS

1. It is suggested that the SCCL HRM people should select right persons for right posts based upon their merit while following the government reservation policies.

2. It is suggested that to consult senior field staff whenever they go for opencast mine operator’s recruitments.

3. The SCCL authorities are advised to consult the deceased families when they are recruiting dependent on compassionate ground. It is also suggested to avoid middle men intervention (trade unions) while recruiting for the compassionate posts.

4. Therefore, it is suggested that to recruit the employee’s son without insisting ITI and other educational qualifications, and permit these recruitees to complete such educational qualification in the mode of in service category.

5. Insisting of ITI as minimum qualification was also another cause of discontentment among employees. Therefore, it is suggested to recruit them first and permit them to complete such educational qualification under “INSERVICE” category.

6. It is suggested that the incentive scheme should be activated and advised to give, not only, the cash incentive but also in terms of awards and rewards.

7. It is suggested that SCCL authorities should conduct training programmes regularly to sharpen the existing skills among the employees. Further, it is also suggested to conduct the effective training to their employees.
FUTURE CHALLENGES OF SCCL:

i) Major Power generations companies may import coal to meet their requirements as the demand is high in future (A.P.GENCO & NTPC).

ii) Thermal Power Plants are planning to start captive coal mines.

iii) New Gas findings may lead to market share problem in near future.

iv) Nearly 146 private coal blocks were identified in our Country.

v) Coal Regulatory Commission was formed to reckon the prices of coal of various grades on the basis of performance levels. As the existing performance levels of SCCL are below the levels fixed by the Coal Regulatory Commission, it is indispensable to the Management to concentrate on reduction of cost of production and increase in the Productivity.