CHAPTER V

PERSONNEL MANAGEMENT POLICIES AND PRACTICES IN COOPERATIVE SUGAR MILLS IN UTTAR PRADESH
In the foregoing chapter it has been analysed that workers' participation in management and policy making in sugar cooperatives in Uttar Pradesh is one of the principal methods through which social justice could be secured for the workers and industrial peace can be ensured which will, in turn, enhance efficiency of workers and increase the industrial production.

Management of cooperative organisations has become a difficult and highly competitive task in developing countries with the entry of cooperatives in various dimensions of the national economy. Competition is increasing day by day and monopolistic position heretofore held by cooperatives in certain spheres of business is gradually waning or has been eroded due to change in policy of the state. As the cooperatives has also entered in the sugar industry the same problem lies with them. If the sugar cooperatives are to become successful and profitable business unit, their General Manager and Chief Executives can no longer afford to fumble along in their old, out of date, inefficient, inexpert and unprofessional methods of business operations. In this context the present chapter is devoted to the study of Personnel...

The principles of management are practised in cooperative sugar mills at the policy making stage by General Body, Board of Directors, Executive Committee and at the level of policy execution by executives and workers. Uttar Pradesh State Cooperative Sugar Factories Federation, Ltd., Lucknow and the State Government of Uttar Pradesh are also agencies having a say in the management of these mills.

In cooperative sugar mills of Uttar Pradesh the primary authority and responsibility for laying down its objectives, strategies plans and policies lies in the hands of General Body. The Board of Directors represents the top level management which lays down the general plans and policies to be followed in the enterprise.

The cooperative sugar factories have an Executive Committee or Sub Committee next to the Board of Directors to help it in controlling the over all working of the factory regularly and in implementing its policies to achieve the pre-determined and desired targets or objectives. Membership of this Committee varies from factory to factory depending upon size and area of operation but the Chairman of the Board, General Manager are almost invariably its members. The
Committee is constituted for specific work like checking of routine work, appointments, purchase of raw materials, marketing, settlement of labour disputes etc. and before the board, it places different problems of the factory.

Though the Board of Directors/Administrator is the top organ of management. The General Manager is the principal officer entrusted with managerial authority to coordinate the work of his subordinate key personnel entrusted with management functions. The General Manager in Cooperative Sugar Mills, on whose administrative capability, initiative and motivation depends the successful implementation of the policies and plans are appointed by the government either from the P.C.S. officers or other government cadre and generally from the office of the Cane Commissioner, U.P. or U.P. Cooperative Sugar Factories Federation. It has been found that these managers had neither the qualifications and qualities of a professional manager with a cooperative background nor are they in a position to learn because they are transferred after a short period. Also there is no clear cut demarcation of duties and responsibilities between the General Managers and the Board.

Thus, there is a need in these mills to frame suitable personnel management policies along constructive lines.
Specially in the case of General Manager, he should be appointed either from the professionals or from the panel of experts approved by the government on full time and permanent basis with a view to professionalize the management.

All the Cooperative Sugar Mills of the State of Uttar Pradesh are federated into the U.P. Cooperative Sugar Factories Federation, which was established to promote and protect the interests of its affiliated units. The Federation assists in the purchase of spares and in the matters of selection and erection of the plant and machinery. It is not only associated with appointments for all key posts in each factory but it is also concerned with other aspects of policy making and management. This Federation if run properly, can play a very important role in building up a sound management culture. It would introduce research programmes and consultancy services on modern lines for its member units and also a scheme of professionalisation of management to bridge the gap of professionals in sugar cooperatives.

It has been round that the Government officials irrespective of their qualifications are foisted on sugar cooperatives either in the name of safeguarding the government money invested in them or on the plea of mismanagement.
by the Board of Directors of these units. The policy of Government towards these cooperatives should be in consonance with the need for professionalization of management. The Government should initiate the process of legislation for creating managerial cadres in these units.

The Sugar Cooperatives of Uttar Pradesh are in the grip of a number of management problems at various levels and the nature of the cooperative multiplies their complexity. Lack of professionalization of management is mainly responsible for this state of affairs besides other things such as vested interests of office bearers and sometime even of officials. Though various expert committees, congresses and study groups have emphasised the importance of scientific management for cooperatives, it has not been fully and properly developed. Unless the adoption of professionalisation of management at all levels is given due consideration, managerial improvement cannot be brought about in cooperative sugar mills of the state of Uttar Pradesh.

A good management means is a most appropriate and judicious application of human intelligence, resources and technical know-how for the development of an organisation. It may, however, be noted that people do not become human resources until they are trained, developed and organised.
for the fulfilment of specific tasks and goals. Hence, management has to give top priority for the development of the human resources so that the services of the personnel working in an organisation can be utilised effectively.

More application and adequacy of sophisticated equipment and technological know how may prove to be of no avail if the persons equipped with them do not utilise the same for the well being of the society. Failure of machines and tools can be spotted and repaired in the shortest possible time. Even if these failures remain undetected or unrectified for some time they do not harm more than the failure of the human machinery as it is letter which operates and controls the former.

Failure of human machinery is, therefore, the most important single factor responsible for closure of many business enterprises. Hence, under no circumstances one should create conditions which may lead to human failures. The maximum social advantage without any designed or neglect of employees individual interest, aspirations, needs, etc. should be the cardinal care of any system of management in the modern era. It is the class of persons and their day today performance, individually and collectively which determines the quality and standard of operational efficiency
in an industrial or business undertaking. Whatever may be the size of business operations, personal problems will always be there in any organisation dealing with human beings and on the qualitative performance of the 'Personnel' serving the undertaking will depend its success or failure. It is the men and women working in an organisation who make or mère its present and future prospects. So the main objective of management is to get things done through the combined efforts of individuals who constitute the organisation. Achieving the objectives or goals for which an organisation was brought into existence is the sole aim of management.

The history of management thought can broadly be divided into two parts Pre-Taylor period and post-Taylor period. Taylor's name is associated with the history of management thought because he was the man who first of all applied scientific principals in the sphere of industrial management. Notable amongst the pioneers who tried to challenge the traditional character of management by introducing new ideas and approach were Charles Babbage, James Watt and Mathew, Robinson Boulton, Robert Owen, Henry Robinson, Towne and Clad Henri Saint Simon.

No doubt Babbage, Boulton and Watt were pioneers of management but their impact on industries was meagre. The
real beginning of scientific management approach started in the last decade of nineteenth century. Persons like Frederick Taylor, Henry Lawrence Gantt, Harrinton Emerson, Carl Barth, F.B. Gilberth, Lillian Moller Gilberth, Mary Parker, Follett, George Elton Mayo, Henri Fayol, etc. are considered to be the founders of the modern scientific management concept. The epoch in the history of management since 1990 onward may be considered a turning point when traditional ways of management were challenged by scientific principles of management and new ideas, approached and principles started emerging. The introduction of mass production, large scale industry and use of expensive machinery in course of time generated difficulties in maintaining harmonious relations between employer and employees.

The new approaches and principles formulated by Taylor, etc. were found most helpful in solving different managerial problems. This enhanced the value of the management based on scientific principles.

Since the time of Taylor and Fayol, the theory of management has been developing at an increasing rate. The contribution of business and professional people like O. Sheldon, Henry Dennis on Lyndoll Urwick, Chester I.
Barnard, Mooney and Kelley, Mary Parker, Follett, Ordway Tead and Paul-Holden etc. towards enlarging the scope of management thought and equipping it with ever new ideas are silver linings of the horizon of management, which has today emerged as separate discipline.

The famous French writer Henri Fayol has defined management as under:

"To manage is to forecast and to plan, to organise to command and to control; To resee (Prevoyance) and provide means examining the future and drawing up the plan of action; To organise means building up the dual structure material and human, of the undertaking; To command means maintaining activity amongst the personnel. To co-ordinate means binding together, unifying and harnessing all activity and effort; To control means seeing that everything occurs in conformity with established rules and expressed command".

A head of an American Cooperation, says, "We do not build automobiles, airplanes, refrigerators, radios, shoe-strings. We build men. The men build products".

Business is not management of things. It is everlastingly the development of people, it is the selection, the training, the supervision, and the development of people.

**SOURCE**: Fayol Henri, General and Industrial Management, Sir Isac Pitman and Sons Ltd., London, 1949
According to Prof. W.B. Corwell, the work of management is to plan, direct and control the operations of the organisation and to weave together its various parts so that all factors will function properly and all present cooperate—that is to work together efficiently for a common purpose.

A perusal of the various definitions reveals that almost all the experts have given more or less an objective or functional approach to the subject of management. While achievement of maximum operational efficiency with minimum sacrifice in terms of costs may be the ideal behind management, this can be possible only when people cooperate together to give in their best for the fulfilment of the desired goals and objectives for which an organisation came into being.

Whether business enterprises are functioning in the Private Sector, in Public Sector or the Cooperative Sector, the common objective of all these enterprises should be to attain maximum efficiency with minimum cost keeping in view the challenging needs of the economy and the society in which they are functioning.

It may, therefore, be concluded that management is the art and science of achieving maximum output combined with maximum operational efficiency at minimum cost through
a group of people working to gether for the fulfilment of
certain pre-determined, well defined and clear-cut object-
ives. This could be possible only when the manager manages
the employees in such a way so as to be able to take best
out of everybody without any undue interference with his
autonomy and functions.

An analysis of the definitions given earlier reveals
the following main features of management.

i) Management is an art as well as a science;
ii) Management is a process;
iii) Predetermined objectives or goals;
iv) Group efforts;
v) Management is distinct at all levels, and
vi) Management is a profession.

The General Manager of Sugar Cooperatives must now
become proficient and must adopt the latest techniques of
management which were not being applied so far either due
to lack of technical skill and knowledge or due to absence
of professional cadre of cooperative managers. Various type
of comments and criticisms have been levelled against the
management of sugar cooperatives and these can not be summa-
rily rejected as having no substance. The real solution
of emergence of a better image of sugar cooperatives lies
in the complete overhauling of their existing management techniques. This obviously calls for a systematic and sustained programme of management of development to provide education in the principles of planning, organising, directing, coordinating and controlling the affair of the cooperative of sugar mills of the state.

Personnel available with the cooperative sugar factories constitute its principle and most valuable recourse. The basic objective of the personnel policy and activity should be to obtain the maximum possible return from the human resources employed with in an organisation in formulating a personal policy the main aim should be to attract and retain people with skill ability and knowledge, required by the organisation at a cost which the organisation can afford. The greatest assets of business are its human assets and the improvement of their value is both a matter of material advantages and moral obligation, employees must be treated as honourable individuals, justly rewarded, encouraged in their progress, fully informed, properly assigned, and that their lives must be given meaning and dignity on and off the job.

OBJECTIVES OF PERSONNEL MANAGEMENT:

The most important objective of personnel management is to ensure an efficient, effective and judicious utilisation
of available manpower with the mill. In other words optimum utilisation of each member of the staff for achievement of the organisational goals is the main job of personnel management.

Secondly, personnel management aims at creating an atmosphere under which amicable and harmonious relationship can be maintained amongst the members of the organisation and undesirable elements detrimental to the organisational goals can be eliminated.

Thirdly, personnel management aims at the maximum development of each employee under the existing organisational frame work.

Lastly, personnel management aims at inculcating sense of belonging to the organisation amongst the employees by providing them all possible facilities incentives etc. The functions of a personnel department in a cooperative sugar mill are to recruit and maintain the right quality and right number of personnel to assist in maintaining a balance between overall needs of the organisation and individual needs of the employees and to assist the management in discharging the responsibilities of the organisation to the members and the community.
RIGHT PERSON FOR THE RIGHT JOB:

Unless capable persons are put in different positions of responsibility, no material results can be achieved. How to get capable people the right type of personnel for different jobs should be the first outlook of a cooperative organisation. The responsibilities and duties of each position should be clearly defined and qualifications of the respective candidates required to undertake the prescribed duties and responsibilities should be laid down in clear terms for the purpose of making appointment of capable persons.

After the organisation recruits the right type of people as mentioned above, the next step is to obtain maximum/optimum utilisation of each employee by coordinating their efforts. Individual performance of each employee should be appraised and rewards and incentives offered according to the quality of performance.

No efforts can be of any avail unless the people who are able to work are also willing to work. Ability to work and willingness to work should go together. Even may able persons/ not be willing to perform their assigned job in an efficient and effective manner. How to indicate the sense of "willingness to work" amongst the employee should be the main task of personnel management.
Willingness to work is directly connected with a sense of belonging to the organisation where an employees is placed for specifics duties. Sense of belonging can be developed by following judicious and balanced approach to various problems faced both by the employers and employees. The employees must be fairly rewarded for their efforts. They must enjoy security of service and above all they must have job satisfaction.

Job satisfaction implies apart from payment of good wages, good working conditions, security of job constant recognition for good work, opportunities for promotion when due, dignified treatment, human approach and above all confidence of employees in the behaviour of the high up and the top responsible for taking management decisions. All these ideas can not be conglomeration at one point of time slowly and steadily assemblance of the situation can be achieved. Unrest and tension amongst workers should be removed by proper and timely conciliations efforts. It is not enough that the management of an organisation is good, the employees should also feel that it is really good. This is an index to mutual goodwill and harmony.
FUNCTIONS OF PERSONNEL MANAGEMENT

Personnel is that part of management which is directly concerned with the efficient and effective performance of entire personnel belonging to an organisation. Personnel management is thus the cardinal core of all management efforts directed towards the attainment of the objective of the organisation. It is an extremely sensitive aspect of management, techniques as it is related primarily to the job performance of each individual constituting an enterprise. Failure of machines and tools can be spotted and rectified with ease but the entire rectification will be of no avail if the human machinery utilizing them, has failed to discharge its job in the right manner. Even the best sophisticated and modern equipments can give no results if the human machinery marshalled to operate them is not sincere, effective and efficient in using them to the best advantage of the organisation. It is thus the personnel employed in an organisation who will decide the fate of its success. Personnel management therefore should aim at creating conditions under which each individual employee will not only give maximum job performance but will also have maximum job satisfaction.
The sense of belonging which is a vital factor stimulating active participation and efficient performance on the part of each employee can be inculcated only through a sound personnel policy and consequential activity. It is therefore, clear that maximum responsibility for the manpower placement and utilisation rests with the personnel department which has to be set up in every business enterprise.

The functions of personnel management may be stated to be the following:

1) Selection and placement
2) Training;
3) Promotion;
4) Remuneration to employees;
5) Service conditions;
6) Review and appraisal of job performance, and;
7) Industrial relations.

PERSONNEL POLICY:

Before undertaking any recruitment programme the cooperative sugar mills must clearly spell out the objectives and major principles which should be pursued while recruiting its personnel. It must be decided whether
recruitment should be from within the factory by promoting the existing staff or it should be by direct appointment from outside. While promotion opportunities to existing staff can not be denied, it will not be advisable to make all appointments from out of the existing staff. A judicious proportion must be fixed for appointment by promotion and appointments by direct recruitment. Cooperative institutions including Sugar cooperatives in India have not developed as yet any personnel policy on scientific basis. As a matter of fact no personnel policy exists and personnel are recruited without any realistic assessment of the manpower requirements. It would be desirable therefore that at least the apex cooperative institutions and sugar cooperatives should formulate personnel policies to be followed by their affiliates. A manual may be prepared giving guidance on matters relating to personnel management. The manual may cover the following among other aspects.

a) Recruitment—detailed Guidance regarding the procedure of recruitment, eligibility, standard conditions of employment for various categories of personnel and the authority responsible for making recruitment of personnel may be given.
b) Remuneration—of the procedure for fixation of basic salaries, pay scale and other allowances must be laid down clearly. Rules for sanctioning of increment also may be prescribed;

c) Staff benefits—details of benefits to staff like provident fund, gratuity, medical facility etc. and the regulations governing these facilities must be prescribed to avoid any confusion;

d) Staff discipline—matters relating to staff discipline and punishment for indiscipline must be prescribed and procedure for initiating action for indisciplines must be laid down for the guidance of the staff;

e) Training and Induction—Arrangement for Training and Induction of staff must be spelt out in detail and information must be given regarding the useful literature on various aspects of cooperative moment.

f) Performance appraised—methods of assessment of the work done by each employee must be laid down and the results of assessment must be communicated to enable the employee to improve his performance. Techniques and objectives of performance appraisal may be highlighted for the guidance for the employees.
A PERSONNEL POLICY TO BE FOLLOWED BY COOPERATIVE SUGAR MILLS MUST INCLUDE THE FOLLOWING DETAILS:

1) Regulations for recruitment, wages, working hours, placement, training, social security benefits, leave, disciplinary action, suspension, dismissal etc.

2) Methods of effective communication between the management and the employees, issue of institutions calling for suggestions, hearing of grievances etc.

3) Ways and means for soliciting and mobilising employees participation in the working of the factory.

4) Approach towards labour unions convening conciliation meetings, absence of discrimination on account of caste, sex, religion, political views etc.

5) Do's and Don't's to be adopted by the personnel so far as the factory's image and objection are concerned.

OBJECTIVES TO BE ACHIEVED BY SUGAR COOPERATIVES AND ITS PERSONNEL:

The first and foremost responsibility of sugar cooperatives is towards its grower members who have founded
the cooperative sugar factory. The grower member must be able to get timely and adequate service at minimum cost.

The second responsibility of sugar cooperatives is towards the people who work for fulfilling the organisational obligations towards the grower members the men and women who constitute the personnel of sugar cooperatives must have an unshakable sense or security of their jobs, wages must be fair, adequate and commensurate with the performance, management must be just and working conditions should be spelt out clearly. The employees of the mill must be treated as human beings. The human relations policy can succeed only when the management of sugar cooperatives develops a sense of awareness about the needs, aspirations and emotions of the workers of the mill. Feeling the sense of belonging on the part of employees by providing them various motivations like momentary incentives, proper working conditions, job security, induction training, facilities for recreation etc., is the main objective of human relations which should be a sine-qua-non for sugar cooperatives as well for all the cooperative undertakings. The essence of human relations policy is to make the employees contribute their maximum towards the organisational growth.
The third responsibility of a cooperative sugar mills is towards the society, i.e. the cane growers of the catchment area of the mill and the others directly or indirectly connected with the mill whose needs must be satisfied without any exploitation.

The last but not the least responsibility of cooperatives sugar mills is towards the government and its policies. The government as a partner in the cooperative movement stands on an equal footing with that of another member and is entitled to all the benefits of a member as a person. A part from this the state being the custodian of the welfare of the people legitimately expects the sugar cooperatives to carry out the function of socio-economic welfare for which they have been organised. The sugar cooperatives thus always have a moral obligation and accountability towards the state in the fulfilment of their overall objectives.