Chapter 5
Summary, Conclusions and suggestions

The foregoing research has been conducted to study the human resource management in food processing industry with special reference to Heinz India Ltd. The Heinz company is a renowned global player of the food processing industry in the world. It occupies first or second position among food processing companies in more than fifty countries of the world. To test the hypothesis that being a multinational company, Heinz is not observing any discrimination with her employees working in different units of the company all over the globe, the study is confined to one unit only i.e. Heinz India pvt. Ltd. Aligarh. However, the best way to study human resource management in Heinz would have been to study at least all Indian units of the company. But due to shortage of time, paucity of funds, proximity of Aligarh unit with the university, the researcher has selected only Aligarh unit of Heinz. For the convenience, the entire research project is divided in five main chapters. The first chapter entitled, “human resource management - A conceptual framework” has dealt with the origin, growth and development of human resource management concept. It has also explained the broad meaning and selected definitions of the subjects and finally it has highlighted the importance of human resource management in global business environment. It has been noted that some experts of the field treat human resource management as the synonym of personnel...
management. They find it as the old wine in a new bottle. Even many organisations have renamed their Personnel Department as human resource management department. This tendency has reinforced the obliteration of the distinction between the two terms. At the same time however, some experts are of the opinion that there is a change in perspective while looking at employees. Employees are viewed now as a valuable resource (rather than a cost), which if managed rather than administered effectively from the strategic point of view will contribute significantly, contributing to organisational effectiveness and serving as a resource of competitive advantage to the organisation concerned. The conclusion has been drawn that it is not the same wine in a new bottle. Human resource management is result-oriented and integrated in nature so as to cope with the realities of business environment. It helps organisations in their constant search for establishing and maintaining competitive positions and in keeping a balance with their objectives and strategies. A plethora of literature emerging on people management also reinforces this view, since human resource management involves a sensitive, multidisciplinary analysis of the issues. Thus apart from discussing the concept it has been observed that human resource management contributes significantly in the production of goods and services in an organisation. Physical and monetary resources by themselves cannot contribute towards organisation's growth and development. It is through combined and
concentrated effort of people that monetary and material resources are harnessed to achieve organisational goals. But these efforts, attitudes and skills have to be shared from time to time to optimise the effectiveness of human resource to meet greater challenges. It has also been experienced that the quality of human resource management mainly determines the rate of economic progress in a country. It has been recognised that progress in important sectors of the economy is the outcome of the dynamic initiatives taken by its manpower. In other words human resource management is the key factor of production on which depends the productivity of other factors of production. The research project is confined to study human resource management in food processing industry with special reference to Heinz India Ltd. Thus to prepare a background for the study of human resource management in food processing industry, an endeavor has been made to assess the performance and growth of food processing industry in India in the second chapter. It has been noticed that India produces over two hundred million tons of food grains and about one thirty million tonnes of fruits and vegetables, the yearly post harvest losses in this category are very high amounting to Rs.23,000 crores. This wastage can be avoided by processing into value added products or adequately distributed in different parts of the country. There is also a great scope of domestic and export trade by improving the post harvest distribution and processing facilities. The agro and food processing industry
in India is of utmost significance in terms of employment and income generation, poverty alleviation, export promotion and foreign exchange. India is one of the biggest emerging markets with a population of over one billion with a strong middle class of over three fifty million. Food processing can add value and find good business opportunity. The growth of process food sector is expected to make a quantum jump of Rs.175000 crores by 2005. Food processing involves any type of value additions to the agriculture produce starting at the post harvest level. It includes even primary processing like grading sorting, cutting, seeding, packaging etc. The status of the different segments of the process food sector reveals that. In rice milling there has not been any significant increase in the capacities in the last five years. To give boost to this sector, the Rice Milling Industries, (Regulation) Act 1958 had been repealed and any person is free to setup a rice mill in the country. Due to demand for sorted, graded and polished rice in the export market, particularly for basmati rice and rise in domestic demand for cleaned, sorted and unit packed rice, a number of units have come up in the last five years. Though still a large number of roller flour milling industry is underutilized. Low priority for movement of wheat from wheat growing states to non-wheat growing states, and high energy consumption add to their sufferings. It has also been noted that there are about 15000 pulse mills scattered all over the country with a capacity to mill twenty million of pulses. The bakery industry in India is steadily increasing. Other
wheat based products like pasta products, comprising of noodles, vermicelli, macaroni and spaghetti are also gaining popularity. There are twenty units engaged in the manufacturing of Cocoa products like chocolates, drinking chocolates, cocoa butter, cocoa butter substitute, cocoa based malted milk foods with production of 35000 tonnes. The production of soft drinks has increased from 6230 million bottles in 1999-2000 to 6540 million bottles during the year 2000-2001. There are thirty-six beer units producing four lack kiloliters per annum. The production of alcoholic drinks from non-molasses source is very small. However, such drinks are now becoming popular in the domestic market. The horticulture sector which includes fruits, vegetables, tuber crops, spices, medicinal and aromatic plants, has established its credibility for improving productivity of land, generating employment, improving incomes of producers and entrepreneurs and providing momentum to exports. India’s ideal climatic conditions ensure around the year availability of wide range of fruits and vegetables in large quantities. The largest tea producer in the world, India continues to be largest consumer and exporter of black tea. Coffee grown in the warmer southern region is among the oldest of India’s plantation crop. India’s successful operation flood programme has put us on worlds dairy map. Thanks to cooperative movement, which had a small beginning, now links millions of farmers around the country into 70000 dairy societies. The Indian poultry sector has also made tremendous progress and
its turnover is now at Rs.8000 crores. It has transformed a backyard farming area into one of India’s largest food sector. Naturally endowed with a magnificent coastline of over 8000 km, and exclusive economic zone of over two million square km, 29000 km. of rivers and waterways, India has potential to become a major player in the field of marine products. India has vast marine and inland resources for fishing. Its costal wealth has been tapped mostly by local fishermen to meet domestic demand. The organised corporate sector has of late ventured into the processing and export of marine products. In urban India, burgeoning middle class and its rising consumerism is reflected in high growth demand for items like confectionery, chocolates, cocoa products, soft drinks, ready to eat foods and mineral water. Several large companies with popular brands directly produce a wide variety of cocoa and non-cocoa based confectionary in India. Food processing sector in India has been characterised by poor marketing, transport and communication infrastructure. The density of markets specially fruits and vegetables are low and facilities for storage, godown and cold chains are extremely inadequate. Irregular and inadequate power supply, lack of roads, education and health facilities and poor rural industrialisation are the main causes for limited market for processed foods. There is also lack of integration of local markets with national and international markets to support faster and more diversified growth. Another problem that food processing industry is likely to face is a major threat
from the goods offered by the neighboring countries such as China, Thailand, Indonesia and Philippines who have a distinct price advantage accruing from the production cost which include the cost of power, liquid fuels, rate of interest on loans for fixed and working capital, import duty and exports benefits. An integrated approach has to be adopted to promote the consumption of processed foods in the country. This includes generic advertisement through electric/print media, availability of processed foods in all part of the country, participation in fairs, exhibitions, conferences, in various part of the country/abroad and level playing field to domestic product vis-à-vis imports. For increasing exports a long-term strategy and food export plan with focus on tea, coffee, spices, fish and marine products, rice, wheat, mango, grapes etc. will have to be formulated. There is also an imperative need for penetration in the market particularly in the lower socio-economic segments of the society.

The third chapter describes the background of Heinz Company in its international perspective. Because of its worldwide reputation and operations. Heinz is a renowned international name in food processing industry. The vision of the company is to deliver high quality products, adhering to standards, satisfying customer needs and have a strong, motivated and committed workforce. Heinz has conducive environment, which not only integrates and motivates all the employees towards achieving high standards but also makes sufficient room for every body’s growth. People are valuable
assets at Heinz. Efforts are also directed towards satisfying the customer and expanding market share. A good blend of behavioral and skill development programme provides stimulus for growth and career development. Moreover, it has been assessed that all over the years Heinz has concentrated on development of internal relationships so that external relations are enhanced. The company has tradition of leadership in product, purity and safety. It is similarly committed to protecting the quality of the environment in which it operates and the safety of the people who work in the factories of Heinz around the world. Thus commitment is global, encompassing the environmental and safety policies and practices of every Heinz affiliate in every country wheresoever it does business. That is why Heinz is making important progress around the world in the adoption and implementation of a global environmental system. Heinz wants that all employees perform duties in a safe manner at all times. In order to fulfill its commitment, the company management complies with all laws that regulate safety in the work place and safest design and construction of operational facilities. A safe and healthful working environment is directly tied to efficient production. In order to make safety process successful at Heinz, each employ acts consciously to identify and eliminate unsafe working conditions and procedures. Finally it has appeared that efficient human resource management at Heinz has led to the growth of enterprise at global level.
Fourth chapter of the present study is a case study of human resource management in Heinz India pvt. Ltd. Aligarh. The main findings of the study are that the Heinz international which was operating its business in Europe, America and Asia/pacific landed in Aligarh on first October 1994 when it bought the running business of Glaxo India Ltd – a company which being basically a pharmaceutical company did not want to continue with food business in India. The Heinz occupies first or second position in more than fifty countries in the world. It offers several products in India such as Instant Energy Drinks like Glucon D, Glucon C, Cereal based Farex, energy rich health drinks like Complan, Ghee, Pricklyheat Powder, ketchup etc. The company is providing employment to a large number of managerial, administrative, skilled and unskilled employees who have been drawn from different parts of the country. The company is headed by Managing Director who is assisted by a number of general managers and managers of different departments each department in turn is headed by a manager, such, the directly under the charge of Vice president, such as, the production department headed by production manager; engineering department is headed by engineering service manager; milk collection centers is headed by the factory purchase manager; quality assurance department under the inchargeship of quality assurance manager; finance department; personel/IR/welfare department are headed by general manger IR and administration, and assisted by personnel and
administration manager. It has been observed that company's policies regarding recruitment, selection, training and performance appraisal are really scientific, satisfactory and are liked by all the employees. The company takes due care of welfare facilities under labour Acts, care is also taken for health and hygiene of the employees. Working conditions and conditions of work are also satisfactory. Employees have no resentments against any policy of the company, on field survey it was also observed that there is only one union of employees and ever since Heinz took over in 1994 there has not been any demonstration, dharna, strike etc. by the employees against the management except minor issues raised by contractual employees when their term of employment ends. There seems absolute peace amongst employees working in different departments of Heinz. All employees are disciplined and strictly adhere to factory rules. Finally a study of human resource management in Heinz reveals that the company is a model employer in terms of job satisfaction to employees. The policies of the company are such that all employees are bound to be contended and committed i.e.; the company is able to secure committed work force. It is because of this reason that in today's competitive environment the Heinz company is more successful than others. In other words the growth and success of the company is mainly due to efficient management of Human resource i.e.; through performance oriented work culture. As the teams of highly motivated, skilled, customer focused, vision driving people
working synergistically within company are *Sin qua non* for excellence. In a knowledge-driven society, employees are the sole repositories of excellence and crucial for generating competitive advantages. A human perspective is essential for creating a performance driven-people-centric organisations. On their part, employees at Heinz view company as "Kalpvraaksha" a legendary Indian tree purporting to be fulfilling all human wishes. On the whole in Heinz, no work is done in isolation- all work is essentially teamwork. The management is fully aware of the fact that human resource is the most important of all resources required for the factors of production.

Though Heinz observe and give due importance to Human Resource Management in their organisation at Aligarh, yet there are serious gaps which came to light during the course of the study. The recruitment policy of Heinz India limited does not measure well on the scale of Human resource management. They employ quite a substantial number of people, but most of the contract labour is from Aligarh and in the management category staff few are from Aligarh. As Aligarh is a city with one of the highest seat of learning in India, there is no dearth of well qualified staff in all fields, viz managerial, technical, scientists, clerical etc.

Business organisations owe certain social responsibilities, particularly of the philanthropic nature. Our Tatas, Birla, Dalmia etc are quite forward in such activities and have established colleges, hospitals and other centres for the
upliftment of the poor and downtrodden. Heinz, however, is not found involved in such activities, though it is a giant multinational with enormous financial resources at its disposal to undertake such social and philanthropic activities.

Company has a policy of merit cum seniority basis for the promotion i.e; after getting a promotion an employee cannot be considered for promotion at least up to five years, which hampers the growth of individuals in the company.

The performance appraisal procedure is too complicated and now the company is making more use of 360 degree method in which the performance is appraised on the basis of taking views of all the superior’s and subordinates in which the assessment is difficult.

Heinz has no interaction with educational institution as the industry in other countries have with universities and research institution. The facilities of in-course training to students in their factory are not provided. They also do not drive any other kind of consultancy services from educational institution or assign any kind of research project to any scholar of the nearby university in and around Aligarh.

The final conclusion drawn from the foregoing study of human resource management is that science and technology has a special role to play for the development and acceleration of social and economic development for reducing poverty, generating employment opportunities and increasing overall food supplies for growing population of India. The need for well-trained human resources in this sector is therefore essential. Human resource building in this field
requires multiple disciplinary approaches. The training programmes for people engaged in food processing have to be suitably designed both in form and content and must be continuously reviewed in order to avoid obsolescence. Thus, the training of entrepreneurs and trainers must receive highest priority. The food scientists, food technologists, food and nutrition experts, managers, policy makers, economists, sociologists etc. must first understand the nature and magnitude of problems along with their social and scientific components to design human resource plan suitable for entrepreneurs engaged in food processing sector.

In India, 43 per cent of the food industry is located in unorganised sector and 22 per cent in the small scale sector. There is therefore an urgent need for developing human resources specially in the small scale food processing sector. The human resource management in food industry being in small-scale sector, needs urgent attention. The small sector produces food products inferior in quality and unhygienically packed. Upgradation of human skills of this sector is urgently needed. We should introduce new and improved methods along with basic training in hygienic good food manufacturing practices. Even simple upgradation of human resources management in small-scale food processing sector can improve the quality of the product.

The issue of food safety specially in relation to microbiological criteria needs special attention by small scale food processing sector. Food safety is a social responsibility
and role of food processors in production of wholesome food free from microbial contamination assumes even greater significance.

Lack of human resource development in food processing industry and absence of any application of human resource management technique in the small sector in India under which the food processing activity falls, has in fact been responsible not to allow us to market our food products competitively in the world. India has been the land of a variety of food products, tasty preparations and cheap inputs, yet our food industry has not come of age so far. Our backwardness in food processing technology raw methods of preparations with an element of contamination have allowed foreign multinationals to market their food wares successfully at our cost with our inputs. Not only Heinz but Kenteki Chicken, Mc donolds, nestle, pepsi foods etc are other examples of multinational food corporations who have been successfully operating in our country and their products being hygienic, tasty though costly are liked by Indians. This needs our focus of attention and it is time we develop our food processing industrial component in the agriculture sector.

It is heartening that the government of India has identified the food processing industry as thrust area for future development. It has been included in the priority-lending sector for its speedy development. The human resources of this industry should be repeatedly exposed to
new ideas and techniques to build up a substantial base of well trained entrepreneurs for the production of value added agro-based food products for domestic and export market. The food processing industry offers tremendous direct and indirect employment opportunities by forward and backward linkages. The need of the hour is to develop agro food system as a means for socio-economic development. India needs to develop food processing industry on war footing to reduce post harvest losses, minimize migration of rural people to urban areas and generate employment opportunities for masses to overcome the crises being posed by over population specially in rural areas.

In the end, it is emphasized that, a considerable improvement in process food quality is possible with simple up gradation of human resource management in food processing sector like the Heinz Company, which despite facing the emerging competitive environment of business, has been successful in turning around through a variety of factors particularly, vision, leadership, teamwork-style, human resource, information systems etc. With the advent of liberalisation process of economy, there should come a rapid change in processed food industry in India. Liberalisation of world trade has opened up new vistas for growth. There is enormous potential in India to make profitable business in food processing. This will require management to be fully aware of the fact that human resource is the most important factor of production. The effectiveness
of the organisation will be multiplied if unrealised potential present in human resource is properly tapped. What is needed is the recognition of the role of the behaviour of human being and of their organised activities in achieving the goal. The discovery of the people, their urges and behaviour is the first step in developing human relations which is essential for creating a performance driven people-centric organisations.