CHAPTER –II

RESEARCH METHODOLOGY
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2.1  Introduction

2.2  Need and Importance of The Present Study

2.3  Title of The Research Study

2.4  Objectives of The Research Study

2.5  Hypothesis of The Research Study

2.6  Statistical Techniques Used

2.7  Data Collection

2.8  Selection of Samples

2.9  Scope of The Study

2.10 Limitations of The Research Study

2.11 Organization of Research Design or Chapter Scheme

2.12 Important Terms & Concepts
CHAPTER –II

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2.1. Introduction:

Human resource is the most important and very versatile and dynamic resource of any organization. It is an approach to the management of people, man powers, and work force at work place within the organization. Therefore it is essential that the management succeeds in developing a team of efficient competent people. A good human resources can insure proper utilization of all other materials resources and thereby increasing in the productivity and profitability of the organization. If any organization desirous of expanding its operations at the national and international levels has to ensure that they selects right person for right place (job). Human resource management is the attempts to the activities undertaken by the management of an organization to attract recruit, select, to train, develop and retain the best labour force. HRM involves effort to select and to maintain an efficient work force. Human resource is the most important assets of a business organization and its effective management is the key to success of the business organization and it is most likely to be achieved if the human resource policies, practices and procedures are close linked with it and to make a contribution to the achievement of goals and objectives.

Human resource management creates and sets organizational culture and values and these are deeply affects on the performance of an employees and the productivity of the business organization. Human resource management is approach to recruitment, to selection, to motivation, to training and development and efficient and effective management of human resource of the business organization. Human resource management is a specialized field that attempts to design, formulate and develop the policies, practices and programmes and to promote the satisfaction of an employees and the business organization. Human resource management shapes to culture and values and these culture and values bring success in the life of employees as well as in the business
organization. The application and implementation of HRM involves the various functions of human resource manager such as recruitment, selection, training and development, motivation, management of salary or remuneration, promotion, transfer, demotion, labour welfare, performance appraisal of the human resource, industrial relations and various ethical issues in the human resource management.

The concept of human resource management has mainly three meaning attached, first, person or individual working in the business organization are considered as a very valuable resource or assets and there is need to their continuous development, second, human resource has its own special features, therefore, it cannot be treated like other material or physical resources and this approach focuses on the need to humanize organizational work life. And third, human resources do not merely focuses on the employees or individuals but also other special realities, units and processes in the business organization. Human resource management is the qualitative improvement tool in the hands of HR manager. Human being who are considered as the most valuable assets of the business organization. It is much more different from personnel management and other human behavioural sciences. HRM is more comprehensive than the personnel management because the personnel management has traditional view to its management and is not strategic and separate from the business organization and short in nature also. It is centered limited only to lower level management of employees but human resource management emphasizes those expectations which are not being fulfilled through the traditional approached personnel management. Human resource management focuses on the various sub systems of the business organization.

2.2. Need and importance of the present study:

India is the fourth major sugar producing country in the world. Sugar industry occupies an important place among the organized industries in India. It is the second largest agro based industry next to cotton and textile industries in India. Sugar industry provides directly employment approximately 7.5 lakh employees and 70 million cultivators of sugarcane producers. Beside these it provides extensive indirect employment to the around 50 million people who are engage in activities like whole selling, transporting, retailing of sugar and sugarcane in India.
There are various problems of human resource management and all most of sugar industries are facing problem of excessive employment. The employees, temporary and permanent are found to be appointed not on rational basis and their performance is low. The performance of the human resource is measured by their productivity and productivity is measured on the basis of managerial and financial performance. Human resource management policies and or practices fulfill the needs of its members and society.

In this study an attempt is made to investigate the internal and external sources of recruitment and selection and ways of education, training and development of human resource employed in the sugar industries. The employees have been selected for work and they have been trained to do the assigned work. Therefore, there is a need of performance of employees should be evaluated on the rational basis. After this an attempt is also made to study the ways of performance appraisal methods adopted by the sugar industries to access the contribution of human resource working at each level of the business organization during the given period of time. Human resource management is necessary to find out the future human resource needs for the business organization.

Today sugar industries are going to global, the environment is becoming very dynamic and challenging for the human resource management.

Previously, human resource management practices in sugar industries were traditional in nature. Because of the traditional practices of HRM these industries had many problems such as surplus employment, low performance, indiscipline in various matters. But some sugar factories adopted modern techniques of HRM, so their total performance and profitability is much higher than these applied traditional practices of HRM. Human resource management is interrelated to all sub systems of the business organization. But HRM needs some specific and modern techniques to tackle human resource of the business organization. HRM has many problems such as HR planning, recruitment and selection, training and development, employee welfare and satisfaction, industrial relations and performance appraisal etc.

Sugar factories in the Solapur district are of great importance. In a Solapur district there are 21 sugar factories (2011-12) and out of these 16 were co-operative sugar factories and
remaining 05 were private sugar factories. These sugar industries are playing very vital role in the socio-economic development of the Solapur district.

This research aims at studying the measure taken to improve the quality of human resource management. Apart from this, at the same time the present study attempts to suggest the measures to improve the human resource management practices in the sugar industries in the Solapur district.

2.3 **Title of the research study:**

“A STUDY OF HUMAN RESOURCE MANAGEMENT PRACTICES OF SUGAR INDUSTRIES IN SOLAPUR DISTRICT, MAHARASHTRA”

2.4. **Objectives of the research study:**

Following are the objectives of the research study.

1. To provide a theoretical background of the concept of Human Resource Management.
2. To indicate the importance of Human Resource Management practices in sugar industries.
3. To study the problems and difficulties of human resources.
4. To study the measures undertaken for improving the quality of human resources in the sugar industries.

2.5. **Hypothesis of the Research Study:**

1. \( H_0 \): Recruitment and selection of employee and officers is independent of educational qualification and job profile.
2. \( H_0 \): Application of parameter like training and development, employee welfare, social security and social reservation in selection process is independent of job profile of the employee.
3. \( H_0 \): Participation in factory management is independent of job profile of the employee.
4. $H_0$: The practice and methods of performance appraisal is independent of educational qualification and job profile of the employee

2.6 **Statistical Techniques Used:**

For the analysis and interpretation of collected research data various statistical techniques like percentage, tabulation, classification, graphical presentation etc. are used to show the different aspects of respondents like number of employees, sources of recruitment, methods of training, methods of performance appraisal wage payments, incentives schemes etc. Also the software like MS Office, MS Excel is used. Thus the research data was analyzed and interpreted with the above mentioned tools and techniques and conclusions drawn.

2.7 **Data collection:**

In order to pursue this study the researcher has collected the required data and information through the primary sources and secondary sources.

   **A- Primary data collection sources:**

In order to attain primary sources the information and data is collected through the well structured questionnaire and conducted discussion, interaction and interviews with respective staff and the employees of the sugar factories.

   **B- Secondary data collection sources:**

For the collection of secondary information and data sources like annual report of the respective sugar factories, list of advertisement, training report, journals published in workshops and seminars, published reference books on human resource management, news papers, Internet and web sites of the respective of the factories has been taken into consideration.

2.8 **Selection of Samples:**

It was proposed to undertake the sample survey that there are 16 Co-operative and 04 private sugar industries in Solapur District and out of 16 co-operative 03 sugar industries and out of 04 private sugar industries 01 is proposed to select 20% of them as samples.
2.9 Scope of the Study:

The scope of the present research study was confined to the geographical boundaries of Solapur District and limited to the aspects of only Human Resource Management Practices. To attain the study, detailed investigation in Human Resource Management Practices of selected sugar industries in Solapur district were considered as ideal samples and example. This research study of Human Resource Management Practices covers the different means and ways of internal and external sources of staff and employees recruitment, various techniques used to train staff and employee, methods of training conducted, types of performance appraisal methods used to evaluate the staff and employees, various aspects of human relation, participative management, trade unions and various employees and staff welfare schemes and social security schemes adopted by the sugar industries has been taken into consideration and period is also confined ten years from 2001 – 02 to 2010 - 11.

2.10 Limitations of The Research Study:

1. For the purpose of this research the study only four areas of human resource management like recruitment and selection, training and development, employee welfare and compensation and employee performance appraisal have been considered.

2. For the purpose of this research study three co-operative and one private sugar factory and only Solapur District has been taken into consideration as geographical confinement.

3. Since the geographical area covered by the sugar industries is very wide and vast and due to the time element and deficiency of other resources it will not be possible to interact with each and every of staff and employees in detail.

4. The nature of these sugar industries is seasonal and this element is also made a less speed of research.

5. The fair support from the respondents was negative in nature.

6. Some sugar industries were not interested to give data and informations.

7. The topic was very wide and vast to research study.
2.11 Chapter Scheme:

Present research study has been designed as per the following chapter scheme;

Chapter – I
Introduction
In this chapter discussion made on human resource management with its significant areas like basic concept of management and functions of HRM, Objectives of HRM, need and importance of HRM, evolution of HRM, approaches to HRM, procedure and policies of HRM, internal and external sources of recruitment, methods of training, education and skills development, methods of performance appraisal, employee welfare, human relation, participation in management, trade unions, social security schemes etc.

Chapter – II
Research methodology:
In this chapter an exhaustive and basic core concepts have been discussed on the research methodology relating to the need of the present study, objectives of the research study, hypothesis of the study, research methodology and research design, collection of information and data, selection of samples, scope and limitation of the research study and organization of research design or chapter scheme, and importance of concepts which are related to research study.

Chapter – III
Review of literature:
In this chapter, the discussion has been made on the previous declared M. Phil. and Ph.D. thesis which were devoted and pertaining to the research study of HRM policies and practices. Also review has been taken of selected research papers on HRM practices and policies presented and published in seminars and workshops.

Chapter – IV
Profile of the sugar industries:
In this chapter, the brief discussion has been made on the history and profile of the sugar industries in the Solapur district and its social and economical role.

Chapter – V
Data presentation, analysis and interpretations:
This chapter is devoted to data presentation, data analysis and data interpretation which was collected from the respondent staff, employees and the directors of the respective and selected sugar industries. Tables, charts and graphs are used for the presentation, analysis and interpretation of data

Chapter – VI

Conclusions and suggestions:
This chapter is devoted to summarization of all the important findings of this entire research study and conclusions and suggestions are drawn by the research data analyzed and interpreted with critically and some important suggestions for the human resource management practices have been made at the end.

2.12 Important Concepts and Terms:

1. Wage board:
Wage policies are formulated by the following institutions in India. One of them is wage board. This is one of the very significant institutions set up by the Government of India for fixation and revision of wages. In India separate wage boards are set up for separate industries. The Wage Board has to study various factors before making the recommendations. The recommendations of the wage board are first referred to the Government for its acceptance. The Government may accept with or without modification or reject the recommendations of the wage board. The recommendations accepted by the Government are enforceable by the parties concerned. The wage boards take the following factors into consideration for fixing or revising the wages in various industries;
   1. Job evaluation.
   2. Wage rates for similar jobs in comparable industries.
   3. Employee’s productivity, Industries ability to pay and various wage legislations.
   4. Existing level of wage differentials and their desirability.
   5. Government’s objectives regarding social justice, social equality, economic justice and equality. Place of industry in the economy and society of the country and the region.
The Wage Boards fix and revise various components of wages like basic pay, dear allowance, house rent allowance, incentive earnings, overtime pay, and all other allowances.

2. Wage or Pay commission:
This is statutory board which fixes and revises the wages and allowances to the employees working in government and government departments. Pay Commissions are separately constituted by Central and State Governments. The first pay commission was appointed by the Central Government in the year 1946 with the chairmanship of Varadachariar. Central Government so far has appointed six pay commissions. The pay commissions have taken into consideration the following factors while fixing or revising the pay or wages.

1. Incidence of poverty in the country and Enforcement of the Minimum Wages Act.
2. Earnings of employees in the state government, public sector, unorganized and agricultural sectors. Share of Government Employee’s earning in the National Income.
3. Pay structure, Minimum pay, Cost of living index, Service Conditions, Dearness Allowance, House Rent Allowance, Reimbursement of Medical Expenses, Other incentives and Bonus.

3. Statutory Minimum Wage:
It is the amount of wage or remuneration which could meet the normal needs of the average employee regardless as a human being living in a civilized society. It is defined as the amount or remuneration “which may be sufficient to enable a worker to live in reasonable comfort, having regard to all obligations to which an average worker would ordinarily be subjected to.” For this Central Government passed The Minimum Wages Act, 1948.

4. Basic Minimum Wage:
It is the wage which is to be fixed in accordance with the awards and judicial pronouncement of Industrial Tribunals, National Tribunals and Labour Courts and it is obligatory on the employers.

5. Minimum Wage:
It has been defined by the Committee as “the wage which must provide not only for the bare sustenance of life, but for the preservation of the efficiency of the worker. For this purpose, the minimum wage must provide for some measure of education, medical requirement and amenities.”

6. Living Wage:
Living wage is “one which should enable the earner to provide for himself and his family not only the bare essentials of food, clothing and shelter but a measure of frugal comfort, including education for his children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes, including old age requirements.”

7. Fair Wage:
According to the Committee established by Government on Fair Wages, “it is the wage which is above the minimum wage but below the living wage.” The lower limit of the fair wage is obviously the minimum wage: the upper limit is set by the “capacity of the business organization to pay.”

8. Over Time Pay:
Over time work is the work beyond normal working hours. For over time workers are remunerated at a higher rate than the normal time rate usually at double the normal rate.

9. Holiday With Pay:
Workers are entitled to enjoy some statutory or compulsory holidays such as Independence days, republic day etc. and also some festival holidays. Holidays other than compulsory holidays are generally settled at the beginning of the year by discussion between management and the workers representatives.

10. Leave With Pay:
According to Factories Act, Workers are entitled to annual leave with full pay for some days in a year. Moreover, there may be medical leave, casual leave, special leave etc. The workers avail themselves of these leaves when they need it during the year or even later, if allowed to accumulate in subsequent years.

11. Idle Time Pay:
When workers are remunerated on the time basis some difference between the time which they are paid and that they actually expend upon production is bound to arise. This
difference is known as idle time. Idle time represents the time for which wages are paid but no production is obtained.

12. Wage Incentives:
It is a term which refers to objectives in the external situation whose function is to increase or maintain some already initiated activities, either in duration or in intensity. According to Hummel and Nickerson, “It refers to all the plans that provide extra pay for extra performance in addition to regular wages for a job.” Following are the objectives of wage incentives.

a. To improve the profit of a business organization through a reduction in the unit costs of labour and materials or both and to avoid or minimize additional capital investment for the expansion of production capacity.

b. To increase the employees earnings without dragging the business organization into a higher wage rate structure regardless of productivity.

c. To use wage incentives as a useful tool or device for securing a better utilization of manpower, better production programming and performance control, and a more effective human resource management policies.

13. Fringe Benefits:
Apart from normal basic wages, dearness allowance, house rent allowance, city allowance, travelling allowance etc. employees get some indirect cash or fringe benefits such as holiday pay, sick pay, over time and night shift premium, insurance, pension facilities and Profit sharing bonus. These indirect benefits tend to improve the employees morale, loyalty and stability.

14. Attendance Bonus:
Sometimes workers who perform the full number of shifts in a working week or month or who lose no time over a stated period are entitled to an attendance bonus.

15. Bonus:
Bonus has great significance to the workers. Bonus is economical gain and it motivate to workers to more work. The concept has four different meanings. These are as per the following:

a. Payment as an incentive to regularity of attendance, to encourage the good performance, or a payment for some special or additional service rendered by
workers. An ex-gratia payment, depending entirely on the goodwill of the employers and which consequently cannot be claimed as a legal right.

b. A share in the profits which workers may claim as a right. Deferred wages payable to the workers.

Of these four concepts the first definition refers to what has come to be known as incentive and Bonus,

16. **Daily Wage Based Employees:**
The workers who are appointed on the basis of daily pay in order to work done are called daily based employees. These types of employees are not permanent and their pay is paid on the basis of days they have attended in the business organization.

17. **Contract Employees:**
The workers who are appointed on contractual basis or on the need basis in order to meets the requirements of increase in production or to replace the absentee of worker. These types of employees are not the permanent employees but they are likely to be made permanent whenever new posts of employment are created in the business organization.

18. **Labour Welfare Officer:**
Some big and large business organizations set up welfare organizations with a view to provide all types of welfare facilities at one centre and appoint welfare officers to provide the welfare benefits continuously and effectively to all the employees of the business organizations.

19. **Worker Participation In Management:**
The concept of workers’ participation in management is considered as a mechanism where workers have a say in the decision making process of business organization formally. The concept of workers’ participation in management shows the relation in employees and employers and respect of industrial democracy and indicate an attempt on the part of an employer to build his employees into a team which work towards the realization of a common objective of the business organization. According to Davis, “It is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them”.

20. **Profit Sharing:**
It is treated as stepping stone to industrial democracy. Prof. Seager observes, “Profit sharing is an arrangement which employees receive a share, fixed in advance of the profits.” The International Co-operative Congress held in Paris in 1889 considered the issue and defined profit sharing as “an arrangement (formal or informal) freely entered into, by which an employee receive a share fixed in advance of the profits.”

21. Labour/ Trade Unions:
Trade unions are voluntary organizations of workers formed to promote and protect their rights and interests through collective action. Human resource management should ensure that a healthy relationship between the owner, management and the union which will create a constructive environment for work. Indian Trade Union Act, 1926, defined trade union as “any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, between employers and employers or for imposing restrictive conditions on the conduct of any trade or business and include any federation of two or more trade unions.”

22. Socio-Economical Culture:
Every business organization is a part and parcel of the society. Therefore it is called as social system. Every business organization works its functions within these socio-economic culture and conditions. These include attitude of the people to work, attitude, family, marriage, religion, education, ethics, social responsibilities etc. Culture is of great significance to business because it creates people and it determines the type of standard of production. The management and human resource affects and gets affected by socio-economic environment of the business. There should be inculcation of social and economical justice and it should be provided to human resources. If social environment of the business organization is mismanaged and disordered it will adversely affects on the human resources of the business organization. Therefore, the management and the society should take appropriate care of social and economical cultural.

23. Discipline:
Discipline has had two meanings. The first meaning was complete and total obedience to rules, to regulations and orders of superiors. Failure to comply resulted in punitive
actions. Discipline involves obedience to authority and self control and a sense of personal responsibilities for behaviour and performance. There are two type of discipline one is positive and other is negative. Positive discipline involves the creation of an attitude and an organizational climate and culture wherein the employees willingly accepts the rules and regulations which are made for them and for the organizational discipline and it is treated as it is not punitive system but a behaviour modifier system. Negative discipline in the other hand, it uses penalties or threat of penalties to obey orders. Webster’s Dictionary gives three basic meaning to the word “Discipline”. First, it states that it is training that corrects moulds, strengthens, or perfects. The second meaning is that it is control gained by enforcing obedience. The third meaning is punishment or chastisement.

24. Indiscipline:
It means disorderliness and not following the rules and regulations of the business organization. The features of indiscipline are change in the normal behaviour, absenteeism, apathy, go-slow at work, increase in grievances, continuous demand for allowance and lack of performance etc. Both party trade unions and the management are responsible for the indiscipline in the business organization. Following are the cause of indiscipline:

1. Non placement of right person on the right place or job. 2. Undesirable behaviour and treatment of senior officials. 3. Defective and faulty evaluation of performance of persons. 4. Lack of communication with the members in. 5. Incompetent or weak leadership. 6. Ineffective supervision. 7. The divide and rule policy of the management. 8. Lack of properly drawn rules and regulations. 9. Personal problems of the employees. 10. Errors of judgment on the part of management. 11. Discrimination. 12. Psychological and sociological reasons.

25. Types Of Punishments:
When a delinquent employee is going to be punished, the type of punishment should commensurate with the severity of the misconduct. Different types of punishments resulting from various types of misconduct are as under:

1. Oral Warning.
2. Written Warnings.
3. Loss of privileges and fine.
4. Punitive Suspension.
5. Withholding of Increments.
6. Demotion.
7. Termination.

26. Conferences And Workshops:
It is a training method. This method is used to train clerical, professional and supervisors. New ideas are put forth and discussed by the group of trainees. The trainees discuss the idea with the help of their own experiences, opinions and available information and they become clear conclusions. These conclusions help the trainees to do their job more effectively.

27. Human (Industrial) Relations:
It is an important function of HRM to achieve a reconciliation of the interest of the employees with that of the organization. An important problem concerned to reconciliation is communication. The HRM manager must provide an efficient system and structure of communication to insure two-way communication of personnel programmes because many a times industrial disputes develop because of the poor communication network. HR manager has to take care of mutual relations between individual employee and the management, Trade union and management, organization and employees and he must create a sense of duty and responsibility towards the organization. The HR manager should always keep himself in contact with the trade unions to understanding their grievances and eliminate them so that harmony is maintained in the business organization.

28. Industrial Democracy:
In democracy, it is said that, the government is by the people, of the people and for the people. Likewise, industrial democracy means that the management in business organization is by the people, of the people and for the people. Here people are considered the management representatives and the employees of the business organization and this concept gave the birth to workers participation in the management. It create a sense of belongingness of employees to the organization, it improve a sense of
commitment to the organization and satisfy the psychological needs of the employees as well as the human dignity of the workers. The benefits of industrial democracy are full co-operation from the employees towards the organization, increase in the productivity of the individuals as well as the business organization.

29. Industrial Dispute/ Conflicts:
According to the Industrial Disputes Acts 1947, Section 2(k), “Industrial dispute means any dispute or difference between employers and employers, or between employers workmen or between workmen and workmen, which is connected with the employment or non-employment or terms of employment or with the conditions of labour of any person.”

30. Strikes:
Strikes are the result of more fundamental maladjustments, injustices and economic disturbances. According to Peterson, “Strike is a temporary cessation of work by a group of employees in order to express grievances or to enforce a demand concerning changes in work conditions.”

31. Lockouts:
If the employer has any difference with the employees and if such difference is not settled through negotiations, employer may close down the factory in order to force the employees to settle the differences. According to section 2(1) of the Industrial Disputes Act, 1947, “Lockout means the closing of a place of business of employment or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him.”.

32. Daily Wage Based Employees:
The workers who are appointed on the basis of daily pay in order to work done are called daily based employees. These types of employees are not permanent and their pay is paid on the basis of days they have attended in the business organization.

33. Casual Workers:
The workers who are appointed on temporary basis or on the daily basis in order to meets the requirements of increase in production or to replace the absentee of worker.

34. Technical Job And Administrative Job:
There are two types of jobs. Every productive business organization needs administrative and technical employees to get work done and to attain predetermined objectives or goals. Technical job means the job which required special technical skills and knowledge such as fitter, wireman, plumbers, electrician, boiler attendant, chemist, and so on. Administrative job means which is not required any special kind technical skill and they work in general administrative work. This job is considered as white collared job.

35. Absenteeism:
The presence of employee at work place during the scheduled time is highly essential for the smooth running of the production process in business organization. Despite the significance of their presence, employees sometime fail to report at the work place during the scheduled time and it is known as absenteeism. Labour Bureau, Simla, defined the term ‘absenteeism’ as “the failure of employee to report for work when he is scheduled to work.” There are four kinds of absenteeism such as authorized absenteeism, unauthorized absenteeism, willful absenteeism and absenteeism caused by uncontrollable circumstance.
References

12. Bhintade – Research Methodology


