CHAPTER 1

INTRODUCTION

1.1 : Small Industry and Its Role.
1.2 : Need of the Study.
1.3 : Hypothesis.
1.4 : Objective of the Study.
1.5 : Sampling and Methodology.
1.6 : Study Design.
INTRODUCTION

Of all the components of an organization, humans are the nucleus in success or otherwise of its activities. Resources will remain mere resources in absence of wholesome response from humans in the organization. They are not only of critical significance but are unique too. Reasons are obvious. Individuals are individuals. As such it is not uncommon to find that they behave differently. Why do they do so is beyond exact prediction and guess by anybody and everybody. Herein lies the complex problem of managing humans in any organisation big or small.

When individuals join an organization, they bring in a set of their own motives, aspirations, perceptions, abilities, skills, beliefs, values and ethos. The combination of these variables along with others intervening variables decides the individuals' responses to the organizational needs. It is the sum of the total of these individual responses that decide the performance level and effectiveness of the organization.
It is therefore, not an exaggeration to assert that it is the humans not money, material, machines etc., who make the organization effective or ineffective, successful or unsuccessful.

It is the wholesome response pattern of organization members which tunes other factors for a march to the realization of organizational goals. In other words, management has to seek sustained, constructive and productive human response to the organizational needs. In the absence of this, other inputs like money, machines, materials, technology and other infrastructural base will go either underutilized or mis-utilized. Unfortunately conspicuous deficiency, if not total absence, of wholesome response from humans has become the order of the day. This is what is exactly noticed in varying degrees in the organisations of today. As such performance of most of the organisations, if not all, is unfortunately found to be below the desired level. What is therefore, most needed is perpetual, positive prolific human response in organization to make it function really efficiently and effectively.

How to ensure such a response from the organization is the most central and precarious question to be rightly answered by all exercises of human resource management and development. What do we look through whatever is done or proposed as human resource development measures? Do we not seek better human response through these exercises towards organisational need? It is on this basis that the researcher has sought to
title the topic as "Human Response Development" in lieu of "Human Resource Development". There is yet another dimension of the issue. Strictly speaking humans can not and should not be treated as other resources like water, mineral, oils, forest and the like. It sounds against human dignity to term them as resources. However, whether we call it human Response or Resource Development, the underlying purpose is to tune the people so that they shape the organisation environment, methods and outcome optimally.

The factors underlying Human Response Development Schemes are recruitment, selection, training and development, compensation package, satisfaction of needs, fair deal, health and safety measures, growth and security of employees etc. In ultimate analysis, these are intended at achieving optimal organisational efficiency and effectiveness through Human Response to organisational need with intrinsic benefits to all concerns.

Our concern here is whether organisations have been able to derive fullest benefits in terms of happy and committed employees happily and healthily working towards delivering and satisfying all concerned. On the face of it organisation might have reported improved performances and result. But what is the quality of work-life of employees of today's organisation is not to be ignored. The fact is that the quality of work-life in
most of the organisation of today is far from satisfactory. Under such situation expectation of wholesome response from employees will be nothing more than a cry for moon. It does not necessarily mean that what is wrong lies with management alone. But it does prove that the Human Response Development Policies and Measures are not in tune with the expectation and aspirations of humans in organisations. The onus definitely lies with the management though the humans are notoriously beyond exact prediction.

Effective management and development of human response is a crucial input for the growth and prosperity of an enterprise. This is more so in case of Small Scale Industries (S.S.I.s), inspite of the fact that the family is invariably small. As such, ample chances are there for intimate and close linkage with the employees. But very often; “too much familiarity breeds contempt” is noticed playing its role. This lands the small firms in a disastrous situation. They can not stand it because their shock absorbing capacity is small (weak) as they are small. This turns “small is beautiful” into “small is ugly”. The question arises as to why it is so. The answer can be had from personal, haphazard, as such defective personnel policies and practices. It should not be forgotten that human response related issues are too serious to be wished away through fancyfull thinking and haphazard action taking the people for granted. The resultant human response is bound to have devastating impact on the working of such small firms. Hence, using
appropriate appeal in recruiting employees selecting "right man for the right job", offering requisite training and devising a satisfying reward structure are not the issues that could be discounted by small units. In order to have a cadre of loyal, efficient and committed work force, the small enterprise owners must pay adequate attention to the hiring, training and development of employees to obtain systematic and effective human response on a sustained basis.

1.1: Small Industry and Its Role

Small Industry has a significant role to play in socio-economic upliftment of underdeveloped nations. It has a vast potential to contribute to the economic development of a nation by employment generation, capital formation, utilisation of local resources and skills, setting up of industries in rural and backward areas. It is not without reason that our government has been giving increasing emphasis on small industry development in successive five year plans. Small Industry serves as a tool to achieve the social objective of balanced regional growth and reduction of disparities of incomes and wealth. The growth and development of this sector has been phenomenal in India since Independence. It is heartening to note that its performance has been almost very close to its role as envisaged in successive Industrial policy resolutions and statements.
In spite of the fact that a measure shift has taken place in our economic policy with the dawn of liberalisation, the role and contribution of small scale industries cannot be viewed as less significant. Rather, efficient and effective functioning of these units have become more crucial for the success of our endeavour in the direction of liberalisation and globalisation. Hence, the researcher felt like going a little bit deep into the Response of people working in such units with special reference to the North Eastern Region.

The North Eastern Region is one of the least industrialised zones in the country. Whatever little has been done in this region is in the form of Small Scale Industries Sector. In spite of all encouragement and assistance provided by the government and other various agencies the pace of development has been very slow that too with a narrow encompass.

1.2: Need of the study

In spite of the good performance of small industries sector in the national scenario, it will not be wrong to assume that it has not flared fully in North Eastern Region. Industrial Potential Survey Reports by different agencies clearly revealed a vast potential for small industry development in the region. But unfortunately most of the potentials are still awaiting utilisation. It will be wrong to presume that small units had not come up in the region. They did come up. But very soon they are found to be indisposed as evident from their poor performance. Reasons are many. The present
study is based on the firm belief that where there is a strong will there is
definitely a way. The will and the way are the sole concern of humans in any
organisation not of money, machines, materials and so on and so forth. The
study, therefore, seeks to explore the gap that exist in human response and
organisational need in small industrial units in N.E. Region.

The study is based on the following assumptions:

1. Employers/Management feel that human response management is not
   essential in small sector units.

2. Pre-employment acquaintances dominate the recruitment decisions in
   such units.

3. Training facilities for both skilled and unskilled employees in such units
   are either absent or scant.

4. Reward determination process is solely a matter of employer's personal
   judgement and individual bargaining.

5. Provisions of the factories act and other labour legislations, even if
   applicable to these units, are taken as redundant.

The above assumptions have their roots in the fact that in a small
family there is a tendency to take the members for granted on the strength
of their small number and more of informal than formal relationship.
1.3: Hypothesis

Small Scale Units are taken to be in favourable position in terms of human relation climate. The factors for this notion are small number of employees and better chances of intimate contact and relationship. But it is not uncommon to find that these factors sooner than later start working the other way. Naturally, the opposite of what is expected has to be witnessed telling adversely on the performances of these small units.

Hence, the hypothesis governing this study is that wholesome positive human response has a critical impact upon the efficient and effective performance of organisation including small industry sector.

The study therefore, seeks to encompass important aspects of human response management like recruitment, selection, training and development, reward administration, motivational issues, employees welfare measures and industrial relations in some selected small scale industrial units from N.E. Region.

The present study differs from other studies on Small Scale Industrial Unit in the sense that it is trying to take wholistic view of human response management from almost all possible dimensions. The fact remains that there has been many rich studies elaborating the significance of Inventory management, financial management and marketing management for S.S.I.
Quite surprisingly, human response management has not received their attention in full. A few studies, no doubt, have examined the peripheral issues like the extent of self employment, distribution of workers by states, skills and sex etc. Two studies conducted separately by N.M. MUNSHI (1983) and P.V. APPARAO (1985) have penetrated into the problem a little more deeply. But they too have limited their discourse to only three dimensions of human response management i.e. recruitment and development compensation structure and management labour relationship. The present study is with a difference that it lays emphasis on behavioral aspect more than what others have done. In addition, it seeks to examine the issue from all possible aspects as stated earlier. Hence it will be an addition to the existing stock of knowledge in the area.

1.4: Objectives of the study

The study is intended to diagnose the human response management and development in selected small industries of the North Eastern Region with a view to coming out with a strategy to manage and develop it most effectively. In the process it serves the following purposes:

1. Study of the recruitment, selection, training and development of employees in small industry;

2. Appraisal of reward system and other benefits to the employees;
3. Assessment of the work environment, motivation, job satisfaction and commitment of the employees;

4. Examination of the organisational health of the selected units with selected indicators, say, absenteeism, labour turnout etc.

5. Analysis of factors attributable to conflicts and cooperation in small scale industrial units under study.

1.5: Sampling and Methodology

The Universe consisting of all registered working small units in N.E. Region during the period from 1983-84 to 1993-94 has been taken as the basis of sampling. It covers about 5 percent of total population.

In sample selection the following criteria have been adhered to:

a) the units must have a life of five years or above;

b) the units must be employing ten or more.

All the units have been divided into broad industrial groups. It has been seen that atleast 5% of the units from the universe of each group satisfying the above two criteria are covered by the study.

The study is based mainly on primary data supplemented with secondary data if available and found to be suitable.
The primary data has been collected through two different types of questionnaires - one for Employers and another for Employees. The employees had been classified into suitable categories, like managers & supervisors, clerk, skilled and unskilled employees. The data thus, collected have been tabulated and put to statistical analysis through simple percentages, standard deviation, mean deviation, etc.

1.6: Study Design

The whole study has been presented in seven chapters. Chapters are as under:

The First Chapter has been named as Introduction. It deals with introducing the concept of human response development in brief while narrating the problem under study. In addition, it elaborates the assumption, hypothesis and objectives of the study along with methodology and study design.

"A conceptual vision of Human Response Development" is presented in the Second Chapter. It further elaborates the need of Human Response Development, Performance appraisal, Career advancement planning, Organisation development, Compensation package, Quality of work life and Employee welfare and Human Resource Information.
The Third Chapter i.e. "A Peep Into Small Scale Industry" - deals with an overview of selected units, significance of SSIs, its merits and strengths, SSI infrastructure and resources. It further studies about the SSIs in India, in North Eastern Region and in Manipur, types of products produced in the units, Organisational structure and Employer-employee relationship in the units under study.

"Manpower Planning and Development": Recruitment, selection, training and development of employees as practiced by the units under study forms the content of the Fourth chapter. In the process, it endeavours to identify the deficiencies and loopholes on the maxim of "Right man for the Right job" and consequences of misfits.

"Remunerating the Employees" with an eye on its impact on motivation, morale, performance and productivity of employees is what constitute the content of Fifth Chapter.

The Sixth Chapter attempts to examine "Motivation, Morale and Productivity" with work environment, motivational level, job satisfaction level and commitment level. In addition, it seeks to diagnose the organisational health with the help of selected indicators with the view to trace out conflicts, if any, and ways to achieve cooperation from employees.
The last chapter i.e. Seventh chapter is an epitome of the contents in preceding chapters and strives to come out with a workable strategy for optimal "Human Response Development" in small industries sector in general and the units under study in particular with suggestions.